A New Future

An Economic Prospectus for Merton
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Executive Summary

i. A New Future: An Economic Prospectus for Merton sets out a clear vision for the borough’s economic future. The strategy looks beyond the current recession and positions the borough to take full advantage of the opportunities that will arise when recovery begins.

ii. The economic vision is both spatial and thematic in nature, addressing the issue of development in the borough’s main centres as well as determining which sectors to actively facilitate for further growth. Through an analysis of the Borough’s potential strengths and competitive advantages, growth sectors with the capability of providing high additional value to the local economy and the wider sub region have been identified. It is these sectors that the Council must credibly seek to attract to Merton. Importantly, this strategy seeks to change the perception of the borough through a series of new ideas and projects, not least the concept of the Greater Wimbledon Economic Area.

Merton’s Economic Vision

iii. The Core Objectives of Merton’s economic vision are intrinsically linked to the Local Economic Assessment carried out in conjunction with the development of this strategy. In line with the development of Merton’s Core (Spatial) Strategy and research undertaken over the in the year leading up to the publication of this documentation, the following objectives will be used to define Merton’s future economic success.

Merton’s Economic Vision – Core Objectives
- To improve the average levels of productivity, gross value added and hence pay for jobs in Merton
- To build on Merton’s strengths in location, attractiveness, brand value and expertise to promote its economy
- To promote economic resilience in Merton through a diverse local economic base which does not rely too heavily on any one sector for its continued success
- To ensure that activity is delivered in a way that supports other values and objectives, notably addressing deprivation in the east of the Borough and protecting built heritage and the environment.

iv. To accompany the core objectives of the vision, consideration of how the strategy and subsequently Merton’s economy might evolve in the future; this is Merton’s 20 year economic journey:

The 20 Year Economic Journey

2 year Vision

v. By late 2011, the groundwork for sustainable economic growth will be complete. Relevant Council services will have been reconfigured to deliver the objectives of the strategy, with new Town Centre Management and Business Support processes already in place to support businesses to thrive in the borough. Clear protocols will also be in place for the delivery of an enhanced Inward Investment service, ensuring that interest in Merton becomes investment.
vi. Local partners will be aware of the key sectors that will form the basis of future growth, whilst new lines of communication will have been developed between the business community and the local authority. Satisfaction amongst the local business community will already be increasing.

**5 year Vision Description**

vii. By 2014, the impacts of this Economic Strategy will be clear. The future of Merton’s key locations (Morden, Colliers Wood, Mitcham, Raynes Park, South Wimbledon Business Area and particularly Wimbledon itself) will be planned, with development linked to these visions well underway. Existing sector strengths such as professional services and health and leisure will have evolved into sectors of sub-regional importance. The location of new high quality business space will now be apparent with businesses already located in the first flexible small business units. Both internal and external perceptions of the Borough will have changed significantly as Merton begins to get recognition of expertise in a number of its key target sectors.

viii. Local companies will begin to see an improvement in productivity, whilst local people will benefit from new jobs created on the back of these initial successes. The first signs of Merton’s skills base being positively skewed towards key employment sectors will be apparent and a clear skills pathway will be evident from school to employment or higher education.

ix. New businesses in the east of the borough will be approaching maturity as will social enterprises, which will have reconfigured their activities in order to deliver public services in Merton. The benefits of local trading amongst businesses and between businesses and the public sector will clear, contributing to further improvements in business satisfaction levels. Businesses will also report bottom line benefits from the application of green methods, and business support.

**10 year Vision Description**

x. By 2019 Wimbledon and its wider economic hinterland will be acknowledged as a major location in Greater London, as well as being one of London’s three most important centres for the creative industries and an important part of London’s tourist trail. Morden will have achieved a renaissance as a residential location and service centre.

xi. Boundaries between the east and west of the borough will become more and more blurred as residents across the borough benefit from employment opportunities in growing local businesses and investor companies. Locations in and around East Merton and Raynes Park will contain some of London’s most established advanced manufacturing companies, a proportion of which will specialise in aspects of green technologies.

xii. Flexible approaches to businesses support and relocation mean that productivity, employment and prosperity continue to increase ahead of South West London competitors. Residents educated within Merton are now business owners and senior employees within growing businesses, regardless of whether they were born in the east or west of the borough.
20 year Vision Description

xiii. By 2029 the name of the borough will be synonymous with quality, productivity, innovation and efficiency. Growth will be self sufficient and sustainable whilst performance against all indicators will show outputs significantly above London and South West London averages.

Current Economic Conditions within Merton

xiv. This strategy is accompanies by significant research into the borough’s economic base this research is outlined in detail in the Local Economic Assessment that accompanies this document.

xv. In many respects Merton’s economy is performing very strongly. Merton has extremely high levels of economic activity and business formation when compared to neighbouring boroughs. On the whole the borough has high levels of skills and qualifications and demonstrates evidence of the clustering of some high value sectors including digital, creative and cultural industries. Perhaps most importantly, the presence of Wimbledon given Merton an instantly recognisable global brand. These positive economic factor present significant opportunities for the delivery of Merton’s Economic Development Strategy. That said, it is clear that there is still scope for the borough to raise its game and capitalise on its existing assets as well as developing new drivers of growth.

xvi. There are of course, weaknesses and threats which the borough must take steps to mitigate. The East / West divide is clearly apparent in terms of economic activity, skills and employment, whilst the borough also experiences significant out migration of skilled residents on a daily basis. The current recession has been felt particularly deeply in the east of the borough, although employment has dropped across most of Merton’s centres. Internally, perhaps the biggest threat to Merton’s economic future is the lack a clear economic geography and a co-ordinated long term approach to the borough’s development.

Specific Issues for Consideration

xvii. As well a responding to these issues, A New Future also sets out a response to a set of more detailed issues. These issues have also been taken into consideration directly in designing and shaping this document:

- Rather than a distinction between east and west Merton based on administrative boundaries there is need to consider the regional and sub-regional economic geography which reflects more functional economic areas. Arguably, in terms of markets and catchments (housing, retail and commuting) the west of Merton (based around Wimbledon) is more connected to a band of urban London running from Wandsworth out through Putney to Kingston and Richmond. The east of the borough is more closely aligned with outer London with linkages into Croydon. This means the drivers of growth are different in these two areas due to their different connections and dependencies and therefore interventions are also likely to be different.

- Although manufacturing currently comprises a not insignificant proportion of Merton’s business base, global competitiveness will continue to erode the ability of Merton (in common with all other areas in the UK) to continue to produce low value add manufacturing goods. There is accordingly a need to identify higher value adding or design led parts of the manufacturing sector and/or those with greater local supply chain impacts as the focus for any support to secure value for money.
As well as scale, an assessment of sectors needs to consider their **competitive advantage** from a Merton location. A large proportion of local employment and businesses will service the needs of the substantial commuting residential population and would be similar to any economy.

Improving average levels of **productivity**, **GVA** and **pay** for jobs suggested as a core economic objective does not necessarily mean more or even the same number of jobs will result. Using average (mean) pay levels may result in outliers that distort the value of the comparator.

The conversion of **employment sites** to residential uses (due to the land value differentials) is resulting in the loss of potential industrial sites and higher levels of commuting.

In common with the rest of Outer London, Merton’s recent employment growth has depended to some extent on increases in **public sector employment**. As local public employment is most likely to fall in the short and medium term, the loss of this positive dynamic potentially has implications for the borough’s economy.

With its annual grand slam tennis tournament **Wimbledon** is a high value, global brand that makes Merton uniquely different to all other local areas in England. The potential for enhancement and leverage should be actively considered.

**Sectors for Growth**

Investing in the right economic sectors is key to Merton’s future economic strategy. The sectors will not only be the motors of future growth in employment, investment and productivity, but will also play an important role in ensuring that the borough is a place in which people want to live, do business and visit.

Merton’s strategy for the facilitation of sector growth is to intervene where specific sector strengths are identified and, where possible, to support clustering at key economic nodes in the borough. In addition, LB Merton and its partners will also seek to support specific ‘opportunity’ sectors which have the potential to deliver a significant economic benefit to the borough in the long term. Importantly, this strategy also seeks to support those sectors which are already significant employers of local people, supporting their diversification and (where relevant) future growth.

To better understand the interventions necessary to support future economic growth and employment in Merton, sectors are grouped into three types (depending on the intervention required):

<table>
<thead>
<tr>
<th>Priority Growth and Opportunity Sectors</th>
<th>‘Place Making’ Sectors – Are expected to grow in line population and the economic evolution of the borough. An improvement in these sectors will lead to an uplift in the quality of the area as a destination. The emphasis in supporting these sectors will be <strong>Quality and Differentiation</strong> (of Merton as a Location).</th>
<th>Existing Sectors - Already have a strong representation locally and provide significant employment within the borough, whilst they may be declining, they are still critical to Merton’s economic future. The emphasis in supporting these sectors will be <strong>Employment, Skills and Diversification</strong>.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Creative</strong>: Artistic and Literary Interpretation; Software Design; Printing and Publishing</td>
<td><strong>Culture, Sport, Leisure and Tourism</strong>: Sporting Activities and Venues; Cultural Activities and Venues; Other Leisure and</td>
<td><strong>Manufacturing</strong>: Advanced Manufacturing; Food and Drink Processing</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Construction</strong>: Construction;</td>
</tr>
</tbody>
</table>
The strategy clearly acknowledges that these sectors do not exist in isolation from one another and should not be considered as separate entities. Sectors should also not necessarily be prioritised unnecessarily, indeed clear (e.g. between Creative and Cultural) and less clear (e.g. between Creative and Manufacturing) will be pursued under this strategy.

**Locations for Growth**

The relationship between this economic strategy and the key locations for growth within the borough is an important one. Increased productivity, employment and prosperity will inevitably be accompanied by an improvement in the performance of the borough’s key economic nodes.

This strategy has been designed in such a way to reconsider Merton’s future economic geography in a way that also complements regional planning policy and the Borough’s Core Strategy.

**The Future Economic Role of Merton’s Locations**

The consideration of the future economic role of Merton’s locations is intended to provide clear guidance on the spatial evolution of the borough’s economy. Analysis of the local economy and consultation with businesses and stakeholders suggests that Merton’s future economic growth and prosperity will be dependent upon intervention in 3 key geographies:

- **Greater Wimbledon** (including parts of Colliers Wood, South Wimbledon and Raynes Park)
- **Morden**
- **Mitcham and East Merton**

An outline map illustrating the aspirations for these areas is included below with a brief description of how each area will function in the future:
xxvi. This strategy sets out clear approaches for each of these geographies. This will be undertaken in such a way that not only will the three areas develop a clear strong economic identity, they will also develop the conditions to support the development of the sectors outlined previously. The commitment to each area is outlined below:

**Greater Wimbledon**

**xxvii. The concept of Greater Wimbledon is fundamental to Merton’s Economic Development Strategy.** Wimbledon is demonstrably the borough’s most important economic asset and as such LB Merton will place a significant focus on the development of the town and its surrounding area over the next 5 years.

**xxviii. Further research and consideration will be given to the practical evolution of Greater Wimbledon, ensuring that Raynes Park, Colliers Wood, South Wimbledon and Wimbledon Village evolve as more effective locations and the benefits of economic linkages are fully realised and the extension town’s functional area eastwards is facilitated.**

**xxix. LB Merton will work to secure the development of new cultural assets and facilities within the area and will continue to develop the infrastructure to support increased visitors to the borough; critically, this will include the supporting proposals for luxury hotel facilities in the**
area and options for increasing the capacity of the station.

xxx. Improved inward investment processes and developer relations will be created to ensure the (Greater) Wimbledon brand is communicated effectively to the right organisations. Along with improved inward investment processes, LB Merton will use the relevant planning powers to ensure balance within the Greater Wimbledon economy.

xxxi. **Greater Wimbledon is an economic concept;** it is based on a desire to achieve increased productivity, investment and added value within the area. Key to the success of the Greater Wimbledon economic area is the development of strong commercial nodes (such as South Wimbledon Business Area) and local centres (such as Colliers Wood). The Core Strategy for Merton’s LDF provides a framework for the development of these town centres over the next decade. The successful implementation of the Core Strategy is fundamental to the delivery of this economic development strategy.

Morden

xxxii. This strategy supports the development of the More Morden vision for the improvement of the town centre and the development of the town as a key residential location for the borough. To complement this, LB Merton will support the development of a broader retail and personal service offer within Morden as well relevant cultural facilities to support the growing population of the area.

xxxiii. LB Merton will also seek to support the development of flexible small business space within Morden, whilst also ensuring that an effective dialogue is developed with local businesses to ensure that industrial spaces within the town are not compromised by future development of the town.

Mitcham and East Merton

xxxiv. This strategy recognises that the transformation of the east of the borough to a location which contributes significantly to the GVA of Merton will take longer than will be the case in Morden or Greater Wimbledon. As a result, partners will maintain their commitment to building the capacity of the local population and business base to enable them to contribute to Merton’s future economic success.

xxxv. Improved lines of communication will be developed with Manufacturing and Construction companies within the east of the borough, focussing particularly on supporting companies to become green (both in terms of operations and product) whilst also providing a local business support offer that will enable companies to diversify their current offer and cope better with the medium to long term issues associated with the current recession.

xxxvi. Ongoing research into sites in the borough will be used to ensure that where possible, key industrial sites are improved to optimise their performance for industrial uses. This should take place in line with Merton’s Core Strategy options for Mitcham town centre’s development as an improved service hub with an offer appropriate to the needs of local residents.

xxxvii. Recognising the importance of the economic relationship of the East of the borough with neighbouring locations (in particular Croydon), LB Merton will seek to play a more influential
role in the development of sub regional interventions that will contribute to the economic well being of residents, particularly in the east.

**Interventions**

xxxviii. The final section of Merton’s Economic Development Strategy, outlines how the strategy should be intervened. As well as the development and delivery of the projects outlined above, this strategy also represents the first step in improved communication between partners (including businesses) involved in the economic development of the borough. In addition to this the strategy also supports the embedding of economic development (and the contents of this strategy) into a broad range of council and partner services with a view to providing a more coherent and high impact response.

xxxix. LB Merton is committed to work with partners to ensure the available resource is provided to intervene where necessary to support the growth of the borough’s economy. The interventions outlined below are a mix of actions which include new programmes, new versions of existing programmes and ideas upon which Merton will act to support sub-regional solutions.
1. Introduction

Shaping the Future – a new Economic Development Strategy for Merton

1.1 This Economic Development Strategy (EDS) sets out a clear vision for the economic future of Merton. The strategy looks beyond the current recession and positions the borough to take full advantage of the opportunities that will arise when recovery begins.

1.2 The economic vision is both spatial and thematic in nature, addressing the issue of development in the borough’s main centres as well as determining which sectors to actively facilitate for further growth. Through an analysis of the Borough’s potential strengths and competitive advantages, new industrial and commercial sectors have been identified that the Council must credibly seek to attract to Merton.

1.3 The Local Development Framework and the Economic Development Strategy, between them, provide a strong sense of the Borough’s ambitions in terms of ‘place’. These ambitions are Borough-wide, but will be most noticeable in relation to the evolution of the main centres. The concept of place extends beyond issues of physical development and public realm, although the quality of new schemes will be a critical factor. Place is also very much concerned with other factors such as economic, social, cultural and environmental experiences and how services and facilities are managed. Fundamentally, place making is concerned with providing safe, attractive and vibrant environments that people actively choose to interact with both socially and economically.

1.4 This EDS document therefore sets out the overall economic vision for Merton, the main priorities for developing the economy, the sectors and locations where economic activity should be actively supported and the specific interventions required to achieve the overall vision. The Council and partners will therefore use this document as both a reference tool and a delivery framework for taking forward specific actions. The EDS also describes specific roles, responsibilities and funding implications for the Council and its delivery partners.

Placing Merton at the Forefront of Regional Strategy

1.5 By developing a new strategy at this point in time, Merton is uniquely placed to respond to evolving national and regional policy. In particular, this strategy represents a concerted effort to ensure that Merton’s economic development is complementary to the objectives of ‘Rising to the Challenge’ (the Mayor of London’s new Economic Development Strategy) and the policies outline in the new London Plan. Throughout this document, reference is made to these strategies and specifically to areas where a connection can be established.

The Institutional Context and Partnership Arrangements

1.6 The Council must take account of the work of a range of interconnected organisations, bodies and partnerships in implementing the new strategy. At a London wide level, these organisations include the Mayor of London, the Greater London Authority, the London Development Agency, London Councils and the Outer London Commission. At the sub-regional level they would include the South London Partnership, South London Manufacturers and South London Business. At the local level, the Merton Partnership is
directly relevant. In addition, there are a number of other agencies to be considered at the sub regional and local levels such as Jobcentre Plus, the South West London College (if and when formalised) and the Merton Chamber of Commerce.

1.7 The Council is engaged with a large number of partnerships, quasi-partnerships and working groups, many of which undertake work that is related to economic development (to one extent or another) but in many cases work which is almost certainly duplicated currently. Future prioritisation and rationalisation will be a necessary component of the Council’s effort to maximise the impact of economic development activity.

1.8 This strategy is also informed by an analysis of the economic ‘offer’ and relative competitive advantages of neighbouring local authorities. An informed view is drawn from this analysis as to where Merton should position itself, either through seeking to complement the perceived strengths of others, to compete in the same space with them, or to develop alternative propositions.

### Core Economic Objectives

1.9 A number of core economic objectives underpin the strategy and will characterise the Council and partners’ collective response to economic development implementation.

1.10 The **core objectives** are:

<table>
<thead>
<tr>
<th>Merton’s Economic Vision – Core Objectives</th>
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</thead>
<tbody>
<tr>
<td>To improve the average levels of <strong>productivity</strong>, gross <strong>value added</strong> and hence <strong>pay</strong> for jobs in Merton</td>
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<tr>
<td>To promote <strong>economic resilience</strong> in Merton through a <strong>diverse local economic base</strong> which does not rely too heavily on any one sector for its continued success</td>
</tr>
<tr>
<td>To build on Merton’s <strong>strengths in location, attractiveness, brand value and expertise</strong> to promote its economy</td>
</tr>
<tr>
<td>To ensure that activity is delivered in a way that supports other values and objectives, notably <strong>bridging the gap between the east and west</strong> of the Borough and <strong>protecting heritage and the environment</strong>.</td>
</tr>
</tbody>
</table>

1.11 These core objectives are woven through each of the various components of the EDS – thematic, locational and sectoral.

### The Importance of Sectors

1.12 One of the fundamental drivers for the future performance of the Merton economy is a successful targeted approach to generating quality employment in the most desirable range of sectors. The Council’s previous Economic Development Strategy of 2002 identified five sectors for specific focus: manufacturing; financial and business services; retail and distribution; hotels and restaurants; and the public sector.

1.13 Also important is an increased emphasis on diversification, away from the reliance primarily
on financial services (within the borough and elsewhere). There is now an increasing interest, for example, in 'green sector' businesses, both in respect of growing markets and building on the borough's reputation given the profile of the "Merton Rule" in promoting sustainable building.

1.14 Five criteria are used within this strategy for assessing the value of specific sectors to the borough. These are:

- Ability to provide higher value employment opportunities?
- Offer the possibility of long term location within the borough by reason of geography, investment or other features promoting investment in Merton?
- Build on existing strengths?
- Enhance other objectives such as sustainability and inclusion?
- Are supported by specific activities the Council and its partners can undertake?

1.15 The EDS provides a detailed range of desirable growth sectors, the locations that will be important to these sectors and the interventions necessary to deliver sustainable, inclusive and low carbon employment growth.
2. **Merton’s Economic Story**

2.1 This section sets out Merton’s Economic story\(^1\). The overarching context for Outer London is described, as well as the specific characteristics and performance of Merton’s economy within this context. Perceptions and experiences of local businesses are also presented, culminating in a description of the strengths, weaknesses, opportunities and threats facing the borough, all of which the EDS will either seek to mitigate or reinforce as appropriate through the delivery of a number of key interventions.

2.2 The results outlined within this section are based on information contained within Merton’s **Local Economic Assessment**. This provides detailed analysis of the borough’s economic performance as well providing detailed analysis against comparator boroughs as well as regional and national averages.

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### The Economic Context: Outer London & Recession

#### Recent Economic Performance of Outer London

2.3 For the Outer London Commission, an economic profile was developed to describe the most important centres across Outer London and their economic performance relative to London as a whole. The centres under analysis were: Croydon (LB Croydon), Stratford (LB Newham), Heathrow Area (LB Hillingdon and Hounslow), Brent Cross (LB Barnet), Wembley (LB Brent), Kingston (LB Kingston upon Thames), Woolwich (LB Greenwich), and Upper Lee Valley (LB Enfield, Haringey and Waltham Forest).

2.4 Across the relevant boroughs where these centres are located, three distinct typologies emerge in terms of their economic scale and recent economic performance: large and rapidly growing; mid-sized and declining; and small and growing. Between 2001 and 2007 economic performance has ranged from a 9% increase in jobs in Greenwich and Hillingdon to a 14% loss in jobs in Hounslow compared to +1.5% for London and +4.4% for GB over the same period.

2.5 At a town centre level there is a clear distinction between three groups of locations: large town centres with retail growing by 20,000-50,000 sqm (e.g. Kingston and Croydon); mid-sized town centres with retail growing by up to 40,000 sqm (e.g. Brent Cross, Woolwich) and one mid-sized town centre more than doubling in size and adding more than 110,000 sqm (Stratford).

2.6 Across all locations there is a consistent pattern of positive employment change being due to **large firms** and organisations and, to a lesser extent, medium sized firms.

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\(^1\) This is drawn from Merton’s Local Economic Assessment, a major new piece of baseline research into the borough’s economy.
Positive employment change has been due to the expansion of the public sector in every Outer London location (+42,500 jobs in total) and, to a lesser extent, by the expansion of business services (+7,400 jobs in total). For every one new job created in business services, five new public sector jobs have been created between 2001 and 2007 in the Outer London locations.

Over the same period in all Outer London locations, employment has declined rapidly in manufacturing (-30,400 jobs in total), in retail (-18,000 jobs), in financial services (-12,100 jobs) and in construction (-5,200 jobs).

With its concentration of airport related functions, the Heathrow Area has a much higher...
level of sectoral specialisation than other Outer London locations. While the proportion of employment in specialised sectors is between 20% and 25% in other Outer London locations it falls to just 8% in the wider Upper Lee Valley, 15% in the Brent Cross area and 17% in the Woolwich area.

What the recession means for the Strategy...

• While the extent and duration of the current recession remains unknown, it is certainly the most severe economic downturn for over 70 years. The impact of the recession will provide the context for undertaking any economic development actions over at least the next 3 years and it is worth considering the constraints for the Merton EDS.

• The impact of the "credit crunch" is universal for all business borrowers but sectoral and geographical variations will determine differences in the impact of the recession. London may be more protected than other parts of the country. It is quite possible that the recession will be a ‘double dip’ recession with the next phase involving significant cuts in public spending and services. At the same time, a likely change in government will also result in changes in the public service architecture. There will be downward pressure on capital budgets as central government attempts to reduce public sector debt over the long term. Net public sector capital spending is falling from £44 billion in 2009-10 to £22 billion by 2013-14.

• With 50% of the £225 billion owed by the property industry to banks being refinanced in the next two years, it is unlikely that the property / regeneration sector will see much improvement on a national basis until 2011. As a result, the future will bring together tighter credit conditions, slower capital growth, lower public spending and weaker economic performance. These profound financial and economic conditions have implications for the development of a realistic EDS for Merton.

• With limited private finance and reducing public finance (cuts and reduced capital receipts) there is a need to map and leverage current or safe planned investments (e.g. health, colleges, schools). A long term investment plan in line with ambitions of the borough is likely to be required and is important for any "single conversation" with the Housing and Communities Agency (HCA). As more marginal projects will already have stopped and more vulnerable businesses and shops will have ceased trading, there is a need to carefully target investment that will deliver returns.

• More innovative models of financing are required increasingly, with local authorities generally taking on more risk for more return rather than being grant givers (e.g. equity for land and reduced returns for developers). Accelerated Developments Zones (the UK variant of Tax Incremental Finance) and European funding may be part of the answer for physical regeneration. Contributions from S106 are likely to be substantially reduced or non-existent.

• The public sector will need to do much more upfront to bring forward projects and developments and the skills of the private sector will need to be harnessed in different ways. Mixed use development will be highly problematic due the reduced ability of the residential elements to provide cross funding and a clear business case will be required. Plans and targets need to be re-assessed to realistically reflect what can be achieved in the new economic climate. Projects will need to be tailored and reprioritised.

• There will need to be a greater range of skills and labour market interventions to respond to the rising levels of unemployment and worklessness.

• However, there is now time to complete important place making and quality work ready for the upturn, scope to secure cheaper land and contracts and political will to giving additional freedoms and flexibilities to local government.
has been used to shape and develop specific interventions and approaches to improving the borough’s economy. Evidence on economic performance is presented below highlighting in particular Merton’s performance relative to its neighbouring Boroughs and to London and Outer London as a whole.

Employment

2.11 The London Borough of Merton experienced an overall employment decline of 6.3% between 2002 and 2007 (Table 3.1). Though Croydon and Sutton have seen decreases in employment as well, this has not been as pronounced as in Merton. Kingston’s employment level has actually grown by 10.2% over this same time period.

