

LONDON BOROUGH OF MERTON

Economic Development Strategy

September 2012

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FOREWORD – MERTON’S NEW FUTURE

Like many other places in the UK and worldwide, Merton has felt the effects of the global economic recession and slowdown. We face urgent and pressing challenges to support our residents, particularly our young people, and our businesses to succeed in these difficult circumstances.

Merton has already set out a vision for a new future. A future in which the reputation of the borough as a place to live and visit is matched by the borough’s reputation as a place to work, invest and do business. A future in which different parts of the borough are able to benefit equally from economic growth. A future in which all of our residents and businesses are supported to reach their full potential.

We recognise that current economic circumstances make this future more difficult to achieve. We have therefore developed this refreshed economic development strategy, to guide the borough in delivering these ambitious targets. This strategy sets out a plan of action for growth. It explains how we will work with businesses in the borough, large and small, to help them invest and expand. It sets out how we will work with incoming businesses to help them find suitable premises and locations in which to invest.

Our places and town centres within the borough are vital for our prosperity and identity. This strategy explains how we will work with local businesses and local residents to promote and develop our town centres, to make them better places to live and work and to make them more attractive to visitors and investors. This strategy sets out the huge amount of work we are undertaking to help improve our town centres and prime them for success.

As important as economic growth is, it cannot be an end in itself. Our goal is to enable our residents to share in the fruits of growth, through supporting better access to employment and training for residents across the borough. We will work with our partners to make this happen and with businesses to understand their skills needs and requirements.

Merton’s new future will not be achieved through any ‘quick fixes’. It requires a long-term programme to ensure that our borough continues to succeed and excel. We believe that the actions set out in this revised economic development strategy will enable Merton to overcome the challenges of the current economic climate and prepare for long term and sustainable growth that will benefit our residents and our businesses. We hope that you will support us in helping make this vision a reality.

[Insert Signature] and photo

Cabinet Member for Environmental Sustainability and Regeneration

1. INTRODUCTION

- 1.1. In 2010, LB Merton produced an Economic Development Strategy (EDS) entitled '**A New Future**'.¹ The document set out a clear and positive vision for the future of Merton's economy. Although **A New Future** was produced relatively recently, LB Merton consider that it is important to refresh the strategy in light of a national economic context which remains extremely uncertain, and new data on how Merton's economy has responded to the recession.
- 1.2. Prior to producing this refresh, LB Merton have undertaken a review of the latest economic statistics to provide a complete understanding of Merton's economy as it stands today. This has been developed into an **Economic Narrative** for Merton², which underpins this strategy refresh and should be read in tandem with this document and the original 2010 strategy, both of which are available separately.
- 1.3. LB Merton remains committed to the vision set out in **A New Future**. We believe that Merton can build on its strengths as a great place to live with a high quality of life and become a location of choice for companies looking for a well-connected location with a highly skilled workforce. This strategy sets out the actions needed to generate long-term, sustainable growth that will benefit our residents across the borough.

Structure of the Refresh

- 1.4. The remainder of this section explores the **broad economic context** in which Merton's economic growth will take place and how this refresh fits in with Merton's **other plans and strategies**.
- 1.5. Section 2 summarises the findings of the **Economic Narrative** and describes **Merton's economy today**.
- 1.6. Section 3 sets out the **economic vision** for the borough.
- 1.7. Section 4 sets out the **components of growth**, the six main drivers that will ensure that Merton achieves its economic vision for growth:
 1. Retaining existing companies
 2. Support business growth and start-ups
 3. Inward investment
 4. Town centre initiatives including BIDs

¹ LB Merton (2010) *A New Future: An Economic Prospectus for Merton*

² LB Merton (2012) London Borough of Merton Economic Narrative

5. Providing support to identified sectors
 6. Supporting unemployed residents into work
- 1.8. For each of the above priorities, Section 4 will set out: how the Council is currently responding, what initiatives will be undertaken, and how the Council will use its land and property assets to support its objectives.
- 1.9. Section 5 sets out the **principles for success** which the Council will need to follow to achieve its goal of promoting long-term economic growth.

Broad Economic Context

- 1.10. Following the recession in many of the advanced economies in 2008 and 2009, the path of international and domestic economic recovery remains uncertain. Current projections suggest that 2012 will be a period of slow economic growth for the global and UK economies. The UK has already experienced a technical recession at the end of 2011 and beginning of 2012, and the IMF has projected that UK growth in 2012 will be just 0.2%³. The Office for Budgetary Responsibility (OBR) is more optimistic in projecting growth of 0.8% in 2012⁴, but this is still very low by historic standards.
- 1.11. Already it is estimated that the current period of economic weakness in the UK has been longer than the Great Depression and national output remains below its 2008 peak⁵. Whilst mainstream forecasts suggest that growth will recover in 2013, there remains considerable uncertainty about long term growth prospects and the length of the economic recovery. There also remains the possibility that the ongoing and unresolved Eurozone crisis could deteriorate dramatically, which would undoubtedly have profoundly negative consequences for the global economy.
- 1.12. The impact of the economic depression in the UK has been to further exacerbate existing regional and local disparities, with successful areas suffering less than areas that were already struggling prior to the recession⁶. The recession has accelerated existing long term trends in the retail sector⁷, including the long-run shift from physical to online retail, leading to increasing high street vacancies in secondary or tertiary locations⁸.

³ IMF (2012) *World Economic Outlook Update, July 2012*

⁴ OBR (2012) *Economic and Fiscal Outlook – March 2012*

⁵ NIESR (2012) *Estimates of Monthly GDP – January 2012*

⁶ Centre for Cities (2012) *Cities Outlook 2012*

⁷ For example BIS (2011) *Understanding High Street Performance* states that 'the retail floorspace of town centres has fallen from 310 million sq ft in 2000 to 283 million sq ft in 2009, a decline of 27 million sq ft or 9% in just nine years' and that 'high street footfall (excluding Central London) has fallen by 10.4% over the past three years.'

⁸ BIS (2011) *Understanding High Street Performance*

Equally worrying has been the significant rise in youth unemployment, which is at its highest level since the mid-1980s⁹.

- 1.13. Prior to the recession, London had enjoyed a long period of economic expansion following the 1990s recession. This expansion saw a dramatic increase in financial and business services, professional services and the public sector, offsetting employment losses in the manufacturing sector. The latest indicators for London suggest that whilst unemployment has risen during the recession, it has not risen to the same extent as in England as a whole¹⁰. Likewise, London's growth in 2012 is expected to be 1.2% - low by historic standards but much better than the rest of the UK¹¹. London is arguably in a much stronger position than the rest of the UK, having a larger pool of highly skilled workers that will help support economic recovery and being a key location for business. London will also get a boost following the Olympics and from associated developments.
- 1.14. However, London is not immune from the risks present in the rest of the economy. London is likely to lose somewhere in the region of 50,000 – 100,000 public sector jobs¹². The impact that the 50% tax rate and new regulations will have on investment in the capital, particularly in the finance sector, also remains to be seen.

Interactions with other Council Plans

- 1.15. This revised Economic Development Strategy is an update to the previous economic strategy A New Future. The vision of the previous strategy remains highly relevant (see Section 3), but the actions suggested in A New Future are superseded by those set out