Table 3.1: Merton and Comparator Total Employment and Per Cent Change, 2002-2007

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</tr>
</thead>
<tbody>
<tr>
<td>Merton</td>
<td>68,700</td>
<td>65,800</td>
<td>75,100</td>
<td>70,100</td>
<td>63,400</td>
<td>64,300</td>
<td>-6.3</td>
</tr>
<tr>
<td>Croydon</td>
<td>131,600</td>
<td>132,700</td>
<td>128,000</td>
<td>128,900</td>
<td>127,000</td>
<td>129,100</td>
<td>-1.8</td>
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<tr>
<td>Kingston</td>
<td>67,500</td>
<td>66,600</td>
<td>70,900</td>
<td>71,100</td>
<td>73,300</td>
<td>74,400</td>
<td>10.2</td>
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<tr>
<td>Sutton</td>
<td>62,500</td>
<td>62,900</td>
<td>62,900</td>
<td>65,400</td>
<td>62,500</td>
<td>60,800</td>
<td>-2.8</td>
</tr>
<tr>
<td>Wandsworth</td>
<td>105,700</td>
<td>104,000</td>
<td>103,500</td>
<td>105,100</td>
<td>105,300</td>
<td>106,000</td>
<td>0.3</td>
</tr>
<tr>
<td>Outer London</td>
<td>1,701,800</td>
<td>1,707,800</td>
<td>1,738,000</td>
<td>1,751,500</td>
<td>1,706,300</td>
<td>1,729,000</td>
<td>1.6</td>
</tr>
<tr>
<td>London</td>
<td>3,931,400</td>
<td>3,927,900</td>
<td>3,968,700</td>
<td>4,060,600</td>
<td>3,992,900</td>
<td>4,078,100</td>
<td>3.7</td>
</tr>
<tr>
<td>Great Britain</td>
<td>25,425,900</td>
<td>25,552,800</td>
<td>25,901,600</td>
<td>26,331,600</td>
<td>26,170,700</td>
<td>26,420,100</td>
<td>3.9</td>
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</table>

Source: ONS Annual Business Inquiry © Crown Copyright

2.12 Two-thirds of Merton’s workers are employed in full-time positions, although in recent years, full-time employment has been decreasing whilst part-time working has been increasing. As such, Merton has seen a large shift towards part-time working overall – more so than its neighbours.

2.13 Workers in the Borough are increasingly employed by micro- and small-businesses. While there has been growth of employees in large-business, the growth is far lower than that experienced by comparator areas. Expansion in small business employment is particularly significant when examining Merton’s town centres. This indicates that many of Merton’s larger employers are found outside of the Borough town centres.

2.14 Almost half of Merton’s workforce is employed in the Distribution, Hotels and Restaurants and Banking, Finance and Insurance sectors. On closer analysis, a 2-SIC\(^2\) level sector employment breakdown shows Merton to have significant employment in Other Business Activities and Retail. Construction has a location quotient\(^3\) (LQ) v London of 2.1, making it significant for the Borough in the London context. Overall, the top five employment sectors have been in decline recently; numbers, however, are buoyed by growth in Recreational, Cultural and Sporting activity (60%) and Public Administration (50%).

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\(^2\) Standard Industrial Classification – detailed sector descriptions as used by the Office of National Statistics (ONS)

\(^3\) A location quotient (LQ) is a measurement of the concentration of a certain industry in a location compared to a larger area, whether regional or national. A result greater than one indicates a higher than regional/national average concentration, while a figure below one would indicate a less than average concentration. A result of one indicates parity.
2.15 Overall, Merton’s employment base is unique for a number of reasons: the Borough is undergoing a much greater shift towards a base of part-time employment than comparator areas. Merton has also experienced a much greater decline of employment in large businesses than other areas. This could be an indication of a greater decline of traditional industries such as manufacturing and a more universal adoption of small business oriented service economy. Of particular note is the east/west split in employment growth in the borough over recent years, with Wimbledon and surrounding areas doing particularly well in relative employment growth in comparison to the east of the borough.

2.16 While Merton’s employment base has undergone an overall contraction of -6.3%, its business base (i.e. the actual number of VAT-registered businesses) has expanded by 6.8% over the same time period. Merton’s business base has grown roughly three times as quickly as Croydon’s.

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Source: ONS Annual Business Survey © Crown Copyright

2.17 The business base in Merton is increasingly moving towards being dominated by micro- and small-businesses. Whilst between 2002 and 2007, businesses employing 1-10 individuals grew by 8.1%, large businesses of 200 or more employees contracted by -31.1%. The comparator area with the next biggest contraction was the Borough of Croydon (-8.1%).

2.18 Merton has increased its number of VAT Registered businesses by more than 50% between 2002 and 2007; this is higher than any comparator area. The Borough has also fared well considering VAT Deregistration rates: a decline of -11.6%, which is greater than any comparator area except for Outer London.

2.19 The greatest industry growth in Merton’s business base has been Construction (30.6%) and Public Administration (24.1%). Distribution, Hotels and Restaurants and Banking, Finance and Insurance, however, account for over two-thirds of the business base. In Merton’s town centres, there has been a general shift away from Manufacturing and towards Construction between 2003 and 2007.

2.20 Merton has seen growth in Knowledge Based Industries (30.9%); Business Services (28.4%); Environmental Technology (25.0%), and; Public Administration (20.1%). Some businesses qualify for multiple categories, but regardless there has still been substantial expansion in

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4 This sector includes activities such as advanced manufacturing (e.g. pharmaceuticals, office machinery, electronic components, medical and optical instruments), financial services, software consultancy and ICT, research and development, higher education, broadcasting and media, market research and business consultancy.
sectors that will be important growth industries in post-recession years.

2.21 Merton’s business base has undergone interesting changes between 2002 and 2007 that are setting it apart from comparator areas. Though overall employment has declined, there has been a large shift towards a business base composed of micro and small businesses (due to a strong decline in large business numbers). The Borough has the highest increase of VAT Registration rates compared to all competitor areas and the greatest decline in VAT De-registrations after Outer London. This is a reflection of a local economy seeing success in its smaller businesses, both in terms of growth and survival. Many of these new smaller businesses are located in the Distribution Industries, such as Retail, or in Banking and Finance, especially Other Business Activities.

Implications
Overall decline in the employment base suggests a need for employment growth in key sectors if levels of out-commuting are not to increase in the borough. The increasing dominance of the micro and small business base as well as relatively high rates of new business formation mean that support for growth and sustainability of these businesses must be effective and suitably tailored to local needs. The east/west split in terms of employment growth will require significant effort in stimulating new job opportunities in the east of the borough.

Labour market

2.22 Merton has the ninth smallest population of all London Boroughs, however recent years have seen a sharp increase in the Borough’s working age population. Data shows that the majority of this population increase is accounted for by the arrival into the Borough of population in ethnic groups other than the ‘white British UK group’.

2.23 Merton’s population holds relatively high levels of skills and qualifications. The proportion of residents with no qualifications is low and a higher than average proportion of residents has degree level or higher qualifications. The Borough also has a relatively high proportion of residents employed in higher skilled professional and associated professional occupations (compared to the regional average). Merton has experienced a recent rise in the proportion of the population with ‘other qualifications’, backing up the suggestion that the recent population increases are related to a wave of in-migration from non-UK citizens.

2.24 Merton has experienced large increases in rates of economic activity and employment in recent years. As a result, the Borough now is amongst the most economically active in London (Figure 3.1).
Whilst levels of economic inactivity are relatively low in Merton, there is, however, a large degree of variation within the Borough. There is again a clear east/west divide in terms of unemployment, with the east displaying far higher rates than the west. The current recession is exacerbating these disparities. Analysis suggests that over the past year, whilst unemployment has risen in all wards across the Borough, the unemployment rate has risen at a faster rate in wards to the east of the Borough.

Merton has a net daily commuting flow of minus 30,000 workers, meaning a larger proportion of workers are leaving the Borough to work on a daily basis than entering it. As an Outer London Borough, Merton will always have to compete with Central London Boroughs, which traditionally draw successfully on the Greater London region for its workforce.

LB Merton is a residential base for many who work in central London Boroughs, especially in the City of Westminster, the Borough of Wandsworth and the City of London; these workers heading into central London tend on average to be employed in higher qualified positions than workers who both live and work in the Borough. Out-commuters are replaced by incoming workers from neighbouring Boroughs who occupy lower skilled jobs on average. The Merton business base is therefore not taking advantage of the skills and qualifications levels of its residents.

On the whole, the Borough of Merton is home to a highly skilled workforce with one of London’s highest economic activity rates. Considering that many in-coming workers are employed in lower level positions that the workers leaving the Borough, it is likely the
current job offerings in Merton do not match those desired by many of its residents. There has, however, been an influx of non- ‘white British UK group’ individuals and a rise of ‘Other Qualification’ skills levels; this may indicate non-UK in-migration to the Borough. Merton also has some discrepancies between the east and west of the Borough, with higher levels of deprivation in the east.

Social Inclusion and Quality of Life

2.29 Overall, the Quality of Life offer of Merton is good, although disparities clearly exist within the Borough. The Borough contains relatively low levels of deprivation and statistics show that Merton performs well according to a range of health indicators, whilst the prevalence of crime across the Borough is low in relation to the rest of London.

2.30 However, when analysed in more detail, it is apparent that significant disparities exist within the Borough in relation to deprivation. These disparities point towards a general east/west divide. Localities to the east of the Borough largely suffer from higher concentrations of deprivation, especially in relation to levels of education, employment and income. Localities in and around Mitcham contain the most severe concentrations of deprivation in the Borough.

2.31 There are also significant disparities between average earnings for those who live in Merton and for those who work in Merton. Whilst those who live in Merton earn on average more than the London average, those who work in Merton earn significantly less than is average across London and less even than is average nationally. It is suggested that relatively low workplace based earnings in Merton may relate to the pockets of income related deprivation in communities in the east of the Borough.

Physical Environment

2.32 Merton is relatively well served with transport links into central London, via two different Underground lines and Thameslink. Overland rail services also offer access to commuter towns in Surrey and Hampshire, whilst Tramlink offers ease of access to locations across South of London.

2.33 The average cost of residential property in Merton is close to the London average, although prices are higher than in most neighbouring Boroughs. Comparison of house prices and average earnings suggest that local affordability is low in relation to neighbouring Boroughs, whilst Merton also has relatively low proportions of registered social landlord and local authority housing.

2.34 In spite of its relatively strong employment land protection policies over this period, Merton has continued to lose land and premises for business uses. Since April 2005 the borough has lost 3.85 hectares of employment land to residential use. This transfer of land has not been because of a lack of demand for modern, high quality business floorspace. Indeed, over the same period, redevelopment of other employment sites (where protection has been more effective) has produced 48,870sqm (over 500,000sq.ft.) of modern floorspace.

2.35 The average cost of commercial property is lower than is average across London. However, commercial property is typically more expensive than in neighbouring Boroughs such as Croydon and Sutton.
Implications
The socio-economic east/west divide is apparent in Merton across a number of key labour market and social inclusion indicators. All attempts to generate economic improvement should be taken forward with the aim of reducing this divide wherever possible, through effective support and intervention. Merton’s particularly strong performance in terms of economic activity and employment rate may well mask continuing issues with pockets of severe deprivation and inactivity within some neighbourhoods, particularly in the east of the borough. It will be important for the Council and partners to ensure measures are in place to embed and take full advantage of high activity rates generally while ensuring that opportunities are maximised for target communities in need of particular help.

Views from the Business Community

2.36 A key component of the work underpinning this strategy involved a detailed telephone survey of almost 250 businesses across Merton. The objective of this survey was to elicit further data on current performance especially in the current recessionary conditions. Additionally, the survey gauged perceptions from within the business community on the Borough’s strengths and weaknesses as a place to do business and also views on how the Borough might improve in the future. Again, these findings have fed directly into the design of key interventions outlined later on in this document.

2.37 The survey is structured to reflect the profile of the local business base in terms of business size and sectoral activity, as well as location within the borough. This does, however, represent a small sample of the overall population of businesses and therefore all results should be treated with a degree of caution.

Views on Business Performance

2.38 Just over half of the businesses interviewed for the survey (51%) indicated that their turnover had declined over the last 12 months. Considering the current economic climate, it is not surprising that such a large proportion of the business base has experienced a loss of turnover. Almost three quarters of the businesses that had reported turnover losses in the last 12 months identified the recession as a reason for this.

2.39 Smaller businesses, with less than 10 employees appear to be disproportionately affected by shrinkage in sales; as well as a higher proportion of small businesses reporting a loss in turnover, the proportion reporting an increase in turnover is much smaller than for the larger businesses.

2.40 There appears to be some degree of association between changing levels of employment and business size, sector and location. In particular it is notable that;

- Employment in the construction sector appears to have been affected most severely by the recession; 33% of construction businesses surveyed had reduced staff and none had increased employment;
- A larger proportion of businesses located in Wimbledon and Colliers Wood had increased employment than elsewhere in Merton;
- Only 10% of businesses with 1-10 employees had increased employment, compared to 20% of businesses with 11-49 employees and half of businesses with more than
2.41 A key theme for Merton’s Economic Development Strategy is the removal of barriers to successful business performance. To provide some intelligence around this, businesses were asked to identify issues that currently hindered their operation in Merton. The responses with regard to external factors were very mixed. While more than a fifth of businesses indicated that a general **fall in demand** for their products and services (most likely due to the recession) was hindering performance, almost as many businesses did not identify any external factors affecting business performance. Businesses in the transport and communications, construction and manufacturing sectors (which are likely to have been most adversely affected by the recession) tended to report a decline in demand for their products/services more frequently than those in other sectors.

2.42 Increased **competition** from within the UK is one of the most common external factors affecting Merton’s businesses. This was frequently cited by retail and hotel/restaurant businesses. As for many urban areas, traffic and congestion emerged as a key issue for businesses in all sectors, but was particularly notable for those operating in the transport and communication sector. Merton’s businesses appear relatively optimistic about their expected performance in the next 12 months. A sizeable proportion (37%) of businesses expect their turnover to increase in the coming year and a further 35% are expecting their turnover to remain stable.

2.43 Businesses in Merton were asked to identify the attributes of their business that they believed contribute most to success. More than a quarter of businesses, understandably, highlighted the **quality of their own service or product** as a key attribute. The second and third most frequently cited attributes were the location of their business and the quality of the workforce. There was some variation by sector as to which attributes were most important. For example, a large proportion of manufacturing businesses highlighted reliability of service, price and location as being important attributes, whereas product and service quality was among the most frequently cited attributes in the construction, distribution and hotels and restaurants sectors.

**Views on Merton as a Location for Business**

2.44 For businesses of all sizes, **proximity to customers and markets** and **local transport and connections** emerged as key benefits of their location in Merton. Both of these factors feature for businesses in all sectors although proximity to customers is slightly less important for manufacturing businesses. Unsurprisingly, manufacturing and construction companies regard local transport links as a key benefit of locating in Merton.

2.45 A third of businesses were actually unable to identify any specific benefits of locating in Merton relative to other places. Business owners that were unable to identify any specific benefits of location in Merton were primarily concentrated in smaller businesses, employing less than ten people. Given the importance of convenience in location choice for businesses of this size, this could indicate that for small business owners at least location in Merton is driven primarily by convenience rather than choice.

2.46 Interestingly, the level of demand by local businesses for **degree level candidates** is surprisingly low across all sectors, with only 2% of businesses overall indicating that they require graduates. Similarly, other office-based skills including sales and marketing,
computer skills and administrative personnel are not in high demand. There are two likely explanations for this;

- Businesses in Merton tend to buy-in management, sales and administrative functions from elsewhere;
- Given the large proportion of small businesses in the sample, a high proportion of these may be smaller, owner-managed businesses, where the proprietor carries out a lot of these functions as part of the overall management of the business.

2.47 Businesses were asked to identify whether they were aware of, or had accessed advice and guidance from a number of sources. There is a tendency, especially amongst small businesses, to access advice and support through informal networks rather than publicly funded sources of business support. The most commonly used source of business advice and support was from friends and relatives (42% of businesses) and other business owners (37% of businesses). Given that Business Link is the primary public sector source of advice and guidance for businesses, it is a concern that more than a third of the businesses were not aware of the services offered by Business Link and only 16% had accessed support from them.

2.48 Merton’s businesses see themselves as being well engaged with their community. When asked what type of activities they were involved in to help improve the Merton area as a business location, a large number of businesses identified a range of activities. Most notably, businesses report a wide level of engagement with young people with more than 40% of businesses indicating that they are involved in working with local schools and a third of businesses stating that they are involved in activities aimed at promoting enterprise amongst young people. These views are of course subjective and reflect the business’s own perception of its role in the local community. A more objective analysis may identify a lower volume of genuine community involvement overall.

2.49 There appears to be strong inter-business relationships in Merton. Almost a quarter of businesses stated that they work with firms from within their sector. In addition, a significant proportion of businesses indicate that they are involved in mentoring new businesses (16%).

2.50 Some areas of Merton have particularly large numbers of businesses that rent their premises on monthly, quarterly or six monthly bases. The availability of flexible leasing arrangements can enable the growth and survival of start-up businesses. However, areas with particularly high concentrations of businesses renting premises on short-term bases have a less stable business base that is more susceptible to high vacancy rates and less likely to enjoy the benefits of a close-knit business community (e.g. business networks, group action on business crime etc). Across Merton, 18% of businesses surveyed rent their premises on a monthly, quarterly or six monthly basis. This proportion is much higher in Mitcham and East Merton and Raynes Park where more than a quarter of businesses rent their premises on short leases.

2.51 All businesses were asked to state whether they agreed or disagreed with a number of statements about Merton as a location for business. The results are very mixed although the overall impression is that the majority of businesses perceive Merton to be a good location for business. It is notable that there is a particular polarisation on views regarding the
statement “Merton is a growing, dynamic business location” with the same proportion stating that they either agreed or disagreed with this statement as stating that they either disagreed or strongly disagreed. Businesses located in Wimbledon or Raynes Park are slightly more likely to agree with this statement than those located in Mitcham and East Merton or Colliers Wood.

2.52 Around 70% of businesses surveyed stated that they would recommend Merton as a business location; a quarter of businesses surveyed would not. Responses to this question varied depending on the location of the business within the borough; a much greater proportion of businesses located in Raynes Park and Wimbledon (more than three quarters) would be prepared to recommend Merton as a location for business than elsewhere in the Borough.

2.53 Finally, all businesses were asked to rate Merton as a business location in comparison to other places. The overall average score given by all businesses was 6.8 out of ten. On the whole, smaller businesses tended to rate Merton less favourably than larger businesses. As for other perception-led indicators, business location plays an important role. The average score given by businesses in Wimbledon was slightly higher than the overall average at 7 out of ten. Businesses located in Morden and Mitcham and east Merton scored Merton lowest on average.

**Implications**

The business survey suggests that trading conditions for many organisations, although affected to some extent by the current recession, are generally good in Merton. Whilst some businesses are able to point to many advantages of the borough as a location, there is scope to encourage a greater understanding and appreciation by businesses of the positive attributes of Merton as a place for business and enterprise. There is a clear role here for the Council in terms of ensuring that these attributes are packaged, described and where necessary improved upon on an ongoing basis.

**Merton’s Main Centres: Economic Characteristics**

2.54 Merton’s Economic Development Strategy relates closely to the economic evolution of Merton’s key economic areas. A brief description of statistical information relating to each of these is outlined below:

**Wimbledon**

2.55 Wimbledon is easily the largest employment centre in the borough, with a total employment level of 13,600 in 2007. Employment has grown in the area by 14.2% between 2003 and 2007 – a very strong level of employment growth by Outer London standards. Although as a town centre, Wimbledon is considerably smaller than both Croydon and Kingston town centres in employment terms, it is almost as big as Sutton town centre which has experienced slight employment decline in recent years. Wimbledon has a higher share of employment accounted for by larger businesses than is the norm for the borough. There is therefore less dependence on micro businesses in Wimbledon than is that case on average across Merton.

2.56 Wimbledon has significant employment in Banking, Finance and Insurance, Distribution, Hotels and Restaurants and Public Sector related services; with all of these broad sectors providing over 2,000 jobs each. In addition to overall employment increase, the total
number of businesses is also increasing in Wimbledon.

2.57 The Business Survey shows that businesses located in Wimbledon are generally more positive about Merton as a location for business and less likely to identify negative characteristics of the borough as a business base.

Morden

2.58 Morden is the second largest town centre in Merton in employment terms, although at 3,500, its employment level is a great deal smaller than that of Wimbledon. Employment in Morden has been increasing slightly over the last few years. In terms of employment by sector, Morden is dominated by employment in Public Sector services, particularly public administration due to the presence of the Council in the town centre. Almost 2,000 people are employed in this broad sector in the town centre. The other sector where there is a relative concentration of employment is Distribution, Hotels and Restaurants.

2.59 Businesses in Morden perceive transport connectivity to be a particular strength of this part of the borough.

Mitcham

2.60 Mitcham has gradually declined in size as an employment centre over the last few years. Current employment stands at 2,900, following an 11% decline since 2003. In sectoral terms, Mitcham has a clear concentration of employment in Construction related activities. This sector accounts for around 1,000 jobs in the area, six times more than the national average in proportional employment terms. There is some much smaller scale employment in Distribution, Hotels and Restaurants and Banking and Finance. Despite an overall decline in total employment in Mitcham, the total number of businesses in this centre has actually increased over the last few years.

2.61 In terms of future prospects, the Business Survey shows that businesses in the Mitcham area are generally more likely to anticipate growth than in some other parts of the borough. Businesses in this area, however, are also more likely to encounter financial constraints in terms of pursuing business growth objectives. Businesses in Mitcham are also less positive generally about Merton as a location for businesses, or are less likely to identify specific positive characteristics.

Colliers Wood

2.62 Employment in Colliers Wood centre at 3,300 is close to that of Morden, although in the case of Colliers Wood there has been some decline in employment overall since 2003. Colliers Wood and Morden have therefore swapped places essentially in the overall rankings of town centres in the borough in employment terms. The Colliers Wood employment base is dominated by Distribution, Retail, Hotels and Restaurants, providing 2,600 jobs and representing twice as much employment in proportional terms than the London average. There is some, much smaller scale employment activity in Public Sector services and Banking and Finance.

2.63 Employers in Colliers Wood are more likely than those based elsewhere in the borough to identify transport connectivity as a negative issue for them. In addition, employers in this
area tend on average to be less positive about the borough as a place for business compared to other locations within Merton.

Raynes Park

2.64 Raynes Park is easily the smallest centre in the borough in employment terms, accounting for only 2,000 jobs in 2007. Relative to other town centres, Raynes Park is heavily dependent upon micro businesses for employment provision. The largest broad sector in Raynes Park for employment is Banking and Finance, accounting for approximately 1,000 jobs, although these tend to be low value, back office functions.

2.65 In terms of the characteristics of the borough as a business location, employers in the Raynes Park area are more likely to identify parking as a particular constraint relative to businesses elsewhere. Businesses in Raynes Park are generally more positive about their Merton location, compared to businesses elsewhere and most would be prepared to recommend the borough as a good place for business.

Industrial Sites

2.66 As well as important town centres, the three core geographies described above include a number of important strategic industrial sites and scattered industrial sites. Larger industrial areas such as Willow Lane and South Wimbledon / Morden industrial areas, along with smaller sites in Raynes Park and at Dunsford Road Industrial Estate, are major employment areas.

2.67 The 2005 Employment land review and recent industrial estates audit suggested that in the short and medium term, industrial premises were not positioned as well as Merton’s town centres to deliver the increases in productivity and investment that underpin the development of this strategy.

Implications

Of all of the main centres in Merton, Wimbledon is clearly the most important in terms of overall employment, as well as connectivity with Central London. Other centres are less significant in economic development terms. Wimbledon is also a growing centre in employment terms and is growing at a faster rate than the London average. As a consequence, any economic strategy must fully support and reinforce the position of Wimbledon as an important and highly competitive economic centre. Saying this, however, economic development policy in the borough must also be cognisant of the need to close the gap in economic performance between the western and eastern centres where this is appropriate.

Merton: Strengths, Weaknesses, Opportunities & Threats

2.68 It is possible to draw a number of clear conclusions from the analysis above. These are set out according the standard but still useful format of ‘strengths, weaknesses, opportunities and threats’ for the Borough in the table below.

2.69 Overall, this set of conclusions directly influences the choice and prioritisation of interventions for the Borough outlined later on in this document.

Merton EDS - Strengths, Weaknesses, Threats and Opportunities Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weakness</th>
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<td>To be addressed and mitigated through targeted</td>
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</table>
**Merton Economic Development Strategy**

<table>
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<tr>
<th>Opportunities To be built upon and used as a basis for borough-wide economic gain</th>
<th>Threats To be continually re-appraised and addressed in key interventions</th>
</tr>
</thead>
</table>
| • Numbers of new businesses forming at a higher rate than neighbouring boroughs - strong growth in VAT Registrations in recent years and increasing rates of business survival  
• Identifiable clustering of activity in some high value sectors, including advanced manufacturing, creative and cultural industries and software related  
• A strong base in retail, leisure, advanced manufacturing and business services  
• Wimbledon as an internationally recognised centre and ‘brand’  
• Possibly adapting to economic/market realities faster than competitors  
• Attractive to economically active in-migrants  
• High levels of skills and qualifications amongst the residential base  
• Very high levels of economic activity  
• Overall good quality of life offer  
• Good rail and other transport links  | • Employment levels declining recently  
• Workplace based earnings very low in the Borough  
• Lack of Affordability in residential property market  
• East / West divide for many labour market indicators, especially economic activity, skills levels and employment  
• Daily out-migration of highly skilled individuals  
• Poor school level qualifications performance  
• Low share of businesses utilising degree level skills  
• Lack of penetration of locally high residential skills into the local business base  
• Lack of take up of business support generally and reliance of relatively informal mechanism  
• Issues associated with lack of quality sites and premises in the right locations and with flexible and desirable rental terms  
• Lack of active and sustained interaction between the business community and public sector partners |
| • Merton is located in London, a dynamic global city  
• High rates of business start up  
• High rate of projected population increase  
• Recent arrival in the Borough of a highly economically active working age population  
• Employment increase and continual clustering in key high value activities such as software, advanced manufacturing and creative and cultural activities  
• Increasing diversity and settlement by specific groups  
• Wimbledon already possesses a significant amount of cultural and creative (education) infrastructure, with plans emerging to build upon this.  
• Mitcham remains a location of great potential. Availability of land and new transport links help to make this a more viable location for investors.  
• Good levels of business engagement within the community and good inter-business relationships  
• Willingness to work collaboratively across South West London boroughs  
• Interest across the borough in new business models, especially social enterprise based  
• Role of public sector procurement in stimulating local business formation and growth  | • Dependence on very small and micro businesses – uncharacteristic of Outer London in terms of employment change  
• Becoming economically dependent on possibly transient populations  
• Congestion and transport remains an issue for businesses and stakeholders in Merton. This is potentially a barrier to the borough developing as a business location.  
• Current recession – unemployment already on the increase, especially in the east  
• Lack of housing and commercial affordability relative to Croydon and Sutton – may affect the area’s ability to attract residents and investors  
• Lack of a sense on the part of many businesses of the genuine benefits of a Merton location – may lead to a lack of allegiance to the Borough  
• Lack of recognition and allegiance to the name ‘Merton’.  
• Uncoordinated response to potential inward investment  
• Ongoing competition from major outer London centres, especially Croydon and Kingston. |
Specific Issues for Consideration

2.70 A number of additional, more detailed issues also emerge in response not only to the evidence above, but also to consultation undertaken with local and regional stakeholders. These issues have also been taken into consideration directly in designing and shaping the key interventions:

- Rather than a distinction between east and west Merton based on administrative boundaries there is need to consider the regional and sub-regional economic geography which reflects more functional economic areas. Arguably, in terms of markets and catchments (housing, retail and commuting) the west of Merton (based around Wimbledon) is more connected to a band of urban London running from Wandsworth out through Putney to Kingston and Richmond. The east of the borough is more closely aligned with outer London with linkages into Croydon. This means the drivers of growth are different in these two areas due to their different connections and dependencies and therefore interventions are also likely to be different.

- What is the future of the manufacturing sector specifically in Merton and how is it structured? Long term trends for London suggest on-going employment loss but exporting firms may currently benefit from depreciation of sterling. There is a need to identify higher value adding or design led parts of the manufacturing sector and/or those with greater local supply chain impacts as the focus for any support to secure value for money.

- As well as scale, an assessment of sectors needs to consider their competitive advantage from a Merton location. A large proportion of local employment and businesses will service the needs of the substantial commuting residential population and would be similar to any economy.

- Improving average levels of productivity, GVA and pay for jobs suggested as a core economic objective does not necessarily mean more or even the same number of jobs will result. Using average (mean) pay levels may result in outliers that distort the value of the comparator.

- The conversion of employment sites to residential uses (due to the land value differentials) is resulting in the loss of potential industrial sites and higher levels of commuting.

- In common with the rest of Outer London, Merton’s recent employment growth has depended to some extent on increases in public sector employment. As local public employment is most likely to fall in the short to medium term, the loss of this positive dynamic poses a threat to the borough’s economy.

- With its annual grand slam tennis tournament Wimbledon is a high value, global brand that makes Merton uniquely different to all other local areas in England. The potential for enhancement and leverage should be actively considered.
3. Merton’s Economic Vision

What is an Economic Vision?

3.1 Merton’s economic vision is fundamental, not only to the delivery of this strategy, but also to the delivery arrangements of various public sector partners and, in an ideal world, the plans of local businesses. As such, the vision should broadly sum up the objectives of the strategy, illustrating clear measurable outcomes, whilst also illustrating the journey Merton must take in order to achieve these targets.

3.2 As a result, Merton’s Economic Vision is effectively a bipartite articulation of the Borough’s economic future encompassing:

1) Core Objectives; and
2) The 20 Year Economic Journey.

Merton’s Economic Journey: Core Objectives

3.3 The Core Objectives of Merton’s economic vision are intrinsically linked to the ‘Economic Story’ outlined in the previous section. In line with the development of Merton’s Core (Spatial) Strategy and research undertaken in the year leading up to the publication of this documentation, the following objectives will be used to define Merton’s future economic success.

Merton’s Economic Vision – Core Objectives

- To improve the average levels of productivity, gross value added and hence pay for jobs in Merton
- To promote economic resilience in Merton through a diverse local economic base which does not rely too heavily on any one sector for its continued success
- To build on Merton’s strengths in location, attractiveness, brand value and expertise to promote its economy
- To ensure that activity is delivered in a way that supports other values and objectives, notably bridging the gap between the east and west of the Borough and protecting heritage and the environment.

3.4 Whilst these objectives form the core of this strategy, it is important to recognise that their achievement will take place over a significant number of months and years and will constantly need to be revisited and re-assessed. With this in mind, it is useful to accompany the core objectives of the vision with some consideration of how the strategy might evolve; this is Merton’s 20 year economic journey:
The 20 Year Economic Journey

2 year Vision

3.5 By late 2011, the groundwork for sustainable economic growth will be complete. Council services will have been reconfigured to deliver the objectives of the strategy, with new Town Centre Management and Business Support processes already in place to support businesses to thrive in the borough. Clear protocols will also be in place for the delivery of an enhanced Inward Investment service, ensuring that interest in Merton becomes real investment.

3.6 Local partners will be aware of the key sectors that will form the basis of future growth, whilst new lines of communication will have been developed between the business community and the local authority. Satisfaction amongst the local business community will already be increasing.

5 year Vision Description

3.7 By 2014, the impacts of this Economic Strategy will be clear. The future of Merton’s key locations (Morden, Colliers Wood, Mitcham, Raynes Park, South Wimbledon Business Area and particularly Wimbledon itself) will be planned, with development linked to these visions well underway. Existing sector strengths such as professional services and health and leisure will have evolved into sectors of sub-regional importance. The location of new high quality business space will now be apparent with businesses already located in the first flexible small business units. Both internal and external perceptions of the Borough will have changed significantly as Merton begins to get recognition of expertise in a number of its key target sectors.

3.8 Local companies will begin to see an improvement in productivity, whilst local people will benefit from new jobs created on the back of these initial successes. The first signs of Merton’s skills base being positively skewed towards key employment sectors will be apparent and a clear skills pathway will be evident from school to employment or higher education.

3.9 New businesses in the east of the borough will be approaching maturity as will social enterprises, which will have reconfigured their activities in order to deliver public services in Merton. The benefits of local trading amongst businesses and between businesses and the public sector will clear, contributing to further improvements in business satisfaction levels. Businesses will also report bottom line benefits from the application of green methods and targeted business support.

10 year Vision Description

3.10 By 2019 Wimbledon and its wider economic hinterland will be acknowledged as a major location in Greater London, as well as being one of London’s 3 most important centres for the creative industries and an important part of London’s tourist trail. Morden will have achieved a renaissance as a residential location and service centre.

3.11 Boundaries between the east and west of the borough will become more and more blurred
as residents across the borough benefit from employment opportunities in growing local businesses and investor companies. Locations in and around East Merton and Raynes Park will contain some of London’s most established advanced manufacturing companies, a proportion of which will specialise in aspects of green technologies.

3.12 Flexible approaches to businesses support and relocation mean that productivity, employment and prosperity continue to increase ahead of South West London competitors. Residents educated within Merton are now business owners and senior employees within growing businesses, regardless of whether they were born in the east or west of the borough.

20 year Vision Description

3.13 By 2029 the name of the borough will be synonymous with quality, productivity, innovation and efficiency. Growth will be self sufficient and sustainable whilst performance against all indicators will show outputs significantly above London and South West London averages.

3.14 The remainder of this document outlines the components that will ensure that this vision is achieved.
4. **Sectors for Growth**

4.1 Investing in the right economic sectors is vital to Merton’s future economic prospects. These sectors will not only be the motors of future growth in employment, investment and productivity, but will also play an important role in ensuring that the borough is a place in which people want to live, do business and visit.

4.2 This section identifies, describes and prioritises target sectors in Merton where future support and development could help to achieve sustainable growth and positive local economic benefits.

4.3 Merton’s strategy for the facilitation of sector growth is to intervene where specific sector strengths are identified and, where possible, to support clustering at key economic locations in the borough. In addition, LB Merton and its partners will also seek to support specific ‘opportunity’ sectors which have the potential to deliver a significant economic benefit to the borough in the long term. Important, this strategy also seeks to support those sectors which are already significant employers of local people, supporting their diversification and (where relevant) future growth.

4.4 To better understand the interventions necessary to support future economic growth and employment in Merton, sectors are grouped into three types (depending on the intervention required):

- **Priority Growth and Opportunity Sectors** – already represented within the Merton economy, or have the potential to deliver future growth and change perceptions within the borough. The emphasis in supporting these sectors will be to secure **Growth, Productivity and Innovation**

- **‘Place Making’ Sectors** – expected to grow in line with population and the economic evolution of the borough. An improvement in these sectors will lead to uplift in the quality of the area as a destination. The emphasis in supporting these sectors will be **Quality and Differentiation (of Merton as a Location)**

- **Existing Sectors** - already have a strong representation locally and provide significant employment within the borough, whilst they may be declining or rationalising, they are still critical to Merton’s economic future. The emphasis in supporting these sectors will be **Employment, Skills and Diversification**

4.5 Using these group definitions, the table below summarises Merton’s sector strategy and the scope for LB Merton and its partners to intervene and support important sector groups:
Table will need adjusting depending on tweaking of sector categories (see earlier)

<table>
<thead>
<tr>
<th>Sector Type</th>
<th>Sector (and Merton Components)</th>
<th>Locations for Growth</th>
<th>General Scope for Public Sector Intervention</th>
<th>Outcomes</th>
<th>Priorities 2009 - 2014</th>
</tr>
</thead>
</table>
| **Priority Growth and Opportunity Sectors** – already represented within the Merton economy, or have the potential to deliver growth and change perceptions within the borough. | CREATIVE Artistic and Literary Interpretation; Software Design; Printing and Publishing | Wimbledon            | • Gather and promote market intelligence linked to sector growth.  
• Identify and maintain dialogue with key companies within sectors  
• Identify and support the development of physical and human capital necessary to support sector growth.  
• Support and deliver opportunities to market Merton as a sector location.  
• General improvement in the proactive inward investment offer for companies within key sectors. | CREATIVE Increases in GVA from creative businesses and improved perception of borough. Vastly increased visitor numbers, leading to secondary benefits from tourism and visitor spend | • Development of better relationships with businesses within key sectors  
• Accelerated development of the Creative sector in Wimbledon  
• Further market research into the needs of Green Technologies  
• ‘Greening’ of existing business base  
• Maintaining the supply of high quality office space in the Wimbledon area. |
| **BIZNUS AND PROFESSIONAL SERVICES** | GREEN Environmental Technologies; Environmental Services | Industrial Areas      | • Gathering and maintenance of market intelligence linked to sector growth.  
• Identifying and maintaining dialogue with key companies within sectors  
• Identifying and supporting the development of physical and human capital necessary to support sector growth.  
• Supporting and delivering opportunities to market Merton as a sector location.  
• General improvement in the proactive inward investment offer for companies within key sectors. | GREEN Realisation of the benefits of location and improved perception of Merton as a green Borough | • Development of better relationships with businesses within key sectors  
• Accelerated development of the Creative sector in Wimbledon  
• Further market research into the needs of Green Technologies  
• ‘Greening’ of existing business base  
• Maintaining the supply of high quality office space in the Wimbledon area. |
| **‘Place Making’ Sectors** – are expected to grow in line with the population and the | CULTURE, LEISURE AND TOURISM Sporting Activities and Venues; Cultural Activities and Venues Other Leisure and Recreation Retail | Wimbledon, Morden, Mitcham | • Consider future population growth and the need for interventions to ensure services meet needs  
• Market the borough to relevant businesses based on the future demographic profile of residents (and visitors) | CULTURE, LEISURE AND TOURISM Acknowledgement of improved offer as a residential and visitor location. Broader leisure offer at key residential and commercial hubs. Support the evolution of Wimbledon as a key tourist location in London. | • Enhanced, visitor focussed cultural and leisure offer.  
• Mapping of service implications of population growth.  
• Identifications of... |
<table>
<thead>
<tr>
<th>Economic Evolution of the Borough, an Improvement in These Sectors Will Lead to an Uplift in the Quality of the Area as a Destination.</th>
</tr>
</thead>
</table>
| **PUBLIC SERVICES**
  Education; Health; Welfare and Social Services |
| Whole Borough |
| • Identify opportunities to deliver more innovative and efficient services. |
| **PUBLIC SERVICES**
  More efficient, focused delivery of public services, offering improved response to the needs of the local community. |
| **RETAIL & PERSONAL SERVICES**
  Retail; Personal Services |
| Wimbledon, Morden, Mitcham |
| **RETAIL & PERSONAL SERVICES**
  A niche offer that both responds to the needs of local populations, but also improves perceptions of key locations. |
| **CONSTRUCTION**
  Construction; Engineering and Architectural Services |
| East Merton |
| • Support the diversification and improvement of existing sector functions.
  • Identify (and where possible address) the future expansion requirements of growth businesses.
  • Identify opportunities to link local people to opportunities in established businesses within the borough. |
| **CONSTRUCTION**
  A sector practicing 'Modern Methods', delivering physical change in the borough, whilst also providing jobs and skills for local people. |
| **MANUFACTURING**
  Advanced Manufacturing; Food and Drink Processing |
| Industrial Areas |
| • Sector driven investment and retention protocols. |
| **MANUFACTURING**
  A leaner, green sector operating in existing markets and new markets. |

Existing Sectors - Already have a strong representation locally and provide significant employment within the borough; whilst they may be declining, they are still critical to Merton's economic future.

opportunities for 3rd sector to supplement service delivery
• Diversification of the retail and service offer in Wimbledon and Morden.
4.6 The strategy clearly acknowledges that these sectors do not exist in isolation from one another and should not be considered as separate entities. Sectors should also not necessarily be prioritised unnecessarily, indeed clear (e.g. between Creative and Cultural) and less clear (e.g. between Creative and Manufacturing) will be pursued under this strategy.

4.7 That said, the initial focus will be on intervening to support the ‘Growth and Opportunity’ sectors to become increasingly productive and more significant employers within the borough. Much of this will be achieved by using local authority functions to facilitate sector improvement. In many cases, it will only be necessary for partners to provide a supporting role, allowing organic sector growth (driven by new and existing markets) to take place. In other instances, however, specific intervention may be required.

4.8 Outline priorities identified for intervention are as follows:

- Targeted support for the development of the creative sector in Wimbledon;
- Increasing the capacity for ‘green sector’ growth, by supporting existing businesses to become greener and reduce carbon emissions;
- In line with new regional planning policy, oversee the development of an enhanced and targeted cultural, visitor and tourism offer for Wimbledon in particular;
- Support for the 3rd sector to play a more significant role in public service delivery;
- Support for the diversification of the retail offer in Morden and Wimbledon;
- Retention of major employers with viable growth prospects;
- Support local people to play a more active role in the growth of Merton’s major employers.

4.9 Each of these ideas is outlined in more detail within the interventions appended to this strategy.

4.10 The remainder of this section looks at each sector’s current position before considering how they might be supported over the next 5 years to
Merton Economic Development Strategy

ensure that they not only deliver growth in jobs and productivity, but also support the evolution of Merton as a key location in London.
Detailed Sector Analysis

4.11 The success of this strategy is dependent upon local partners adopting its objectives and priorities within their own activities and working collectively towards the goals outlined above. For partners to be able to intervene and support the growth of the sectors outlined above, it is important to have a good appreciation of each of the sectors. This includes:

- Their relative scale and importance to the local economy;
- Their recent performance in terms of employment growth; and
- Their local representation compared to national averages which suggests a degree of local competitive advantage generated from current operational location.

4.12 The baseline that accompanies this strategy explores sector dynamics further; the following analysis summarises this, taking each of the sectors (grouped appropriately) and identifying the conditions and opportunities for growth.

Priority Growth and Opportunity Sectors

4.13 Priority Growth and Opportunity sectors are those which have the potential to deliver the most significant added value to Merton’s economy. These are not necessarily the biggest local employers, but are the sectors where Merton has the necessary attributes to support growth and credibly differentiate itself in relation to other locations.

The Creative Sector

4.14 Merton already has a significant and important creative sector. The sector in Merton comprises a range of activities including the production of high value clothing and footwear, the publishing of books, newspaper and software, printing, TV, radio and film production, photography, architecture, advertising and artistic and literary creation. With 2,400 jobs there is a concentration of the creative industries in Wimbledon town centre particularly. There are also concentrations of creative activities of activity within Colliers Wood and the South Wimbledon Business Area.

Current Sector trend

4.15 With 7,100 jobs in 2007 the creative sector now provides one in nine of all local jobs in Merton and has grown by more than 7% since 2003. Some components of the sector show even higher growth rates. For example, artistic and literary creation activities now employ just under 500 people - a 54% employment increase since 2003.

Opportunity for Intervention

4.16 As a relatively large and growing sector the creative industries sector in Merton exploits important international export strength for London and the UK more generally. It will be important to carefully target growing and sustainable elements of the sector.

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As defined by DCMS.
4.17 A focus on the creative sector aligns with the recent government NINJ\(^6\) industrial strategy, partly developed in response to the current recession, which has a specific sectoral focus on creating “Digital Britain”.

**LB Merton’s Commitment to Creative Industries**

Given recent sector trends, LB Merton will work with partners to continue supporting the growth of the Creative sector. As well as consolidating existing expansion in the sector, LB Merton will support the development of new creative spaces across the borough. Work will be undertaken to support the evolution of Wimbledon into one of London’s key nodes for Arts and Creative industries; this in turn will continue to support Wimbledon’s development as a visitor location of repute.

Building upon the borough’s strength in creative and cultural infrastructure for both education and performance, LB Merton will support the development of further facilities that will not only improve this offer, but also ensure that every effort is made to ensure that creative entrepreneurs who start in Merton stay in Merton, and that existing businesses elsewhere are attracted to the borough.

**Green Sector**

4.18 The green sector in Merton is composed of environmental technologies including their manufacture (e.g. cooling and ventilation systems) and environmental services (e.g. recycling of waste and scrap, electricity generation and transmission and collection and treatment of sewage).

**Current Sector Trend**

4.19 With just 400 jobs, the green sector in Merton is very small and actually shrinking – it has contracted by 8% since 2003. The collection and treatment of waste (340 jobs) makes up 85% of this sector locally.

4.20 However, the global market for low carbon and environmental goods and services (LCEGS) was worth £3 trillion in 2007/08. Of this, the UK low carbon environmental goods and services (LCEGS) market is worth £106 billion and employs 880,000 people directly or through the supply chain. The UK LCEGS sector is one of the few areas of the economy expected to maintain positive growth rates through the downturn and is expected to grow by over 4% per annum up to 2014/15. Many of the jobs created will be skilled jobs, with average market value per employee well above the national average\(^7\). That said, the green sector (particularly recycling and waste management) tends to require significant amounts of land and delivers relatively low employment densities. This will need to be given due consideration in Merton’s future strategy in relation to industrial land.

**Opportunity for Intervention**

4.21 With a green sector based largely on the collection and treatment of waste, an environmental technology and manufacturing sector would have to be created essentially ‘from scratch’ and would require significant market-making activities (e.g. stimulate commercial and residential demand on a significant scale) and would be in competition with existing technology suppliers, many located overseas (e.g. Germany).

4.22 Any intervention should align with London’s aspirations to exploit the low carbon market

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\(^6\) New Industry; New Jobs Strategy for UK Industries.

\(^7\) Innovas (2009) Low Carbon and Environmental Goods and Services: an industry analysis
through the retro-fitting of buildings, the roll out of energy from waste plants, the introduction of electric vehicles and the development of a decentralised energy network. Together, low carbon mitigation activities are estimated to be able to create 14,400 jobs across the Capital\(^8\), perhaps with the potential for 300 to 400 of these jobs to be located in Merton.

4.23 There is scope to develop **environmental services** on the basis of servicing the needs of the local population, building on the Merton Rule and in a cross-cutting way through other larger, local sectors to support those firms with low carbon ambitions (e.g. food logistics, the local construction sector and renewable construction materials and standards such as the Code for Sustainable Homes) and link to London-wide plans. Drawing from a regional initiative in the South West\(^9\) which focuses on the development of marine energy demonstration, servicing and manufacture, a low carbon economic area appropriate to the local context could be developed in Merton.

4.24 A focus on the green sector aligns well with recent government industrial strategy\(^10\), partly developed in response to the current recession, which has a specific sectoral focus on a cross-cutting low carbon industrial strategy and ultra low carbon vehicles.

**LB Merton’s Commitment to Green Industries**

Whilst the Green sector is not currently a significant employer in the borough, it is the belief of local regional and sub-regional partners that this will become a significant component of the economy in the future. Merton is a green borough with a track record of intervention to support environmental sustainability. The Wandle Valley (not least the new Low Carbon Zone) provides industrial sites on which the sector can grow in the future.

As well as creating the conditions for new businesses to grow within the sector, existing businesses will also be supported to become more environmentally efficient in their operation. This will be the first stage in a long term process of supporting environmental innovation within existing businesses to increase the breadth and capacity of the sector in the future.

**Business and Professional Services**

4.25 The business and professional services sector in Merton is composed of a range of business and computer services. The business services components include financial services (investment, insurance, pensions), accountancy and tax consultancy, advertising, architectural and engineering consultancy, management consultancy and labour recruitment. There are particular concentrations of employment in Wimbledon (2,400 jobs) and Raynes Park (1000 jobs). The computer and related services components include hardware consultancy, software development and consultancy and database activities with 1,200 jobs located in Wimbledon.

**Current Sector trend**

4.26 The broader business services sector in Merton is the largest key sector providing 8,800 jobs or about 14% of total employment. However the sector contracted by more than 10% between 2003 and 2007 and its presence is only average on a national scale. Despite these trends there are notable parts of the business services sector aligned with London’s sectoral strengths: financial services (1,250 jobs), architectural and engineering consultancy (1,080 jobs),

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\(^8\) LDA/GLA – Prospectus for London, Low Carbon Capital (March 2009)

\(^9\) HM Government – UK Low Carbon Industrial Strategy (July 2009)

\(^10\) HM Government – New Industry New Jobs (including so-called NINJ sectors) (April 2009)
management consultancy (1,030 jobs), legal and accountancy (890 jobs) and labour recruitment (1,500 jobs). At about twice the expected size for the economy, the computer and related activities sector provided 2,350 jobs in 2007 having grown by 8% since 2003 (+170 jobs).

Opportunity for Intervention

4.27 Recent forecasts\textsuperscript{11} for the finance and business services sector in London suggests employment will contract by 2.8% in 2009 but grow by 1.1% in 2010 and more strongly by 3.8% in 2011.

4.28 With a relatively high level of local concentration, the computer and related activities is a large and growing sector that has potential to be expanded in the future in appropriate locations. Parts of the business services sector could also be supported as they align with London’s key sectoral strengths and these sectors are expected to recover from the recession most dynamically.

4.29 A focus on the specialist business services aligns with the recent government NINJ industrial strategy, partly developed in response to the current recession, which has a specific sectoral focus on the core strength of financial and business services in Britain.

\begin{tabular}{|l|}
\hline
\textbf{LB Merton’s Commitment to Business and Professional Services} \\
\hline
Wimbledon is Merton’s key economic driver and the Business and Professional Service sector is a fundamental component of its economic make up. LB Merton and Partners are committed to supporting the development of additional, appropriate business space to support key sub-sectors such as software/hardware development and consultancy services. In line with the spatial objectives of this strategy, efforts will be made to ensure that Wimbledon develops an improved service and cultural offer to differentiate it from London’s other office primary locations. \\

Elsewhere in the borough, support will be given to develop flexible business spaces to support growth of small businesses within the Business and Professional Services sector. LB Merton will make every effort to ensure that home workers and sole traders within the sector have the opportunity to both live and work in the borough. \\
\hline
\end{tabular}

\begin{tabular}{|l|}
\hline
\textbf{‘Place Making’ Sectors} \\
\hline
4.30 The priority for this strategy will be to drive economic growth through the support of the 3 identified Priority Growth and Opportunity Sectors. It is, however, also highly important that the strategy acknowledges the role that other sectors play in the borough’s evolution. The 3 ‘Place Making Sectors’ are those industries which will ultimately impact most significantly on how people (in particular residents, businesses and investors) perceive Merton. As such, this strategy proposes to support the 3 sectors outlined below to secure an improvement in quality of service which makes Merton a location of choice. \\
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\begin{tabular}{|l|}
\hline
\textbf{Cultural & Leisure Services} \\
\hline
4.31 In addition to Creative Sector components detailed above, the broader cultural and leisure services in Merton also includes media retail, sports arenas (not least the All England Club), museums and other attractions. \\
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\end{tabular}

\begin{tabular}{|l|}
\hline
\textbf{Current Sector trend} \\
\hline
\end{tabular}

\textsuperscript{11} GLA Economics – London’s Economic Outlook Spring 2009: The GLA’s medium term planning projections (April 2009)
4.32 One in twenty jobs in Merton are now in the broader recreation, culture and sporting sector (3,400 jobs). The sector has shown rapid growth, with employment increasing by more than 56% between 2002 and 2007. At about double the expected size compared to the UK average, the sector shows a strong presence in Merton. In particular, there has been notable growth in sporting related employment with employment expanding by 1,100 jobs since 2002, an increase of 78%, to provide 2,500 jobs by 2007.

Opportunity for Intervention

4.33 As a significant and rapidly growing sector with a high level of local concentration benefitting from the global significance of the Wimbledon tennis championships, the cultural and leisure services sector should be viewed as a very high priority for development. There is considerable scope to further leverage the brand and symbolic benefits of the tennis championships, a unique asset amongst Local Authorities in the UK. In capitalising upon a brand linked so closely to sporting excellence, it may be possible to develop more specific niche functions locally; these could include sports science / technology and sports medicine.

LB Merton’s Commitment to Culture, Leisure and Tourism

Whilst the growth of the sector will inevitably create employment, the emphasis of Merton’s ambition in relation to Culture, Leisure and Tourism is to achieve a noticeable uplift in quality.

The expansion and improvement of Merton’s Cultural and Leisure services offer is crucial to the borough’s future as a residential and visitor location. LB Merton will work with local stakeholders and developers to support the development of significant new cultural and leisure facilities not only in Wimbledon, but across the borough as a whole.

Merton will do more to take advantage of the Wimbledon Championships and the significant amount of green space in the borough to provide more opportunities for participation in culture and sport locally. In addition to developing the sector for the benefit of the residential community, there will be a concerted effort to exploit the potential of the borough to develop as a location for tourism.

Public Services Sector

4.34 The public services sector comprises education (primary, secondary, further and higher education), health (hospital, GPs and dentists), social work (with and without accommodation) and public administration (including local government, law and order and regulatory functions).

Current Sector trend

4.35 The broader public services sector provides more than 22% of all local jobs and 14,200 in total. Driven by increasing levels of public expenditure, the sector expanded by more than 8% between 2002 and 2007 but largely as a derivative of population increase. The sector has an average local representation. At a more detailed level, the education sector provides 5,800 jobs and the health and social work sector 5,600 jobs, although this represents a 10% contraction since 2002. However with 3,000 jobs in 2007 public administration has grown by about 50% since 2002. Wimbledon has a concentration of education related employment (900 jobs). Health and social work employment tends to be concentrated in Wimbledon (700 jobs) and Morden (500 jobs).

Scope for Intervention
4.36 Recent forecasts\(^{12}\) for the other (mainly public) sector in London suggests that recessionary impacts will be limited, with employment growing by 0.9% in 2009, by 1.1% in 2010 and 1.6% in 2011. With the employment impacts due to the recession being forecast to be minimal public service employment could prove important asset in riding out the recession locally.

4.37 That said, given their dependence on public spending which may decline significantly in the medium term, any interventions to support public services need to be carefully considered. These should integrate into other local strengths (e.g. developing Higher Education presence in selected areas) and align local service delivery with other sectors (e.g. public private working in health services).

4.38 Clearly, diminishing public sector budgets and potential increases in the local population will create a need for the borough to respond in an innovative way if it is to provide the quality of service required for the borough as a whole if it is to become / remain an attractive location for residents.

**LB Merton’s Commitment to Public Services**

Balancing declining employment (and funding) for public services, alongside delivering high quality services to a growing population is a key challenge for LB Merton. Through this strategy, LB Merton and its partners will work closely to ensure that innovative solutions are developed to support high quality service delivery. This will include a commitment to support the third sector to become a successful and accountable deliverer of public sector services.

**Retail & Personal Services**

4.39 The sector includes a range of retail activities (e.g. supermarkets, clothing and specialist retail), hospitality (e.g. hotels, bars and restaurants) and personal services (e.g. hairdressing, dry cleaning, beauty treatments).

**Current Sector trend**

4.40 As a key employment sector, retail provides 7,800 jobs or more than 12% all employment. However, the concentration of the sector is only slightly above the national average and more than 5% of jobs were lost between 2002 and 2007. Key components of retail include general food retail and supermarkets (2,990 jobs), specialist stores (1,000 jobs) and clothing retail (940 jobs). The sector is concentrated in Wimbledon (2,700 jobs) and Colliers Wood (1,200 jobs).

4.41 Growing by just under 6% since 2002, the hospitality sector in Merton provided 3,500 jobs in 2007 or more than 5% of all jobs. Key components include restaurants (1,760 jobs), bars (990 jobs) and hotels (260 jobs). The sector is concentrated in Wimbledon (900 jobs).

4.42 Including dry cleaning, hairdressing and beauty treatments the personal services sector provided 1,750 local jobs in 2007.

**Opportunity for Intervention**

4.43 Recent forecasts\(^{13}\) for the distribution, hotels and catering sector in London suggests employment will contract by 2.5% in 2009 but grow weakly by 0.6% in 2010 and more strongly...

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\(^{12}\) GLA Economics – London’s Economic Outlook Spring 2009: The GLA’s medium term planning projections (April 2009)

\(^{13}\) GLA Economics – London’s Economic Outlook Spring 2009: The GLA’s medium term planning projections (April 2009)
by 2.6% in 2011. The same forecasts for the ‘other services’ in London, suggests employment will grow by 0.9% in 2009, by 1.1% in 2010 and 1.6% in 2011.

4.44 While retail is a large sector there is scope to improve the range of the offer locally and reduce the leakage of spend to other competing locations such as Kingston, Croydon and central London, especially given the demographic profile of the west of the borough. Supporting the growing hospitality sector would build on demand from the expanding residential population, a key sectoral strength of London and link to the tennis championships. With a growing local population and, in the medium term, increased consumer spending there is potential for the personal services sector to expand in the future.

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<thead>
<tr>
<th>LB Merton’s Commitment to Retail and Personal Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail and Personal Services are important as employment sectors as well as being key elements of Merton’s visitor offer; clearly this sector is important for Merton’s economy. Merton’s Economic Development strategy seeks to build upon these strengths to create a more distinctive offer.</td>
</tr>
<tr>
<td>In line with aspirations for Merton’s key town centres, this strategy supports the development of retail and personal services that meet the needs of Merton’s growing population. In Wimbledon, efforts will be made to complement this existing ‘High St’ offer with niche and specialist services for local people and visitors alike.</td>
</tr>
<tr>
<td>Given the scale of current employment across the sector, it is proposed that the interventions brokering employment for Merton residents include direct links to retail companies.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Existing Sectors</th>
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</thead>
<tbody>
<tr>
<td>4.45 This strategy plots an ambitious trajectory for Merton’s economic development focusing on sectors which are most likely to deliver added value to the borough’s economy. It is the intention of LB Merton and its partners that the achievement of this should not be to the detriment of sectors which (whilst not necessarily growing) are currently important to the local economy.</td>
</tr>
<tr>
<td>4.46 The Manufacturing and Construction sectors account for around 8,000 jobs in total; this strategy recognises the need to continue to balance aspirational growth with the creation of conditions to allow businesses to remain viable and successful in the Borough.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Construction Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.47 The construction sector in Merton is composed of a range of activities including demolition, general construction, plumbing, electrical installation, insulation, joinery, plastering, painting and decorating, flooring and other specialist trades. There are also important local supply linkages with architectural and engineering consultancy, the retail and wholesale of construction materials, renting of construction machinery and manufacturing of concrete and metal components. There is a concentration of the sector in Mitcham (1,000 jobs).</td>
</tr>
<tr>
<td>Current Sector trend</td>
</tr>
<tr>
<td>4.48 Construction is a key sector in the borough providing 4,000 local jobs or more than 6% of total employment. However, the concentration of this sector in Merton is only slightly above the national average and more than 9% of all construction jobs were lost between 2002 and 2007. Key elements of the sector include plumbing (1,200 jobs), general construction (1,100 jobs), electrical insulation (400 jobs) and specialist trades (400 jobs).</td>
</tr>
</tbody>
</table>
Opportunity for Intervention

4.49 Recent forecasts\(^{14}\) for the construction sector in London suggest employment will contract by 6.1% in 2009 and by 0.1% in 2010 before growing strongly by 3.6% in 2011.

4.50 Despite recent major contractions in residential and commercial development, the architectural, engineering and construction sector is significant in Merton, forming part of a wider supply chain and offering a range of trade based job opportunities and careers.

4.51 A focus on the construction sector aligns with the recent government NINJ industrial strategy, partly developed in response to the current recession, which has a specific sectoral focus on the construction and engineering sector in Britain linked to the current Gibson review.

LB Merton’s Commitment for the Construction Sector

The current slump in residential and commercial property markets will potentially lead to a contraction in the scale of the construction sector. Merton’s Economic Development Strategy supports the sector in developing greener, modern methods to ensure that businesses are more competitive once demand for their services return. Support will also be given for the development of sub-regional mechanisms to ensure more efficiency in recruitment and procurement for the sector.

The Manufacturing Sector

4.52 The broad manufacturing sector in Merton covers a range of activities with the most dominant being the manufacture of instruments and appliances for measuring (500 jobs), general mechanical engineering (100 jobs), the manufacture of metal structures (100 jobs) and the manufacture of taps and valves (100 jobs). With the exception of the manufacture of metal structures\(^{15}\) these sectors form part of an advanced manufacturing sector in Merton which also includes the manufacture or electrical equipment, TV, radios and medical devices. Comprising the manufacture of bread, pastry goods, cakes, mineral waters and soft drinks the food production sector is another important sub-element of the broader manufacturing sector in Merton. This sector is also part of a wider local supply chain with food outlets (e.g. restaurants, bars, and hotels), food retailers (e.g. supermarkets) and food wholesalers.

Current Sector Trend

4.53 As part of the long term de-industrialisation trend affecting London, the broadly defined manufacturing sector in Merton has contracted by 44% since 2002 to provide 4,300 jobs or just under 7% of all local employment by 2007. While the proportion of manufacturing employment is above the average for London it is below the national average.

4.54 With 1,400 jobs, the smaller advanced manufacturing sector represents just over 2% of total employment and has contracted by more than 18% since 2003. However for an economy of its size, Merton has about double the London average for an advanced manufacturing sector and higher levels than either Croydon or Kingston.

4.55 In contrast to declines in almost all other areas of manufacturing employment, the food

\(^{14}\) GLA Economics – London’s Economic Outlook Spring 2009: The GLA’s medium term planning projections (April 2009)

\(^{15}\) Though metal fabrication is an important sector for low carbon goods.
**production sector** (manufacture of bread, pastry goods, cakes, mineral waters and soft drinks) increased from 200 jobs in 2003 to reach 500 jobs by 2007.

**Opportunity for Intervention**

4.56 Recent forecasts\(^{16}\) for the manufacturing sector in London suggest employment will contract by 4.7% in 2009 but grow weakly by 0.4% in 2010 and more strongly by 2.1% in 2011.

4.57 Despite the contraction of the broader manufacturing sector, there is scope to support and develop elements of the high value adding advanced manufacturing sector (and capitalise on the high skill levels of the local resident labour force) and the food production sector (which can further meet the needs of the borough’s and London’s growing populations and substantial consumer markets).

4.58 A focus on the advanced manufacturing sector aligns with the recent government NINJ industrial strategy, partly developed in response to the current recession, which has a specific sectoral focus on advanced manufacturing including aerospace, composite materials, biotechnology and plastic electronics.

### LB Merton’s Commitment to the Manufacturing Sector

This strategy recognises that if manufacturing is to remain an important component of Merton’s economy, support will need to be given to innovation and diversification within the activities of local companies. This includes acknowledgement of the role that the Manufacturing Sector can play in the development of Merton’s capacity as a green location; as a result, manufacturing companies will be offered specific support to adapt to green processes. LB Merton will also seek to improve its dialogue with the sector to ensure that council services respond to the needs of businesses.

Support will also be given for the development of sub-regional mechanisms to ensure more efficiency in recruitment and procurement for the sector.

4.59 In signing up to this strategy, partners are committing to support growth in the 8 key sectors identified. In particular this will involve the adaptation of existing and new support / service delivery to ensure that identified opportunities for intervention are realised.

\(^{16}\) GLA Economics – London’s Economic Outlook Spring 2009: The GLA’s medium term planning projections (April 2009)
5. Locations for Growth

5.1 The relationship between this economic strategy and the key locations for growth within the borough is an important one. Increased productivity, employment and prosperity will inevitably be accompanied by an improvement in the performance of the borough’s key economic locations. Importantly, this section introduces the concept of the Greater Wimbledon Economic Area.

Economic Strategy and the Planning System

5.2 The successful delivery of this strategy and the operation of the planning system are intrinsically linked. Whilst the delivery of new and existing projects form the key headlines of this document, it will be the integration of this strategy into existing mechanisms and processes (in particular Planning) that will lead the long term transformation of Merton’s economy.

5.3 Before considering Merton’s economic geography, this section considers Merton’s economic evolution in relation to local and regional planning policy.

Merton and the London Plan

5.4 The London Plan is the Mayor of London’s spatial strategy. It sets out policies to manage the key planning issues facing London as a whole, such as where new houses, shops and industry should be located, and how to improve the transport system and protect and improve London’s most important parks and open spaces. A key element of the London Plan is the development of a town centre hierarchy for London into International, Metropolitan, Major, District and Neighborhood/Local Centres.

5.5 In the past, economic development and planning work in Merton has identified 5 town centres. The position of these centres in relation to the London Plan hierarchy is outlined below:

- There are no Metropolitan Centres in Merton with the nearest being Kingston, Sutton and Croydon.

- With 92,000 sqm of town centre floorspace, Wimbledon (not including Wimbledon Village) is a larger than average Major Centre (68,000 sqm). However, Wimbledon is only about 60% of the size of an average Metropolitan Centre in London and only about one third the size of Croydon (288,000 sqm) or Kingston (236,000 sqm).

- Morden, with 24,000 sqm of town centre floorspace is an average sized district centre in London and one of 146.

- Mitcham, with 25,000 sqm of town centre floorspace is an average sized district centre in London and one of 146.

- Colliers Wood / South Wimbledon is a growing, locally focussed centre not ranked in London’s 226 town centres, although the new London Plan (2009) identifies Colliers Wood and South Wimbledon as an ‘Area for Intensification’ and the emerging Core Strategy of Merton’s LDF aspires for Colliers Wood to become recognised as a district centre.
• **Raynes Park** is a small, locally focussed centre not ranked in London’s 226 town centres.

**Responding to Specific Regional Planning and Economic Policy**

5.6 As stated previously, it is the intention of LB Merton and partners that this strategy should position the borough to deliver specific elements of regional economic development and planning policy. The table below outlines the commitment of this strategy to address specific elements of the new London Plan:

<table>
<thead>
<tr>
<th>Policy Number</th>
<th>Specific Policy Element</th>
<th>Merton EDS Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>London’s Places</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4: The 2012 Games and their Legacy</td>
<td>“…develop and implement a viable and sustainable legacy for the Olympic and Paralympic Games.”</td>
<td>Ensure that Wimbledon evolves and is promoted in such a way that being a 2012 venue delivers maximum benefit for the borough.</td>
</tr>
<tr>
<td>2.6: Outer London Vision and Strategy &amp; 2.7: Outer London Economy</td>
<td>“…enhance and develop its (Outer London) distinct existing and emerging and local economic opportunities.”</td>
<td>Develop an evidence base and set of interventions designed to capitalise upon opportunities and respond to challenges specific to Merton. Seek to achieve a credible differentiation of Merton in relation to other SW London locations. Promote distinct economic geographies based on their strengths.</td>
</tr>
<tr>
<td>2.15: Town Centres</td>
<td>“Coordinate the development of London’s network of Town Centres so they provide: • Focus beyond the Central Activity Zone • Focus for most Londoners’ sense of place”</td>
<td>Develop more definitive economic functions for Morden and Mitcham. Promote Wimbledon and its environs as a major new urban centre for London.</td>
</tr>
<tr>
<td>2.16: Strategic Outer London Development Centres</td>
<td>“… develop and promote strategic development centres in outer London with one or more strategic economic importance of greater than sub-regional importance”</td>
<td>Work to ensure that Wimbledon is recognised as a Strategic Outer London Development Centre for Creative Industries and Leisure / Tourism.</td>
</tr>
<tr>
<td>2.17: Strategic Industrial Locations (SILs)</td>
<td>“…stakeholders should promote, manage and where appropriate, protect (SILs)”</td>
<td>Recognise the importance of industrial areas such as Willow Lane and South Wimbledon Business Area to the future of the borough’s economy. Just these two? What about East Merton?</td>
</tr>
</tbody>
</table>

**London’s Economy**

*Merton’s Economic Development Strategy supports the broad objectives set out under 4.1-4.12, and responds specifically to the policies outlined below. (NEEDS REVISING AS SENSE NOT QUITE CLEAR)*

<table>
<thead>
<tr>
<th>Policy Number</th>
<th>Specific Policy Element</th>
<th>Merton EDS Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4: Managing Land and Premises</td>
<td>“Ensure the supply of premises matches the needs of key sectors”</td>
<td>Identify key sectors within the local economy; ensuring that LB Merton supports the development of an environment (including premises) to allow them to grow.</td>
</tr>
<tr>
<td></td>
<td>“Plan monitor and manage the release of surplus”</td>
<td></td>
</tr>
<tr>
<td>4.5: London’s visitor infrastructure</td>
<td>“Support London’s visitor economy and stimulate growth…seeking to improve the range and quality of provision, especially in outer London.”</td>
<td>Support the development of a significantly enhanced tourism and visitor infrastructure, particularly in Wimbledon and its surrounding area; this will include new hotel accommodation, new events and better promotion of the Boroughs cultural assets.</td>
</tr>
<tr>
<td>4.6: Support and enhance the provision for arts, culture and entertainment</td>
<td>Support the continued success of London’s diverse range of arts, cultural and entertainment enterprises for workers, residents and visitors</td>
<td>Provide the means to promote significant growth in the Creative industries in Merton. Providing new spaces for businesses as well as the means to exhibit and sell within the</td>
</tr>
</tbody>
</table>
4.8: Supporting a successful and diverse retail sector

“...boroughs and other stakeholders should support a successful, competitive and diverse retail sector...”

Support the development of Merton’s town centres as retail centres that have a specific identify linked to the needs of their local population. Also build the capacity of Wimbledon and its broader hinterland (including Colliers Wood) as diverse retail destination.

4.12: Improving Opportunities for All

“...provide the spatial context to co-ordinate a range of initiates necessary to remove barriers to employment opportunities for Londoners, to remove barriers to employment and progression...”

Ensure that Merton’s EDS is delivered in such a way that benefits transcend boundaries between the East and West of the borough. Work more closely with neighbouring boroughs to develop efficient, sub-regional collaboration and interventions.

London’s Living Places and Spaces

7.1: Building London’s neighbourhoods and communities

“...people should have the best possible access to services, infrastructure and public transport. Their neighbourhoods should also provide character that is easy to relate to.”

Ensure that Merton’s town centres function as effective hubs for service delivery, as well as local retail centres. Use improved local hubs as a means of developing a sense of pride in the borough name.

7.4: Local Character

“Development should have regard to the form, function and structure of the area....development should build on positive elements that can contribute to establishing character in the future.”

Seek to create a vision for a greater Wimbledon area which develops a strong, linked economic character for the West of Merton. Ensure development at Morden and Mitcham creates a greater sense of place and pride in these areas.

5.7 In addition to this, the Mayor of London is currently consulting upon a new Regional Economic Development Strategy. LB Merton is committed to ensuring that this EDS also delivers upon regional economic objectives, making London a more successful city. There are 5 key objectives to London’s Economic Development Strategy links are outlined in the table below:

<table>
<thead>
<tr>
<th>Objective of London’s new EDS</th>
<th>Links to Merton’s EDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoting London as ‘World Capital’ of Business</td>
<td>Wimbledon is one of London’s most significant global brands. Merton’s EDS seeks to enhance Wimbledon’s role not only in the borough, but in London as a whole. The development of the Wimbledon brand will generate additional investment into the local and regional economies as well a more significant ‘destination’ for the city.</td>
</tr>
<tr>
<td>Improving London’s Competitiveness</td>
<td>Pressure on the City and increased taxation means that London needs to consider new ways to differentiate itself to investors. By supporting the develop of creative, cultural, leisure and services within the borough, LB Merton’s Economic Development Strategy will add value to London’s existing investor offer.</td>
</tr>
<tr>
<td>Transforming to a Low Carbon Economy</td>
<td>Merton’s reputation for innovative policy in relation to Carbon reduction is already impressive. This EDS seeks to support the development of green industries, whilst also helping local business to improve their environmental credentials.</td>
</tr>
<tr>
<td>Extending Opportunity to all Londoners</td>
<td>LB Merton’s EDS recognises the Borough’s responsibility to build the capacity of local residents and businesses to allow them to play a more active role in the borough’s (and London’s) economic success. Specific interventions outlined in this document, respond to specific market failures to deliver increased participation (particularly in the east of the borough) in the future.</td>
</tr>
<tr>
<td>Investing in London’s Future</td>
<td>Merton’s is a long term economic development strategy. It recognises that success will be delivered over a 20 year period. The strategy is an evaluative process based on the stimulation of demand within the borough. As this takes place added value and investment brought into the borough will be invested in infrastructure to continue Merton’s long term economic development.</td>
</tr>
</tbody>
</table>

5.8 LB Merton is committed to working closely with local stakeholders to ensure that all future interventions are (where possible) linked closely to the evolving priorities of London.
Merton’s Local Development Framework and Core Strategy

5.9 Of more direct importance for the delivery of the Merton Economic Development Strategy is the ensuring of strong links with the Local Development Framework and Core Strategy.

5.10 The Local Development Framework (LDF) will replace the Unitary Development Plan. It provides a wider spatial planning framework and will seek to provide guidance for the various council strategies. Once approved, the LDF will look forward 15 years and will set out strategies and policies for the development and use of land as well as broader spatial matters.

5.11 The Core Strategy is the key policy document in Merton’s LDF setting out the spatial strategy for the borough and the key elements of the planning framework. It brings together strategies relating to land use in an integrated manner to provide a long term spatial vision and means to deliver that vision.

5.12 The Core Strategy will ultimately be supported by other Development Plan Documents (DPDs), especially the Development Control Policies DPD, which will provide more detailed policies. Further guidance is also available in Supplementary Planning Documents (SPD’s). All other LDF documents must conform to the Core Strategy.

5.13 These documents will eventually be one of the key mechanisms for delivering the objectives of this economic strategy.

Merton’s Key Locations – Current Position

5.14 The LDF, Core Strategy and this Economic Strategy represent a continued commitment from LB Merton to support the physical and economic growth of local centres as a means to bring about a positive change within the borough as a whole; this is a key recurring theme within the strategy. Before looking at exactly how this might take place, the current position of each of the locations is considered in more detail below.

Wimbledon – Current Position

5.15 Wimbledon is by far Merton’s most significant economic location; it accounts for 50% of the borough’s employment, houses almost half of the businesses in the borough and has one of the most economically active populations in London. Not only is it the biggest centre, it is also the area providing the greatest volume of higher value added employment and has an associated global brand. The town is very well connected and the local and business community are actively involved and committed to the improvement of the town and local area. Wimbledon is also the hub of Merton’s cultural and night time entertainment offer.

5.16 The All England Lawn Tennis Club (AELTC) and the Wimbledon Championships is fundamental to the town’s current and future image, brand and (consequently) economic performance. Previously, LB Merton has worked closely with AELTC on physical improvements and education projects, but there is acknowledgement that further collaboration could yield significant mutual benefits. As well as AELTC there are also a number of high profile businesses located within Wimbledon not least software developer Eidos and The Chartered Institute of Personnel Development (CIPD), both of which are major employers as well as acknowledged innovators in their fields.

5.17 To date, Wimbledon town centre and the Borough of Merton as a whole has not derived
significant economic impact from The Championships and, more generally, the substantial associated brand value. Wimbledon has some particular weaknesses in terms of the visitor accommodation market; there are very few hotels in the area, and, taken overall, they do not represent a high quality offer. Wimbledon is not effectively leveraging its global recognition or good connectivity to central London (e.g. a direct Underground link to Westminster and the City) to stimulate development of good quality tourist accommodation, and indeed, information. This becomes even more important given that the AELTC will be a host venue for the London 2012 Olympics.

5.18 In spatial terms, Wimbledon Town Centre is relatively linear, tightly bounded by high-quality housing. Whilst this is a challenge for physical development (as it makes the centre less pedestrian friendly and accessible) it also means good markets exist close to all parts of the town.

5.19 There are several key sites in Wimbledon, which offer opportunities to deliver development that will change the economic trajectory of the town.

5.20 The town has a strong Town Centre Partnership, which has, alongside other activities, recently developed the ‘Going for Gold’ programme which aims to raise the game of the town up to and beyond London 2012. To implement this, the Town Centre Partnership has established a Board which will work closely with LB Merton to develop a Public Realm Strategy as well as scoping new transport objectives for the town. It is intended that this will be followed by the development of a Business Improvement District (BID) in Wimbledon Town Centre.

**Colliers Wood & South Wimbledon – Current Position**

5.21 Colliers Wood and South Wimbledon incorporates some of Merton’s key economic assets (including Colliers Wood centre and South Wimbledon Business Area), whilst also illustrating some of its key challenges. Good transport links and site availability alongside unique attractions such as Merton Abbey Mills and the Wandle Nature Reserve provide the area with a distinct identity. The presence of a growing young and seemingly entrepreneurial population also clearly offers some significant potential for the economic development of South Wimbledon and Colliers Wood. There is also significant strategic momentum towards the development and redesignation (as a District Centre) of Collier Wood. This represents one of the key commitments outlined within LB Merton’s Core Strategy.

5.22 Despite these positive signs, there remain some significant challenges that will need to be overcome if Colliers Wood and South Wimbledon are to play their part in supporting Merton’s future economic growth. The area is currently highly fragmented, with a number of barriers to effective pedestrian use. The retail offer has more of a feeling of an ‘out of town’ location and the physical environment is generally poor, particularly the ‘Brown and Root’ building in Colliers Wood.

5.23 Many of these issues will be overcome through the planning system and intervention within the built environment. This has been recognised within the London Plan which identifies Plough Lane and South Wimbledon as an Area for Intensification (AFI). That said, these planning and urban design interventions need to be considered in their economic development context, particularly the economic relationship the area has with Wimbledon Town Centre (which given its spatial constraints is likely to expand towards Colliers Wood and South Wimbledon).

**Raynes Park – Current Position**
5.24 Raynes Park is a relatively successful local centre in the west of the Borough. It receives a good level of footfall from commuter patronage of the station and also has a number of important manufacturing companies located within the vicinity. Like Colliers Wood and South Wimbledon, there are a number of available sites where the council is currently facilitating the development of a mix of projects including new social infrastructure for the local area.

5.25 Like Colliers Wood, Raynes Park has issues in relation to the attractiveness and functionality of its centre. LB Merton has responded by developing the Raynes Park Local Centre Enhancement Plan (RPLCEP) which will provide a strategy for improved public realm as well as ensuring that the area’s offer becomes more appropriate to the needs of local people. Raynes Park’s proximity to Wimbledon town centre will again make it important to ensure that the area is considered in its wider economic context.

Morden – Current Position

5.26 Morden is Merton’s administrative centre. This means the area benefits from a concentration of employment in public sector services. It is served by tube, train and road and has substantial parking. Despite this, the centre has changed little over the last 30 years and is not generally considered an attractive location for businesses or residents. Despite these opinions, Morden has excellent access to green space, a diverse food offer and a good amount of family sized housing.

5.27 The council has recognised the underperformance of Morden as a centre and has responded with the ‘More Morden’ strategy. This is a spatial strategy for intensification within the town centre, which will not only improve Morden as a service centre, but will also deliver more diverse residential stock.

Mitcham and East Merton– Current Position

5.28 As outlined in Section 3, the primary issues for the east of the Borough tend to relate to relative deprivation, economic inactivity and low skills levels; clearly addressing these issues needs to be one of the key priorities in implementing this economic development strategy. It is, however, important that Mitcham and East Merton are not isolated (or defined) as an area of deprivation and due consideration is given to the local opportunities upon which Merton can capitalise.

5.29 Over the last 5 years, public transport links to the area have improved significantly, not least with the opening of direct routes into central London from the new Mitcham Eastfields Station (which carries over 10,000 passengers per month). This, along with the Tramlink, has helped Mitcham (and the wider East Merton area) to reinforce its economic relationship with neighbouring Croydon. Although Croydon is outside the borough, it still affords significant economic opportunities to local people, providing significant employment, services and products. 2001 Travel to Work data (which predates journey information on Tramlink and the opening Mitcham Eastfields Station) suggests that around 15% of commuters from the East of Merton did so to Croydon.

5.30 Like Morden, there is significant green space in the area and historic Mitcham centre and the Cricket Green are amongst the borough’s key historical areas. The wider area around Mitcham is home to a significant proportion of the borough’s Construction companies, whilst the presence of Chrisanne Ltd (Costume Designers) provides an interesting balance to the local business base.
5.31 Mitcham’s town centre and areas such as Pollards Hill remains weak in the local and sub-regional context. Current economic conditions have impacted upon the borough’s ability to intervene in relation to development and the physical environment. One of the most significant challenges for LB Merton over the next 5 years will be achieving a balance of complementary social, economic and physical interventions in Mitcham and the east of the borough as a whole.

The Future Economic Role of Merton’s Main Locations

5.32 Consideration of the future economic role of Merton’s main locations is intended to complement the Core Strategy, providing clear guidance on the spatial evolution of the borough’s economy. Clearly, the economy of the borough does not respect political boundaries of defined location in its growth and as such, the analysis below focuses on broader economic geographies.

5.33 Analysis of the local economy and consultation with businesses and stakeholders suggests that Merton’s future economic growth and prosperity will be dependent upon intervention in 3 key geographies:

- Greater Wimbledon (including parts of Colliers Wood, South Wimbledon and Raynes Park)
- Morden
- Mitcham and East Merton

5.34 An outline map illustrating the aspirations for these areas is included below:

Merton’s future economic geography
The remainder of this section takes each of these three areas in turn and outlines the reason for their consideration here and the strategy for their economic development:

**Greater Wimbledon Economic Area**

**What/where is the location**

5.36 The current position of Wimbledon town centre and the overall aims and objectives of this economic strategy indicate quite clearly that Merton’s future growth is reliant on Wimbledon’s centre performing even more successfully than it has done in the past. Wimbledon is already Merton’s main economic driver and it has the potential to ‘raise its game’ further and provide the basis for additional, accelerated economic growth. Unlike other locations within the borough, Wimbledon has already developed a comparative advantage in high value added sectors and has maintained a good level of developer interest (in relation to other South West London locations such as Kingston and Sutton). The town remains Merton’s key asset and by expanding its scope and breadth, the borough itself should see clear benefits.

5.37 Furthermore, the overall economic growth of the Borough and the achievement of higher rates of productivity, GVA and earnings require Wimbledon to be viewed as a different kind of functional economic geography; allowing as much of the borough as possible to benefit from Wimbledon’s reputation and brand. Essentially this means a move away from concentration on the town centre towards the concept of ‘Greater Wimbledon’.

5.38 A wider geographical focus would allow economic planning to be undertaken to ensure that Wimbledon and its environs become as effective an economic unit as possible. The broader economic geography would cover the current town centre, but take into account surrounding areas, certainly including South Wimbledon, but also encompassing parts of Colliers Wood and Raynes Park (where functions would need to be established to complement Wimbledon Town Centre). This creates a broader geographical focus, which includes almost 80% of jobs in Merton and over 65% of the borough’s businesses.

5.39 The concept must not be seen as being enclosed within strict boundaries, but must be allowed to operate as a genuinely ‘functional’ geography in economic terms, operating fluidly and responding quickly to future opportunities. This does not conflict with the LB Merton’s desire to deliver successful town centre within the borough (particularly at Colliers Wood). Strong town centres will be a key component of the successful evolution of Greater Wimbledon.

5.40 The Greater Wimbledon area would provide a larger scale economic centre overall, with a broader range of functions, reflecting the need for different types of business and commercial spaces and allowing for the development of a very strong brand that encompasses wide ranging and diverse retail, leisure, entertainment and other amenity functions. Strong connectivity between this area and Central London, as well as its connectivity into Surrey and Hampshire, must be used as a basis for re-positioning Greater Wimbledon as a competitive, very high quality business and visitor location.

The main economic functions in the location

5.41 As Greater Wimbledon evolves as an economic entity, it will become characterised by the following elements:

- Recognition of a larger functional economic area both in terms and size and scale. This
would include a strong internationally recognised brand and the provision of business, retail and leisure/entertainment facilities to rival any of London’s metropolitan centres. One of the key drivers for the Borough’s future success is that the overall scale of Wimbledon is enabled to increase, particularly in terms of commercial market opportunities and connections. An element of this increase in scale comes simply from considering Wimbledon town centre in its broader spatial context, rather than necessarily through significant densification of the central area.

- An acknowledgement that Wimbledon’s sphere of influence extends to include a significant proportion of the borough, meaning that decisions in relation to Colliers Wood, South Wimbledon and Raynes Park should be considered in the context of Wimbledon’s economic vision.

  - Colliers Wood and South Wimbledon provide a range of business accommodation to enable those businesses that are ‘priced out’ of Wimbledon to stay in the borough (and the Greater Wimbledon area).
  
  - Given that Wimbledon is presently a tightly bounded town centre, Colliers Wood and South Wimbledon also represent logical locations for the future expansion of Wimbledon’s economic area eastwards down the Broadway.

  - By considering other centres in the context of Wimbledon, it provides an opportunity to give these locations a clearer point of reference, enabling them to develop a clearer function and role in the Greater Wimbledon economy.

- Recognition of the Wimbledon area as a high quality, year-round destination in the Greater London area, with all of the requisite assets including leisure, retail and amenity offer. In particular, Wimbledon will develop its USP in relation to sport, delivering a broader range of relevant economic functions such as research and development, sports related healthcare and new sporting attractions.

- A larger scale and high value added business base encompassing a range of target growth sectors and providing high quality, high skill and high earning job opportunities;

- A plentiful and diverse range of business and commercial spaces ranging from quality space for HQ related functions to small scale flexible spaces for new entrepreneurs;

- Provision of flexible spaces specifically for creative industries and visual arts, especially in the South Wimbledon area, supporting (for example) graduates of the College of Art and others to set up in business on full flexible terms;

- Nationally and internationally recognised specialisms, in particular sectoral functions related to high-end business and professional service activities, sports & leisure, software design and ICT, as well as creative and cultural industry sectors. Specifically, Greater Wimbledon will become known as a centre that promotes the interface between key sectors including the development of software and digital media tied to the visual and performing arts;

- A continued role as a service, amenity and social infrastructure hub serving the social and economic needs of Merton’s diverse communities and evolving population.

- An enhanced transport infrastructure in Wimbledon Town Centre, in particular...
increasing the overall capacity of the station.

- A centre that embraces and implements low carbon approaches to business development and growth, as well as consultation of retail and leisure facilities.

5.42 These activities will develop as a result of the development of effective relationships between a number of key partners and stakeholders (see section 9) alongside the credible promotion of the Wimbledon brand.

Key Sectors

5.43 Key sectors that must be supported and promoted for growth in this location include the following:

- **Creative**: Wimbledon will continue to develop its growth as a creative centre, exploiting the benefits of agglomeration and retaining local talent within the Greater Wimbledon economic area

- **Culture, Leisure and Tourism**: Wimbledon will grow as a destination with an enhanced visitor offer and high quality visitor services

- **Retail and Personal Services**: The Greater Wimbledon economic area will develop a broad and diverse retail and personal service offer, complementing the existing ‘high street’ offer with niche functions at Colliers Wood and Wimbledon Village

- **Businesses and Professional Services**: Wimbledon will continue to build upon its comparative advantage as high quality office location within South West London

Why a Greater Wimbledon is good for Merton and good for London

5.44 The rethinking of Wimbledon as an economic location is a significant step for LB Merton and represents a bold but clearly justified policy decision which will deliver benefits not only for the borough as a whole, but also for London. In line with the regional economic development and planning policies outlined earlier in this section, Greater Wimbledon will bring about the growth in the borough’s key economic asset, providing new opportunities for residents of Merton and the wider south west London area. The reasons for taking this approach are outlined below:

- Wimbledon is the dominant employment centre in the borough with recent history of strong growth, a concentration of larger firms and a relatively diversified economic base. The business community is (according to the recent business survey) more positive about their location as a trading location.

- There is acceptance amongst partners of and support for Wimbledon as a key asset that could evolve from a Major Centre into a Metropolitan Centre by securing both an increased scale of activities and higher order economic functions.

- With almost 6,000 employees in Creative Industries, there is a clear and compelling case for Greater Wimbledon to be acknowledged by the GLA as a Strategic Outer London Development Centre for the sector.

- Travel to Work information suggests that Greater Wimbledon is already operating as a functional economic geography, mainly due to the good cross borough links into the centre. A more significant economic area would provide a bigger incentive for residents to take advantage of these.
In the long term, the development of Greater Wimbledon provides opportunity for complementary growth in supporting sectors and cluster locations providing growth in businesses that supports creative industries, retail, tourism and business services.

The development of a Greater Wimbledon area creates the potential to develop specific higher order assets (e.g. cultural facilities, hotels) to increase diversity and improve the inward investment offer in Wimbledon. There should be a focus on building upon the sectoral strengths in London that are predicted to grow in the future.

Greater Wimbledon will better meet the needs of increased numbers of high skill workers (who demand better quality workspace, facilities and access) and flexibility, meaning the town will be better place for any future recovery and more resilient to future downturns.

Indicators of Success

The evolution of Greater Wimbledon as an economic location needs to be a fluid process which is not tied too closely to the achievement of specific indicators. It is, however, useful to consider how success could be measured and what this success might look like; possible indicators are outlined below:

- Increase GVA across the borough;
- Increase in inward investment enquires in Wimbledon, Colliers Wood, Raynes Park and South Wimbledon;
- Increased demand for business space – decrease in vacancy rates in Raynes Park and Colliers Wood;
- Increase in number of day visitors;
- Increased occupancy rates at local hotels;
- Increased press coverage outside of 'Wimbledon Fortnight';
- Increase in the number of creative business within the area;

LB Merton’s Commitment to Greater Wimbledon

This strategy clearly acknowledges Wimbledon as the borough’s most important economic asset and as such LB Merton will place a significant focus on the development of the town and its surrounding area over the next 5 years.

Further research and consideration will be given to the practical evolution of Greater Wimbledon, ensuring that (in line with the LB Merton’s Core Strategy) Raynes Park, Colliers Wood, South Wimbledon and Wimbledon Village evolve as more effective locations and the benefits of economic linkages are fully realised and the extension of the town centre eastwards is facilitated.

LB Merton will work to secure the development of new cultural assets and facilities within the area and will continue to develop the infrastructure to support increased visitors to the borough; critically, this will include the supporting proposals for luxury hotel facilities in the area and options for increasing the capacity of the station.

Improved inward investment processes and developer relations will be created to ensure the (Greater) Wimbledon brand is communicated effectively to the right organisations. Along with improved inward
investment processes, LB Merton will use the relevant planning powers to ensure balance within the Greater Wimbledon economy.

Morden

The main economic functions in the location

5.46 Morden’s economic future will not only require it to build upon existing strengths in terms of employment base and transport links, but also to evolve into a service and business centre that directly complements the evolving role of Greater Wimbledon. This means that Morden will continue as a centre for public service, transport and retail activities (driven by expansion of it’s functionality as a residential centre) as well as maintaining high quality industrial sites.

5.47 Morden should further exploit its current position as a good quality and reasonably affordable place to live or to locate a small business. Using local amenities and features such as Morden Hall Park and environs, as well as the mosque, the area will transform into a quality centre that responds well to the social and business needs of local communities.

The scope for Intervention

5.48 In line with the More Morden strategic framework, the economic development strategy will support the evolution of the town into a more coherent (and high density), attractive and successful residential (and subsequently economic) location which complements growth in the Wimbledon area.

5.49 As a dominant employer, the public sector has a key role to play in Morden. This dominance must be used positively to stimulate business development and growth through procurement and purchasing. In addition, intervention will be required in order to ensure that flexible businesses spaces exist to fulfil the current and future needs of a range of local enterprises which will come from a growing local population. In particular, graduation and move on space will be an important part of the local offer. Support for new and high growth enterprises should be tied directly to the key sectors identified in the strategy.

5.50 Provision of meeting spaces that can be used on an ad hoc basis by essentially home-based businesses could provide a key component of the necessary business infrastructure in Morden, as well as promoting movement of local SMEs within the borough. The development of supply chain linkages into the larger and higher value added occupiers in Greater Wimbledon should also be explored and developed fully.

5.51 There is also a need to ensure intervention in terms of public realm and overall environment, in order to ensure that the overall amenity value of Morden as a business and residential location is enhanced. Marketing Morden’s transport links, especially its position on the Northern line would be very useful.

Key Sectors

5.52 The main sectors that should be promoted for growth in the Morden area include the following:

- **Green**: Identify opportunities to support the development of green industries at industrial sites in the Merton area.
• **Culture, Leisure and Tourism**: Develop a high quality local offer which increases the appeal of Morden as a residential location

• **Retail and Personal Services**: Enhance retail and personal services within Morden in line with the increase in the local population.

**Indicators of Success**

5.53 Whilst it is envisaged that Wimbledon will be the major contributor to Merton’s future growth in employment and productivity, Morden will still play a key roll in the development of a more successful and prosperous borough. Given the fact that the focus of intervention in Morden is different to that within Wimbledon, the indicators of success in the area will also be different:

- Increase in demand for housing in Morden;
- Decrease in vacant retail units;
- Increase in passenger usage of South Merton and Morden South National Rail stations;
- Increased use of tube station after 6.30pm;
- Increase in self employment in Morden.

**LB Merton’s Commitment to Morden**

This strategy supports the development of the More Morden vision for the improvement of the town centre and the development of the town as a key residential location for the borough. To complement this, LB Merton will support the development of a broader retail and personal service offer within Morden as well relevant cultural facilities to support the growing population of the area.

LB Merton will also seek to support the development of flexible small business space within Morden, whilst also ensuring that an effective dialogue is developed with local businesses to ensure that industrial spaces within the town are not compromised by future development of the town.

**Mitcham & East Merton – The Future Economic Role of these Locations**

**What/where is the location**

5.54 In terms of functional economic areas and in order to support the implementation of the economic strategy for the borough, it is important that Mitcham town centre is considered within its wider spatial area. This is especially pertinent to consideration of the Willow Lane industrial area which provides substantial employment opportunities within close proximity to Mitcham centre. In addition, this broader area will encompass Pollards Hill, Mitcham Common, a number of other strategic sites for development (such as Roan Industrial Estate and the Windmill Trading Estate site), as well as a number of scattered sites which are currently providing employment.

5.55 An overarching objective for this eastern area of the borough is to generate uplift in the potential for employability and economic activity generally within the local population, in order that local communities can benefit from new jobs created in the Greater Wimbledon area, in Morden and within the immediate locality. In addition, supporting the ability of local people to access jobs in neighbouring Croydon town centre will also have a positive impact on the Merton economy through local multiplier effects and increased investor confidence in East Merton (and the borough as a whole).
The main economic functions and sectors in the location

5.56 Like Greater Wimbledon, the Mitcham and East Merton area encompasses a range of economic and sector specialisms and is characterised by a number of specific economic development challenges. The main economic functions of this location will include:

- Provision of significant employment opportunities in and around the Willow Lane industrial area and on other key industrial sites within the East of the Borough. This should be targeted at supporting growth in a number of key sectors;

- Continue to identify and support opportunities for the improvement of Mitcham town centre. Where possible develop a longer term dialogue with potential developers to establish a clear idea of appropriate phasing on delivery.

- Development of key service activities and hubs in the centre of Mitcham aimed primarily at enhancing economic activity and employment rates amongst local people. This will include the provision of coordinated and interlinked services in skills development and learning, but also in health, social welfare and early years provision;

- Support for local entrepreneurs through carefully targeted enterprise skills development and support to generate and evolve local business ideas. The role of social enterprise as a mechanism for animating and taking forward business ideas will be important here.

The Scope for Intervention

5.57 There is clearly a need for intervention in the form of service re-design and re-configuration. Intervention should support Mitcham to become a hub for implementation of innovative service delivery that supports local people towards greater levels of economic activity. Existing intervention on the part of local schools, including extended service provision, direct support for parents and working to support the learning activities of specific target groups (e.g. young offenders) must be taken further.

5.58 In addition, there is a need for the development of a range of commercial, industrial and business spaces, as well as community spaces that can be used for a variety of economic activities. The development of flexible business space must be aligned to the delivery of bespoke enterprise support that reflect the needs and aspirations of local people.

5.59 Significant environmental improvements to the local area will also help to stimulate economic change. In particular, physical change that supports provision of quality services and amenities must be taken forward in a manner that preserves the character of some of the area’s most historic features.

Key Sectors

5.60 Key sector for this location include the following:

- **Retail and Personal Services**: Ensure a relevant offer strengthens Mitcham as a local centre, whilst residents of East Merton are provided with employment opportunities in the sector across the borough as a whole.

- **Culture, Leisure and Tourism**: Develop and promote an appropriate local offer aimed at increasing involvement in sport and culture locally.
• **Construction**: Identify opportunities to increase local employment in the construction sector. Identify opportunities to support local construction businesses to adopt greener ‘Modern Methods’.

• **Manufacturing**: Support employment growth in advanced manufacturing. Identify links between the manufacturing sector and environmental technologies.

**Involving Residents in Merton’s Economic Success**

5.61 In addition to the broad strategic aspirations outlined above, there is also a need to address the current issues around skills and economic activity within the east of the borough. Underpinning this is the need to ensure that residents in the east of Merton are clear beneficiaries of future economic growth. As a result, this strategy also promotes a highly targeted approach in relation to skills and employment which focuses on a bespoke service which is, where possible, delivered from prominent locations within Mitcham.

### Increasing Skills and Participation within Mitcham and East Merton

- Maintaining a strong dialogue with local manufacturing and construction businesses to ensure that LB Merton and relevant partners are aware of the recruitment and skills needs of local businesses and are able to respond in a timely and efficient manner.

- Developing the capacity of social enterprise and third sector bodies to become active deliverers of skills related services within the borough.

- Using Merton’s growth Culture, Leisure and Tourism sector as a vehicle to involve more vocationally minded young people within the borough’s economy.

- Providing support for new third sector organisations to develop intermediate labour market (ILM) models to provide opportunities for residents in East Merton to re-connect with the labour market whilst also delivering goods and services locally.

- Identifying opportunities for Merton to lead on sub-regional collaborations with Croydon, Sutton and Kingston to increase the number of work experience and apprenticeship opportunities for local young people.

- Lobby and influence Merton College (now merged with South Thames College) to ensure that the broad sectoral priorities are reflected within evolving curricula.

- Building upon the successful delivery of the ‘Merton Offer’ to identify further opportunities for collaboration amongst local schools to not only to secure links between key sectors and curricula development, but also to identify opportunities to use East Merton’s Schools as locations for adult education (particularly for parents of local students).

- Involving local business ambassadors (from across the borough) to raise the aspirations of young people within Mitcham and East Merton.

5.62 This activity will in part be delivered through the core actions promoted within this strategy. Other elements will be achieved as a result of the ‘bending’ of existing actions promoted through the Merton Community Plan; the most obvious link being to project LE3: Develop and implement Employment and Skills Strategy within the Plan itself (see below).

**Indicators of Success**

5.63 It is clear that success in Mitcham and East Merton will be measured in a different way to Greater Wimbledon and Morden. Success will largely relate to the number of individuals
involved in productive economic activity, but will also need to focus on measures that demonstrate success for local companies emerging from the current recession. Possible indicators could include:

- Improvement in qualification levels locally (GCSE, NVQ2 and NVQ4)
- Improvement in employability of local people (as reported by local employers)
- Increase in the number of economically active residents
- Decrease in the number of business closures
- Decrease in number of vacant units within Mitcham town centre
- Decrease in the number of NEET (Not in Education Employment and Training) young people

**LB Merton’s Commitment to Mitcham and East Merton**

This strategy recognises that the transformation of the east of the borough into a location which contributes significantly to the GVA of Merton will take longer than will be the case in Morden or Greater Wimbledon. As a result, partners will maintain their commitment to building the capacity of the local population and business base to enable them to contribute to Merton’s future economic success.

Improved lines of communication will be developed with Manufacturing and Construction companies within the east of the borough, focussing particularly on supporting companies to become green (both in terms of operations and product) whilst also providing a local business support offer that will enable companies to diversify their current offer and cope better with the medium to long term issues associated with the current recession.

Ongoing research into sites in the borough will be used to ensure that where possible, key industrial sites are improved to optimise their performance for industrial uses. This should take place in line with Merton’s Core Strategy options for Mitcham town centre’s development as an improved service hub with an offer appropriate to the needs of local residents.

Recognising the importance of the economic relationship of the east of the borough with other boroughs (in particular Croydon), LB Merton will seek to play a more influential role in the development of sub-regional interventions that will contribute to the economic wellbeing of residents.

**Main Industrial Sites and Scattered Sites**

5.64 As well as important town centres, the three core geographies described above include a number of important strategic industrial sites and scattered industrial sites. Larger industrial areas such as Willow Lane and Morden industrial areas, along with smaller sites in Raynes Park and at Dunsford Road Industrial Estate, are major employment areas. In addition, these industrial areas provide significant potential for Merton to achieve growth in the Green Sector and (advanced) manufacturing.

5.65 Given the desire to support and retain more traditional elements of the borough’s economy, the **ongoing improvement of larger industrial areas is of considerable importance**. In addition to improving access and general environment, this will also include improved dialogue with the businesses located on industrial areas to ensure the most effective and responsive service is delivered to them.

5.66 Around 26% of Merton’s employment floor space is accounted for by a number of specific
locations that are currently providing employment and a variety of different business activities; these are referred to as the scattered sites. These encompass a range of uses and are generally flexible in terms of the sectors they could support in the future. Currently, 20% of premises on these sites are vacant, suggesting they are not currently achieving their full economic potential.

5.67 **Each scattered site in the Borough must be considered on its own merits.** Some of these sites will be suitable for a range of target growth sectors, but this will depend very much upon their local context and surroundings. Some of these sites, for example, are within very close proximity to residential locations and are therefore available only for a relatively limited range of employment types. In addition, occupiers in higher end, high GVA sectors, especially those looking for accessible town centre locations, will not necessarily be interested in the Borough’s scattered sites.

5.68 Clearly, all sites should be given an appropriate appraisal process before any public sector resources are spent on converting them to appropriate uses. Similarly, serious consideration needs to be given to whether existing employment sites are to be re-designated for other uses. Where sites offer a marketable proposition, this should be developed in line with improved inward investment processes.
6. Implementing the Strategy

6.1 Economic improvement in Merton will require the right balance of new activities alongside activities already underway. The strategy seeks to influence not only the economy of the borough (i.e. jobs, businesses and productivity) but also the built environment, delivery of council services and the way Merton is marketed and promoted. As such, the strategy sets out an overarching framework for economic growth within the borough. Naturally, the delivery of the specific interventions outlined in the previous section is critical.

6.2 This section outlines some of the key issues that need to be considered in implementing this strategy and the various interventions, and how new and existing forms of delivery can be used together to achieve strategic objectives.

Communication and Commitment

6.3 Communication is at the heart of successful strategy implementation. Without good communication it is impossible to convince partners and more importantly investors of the economic potential of Merton. In adopting this strategy, LB Merton acknowledges a commitment to deliver clear messages to the local business community and the wider investor, strategic and political communities.

6.4 Throughout this document LB Merton has outlined it’s commitment to locations (in particular Greater Wimbledon) and sectors. In all of these cases, the success of the strategy will be predicated on the ability of partners to communicate with each other effectively and efficiently.

Using Existing LB Merton Functions to Deliver this Strategy

6.5 Given that there is already as significant amount of positive activity taking place in the borough it is important that this strategy does not discount existing progress. In addition to this, the current economic climate means that LB Merton will have to do ‘less with more’; as such, the effective mobilisation of existing functions is critical. Elements of this are explored below:

Town Centre Management

6.6 Effective management is central to the success of town centres in several ways. As a minimum, a town centre manager should enhance the attractiveness of the area, for example by promoting coordination between service providers and businesses, building joint working and promotion, and delivering events designed to increase footfall.

6.7 The Council has recognised the importance of this role by supporting some town centre management intervention, using a combination of funds from s106, Local Authority Business Growth Incentive (LABGI), London Development Agency (LDA) grant, and mainstream resources. Contributions from the private sector have been crucial to role in Wimbledon (where the service is managed by the Chamber of Commerce).

6.8 As part of the 2009/10 budget, the Council has considered the use of its LABGI funds garnered over the life of the scheme. As part of that budget, it has allocated a substantial sum for economic development. The key objectives of this investment are to:
• Promote the town centres as attractive places to visit, shop and invest;
• Enable work with all partners to enhance the physical environment of the centres;
• Build relationships across sectors to deliver these objectives;
• Work with partners to deliver customised business support within the agreed vision of the centre.

6.9 This resource will be used to employ staff within a dedicated team, and provide a budget to be used as leverage and partnership funds to attract investment,

6.10 However, it is not necessarily the best solution simply for the Council to employ staff to work within the Council to deliver the above objectives. It is therefore proposed that the Council will review its procurement options for town centre management, including discussions with the Association of Town Centre Managers, to determine the most effective delivery mechanism. It is important that the Council’s financial investment delivers both a place-specific service and a cohesive borough wide approach. It is proposed that the final decision on how best to deliver Town Centre management, using this resource, be delegated to the Director of Environment and Regeneration, in consultation with the Cabinet Member for Regeneration.

**Local Authority Sponsored Business Support**

6.11 The Council is currently seeking to enhance its business development and support function through commissioning a new delivery arrangement. It is imperative that this new arrangement builds upon and generates net additional value to the existing set of support structures. This will in fact be a requirement given Central Government’s Business Support Simplification (BSSP) process for business support activities.

6.12 Although the Employer Survey undertaken for this strategy suggests that, overall, the business base in the borough is in a reasonably healthy state, there remains room for development of more bespoke and highly targeted activities that will address particular needs. These would include support for:

• **Diversifying and evolving product and service offers towards higher value markets;**
  ➢ Current activity includes: provision of borough-wide support to the Chamber of Commerce to supplement the Business Link in London business advice service (Merton Means Business)

• **Extending market reach** locally, nationally and internationally;
  ➢ Current activity includes: opportunities for businesses to seek investment, network and promote their products and services, both in town centres and on industrial estates; production of a Selling to the Council Guide being promoted through a programme of procurement seminars/meet the buyers events.

• **Provision of high quality business space** and flexible rental terms that suit the needs of businesses that are growing and diversifying;
  ➢ Current activity includes: Funding access to the commercial property database managed by South London Business; provision of the Business Generator
Centre to provide accommodation for new start-up businesses in a supportive environment and the Canterbury Road studios primarily for creative sector businesses.

- Sourcing suppliers and intermediaries that offer high quality inputs into production and service delivery projects;
- Accessing suitable finance and funding arrangements;
  - Schemes of financial assistance are currently under review (including the possibility of business loans administered through a credit union) and there is an opportunity to realign them to match the priorities of this strategy
- Recruiting a highly skilled and flexible workforce;
- Accessing high quality training and HR development services that address directly the need to increase value added and the competitive position of individual businesses in Merton.
- Supporting businesses to reduce cost base and increase competitive position through adaptation towards low carbon processes.

6.13 In seeking to deliver a new business support infrastructure in Merton, it will be vitally important that all proposed services and activities are fully complementary and are ‘tested’ against the current set of sub-regional and London-wide arrangements in order to assess whether they will genuinely contribute net additional resource and value. Any possibility of duplication or indeed replacement of existing services with a lower quality offer should be avoided at all cost.

Role of the Planning System

6.14 The spatial components outlined within this Economic Development Strategy are intended to complement fully the borough’s Core Strategy. The EDS seeks to reinforce the overall direction of the Core Strategy by setting out particular economic visions and associated actions for the main economic hubs within Merton.

The Relationship between Greater Wimbledon and the Core Strategy

Greater Wimbledon is an economic concept; it is based on a desire to achieve increased productivity, investment and added value within the area. Key to the success of the Greater Wimbledon economic area is the development of strong commercial nodes (such as South Wimbledon Business Area) and local centres (such as Colliers Wood). The Core Strategy for Merton’s LDF provides a framework for the development of these town centres over the next decade. The successful implementation of the Core Strategy is fundamental to the delivery of this economic development strategy.

6.15 The Planning System is a vital and necessary instrument in the development of the Borough’s economy. The right types of planning decisions can have a strong and sustainable impact on the borough’s ability to secure economic growth, increased productivity and higher values. As a minimum, a clear evidence-based EDS allows Borough officers and members to make planning decision underpinned by agreed economic principles and priorities. As such, each potential form of development requiring planning permission, where appropriate, can be judged against its ability to generate sustainable and inclusive economic opportunity. The EDS has been
developed therefore in order to support key planning decisions in Merton.

6.16 One particular means whereby the Council can use the planning system to support economic development is through use of CPO and development control powers. These powers should be exercised so as to ensure that development is undertaken in Greater Wimbledon, Morden and Mitcham/East Merton in a manner that fully supports both the EDS and the broader Core Strategy. Development control should be used in part to ensure that what is planned and subsequently built across the borough, in terms of business and commercial property, meets the needs of target growth sectors.

6.17 In addition to this, the rationalisation of existing council owned industrial space may be considered as a means of funding the evolution of the economic strategy.

6.18 The role of the planning system in supporting economic development and growth also requires that the Council has active and constructive relationships and ongoing dialogue with developers that can take forward the right types of development in locations that support the economic aspirations for the borough. As a priority, this will involve getting developers to buy-in to the economic development vision for Merton. Where developers are seeking permission for major developments that could potentially stimulate significant economic growth, the Council must steer and influence plans in order to generate the most acceptable outcome in terms of sustainable economic improvement. In addition, the council should look out for the right opportunities to enter into joint ventures with suitable developers.

The Economic Development Strategy and Community Plan

6.19 The development of this strategy represents the achievement of one of the key elements of the Community Plan (Project LE2). This strategy supports the delivery each of the other 8 Local Economic interventions as outlined within the Community Plan as outlined in the table below:

<table>
<thead>
<tr>
<th>Economic Interventions within the Community Plan</th>
<th>Economic Development Strategy Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>LE1: Develop LDF Core Strategy and associated policies to determine future land use</td>
<td>The initial phases (5-10 years) of the delivery of the EDS are built around the strengthening of Merton’s town centres in line with the LDF Core Strategy. The EDS is intended to capitalise upon the Core Strategy to ensure that future planning policy delivers the maximum positive economic impact and investment.</td>
</tr>
<tr>
<td>LE3: Develop and implement Employment and Skills Strategy</td>
<td>Addressing issues related to employment and skills (particularly in the east of the borough) is also an important foundation in building the capacity of the borough to improve economic returns.</td>
</tr>
<tr>
<td>LE4: Progress the regeneration of Mitcham Town Centre and associated complementary initiatives including consideration of green infrastructure principles</td>
<td>The EDS recognises Mitcham as an important location with Merton. The development of the town and it’s environs (particularly in line with LB Merton’s green objectives) is reflected within this document.</td>
</tr>
<tr>
<td>LE5: Progress the regeneration of Morden Town Centre and associated complementary initiatives including consideration of green infrastructure principles</td>
<td>The EDS recognises that Morden will grow as a residential and service location. Specific reference is made to the More Morden Vision.</td>
</tr>
<tr>
<td>LE6: Wimbledon Going for Gold Programme 2012 Merton Chamber of Commerce,</td>
<td>The ongoing engagement and involvement of the business community in Wimbledon is critical to the areas intervention. 2012 represents an important milestone in the emergence of the town as an enhanced economic node in London.</td>
</tr>
</tbody>
</table>
LE7: Implement programme to support local businesses through the economic downturn

The interventions outlined within the EDS have been designed to respond specifically to the needs of the Merton business community. There are 5 interventions which specifically seek to deliver an enhanced business support package for Merton companies.

LE8: Increase volunteering (recognising that it is a route to work and enhances skills and experience

The EDS proposes interventions which provide opportunities for schools and businesses to become involved in the delivery of opportunities for volunteering. This should lead to the development of a more relevant offer to Merton residents.

LE9: Develop initiatives to encourage local procurement and support local supply chains

Intervention 3.3 seeks specifically to provide support for businesses to become more involved in local supply chains (both public and private).

6.20 In line with Community Plan and the implementation of the borough’s Local Area Agreement (LAA), The Merton Partnership provides The Merton Observatory. This web based facility allows users to a wide range of data about the borough in an easily accessible format. Consideration should be given to adapting elements of this to track the progress (in statistical terms) against the objectives of this strategy.

Role of the Private Sector and the Business Community

6.21 One of the main ways in which the business community will support the borough’s economy is of course through the development of quality goods, products and services, sold into high value markets that subsequently creating significant direct and indirect employment. The Council, through a range of activities, will seek to support this overall process. Additionally, key individuals from within the business community can also play a key and specific role in supporting the economy.

6.22 As a priority activity, the Council should support key members of the business community to effectively become ambassadors for the EDS and for Merton. This should include individuals who run businesses in the borough, but also major developers who are very active in the borough.

6.23 The roles that ambassadors would play in this respect would include:

- General promotion and ongoing marketing of the borough to others within their industry or network of business contacts;
- Promotion across the Merton business base of the role and aspirations of the EDS and the Council itself in terms of economic development and regeneration priorities;
- Acting as a conduit between the council and businesses generally in terms of ongoing dialogue and communication;
- Acting as a mentor to smaller businesses within the borough in terms of supporting their aspirations for growth and diversification;
- Acting as a promoter of the benefits of low carbon production techniques and processes.

6.24 The Council will seek to deliver or influence support that enhances the competitive position of businesses in Merton and facilitates their growth and development. By acting as ambassadors,
this enables the business community to make a complementary commitment and contribution to broader economic development.

**Delivering New Interventions**

6.25 Section 8 outlines a series of new interventions as well as some which has evolved from successful delivery in Merton and elsewhere within South West London. However, the Council’s intention to execute this strategy does not imply that all of the potential interventions listed will or should be immediately implemented – or indeed necessarily actioned at all. Each will be considered for its potential impact in line with current resources, as well as within the wider economic and strategic context. That said, Merton Council recognises the importance of taking the critical ‘first steps’ to ensure that when interventions are actioned this is a smooth and fluid process.
7. **Interventions**

7.1 The successful delivery of this strategy will be dependent on the ability of LB Merton, stakeholders and businesses being able to reconfigure their activities to deliver its core objectives. It is, however, important in some cases that the borough (often in partnership with key partners) intervenes directly in key areas where there is a rationale to do so. This section outlines a number of key interventions which will, in the first instance, be led by LB Merton to help deliver the overarching vision and objectives outlined in previous sections.

7.2 Before looking in-depth at the interventions themselves, it is important to ensure that they represent a response to the issues outlined within the strategy development processes.

**Typology of Interventions**

7.3 As mentioned throughout this document, Merton’s economic development strategy will be underpinned by good partnership working; the desire to build upon positive activity undertaken to date and the commitment of LB Merton to be a more influential strategically and politically in the sub region and London as a whole. As a result, the interventions outlined within this section are a mix of actions which include new programmes, new versions of existing programmes and ideas upon which Merton will act to support sub-regional solutions. These are categorised below:

- **New Interventions to support Economic Development** – The baseline research and consultation that underpin this strategy have illustrated the need for a number of new interventions which will help address some of the market failures that are constraining the borough’s economic growth.

- **Improving Existing Council Functions** - LB Merton also delivers a number of existing economic development interventions. In implementing this strategy it is important that, where possible, value is added to existing functions rather than them being replaced.

- **Supporting the Development of Sub Regional Responses** – A number of interventions that have developed out of this process have the potential to deliver more significant results if they are delivered on a sub-regional basis. These projects recognise that Merton’s economy will benefit if it is part of a more successful South West London.

- **A Wider Programme of Economic Development Activity** - A number of the project ideas emerging from this economic development strategy will not be delivered in the short term; this is mainly because they are dependent on the success of other initiatives or are not necessarily strategic priorities at the present time. This is not to say that these actions are not worthy of inclusion here.

7.4 In addition to the intervention groups outlined above, there are a number of activities which are referenced within the strategy which, whilst directly relevant to the future economic success of Merton, are not necessarily projects which fall within the remit of an economic development strategy.
7.5 The table below takes each intervention outlined herein, and identifies links back to these key objectives:

<table>
<thead>
<tr>
<th>Intervention</th>
<th>To improve the average levels of productivity, gross value added and pay for jobs in Merton</th>
<th>To promote economic resilience in Merton through a diverse local economic base which does not rely too heavily on any one sector for its continued success</th>
<th>To build on Merton’s strengths in location, attractiveness, safety and expertise to promote its economy</th>
<th>Ensure that activity is delivered in a way that supports other values and objectives, notably bridging the gap between the east and west of the Borough and protecting the environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New Interventions to Support Economic Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1 Merton Business Ambassadors</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>1.2 Greater Wimbledon Vision</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.3 Enterprise Facilitation within Merton</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>1.4 Social Enterprise Hub</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>1.5 The Merton Biennale of Visual/Digital Arts</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>1.6 Relationship Building and Key Sector Support</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>2. Improving Existing Council Functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Effective Town Centre Management</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>2.2 Business Support Take Up Programme</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3 Effective Inward Investment Process</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>3. Supporting the Development of Sub Regional Responses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1 The Green Economy Commitment</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>3.2 East Merton Employment Brokerage Programme</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>3.3 Procurement and Supply Chain Support</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
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<tr>
<td>4. A Wider Programme of Economic Development Activity</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>4.1 Guaranteed Work Placement Scheme</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.2 School / FE Curricula Re-development:</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.3 Target Development of Space for Creative Businesses</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>4.4 Flexible Small Business Space</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.5 Business Loyalty Programme</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>4.6 Development of a Sector Appropriate HE/Research function</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Referenced Interventions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Realisation of the More Morden Vision</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Luxury Hotel for Wimbledon</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>A New Cultural Attraction for Wimbledon</td>
<td>✓</td>
<td>✓</td>
<td></td>
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</tr>
</tbody>
</table>

**Specific Interventions**

7.6 Individual interventions are outlined below. It should be stressed that the strategy is, first and foremost, a set of guiding principles to guide all partner activities. These projects are recommendations to help this to happen and, whilst it would be desirable to see them all delivered. The strategy’s success does not depend on it.
Each project is outlined in more detail in Appendix A.

New Interventions to support Economic Development

- **Merton Business Ambassadors** - Recruiting and supporting a group of Merton’s most high profile businesses to become involved in the delivery of the strategy as well as promoting the borough to external audiences.

- **Greater Wimbledon Vision** - The development of a vision and plan to inform the growth of Wimbledon and its economic hinterland. This will acknowledge and enhance the town’s role in the economy of Merton and the sub-region, supporting a more diverse range of economic functions and a high quality visitor offer.

- **Enterprise Facilitation**: Delivery of Enterprise Facilitation in Merton to identify and provide intensive support for individuals with the capability of delivering successful businesses or social enterprises.

- **Social Enterprise Hub**: Raising the profile and productivity of Social Enterprise in Merton.

- **The Merton Biennale of Visual/Digital Arts** - Delivery of a new nationally renowned arts festival which ‘opens up’ Merton and changes perceptions of the borough.

- **Relationship Building and Key Sector Support**: To develop a thorough understanding of the Borough’s business base, build strong intra sector relationships with companies (especially those in identified growth sectors) and to design and implement bespoke sector support packages.

Improving Existing Council Functions

- **Effective Town Centre Management**: The development of a Town Centre Management (TCM) function which supports the development of effective centres within Merton, as well as, potentially in due course, assisting in interventions to make those centres more effective for specific employment sectors.

- **Business Support Take Up Programme**: Ensure that all businesses in the borough are aware of, and can easily access local, sub-regional and regional business support services.

- **Effective Inward Investment Process**: Significantly improve inward investment activities, providing a clear offer, process and aftercare service for businesses wishing to locate in Merton, particularly those within target sectors.

Supporting the Development of Sub Regional Responses

- **The Green Economy Commitment**: Delivery of sub region wide business support (open to all businesses) aimed specifically at businesses lowering carbon impact and realising the benefit of greener business practices.

- **East Merton Employment Brokerage Programme**: Delivery of a targeted job brokerage programme from a key local hub in Mitcham to link local people to the ongoing opportunities available from South West London’s growing economy.
• **Procurement and Supply Chain Support** — Provision of a capacity building (for suppliers) and brokerage service aimed at ensuring that where possible companies and public sector buyers are able to buy local.

**A Wider Programme of Economic Development Activity**

• **Guaranteed Work Placement Scheme**: Development of a scheme that would seek to ensure that Merton residents wishing to could have access to some form of work experience or introduction to a new sector.

• **School / FE Curricula Re-Development**: Development of new specific curricula within educational institutions linked directly to the growth in targeted sectors

• **Targeted Development of Space for Creative Businesses** — Development of appropriate, flexible spaces to allow London’s creative businesses to locate and cluster in the Wimbledon area.

• **Flexible Small Business Space** — Development of flexible small business space at key locations within Merton.

• **Business Loyalty Programme**: Ensure that businesses that stay in Merton are rewarded and given an incentive to remain and grow in the borough.

• **Development of a Sector Appropriate HE/Research function** — Develop a reputable research and HE function linked directly to the development of one or more of Merton’s key sectors

**First Steps towards Implementation**

7.8 Although all of these interventions may not be delivered, it is important that partners consider the feasibility and viability of each option. The table below outlines each of the interventions introduced above and considers the first steps towards their successful delivery:

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Immediate Next Steps to Support Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Merton Business Ambassadors</td>
<td>Recruit key high profile business people within the borough to act as the initial Ambassadors. This could include senior representatives from AELTCC, Eidos, and CIPD.</td>
</tr>
<tr>
<td>1.2 Greater Wimbledon Vision</td>
<td>Develop brief to support the development of appropriate vision.</td>
</tr>
<tr>
<td>1.3 Enterprise Facilitation within Merton</td>
<td>Investigate potential models for delivery of Enterprise Facilitation within Merton. Identify complementary community projects to support the development of the programme.</td>
</tr>
<tr>
<td>1.4 Social Enterprise Hub</td>
<td>Review recent social enterprise mapping project to assess whether specific social enterprises exist to support the development of the Hub. Due consideration should also be given to whether this project can be delivered within Merton or the necessary expertise needs to be commissioned externally.</td>
</tr>
<tr>
<td>1.5 The Merton Biennale of Visual/Digital Arts</td>
<td>Undertake consultations with areas which have undertaken similar festivals. These could include Folkestone, Liverpool and Gijon (Spain) amongst others.</td>
</tr>
<tr>
<td>1.6 Relationship Building and Key Sector Support</td>
<td>Commence detailed Borough wide business mapping by sector and to initiate contact with key businesses in the identified growth sectors</td>
</tr>
</tbody>
</table>

**2. Improving Existing Council Functions**

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Immediate Next Steps to Support Intervention</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Effective Town Centre Management</td>
<td>Ensure the effective re-contracting of an appropriate Town Centre Management provider.</td>
</tr>
<tr>
<td>2.2 Business Support Take Up Programme</td>
<td>Ensure the effective conclusion of the tendering process for Merton’s Business Support Programme. Liaise with chosen provider to ensure that they are able to deliver against the objectives of this strategy</td>
</tr>
<tr>
<td>2.3 Effective Inward Investment Process</td>
<td>Liaise with South London Business to consider the scope of process that can be delivered in the context of the current service offer</td>
</tr>
<tr>
<td>----------------------------------------</td>
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</tr>
<tr>
<td>3. Supporting the Development of Sub Regional Responses</td>
<td></td>
</tr>
<tr>
<td>3.1 The Green Economy Commitment</td>
<td>Liaise with other relevant boroughs, regional and sub-regional partners to assess the appetite for intervention in this area.</td>
</tr>
<tr>
<td>3.2 East Merton Employment Brokerage Programme</td>
<td>Liaise with other relevant boroughs, regional and sub-regional partners to assess the appetite for intervention in this area.</td>
</tr>
<tr>
<td>3.3 Procurement and Supply Chain Support</td>
<td>Liaise with other relevant boroughs, regional and sub-regional partners to assess the appetite for intervention in this area.</td>
</tr>
<tr>
<td>4. A Wider Programme of Economic Development Activity</td>
<td></td>
</tr>
<tr>
<td>4.1 Guaranteed Work Placement Scheme</td>
<td>Having established the Merton Business Ambassadors, work with businesses to assess the practical considerations around the delivery of this intervention</td>
</tr>
<tr>
<td>4.2 School / FE Curricula Re-Development:</td>
<td>Undertake initial liaison with head teachers and South Thames College to gain a clearer understanding of extent to which elements of the curriculum can be influenced.</td>
</tr>
<tr>
<td>4.3 Target Development of Space for Creative Businesses</td>
<td>Review existing sites within council ownership and consider whether these are appropriate for creative businesses.</td>
</tr>
<tr>
<td>4.4 Flexible Small Business Space</td>
<td>Review existing sites within council ownership and consider whether these are appropriate for the development of flexible business space.</td>
</tr>
<tr>
<td>4.5 Business Loyalty Programme</td>
<td>Consider the extent of the reward which could possibly be delivered by LB Merton.</td>
</tr>
<tr>
<td>4.6 Development of a Sector Appropriate HE/Research function</td>
<td>Undertake initial liaison with sector specialist and HE/Research to better understand the necessary conditions required for the development of this kind of function.</td>
</tr>
<tr>
<td>Other Referenced Interventions</td>
<td></td>
</tr>
<tr>
<td>Realisation of the More Morden Vision</td>
<td>Begin dialogue with various developers to promote the vision for Morden in the future. Consider the best model (Tax Increment Finance, Asset Backed Vehicle, Accelerated Development Zone etc) to ensure the timely development of the town centre.</td>
</tr>
<tr>
<td>A Luxury Hotel for Wimbledon</td>
<td>Undertake dialogue with luxury hotel providers to understand conditions necessary to develop a Luxury hotel in Merton.</td>
</tr>
<tr>
<td>A New Cultural Attraction for Wimbledon</td>
<td>Promote specific sites (in particular ‘P4’ and ‘P3’) to developers of cultural facilities. Ensure that local partners are involved in deciding the scope of the facility itself.</td>
</tr>
</tbody>
</table>
Appendix A Detailed Interventions

1. This Appendix outlines in greater detail each of the projects listed above, providing guidance for delivery partners and funders on how the project might evolve in the future.

2. Much of this strategy is predicated on support 8 specifically defined sectors in key locations within the borough. With this in mind, the detailed description of interventions below outlines where links exist to key locations and the sectors that will ultimately deliver growth in the local economy.

1. New Interventions to Support Economic Development

3. The 5 projects outlined below form the core of new interventions that will initiate the delivery of Merton’s economic development strategy. These projects represent a commitment from LB Merton to deliver 5 years of relevant, effective and efficient economic development support. These projects encompass a broad range of the objectives, sectors and locations of interest within Merton and are designed set a foundation for other activity. They demonstrate the council’s commitment to playing a fuller role in economic development.

4. Given their importance to the ultimate success of the strategy, each project is outlined in detail below:

1.1 Merton Business Ambassadors - Recruiting and supporting a group of Merton’s most high profile business people to become involved in the delivery of the strategy as well as promoting the borough to external audiences.

Rationale
There are a number of reasons why this is considered an appropriate intervention for Merton:

- Despite being identified by stakeholders as a business location lacking in dynamism, Merton actually has several significant businesses with a national and sometimes global reputation.
- Like many local authorities, LB Merton has been criticised for not responding quickly enough to the changing needs and challenges of its business community.
- Wimbledon (and to a lesser extent key industrial estates) already has a well developed network of businesses, the same cannot be said for Morden and locations in the East of the Borough.
- The Merton Business Survey showed the majority of those companies using business support relied on their friends and family and other businesses for business support.
- The Merton Business Survey showed that Merton’s businesses consider themselves to be active in their local community; 40% said they were currently undertaking work with local schools.
- Further interrogation from the businesses survey alongside stakeholder consultation suggests that local involvement in the community or other networks is actually carried out in a relative ‘ad-hoc’ fashion.
- Marketing and promotion will be critical to Merton’s economic future. Merton’s business base is relatively satisfied with the borough as a business location; it is important that this communicated as part of the ‘offer’.
- A number of the longer term interventions outlined within the EDS require businesses to play some role in delivery there is currently no mechanism to support this locally.

Description - Components
- LB Merton will set up a group of influential, recognisable business people not only to harness the benefits of their being located within the borough, but also to ensure that they are given an enhanced service by LB Merton.
- In return, Merton Business Ambassadors will act as advisors to LB Merton on economic development issues as well as being advocates for the borough and the EDS. This will include businesses advising officers at on specific decisions and their implications for significant businesses in the area.
- The exact area of work for the Ambassadors should be as broadly defined as possible, potential activities could include:
  - Help raise the profile of Merton as a premier business location
  - Ensure appropriate business input into key strategies and interventions
  - Assist with the implementation of a business engagement strategy
  - Increase formal relationships between businesses, schools and other projects
Promote Merton to potential investors as part of the new, enhanced inward investment offer.

- It is critical to the success of the Merton Business Ambassadors project that businesses involved are given direct access to senior officers and members within the local authority. It is also highly important that mechanisms are put in place to ensure that ideas that emerged are given due consideration and where possible implemented.

Responsibilities (Lead and Partners)

- LB Merton; Local business community; Chamber of Commerce

Specific role of LB Merton

- LB Merton in partnership with Merton Chamber of Commerce will work together to undertake the following activities:
  - Approach key Merton employers and entrepreneurs with a view to them becoming ambassadors.
  - Develop terms of reference setting out responsibilities rewards.
  - Design of a protocol to guide activities and outline of duties.
  - Target specific individuals and develop terms of reference for their involvement.
  - Development of a long term business engagement strategy.
  - Develop a programme of events and meetings for ambassadors.

Strategic Links

- Requirement for the Merton Business Ambassadors to link closely to:
  - Merton Chamber of Commerce
  - Willow Lane BID (and potential BIDs in Wimbledon and South Wimbledon Business Area)
  - South London Business
  - Pan London intervention such as London Employers Accord

Funding and resourcing requirements

- In some respects the project could be set-up and delivered either through re-profiling existing structures or through new business support contracts.
- May require brand development and marketing budget at c. £30,000 for the first year and c. £15,000 per annum thereafter to fund events, marketing and communication.
- Project could achieve greater self-sufficiency by securing private sector funding and in-kind resources and contribution.

Risks

- Risks include a lack of interest from the business community. If the project is purely seen as a duplication or extension of Chamber of Commerce activities, the Business Ambassadors project may not be seen as adding significant value.
- It is important that the expertise and interests of Ambassadors are communicated to the right audiences to ensure that once assembled the group is able to influence a range of activities.

Link to Economic Hubs/ Sectors

- All sectors (particularly those identified as key sectors) – whilst attempts should be made to ensure representation, the project should also seek to include businesses not included within target sectors.
- All locations (although some focus on Greater Wimbledon; Morden and East Merton)

1.2 Greater Wimbledon Vision - The development of a vision and plan to inform the growth of Wimbledon and its economic hinterland. This will acknowledge and enhance the town’s role in the economy of Merton and the sub-region, supporting a more diverse range of economic functions and a high quality visitor offer. The Greater Wimbledon Vision is the conceptual heart of this strategy for delivering sustainable economic growth.

Rationale

- There are a number of powerful reasons as to why the development of a Greater Wimbledon Vision is considered an appropriate intervention for Merton:
  - Wimbledon is by some margin the most important business centre (Three times as many businesses than any other centre within Merton) and exerts significant economic influence over the west of the borough.
  - Wimbledon is also Merton’s key ‘brand’ and is fundamental to the borough’s economic future. To achieve growth in productivity over the next decade, investment in Wimbledon as the borough’s key growth driver will be critical.
  - Wimbledon is an increasingly important nodal point; between 2005 and 2008 LUL usage of the station increase by 5m and National Rail usage of the station increased by 3.5m. In addition to this Wimbledon station currently operates near full capacity.
  - Wimbledon currently lacks a clear offer to investors and businesses, for the town (and borough) to grow, this needs to be articulated more effectively.
  - Despite its global brand and evolving cultural offer Wimbledon does not capitalise upon the
potential to become a more important visitor / tourist location.

- Colliers Wood, South Wimbledon, Wimbledon Village and (to a lesser extent Raynes Park) are all part of Wimbledon’s sphere of influence and are part of the area that local residents and businesses categorise as ‘Wimbledon’. Despite this, these areas are not currently benefitting from being part of the Wimbledon ‘brand’ and are unable to define them as part of the Greater Wimbledon economy.

**Description – Components**

- The Greater Wimbledon vision will acknowledge the economic role the town plays in relation to the surrounding area and will create a holistic framework that focuses not only on the current town centre, but also considers the role of Raynes Park, Wimbledon Village, Colliers Wood, Wimbledon Park and South Wimbledon within a more functional urban economy.
- The Vision will outline the components of an improved area in terms of spatial, physical and environmental character, as well as the development of a detailed economic role for the area reflected in the spatial elements of the strategy. A critical requirement is that the vision contributes to establishment of a strong brand identity.
- The vision will require a detailed implementation plan that includes agreement on key performance indicators and robust monitoring of performance against these indicators.
- The vision will also consider future priorities to help develop the foundations to drive the growth (both in terms of size and quality) of the Wimbledon area. This could include:
  - Increase in station capacity at Wimbledon town centre
  - Acknowledgement of the long term evolution of the economic area eastwards to incorporate Colliers Wood
  - More functional economic visions for South Wimbledon, Wimbledon Park and Raynes Park
  - Better physical links between Wimbledon Town centre, Wimbledon Common and Wimbledon Village.
  - A clearer understanding of Greater Wimbledon’s role in relation to Morden, Mitcham and the east of the borough (and the benefits they can gain from Wimbledon’s growth) as well as its role in relation to South West London and the London as whole.

**Responsibilities (Lead and Partners)**

- Lead: LB Merton, commissioning appropriate technical support;
- Partners: AELTC&CC; Local Business Community (including Merton Chamber of Commerce).

**Specific role of LB Merton**

- LB Merton will resource and deliver (probably using expert support) a vision that not only responds to the needs of the existing business, residential and user communities in Wimbledon, but also transforms perceptions of the town.
- Where necessary, LB Merton will take measured risks to ensure that Wimbledon evolves into one of London’s key economic locations.
- In addition to the commissioning and project management of the work. LB Merton will also undertake the following activities:
  - Liaise with all key stakeholders
  - Engage with all key target market groups
  - Develop and maintain effective communication channels
  - Operate an effective promotional campaign in line with the improved inward investment offer

**Strategic Links**

- Links to Merton’s Core Strategy and LDF are absolutely critical to this project. The project must be developed in such a way that the spatial priorities of individual areas are balanced with the economic evolution of the Greater Wimbledon area.
- LB Merton should liaise with the GLA to ensure that the evolution of Wimbledon is given greater consideration within the evolving London Plan.
- Clear links to the Wimbledon ‘Going for Gold’ Programme (Community Plan LE6)

**Funding and resourcing requirements**

- Consultancy costs for viability analysis, hotel sand tourism studies as well as advice on spatial and sectoral marketing and branding advice of up to around £150,000 - £200,000.
- Further costs will be dependent upon recommendations.

**Risks**

- Current weaknesses within commercial property markets will clearly have an implication for the short term tangible delivery of the vision.
- Some partners and stakeholders may be resistant to Wimbledon becoming an even more specific element of the LB Merton’s activities.

**Link to Economic**

- Creative Industries; Cultural and Leisure Services; Specialist Business Services; Retail Hospitality and
### Hubs/ Sectors
- Personal Services.
- Greater Wimbledon (Wimbledon Town Centre, Raynes Park, South Wimbledon and Colliers Wood.

#### 1.3 Enterprise Facilitation:
**Delivery of Enterprise Facilitation in Merton to identify and provide intensive support for individuals with the capability of delivering successful businesses or social enterprises.**

**Rationale**
- There are a number of reasons why this is considered an appropriate intervention for Merton:
  - The business base in Merton is becoming increasingly orientated towards micro and small businesses. Between 2002 and 2007, the number of businesses employing 1-10 individuals grew by 8.1%, while large businesses of 200 or more employees contracted by 31.1%.
  - Whilst rates of enterprise in Merton appear strong, rates of business survival are slightly lower than the average across London and the country as a whole. Around 76% of businesses formed in 2005 in Merton survived for two years, compared to 78% across London and 80% nationally.
  - Whilst the business formation rate in Merton as whole compares well to the UK and its near neighbours, there is concern amongst partners that failure to capitalise upon enterprise potential is hindering the development and prosperity of east Merton.
  - The current recession is likely to stimulate demand amongst individuals to set up their own businesses.
  - The East of Merton is categorised by low levels of economic activity, poor skills levels and low aspiration amongst residents. Whilst there is reasonable community involvement amongst older residents, stakeholder expressed concern that young people are becoming more disengaged from service provision.

**Description - Components**
- The borough will commit to providing support to individuals who have a viable and market ready business / enterprise idea. This would involve identifying a small number of entrepreneurs within the area and giving them bespoke 1to1 support to get their goods and services to market.
- Enterprise Facilitation adopts a ‘bottom up’ approach such as the Sirolli\(^{17}\) model of enterprise support (or similar) which includes the following:
  - Identification of specific individuals who have the ideas and capacity to deliver successful local businesses
  - Bespoke market research support, identifying markets and opportunities to develop the business
  - Provision of key expertise in finance and marketing to support the entrepreneur’s idea
  - Mentoring and referral to relevant business support and professional services (where possible sourced locally)
  - Ongoing support through initial growth phases.
  - Where educational and skills barriers are identified, referral relationships will be established with Merton Adult Education College.
  - Whilst this model of support may not involve such a significant number of Merton’s population, it will give those with a relevant, market ready idea access to tailored resources to grow quickly and become successful.
  - This will deliver new business role models for areas within borough as well as employment and ultimately a contribution to productivity.

**Responsibilities (Lead and Partners)**
- Lead: LB Merton, Existing east Merton Community Groups
- Partners: Merton Adult Education College; Specialist providers; Business community (*).

* As businesses and social enterprises grow out of Enterprise Facilitation, they will be required to commit to ongoing involvement as enterprise ambassadors providing ongoing support for new businesses as they emerge in the borough.

**Specific role of LB Merton**
- LB Merton will give entrepreneurs the time they need to develop their business ideas and grow in an effective manner which allows them to survive and flourish in the long term. This will signal a move away from short term output driven support mechanisms towards outcomes focussed support.

Strategic Links

- Link to Community Strategy Intervention LE3: Develop and implement Employment and Skills Strategy
- Links to Business Link in London Project: Collaboration networks; Business creation; Expertise for growth and Business Coaching
- BERR (Now BIS) National Enterprise Strategy ‘Unlocking UK’s Talent

Funding and resourcing requirements

- Would cost in the region of £50,000 for initial training of facilitators around
- c. £50,000 FTE per facilitator per year in terms of salaries and on costs.

Risks

This project is focussed on bringing forward viable ideas and businesses and providing time intensive tailored support. This means that Enterprise Facilitation is not necessarily an ‘output friendly’ method of business support.

Link to Economic Hubs/ Sectors

- All sectors (particularly those identified as key sectors)
- All locations (although some focus on Mitcham and East Merton)

1.4 Social Enterprise Hub: Raising the profile and productivity of Social Enterprise in Merton

Rationale

A number of factors suggest that this intervention is appropriate for Merton:

- There is currently a ‘Lack of mobility and dynamism in the workforce to create a high value added small business base’ (Ernst Young, 2004). In the Merton context, this particularly applies to the Mitcham and broader East Merton areas.
- The (cabinet) Office of the Third Sector has identified the importance of social enterprise in the delivery of public services in the future in all areas.
- A strong representation of public service related activity and employment, alongside ongoing restructuring of public services in the borough, offers opportunities for social enterprises to both supplement and complement this evolving service structure.
- The development of social enterprise activity in Merton can potentially play a number of very important roles and address a variety of socio-economic issues simultaneously, especially in the east of the borough.
- Social enterprises can effectively ‘plug’ gaps in provision of much needed goods and services at community level and can be used as a mechanism to design services specific to the needs of particular groups or neighbourhoods. This is particularly important in areas like Merton where the socio-economic and demographic profile of communities is changing quite rapidly.
- Social enterprise is also often utilised as a means of developing the capacity of the community and voluntary sector, up-skilling this sector and enabling it to become more effective in supporting community health and cohesion.
- Merton currently has a number of locations and communities characterised by relatively high levels of multiple deprivation, particularly in the Mitcham and Pollards Hill areas. Social enterprise models can be used as a means of supporting these communities on a variety of levels whilst also acting as a conduit for community development.

Description - Components

This intervention has three broad areas of activity:

- **Development of higher levels of social enterprise activity generally.** Key components of activity here include provision of ‘animation’ and outreach services to identify enterprising ideas within the community and specific areas where conventional markets are failing to address local community needs. This will involve interaction with Merton’s Community and Voluntary Sector and with residents’ representative groups. Engagement with schools and the FE sector will also be important. Enterprise ideas coming forward will have to be subject to intensive development and business planning via suitable support organisations that are familiar with the characteristics of social enterprise markets. A key activity will revolve around the development of community assets as income generating mechanisms and providing links to new funding sources (e.g. new social enterprise risk capital investment fund).

- **Sector and market targeting.** The project will involve identification of social enterprises that can deliver products and services within key target sectors for Merton. This activity will run alongside overarching attempts to support targeted sectoral growth in the borough. The following sectors and markets should feature prominently:
  - **Council procured service functions** – utilising the Council’s support for local business
via local procurement mechanisms, there should be a focus on developing social enterprises that can supply directly to Merton Council. This may include for example community transport related services, cleansing and landscaping, as well as leisure related functions.

- **Health and welfare services** – central government expects social enterprise to play a key role in delivering specialised health and welfare services such as community health, care for young people and care for the elderly. These services should be investigated thoroughly in the Merton context for their ability to support social enterprise growth and development

- **Training and education** – the possibility to increase training provision in the borough via social enterprise models should be investigated and developed further, in particular, the development of next generation ILM models (Intermediate Labour Markets). This would involve the development of social enterprise businesses that deliver market led services and products, providing cross subsidised training to target groups and also incorporating health and welfare support for those with multiple needs. These projects must exhibit a strong emphasis on developing pathways into sustainable employment and personal income generation and will therefore require robust tracking and cross referral mechanisms.

- **Ethical markets** – demand for ethical products has increased substantially over recent years. There are obvious opportunities for social enterprises in these markets as the operating model fits with the ethos of ethical products quite comfortably. As such, the possibility of developing social enterprises in these types of markets should be promoted. This would include markets such as food and drink products, creative industries and arts, leisure and recreation, as well as some health and welfare related services. There are also clear crossovers between products within ethical markets and service offerings associated with the ‘green sector’. The role that social enterprises play in supporting businesses and other organisations to adopt carbon minimising processes should also be promoted as fully as possible.

- **Development of a Regional Social Enterprise Hub.** This will involve the development of a physical presence from which social enterprise activity can be overseen, promoted and coordinated. Consideration should be given to developing a physical ‘campus’ for social enterprise in the East of the borough, possibly within an existing community facility in Mitcham or Pollards Hill. This would work in association with other outreach facilities and mechanisms in communities. The Hub will provide training and tailored business support, alongside capacity building activity for CVS organisations that are either seeking to convert to social enterprise or which act as part of the support structure for social entrepreneurs. The Hub should also provide flexible space from which certain social enterprises may be able to operate.

**Responsibilities (Lead and Partners)**

- Lead: Merton Council in conjunction with Merton CVS and Social Enterprise London
- Partners: Merton College, Business Link,

**Specific role of LB Merton**

- Merton Council will act as a lead partner in the development of social enterprise through close liaison with the CVS sector in the Borough

**Strategic Links**

- Office for Third Sector: Social Enterprise Action Plan ‘improve business advice, information and support available to social enterprises as well as tackling the barriers to access to finance and facilities that restrict the growth’
- Merton Community Plan and desire to support voluntary and faith sector within the borough
- LE8: Increase volunteering (recognising that it is a route to work and enhances skills and experience) taking advantage of the opportunities offered by 2012
- Key linkage with Merton LAA

**Funding and resourcing requirements**

- Staffing 2.5 FTE = £110,000 per annum
- Business support services, outreach, additional ‘animation’ etc = £100,000 per annum
- Hub presence and facilities = £40,000 per annum
- Total = £250,000 per annum

**Risks**

- Risks include inability to coordinate activity across the community and voluntary sector with regard to social enterprise activity and failure to engage fully with neighbourhoods in disadvantaged locations.

**Link to Economic Hubs/ Sectors**

- Significant linkage should be established with the following sectors:
  - **Green Sector**
### 1.5 The Merton Biennale of Visual/Digital Arts

**Rationale**
The rationale for an intervention of this type is outlined below:
- The creative sector is a significant contributor to the Merton economy, currently employing over 7,000 people; over 80% of these jobs are located in the “Greater Wimbledon” area.
- Sector trends suggest that the creative sector in Merton will continue to grow in the short to medium term.
- The borough has failed to capitalise upon the benefits of the Wimbledon brand or the benefit of such a concentration of creative businesses.
- Wimbledon College of Art has a global reputation and offers both HE and FE provision. The College produces high quality graduates, although many of them ultimately leave the borough.
- A number of stakeholders believe that Merton has the attributes to perform significantly better as a tourist destination.
- For two weeks of the year Merton is the focus of global media attention due to tennis championships. It is the opinion of stakeholders that not enough is done to capitalise on this focus or the footfall that this creates within the borough.
- If Merton (and particularly Wimbledon) is to become an acknowledged creative node in the London context, it needs high quality events that enhance the brand. Currently, Merton’s events are delivered in an ad-hoc fashion and are not delivered in a way that secures the maximum benefit for the borough.

**Description – Components**
The Merton Festival of Visual Arts needs to be a high quality, significant event which makes the borough the focus of the national and global arts fraternity for the duration of the event. As such, LB Merton will take advice from expert partners on exactly how this could be configured. Possibilities include:
- An outdoor arts festival which combines the significant amount of green space in the borough with the growing Creative sector as well as providing greater diversity to the visitor offer.
- A mix of internationally recognised artists alongside showcasing local talent, providing a mix of permanent, saleable and relocated exhibits.
- This should be accompanied by a high profile media campaign to ensure maximum exposure of the Merton’s Creative brand.
- Clearly potential links (in terms of timings) with the tennis Championships and London 2012 should be considered.
- To ensure the event is unique in the UK context, LB Merton will work with local technology and software development to demonstrate cutting edge digital and visual art exhibits
- The festival must be accompanied by a programme of activities that involve local school children and residents from across the borough. Although the focus will be on Wimbledon, it is important that elements of the festival are delivered in a number of locations.
- Active consideration should also be given to the development of a new and innovative cultural attraction for Wimbledon to act as a physical centrepiece of the Biennale, to provide a showcase and additional profile for the creative/cultural sector and to boost the visitor attraction potential of the area.

### Responsibilities

| (Lead and Partners) | Lead: TBC  
| Partners: Wimbledon College of Art; New Wimbledon Theatre; Polka Theatre; Arts Council; LB Merton; Visit London; Relevant Businesses from the Creative Sector |

### Specific role of LB Merton

LB Merton will identify and work with lead expert partners to ensure that the Festival of Visual Arts becomes recognised as a high quality, innovative addition to London’s creative calendar.

### Strategic Links

- There is clear potential to link any festival with the Cultural Olympiad as well as with the established and well regarded Wimbledon Book Fest.
- Links to the Mayor’s Cultural Strategy (and Cultural Strategy Group), specifically
  - Maintain London’s position as a world centre of cultural excellence
  - World-class culture for 2012 and beyond
  - Strengthen arts and music education for young people
Increase access and participation
- Improve provision in outer boroughs
- Develop pathways for new talent
- Create a lively public realm
- Support grassroots culture

<table>
<thead>
<tr>
<th>Funding and resourcing requirements</th>
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<tbody>
<tr>
<td>• Likely to be upwards of £2.5m (the cost of Folkestone Triennial)(^{18}). This includes support for artists, publicity and staffing costs (full and part time).</td>
</tr>
<tr>
<td>• The size and scale of the event will largely be determined by the amount of private sector sponsorship that can be generated. It is envisaged that to reach the scale and capacity needed to drive a change in perceptions of Merton, this will need to be in excess of £2m*.</td>
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<tr>
<td>• The event could begin a smaller scale event and expand in the future.</td>
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<tr>
<td>• The scale of local authority investment is likely to be in the region of £200,000</td>
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</table>

\(^{*}\)Where possible, businesses (not just those in Merton) will provide funding to support the delivery of the festival. Other businesses will act as advocates and assist in the promotion of the event.

Risks
- Lack of sponsorship or funding presents a major risk to the festival taking place and becoming a regular event.
- Lack of vision and aspiration to do something truly different.

Link to Economic Hubs/Sectors
- Creative Industries; Cultural and Leisure Services;
- Whole Borough, with a clear focus on Wimbledon

1.6 Relationship Building and Key Sector Support: Deepening of knowledge and relationships with strategically significant businesses in the borough and the development of bespoke sector support programmes.

Rationale
- The Council’s existing knowledge of its business base is rudimentary and it has no mechanism/s (with the possible exception of the Willow Lane BID) through which to develop relationships with the Borough’s business community.
- There is a need to forge bilateral and multilateral relationships both at a generic level and also specifically focused on the identified growth sectors.
- This activity is necessary as a precursor to effective sectoral promotion/marketing activities, to facilitate clustering and the development of intra business communities, to assisting with inward investment and business retention and to developing sectoral/spatial supply chain networks where appropriate.

Description – Components
- Detailed mapping of the Borough’s business base and the identification of key businesses by sector, with particular reference to the identified growth sectors.
- Establishment of Borough wide and sector specific business forums and a concerted and coordinated effort by senior LB Merton staff (and councillors), as well as relevant partner agencies, to develop strong relationships with targeted businesses.
- Work with those businesses to better understand their individual and collective needs and to promote clustering and intra business relationships.
- Develop key cluster/brand for dissemination to and the influencing of target audiences.
- To assist wherever possible individual business growth plans including the proactive identification of, for example, potential sites for expansion, future labour and skills requirements.

Responsibilities (Leads and Partners)
- Lead: LB Merton

Specific role of LB Merton
- To provide the overall coordination of the inputs listed above.

Strategic Links
- Links to other strategic interventions such as in relation to inward investment, job brokerage, business ambassadors, procurement and supply chain support, school/FE curriculum development.

Funding and Resourcing
- The coordination would be largely cost neutral as it would be undertaken from within existing Council

\(^{18}\) A detailed breakdown of costs can be found at [http://www.cabe.org.uk/sea-change/folkestone-triennial/info](http://www.cabe.org.uk/sea-change/folkestone-triennial/info)
2. Improving Existing Council Functions

5. The 3 projects outlined below are, to a certain extent, already being delivered by LB Merton. This strategy has, however, identified these as areas where a more tailored, specific approach could help to deliver more effectively against Merton’s economic development objectives.

6. An outline of each intervention is given below:

### 2.1 Effective Town Centre Management

**Rationale:** The economic performance and characteristics of Merton’s town centres varies greatly as do the drivers of their performance and the challenges they face. A bespoke response provides the most effective solution to addressing these issues ensuring better locations in the future.

**Project Description:**

This project will develop of a TCM function that responds directly to the implementation of the Economic Development Strategy. In addition to the delivery of general town centre management functions (business liaison, crime reduction and environmental improvements) this should include:

- Acknowledgement of the concept of ‘Greater Wimbledon’, providing enhanced resource to articulate the importance of the town to the area.
- Support significant improvements in line with the ‘More Morden’ proposals.
- Developing a strong programme of events to promote Mitcham town centre as a retail destination
- Deliver a service that responds to specific sector opportunities in and around key centres.

All town centre management functions should develop bespoke brands for their location and ensure that these become a key element of the ‘offer’ in promoting the location.

**Key Sectors:** Wimbledon – Creative Industries; Cultural and Leisure Services; Specialist Business Services; Retail, Hospitality and Personal Services

Morden - Cultural and Leisure Services; Retail Hospitality and Personal Services

Mitcham and East Merton - Cultural and Leisure Services; Retail Hospitality and Personal Services; Advanced Manufacturing and Green Industries.

Raynes Park - Advanced Manufacturing and Green Industries.

**Key Locations:** Greater Wimbledon (including Colliers Wood and South Wimbledon); Morden; Mitcham; Raynes Park

**Lead:** LB Merton: LB Merton will develop a new model of town centre management. As part of this the council will engage closely with local businesses and ensure that these are incorporated directly into local actions wherever practicable.

**Partners:** Business Community, Other LB Merton departments, Association of Town Centre Managers

**Funding:** Delivered by re-profiling existing TCM resources. May require additional budgets for delivery of sector based events, C. £10,000 per town centre per annum.

### 2.2 Business Support Take Up Programme

**Rationale:** Findings from the Merton Business Survey show that only a minority of businesses in the borough seek support from formal business development organisations. There is a reliance on informal mechanisms for business support where this is

**Project Description:**

This intervention seeks to increase penetration of formal business support activities into the Merton business base, identifying in particular where this support is likely to generate the greatest return and impact. The intervention will involve enhanced marketing activities, communicating to the local business community the benefits of seeking support.

In addition, local partners will work closely with new Business Link services and other sub-regional support providers to ensure that available support is directed towards the specific needs of Merton businesses and reflects their characteristics, for example the large

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**Resource Requirements:**

<table>
<thead>
<tr>
<th>Resources</th>
<th>Indicative costs would be circa £5-10k for additional research into business base (if required), plus a budget provision of circa £25k pa for an appropriate programme of events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Links to Economic Hubs/Sectors</td>
<td>Creative Industries, Business and Professional Services, Green Industries, Culture, Leisure and Tourism, Advanced Manufacturing Whole Borough</td>
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</tbody>
</table>
2.3 Effective Inward Investment Process: Significantly improve inward investment activities, providing a clear offer, process and aftercare service for businesses wishing to locate in Merton, particularly those within target sectors.

<table>
<thead>
<tr>
<th>Rationale:</th>
<th>Project Description:</th>
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</table>
| The exact process for fielding inward investment inquiries in Merton is not currently clear. There is no tracking, monitoring or follow up and sub regional and regional partners are not currently given guidance on how to market Merton to potential investors. | A coherent Merton offer must be developed and promoted to businesses nationally and internationally. This intervention area will involve a number of key activities:  
  • Co-ordinate development of a robust inward investment offer and proposition for the Borough including:  
    ➢ Configuring the right investor offer, targeted at investors in identified sectors. This should not, however, preclude the opportunity to attract other forms of quality investment in an opportunistic fashion;  
    ➢ Effective communication of the Merton offer to potential sectors of interest. This requires a coherent and consistent marketing approach which is aligned with other marketing activities in South West London.  
    ➢ Coordinated activity with South London Business and Think London  
  • Development of a written agreement of roles in relation to South London Business  
  • Initiate an investor development process to educate businesses of the benefits of locating in Merton  
  • Development of an inward investment proposition in line with the objectives of the Economic Development Strategy.  
  • Initial dialogue followed by targeted delivery to specific sectors.  
  • Development and delivery of process for dealing with enquiries (including visits, briefings, rapid response on specific requests). |

<table>
<thead>
<tr>
<th>Key Sectors:</th>
<th>Key Locations:</th>
</tr>
</thead>
<tbody>
<tr>
<td>All sectors (particularly those identified as key sectors)</td>
<td>All locations (although ensuring sector – location mapping and targeting of key growth locations).</td>
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<table>
<thead>
<tr>
<th>Lead:</th>
<th>Partners:</th>
<th>Funding:</th>
</tr>
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<tr>
<td>LB Merton. LB Merton lobby on behalf of the borough’s business community to ensure the highest quality service is delivered for businesses in the borough.</td>
<td>LB Merton; Business Link in London; South London Business</td>
<td>Potentially deliverable through re-profiling / more efficient delivery of business support and marketing activities within Merton. May require a nominal marketing budget c. £5,000 – 10,000 pa</td>
</tr>
</tbody>
</table>

3. Supporting the Development of Sub Regional Responses

7. Merton has a relatively good relationship with surrounding boroughs and sub-regional partners. The 3 projects outlined below are based around a specific need identified in Merton, where the response can be most effectively and efficiently delivered on a sub-regional basis.

8. LB Merton is committed to playing a more significant role sub-regionally, influencing the delivery of existing projects and (where necessary) developing new interventions.

9. An outline of each intervention is given below:
3.1 The Green Economy Commitment: Delivery of borough wide business support activity (open to all businesses) aimed specifically at businesses to lower carbon impact and realise the benefit of greener business practices.

**Rationale:**
The future configuration of the ‘green sector’ is as yet unclear. Some growth, however, will be denied from the ongoing adaptation of other sectors towards low carbon practices and processes. In addition, 49% of businesses who took part in the Merton Business survey are already trying to adopt green methods.

**Project Description:**
Merton will work closely with sub regional partners to investigate the possibility of developing a new business support product focussed clearly on supporting the ‘greening’ of local businesses, enabling them to capitalise on the efficiency benefits arising from reduction in their carbon footprint. Building upon the existing ‘Go Green’ project this will work to:

- To reduce the overall level of carbon emissions from the local economy by supporting businesses, especially SMEs, across a number of key sectors to identify and implement carbon reducing or offsetting practices.
- To raise awareness amongst businesses about the direct commercial, social and economic benefits of effective carbon minimisation.
- To manage business access to the range of carbon reduction and environmental management services that are available to businesses and other organisations, thus significantly increasing the penetration and uptake of these services across the sub region.
- To develop links to the emerging social enterprise economy across Merton, assessing how social enterprises can meet the specific carbon reduction needs of businesses as well as growing a strong social enterprise sector particularly focusing on deprived communities and target groups.

**Key Sectors:** All sectors included. Specific focus on manufacturing and ultimately Environmental Technologies

**Key Locations:** All locations within South West London. Some initial focus on the east of Merton.

**Funding:** Limited service could be delivered through existing mechanisms. More bespoke service to local businesses on a sub regional level will cost in excess of £500,000 per year. If a guarantee of service provision is offered to every willing business in the sub-region this would be likely to exceed £1m per year.

**Lead:** LB Merton. LB Merton will seek to work with other boroughs and partners to ensure that every business is given the opportunity to access business support aimed specifically at lowering carbon footprint and realising the benefit of greener business practices.

**Partners:** LB Croydon, LB Kingston, LB Sutton, South London Business, South London Partnership, Energy Saving Trust, Carbon Trust, Business Community

3.2 East Merton Employment Brokerage Programme: Delivery of a targeted job brokerage programme from a key local hub in Mitcham to link local people to the ongoing opportunities available from South West London’s growing economy.

**Rationale:**
As previously stated, there are significant discrepancies between economic activity levels in the east and the west of the borough, disparities that are replicated in neighbouring boroughs. Whilst the Flexible New deal will (in theory) address this for groups who are closer to the labour market, there will still be groups who need to overcome specific (locationally focused) issues if they are to access the opportunities that this strategy could bring.

**Project Description:**
This project is designed to provide a link between the supply and demand side of the job market to ensure that local people in the East of the borough are able to benefit from the South West London’s future economic success. Building upon the recommendations of Merton’s ‘Recession Action Plan’, this programme will be delivered from a prominent location in Mitcham (although it will serve an area beyond the borough’s boundaries) and will undertake the following:

- Provide support to get local people into work by providing a personal service, bespoke service which delivers the following:
  - Assisted job searching to find work opportunities (specifically targeted at key sectors)
  - Advice about career pathways
  - Sourcing relevant work experience and access to third sector placements to boost opportunities
  - Business start up advice
  - Access to work-related training
  - Support in CV development and application development
- On the demand side, this project will support business to access and recruit staff with the right needs for their business and (where relevant) their sector.
- Collection of ongoing intelligence on the job and recruitment needs of local (and regional) employers

This project would provide a resource that could be utilised by organisations seeking to deliver a local employment commitment, not just within Merton by across the whole of South West London.

**Key Sectors:** All Sectors
Key Locations: East Merton hub, serving the sub region as a whole (particularly recognising the relationship between East Merton and Croydon).

Lead: LB Merton (with JCP)

Partners: Partners: JCP; DWP The Merton Partnership, LB Croydon, LB Kingston, LB Sutton, South London Business, South London Partnership, Business Community (who will provide the destination to beneficiaries of the programme)

Funding: Elements of the service could be delivered through re-profiling existing local support and JCP provision. A more targeted service could require 5–7 staff as well as rent for appropriate space in Mitcham giving total costs in excess of £600,000 per year when costs of developing a sub-regional model are taken into account.

3.3 Procurement and Supply Chain Support – Provision of a capacity building (for suppliers) and brokerage service aimed at ensuring that, where possible, companies and public sector buyers are able to buy local.

Rationale: In addition to generating new and productive functions within Merton’s economy, it is important that efficiencies are sought to ensure that business spend in Merton (where possible) is retained locally. As Merton develops a recognised brand linked to the Green Economy, it is important that the environmental benefits of local trade are realised.

Project Description:
Linked to Merton’s commitment to support green business practices and reduce the carbon impact of the activities within the borough and the sub-region as a whole:
- This action will be geared towards ensuring that key businesses in South West London are fully equipped with quality local suppliers, as far as this is possible, embedding them further into the local business community.
- The development of supply chain linkages will provide additional opportunities for local SMEs to more effectively exploit market opportunities.
  - This should include a dedicated buyer development role, to support the recruitment of corporates and public sector buyers.
- The project will provide a brokerage service introducing local buyers to local suppliers.
- This will require development of support services for smaller organisations and social enterprises to guide them through complex, large scale procurement systems.
- A key element will be intensive support for consortia of locally based SMEs (possibly including social enterprise) that can collectively bid for extensive public and private sector contracts.

Key Sectors: All (although clear benefits can be gleaned from targeting Construction and Manufacturing)

Key Locations: South West Business

Lead: South London Business / South London Partnership (this should not be lead by an individual borough)

Partners: LB Merton; Chartered Institute of Procurement and Supply; Business Link in London; Supply London; LB Croydon, LB Kingston, LB Sutton Local businesses.

Funding: A sub-regional programme delivered under its own brand with a number of skilled employees (similar to the successful ‘East London Business Place Model’19) could cost between £500,000 to £750,000. A borough wide project could either be delivered through existing business support or cost up to c. £150,000 per annum.

4. A Wider Programme of Economic Development Activity

10. Although not priorities at this current juncture, the remaining 6 projects are will become increasingly salient to Merton over the next 5 years. Often dependent on the success of initial activity, each of the projects listed below will further embed Merton’s economic growth over the next 2 decades:

4.1 Guaranteed Work Placement Scheme: Development of a scheme to ensure that all willing members of the Merton Community are able to access some form of work experience or introduction to a new sector.

Rationale:  Project Description:

19 Http://www.elbp.co.uk/
In relative terms, economic inactivity in Merton is low. There is however, significant variation across the borough and it is clear that the residents of the east of the borough are constrained from benefiting from the relative success of the west. In addition to this, the Merton Business survey showed that only 2% of businesses were seeking to employ graduate level employees, suggesting a potential lack of awareness of the benefits of employing graduate level employees.

Whilst the recession may impact negatively on the employment situation within Merton, action should still be taken to provide local residents with the chance to consider opportunities in local businesses that may not necessarily be their ‘typical’ employer.

This project will ensure that every member of Merton’s working age population has access to work placements or industry tasters. Recruiting a core register of Merton businesses prepared to act as ‘Business Champions’, these businesses would be expected to provide an agreed number of work placement or tasters each year. This could include:

- Day/half day tours and activities for school groups;
- Week(+) long work experience placements for students;
- Response to specific career based email enquiries;
- Organised tours for members of workless population;
- Internship opportunities for Merton graduates.
- Development of a work experience programme that places people within local social enterprises – offering a taster of work within the 3rd sector.

Larger businesses in Merton may already have a CSR commitment as such; LB Merton may need to work with them to ensure that this project complements existing activity. Once recruited, a list of participating businesses should then be made available to education organisations, community/third sector groups, JCP, and recruitment consultants, who would then be required to approach a placement broker to liaise with the relevant business.

**Key Sectors:** All sectors (although provision of ‘experiences’ within key sectors should be targeted)  
**Key Locations:** All locations (although some focus on Mitcham and East Merton)  
**Partners:** LB Merton; Local businesses*; Schools; Merton College; JCP  
* Merton’s businesses will give their time to help with the organisation of work experience opportunities (from 2 hour tasters to 6 week internships)  
**Funding:** c. £45,000 per annum to cover coordination and communication

### 4.2 School / FE Curricula Re-Development

**Rationale:**
If Merton is to achieve credible differentiation as a location for identified key sectors, it needs to develop a labour force that reflects this (and adapts to the needs of the sector). LB Merton is also in the process of developing its 14-19 strategy which provides (alongside the positive development work undertaken in the ‘Merton Offer’ a timely opportunity to influence curricula in an appropriate way.

**Project Description:**
This intervention involves development of school level and FE level curricula in order to take into account and deliver to the skills and qualification needs of target growth sectors. This will require the development of sector based intelligence and information that can be utilised in course design and development, as well as much closer interaction between sector representatives and education services. The range of activities will include offering greater opportunities for relevant work placement, as well as the establishment of employer-based ‘compacts’ that tie work experience (see project above) directly to curricula in a way that reflects the specific needs of key employers.

This will ultimately provide a set of school level and FE level curricula that are directly and attuned to the needs of key employment sectors.

**Key Sectors:** Green Sector; Manufacturing; Creative Industries; Specialist Business Services; Construction; Retail Hospitality & Personal Service.  
**Key Locations:** Whole Borough  
**Lead:** LB Merton will work closely with education providers to ensure that formal flows of information are established between them and the business community.  
**Partners:** Local Schools; Local FE Providers; Dept. for Children Families and Schools; Local Business Ambassadors*  
*As well as providing work experience (see previous project), key businesses will act as mentors will assist by providing ongoing sector intelligence to develop learning tools.**  
**Funding:** c. £50-75,000 for teacher liaison and development of resources
4.3 Targeted Development of Space for Creative Businesses - Development of appropriate, flexible spaces to allow London’s creative businesses to locate and cluster in the Wimbledon area.

**Rationale:**
Merton, and particularly Wimbledon, has a strong concentration of creative businesses and the sector is a significant employer. If the borough is to build on this and become as significant a creative hub as the West End of the City Fringe, it needs to provide an enhanced (reasonably priced) accommodation offer to London’s artistic community.

**Project Description:**
If the arts and creative sector in Merton (and Wimbledon in particular) is to develop into a productive sector which contributes in a significant way to the economy of the area, it is important to provide affordable, flexible space to allow creative businesses to locate in the borough. Importantly, this should provide space for graduates not only from Wimbledon College of Arts, but other relevant institutions within South London (e.g. the Brit School in Croydon).

Relevant space should be identified within Colliers Wood / South Wimbledon to help further develop the Greater Wimbledon concept and the extension of the existing town centre. This space should be configured in a way that only acts as a repository for businesses, but is also a focal point with exhibition space, food and drink facilities as well as teaching and learning spaces.

**Key Sectors:** Creative Industries

**Key Locations:** Greater Wimbledon (Colliers Wood and South Wimbledon)

**Lead:** LB Merton will provide space for all businesses active within the Creative sector either in employment or education, allowing them to stay and grow in the borough.

**Partners:** Wimbledon College of Art; Relevant provider of creative managed workspace (e.g. Workplace PLC)

**Funding:** Nature and level of funding will be dependent upon the demand for space within the borough and the extent of the offer. Were possible LB Merton should incentivise location for businesses within the creative sector, clearly this will have implication upon funding.

4.4 Flexible Business Space – Development of flexible small business space at key locations within Merton.

**Rationale:**
The Merton Business survey confirmed that small businesses in the Borough are keen to access flexible small business space which allows their business to grow (or contract) without exposing the organisation to too much risk.

**Project Description:**
Although further market intelligence and feasibility work is required, the potential of new quality business space in the vicinity of transport nodes is a key element of the EDS. Whilst Wimbledon is clearly the favoured location for small business space the feasibility of locating new business space in South Wimbledon and Morden should also be given due consideration.

Future business space in Merton should be delivered in a way that offers relevant services to businesses and enables them to contract within the space as well as grow. The following could be included:
- Clear, specific offer to businesses within specific sectors, depending on the location
- Shared administrative services
- Shared meeting spaces
- Support for peer to peer networking and support.

Where possible, this should seek to bring existing buildings back into effective use. *Further research into the nature of the current offer will need to be undertaken to ensure this intervention is delivered in a way which capitalises on local demand.*

**Key Sectors:** All sectors (particularly those identified as key sectors)

**Key Locations:** Greater Wimbledon (Others dependent on feasibility)

**Lead:** LB Merton will identify locations for the development of possible flexible small business spaces. Once identified the Borough will test the feasibility of options before seeking development opportunities.

**Partners:** LB Merton; relevant developer Partners; relevant business support partner;

**Funding:** Initial feasibility studies and business planning may require specialist support as a cost of c. £20-30,000. The cost of delivering business space will be largely dependent upon the findings of this work. Were possible LB Merton should incentivise location for businesses within the creative sector, clearly this will have implication for funding.

4.5 Business Loyalty Programme: Ensure that businesses that stay in Merton are rewarded and given an incentive to remain and grow in the borough.

**Rationale:**
Findings from the

**Project Description:**
Emerging from improved business support structures, this intervention works to develop the loyalty of
Merton Business Survey suggest that many Merton based businesses do not feel that they are strongly rooted in a Merton business community and that the name ‘Merton’ has very limited resonance for them.

Key sectors (and businesses within those sectors) to Merton. This will be undertaken in one of 4 potential ways:

- The development and enhancement of business networking opportunities in order to demonstrate the benefits of greater association and interaction within the business community in Merton.
- Marketing on behalf of the Council and other partners regarding the various benefits of Merton as a business location vis a vis other possible locations.
- Ensure that businesses are able to grow in the borough and where possible adequate ‘move on’ space is provided to facilitate this.
- Investigation and possible implementation of sector targeted reward programme for businesses remaining in the borough (through rate reduction etc).
- Develop collaborative responses to issues around business crime, environmental quality, parking, congestion and other areas that can impact upon business operation.

Key Sectors: All sectors (although targeted upon key sectors)
Key Locations: All locations

Lead: LB Merton will ensure lines of communication are developed to enable businesses to articulate what provision is required if they are to stay in the borough. This will include a commitment to (where possible) work within the timescale of key businesses and ensure conditions remain to support growth. The council will actively pursue means of making it attractive for key businesses to stay in the borough.

Partners: Local Businesses will resolve to ensure that LB Merton is fully briefed on all re-location and expansion plans. Businesses will recognise that LB Merton is a key partner in supporting their success and development and a key partner in any future growth.

Funding: Funding will be largely dependent upon the scale of the ‘reward’ LB Merton wishes to offer businesses, the nature of the offer and the criteria for receiving such a reward. Further feasibility and appraisal work is required.

### 4.6 Development of a Sector Appropriate HE/Research Function

**Rationale:**
The lack of Further Education and research provision in Merton suggests that Merton’s skilled populations are educated outside of the borough. The creation of knowledge and innovation is key to differentiating Merton in respect of the key sectors. As such, the creation of relevant and desirable knowledge capital will enhance the Merton proposition significantly.

**Project Description:**
To differentiate Merton as a location for key sectors within London and the UK it will be important to establish a strong highly specialised research and HE node within the borough which will be a resource for the sector, but also source of brand development for the area. As such, this intervention will seek relevant academic partners to operate in a new purpose built location within the Borough. The location, curriculum, sector specialisation and scale of the development will be dependent upon the specific niche Merton chooses to pursue. Two clear possibilities are:

- A centre of excellence for teaching and research linked to the development of the green/environmental technologies sector. This brings together the micro-generation potential of the River Wandle with green manufacturing and spin-outs (also from other universities within the UK).
- A new academic centre for London with a leading role in sports research and education. Building upon the reputation of AELT&CC, create a new facility which focuses on specific aspects of sports science and sports medicine. Partnering with an appropriate institution, this would not only research and teach, but would also provide links to Merton’s growth sporting activity sub sector.
- A facility providing practical skills relevant to Merton’s manufacturing and construction sectors to enable individuals to receive a high level of skills provision. In particular this could focus on Clearly the exact scope of the project will need to be defined by initial scoping and feasibility work supported by LB Merton.

**Key Sectors:** Green Sector and/or Culture & Leisure Services
**Key Locations:** Dependent on sector focus. A Green Sector facility would require land close to the River Wandle (Potentially at Willow Lane Industrial Area); whilst a sports related facility would clearly enhanced by proximity to the All England Club.

**LB Merton Commitment:** LB Merton will commit to undertaking necessary feasibility and research work to establish appropriate niche opportunities within academic sectors.

**Partners:** AELT&CC (depending on scope); Merton College; LSC; Relevant academic entities (not necessarily London based)

**Funding:** Further feasibility and development is required to establish the extent of funding and the partner engagement required to ensure that this project moves forward effectively.
Other Referenced Interventions

7.9 Implicit in the successful delivery of this strategy is the ability of ‘economic development’ to transcend departments of the council and influence a broad range of activities. Clearly practitioners involved in the direct delivery of this strategy will need to be opportunistic and be able to respond swiftly to opportunities to support the achievements of this strategy’s objectives.

7.10 Early opportunities include the 3 activities discussed below:

**Realisation of the More Morden Vision**

7.11 Morden’s growth is a significant component of the future success of Merton. Despite its status as a significant transport node, prevalence of green space and its housing offer Morden underperforms as a residential and business location. The More Morden project was initiated by Merton Council to bring about the physical and economic regeneration of Morden. Morden is south London’s only example of the ‘Metroland’ style suburb, catalysed by the development of the Underground in the late 1920s. The project is designed to increase the residential capacity of Morden, and bring about changes to the physical fabric of the town which make it a more preferable location for residents and businesses alike. Whilst increasing the residential population will lead to significant improvements in football and subsequently growth for local businesses, it is important that More Morden is delivered in such a way that it maximises the economic outcomes for the area. This should include:

- Identification of any possible sector links within the development
- Grants for shop front improvements in areas surrounding new development and station improvements
- Ensure that local businesses are ready and able to locate within any additional businesses space
- Use the redevelopment to strengthen the Morden brand
- Identification of specific public realm improvements delivered in keeping with the objective of maintaining character of the town centre ‘metroland’ character of the town.

**A Luxury Hotel for Wimbledon**

7.12 Key to the development of Wimbledon as a cultural node will be securing overnight stays within the town centre. A luxury hotel would provide balance to the existing offer and would ultimately make Wimbledon a better base for visitors to London. LB Merton should identify and protect relevant properties for this purpose whilst identifying suitable development partners.

**A New Cultural Attraction for Wimbledon**

7.13 To become a significant cultural location within London, Wimbledon will need to deliver at least one additional unique cultural attraction.

7.14 Any new facility will need to be a location of national or international renown, something that becomes synonymous with Wimbledon and a destination (serving a wide sphere of influence)
in its own right. It must satisfy multiple roles, but primarily should focus on the impact, perception and building Wimbledon’s reputation. It could include:

- Elements that take advantage of (and enhance) Merton’s sub sector strengths (such as software design)
- Facilities to aid learning and to showcase art based careers
- Showcase spaces for local creative businesses
- Spaces large enough to house exhibitions of national significance.

**Other Possible Interventions**

7.15 In terms of the projects that underpin it, an Economic Development Strategy should not be a ‘closed book’ as far as project development is concerned. The strategy development process leads to the development of a number of projects, based on various stakeholder needs, issues and ideas. These clearly have to be prioritised, but that is not to say that conditions within the borough will change and other ideas will be brought into sharper focus.

7.16 A number of potential ideas have been submitted by local partners, these include a New Tramlink Station at Willow lane; New Access Road to Willow Lane industrial Area; Development of "Shop local" vouchers or a Merton specific currency; A new plumbing, electrical and renewable energy installation training facility in Mitcham. These and other emerging interventions should be re-visited on a fairly regular basis to ensure that Merton does not forgo opportunities for economic growth and/or investment in the future.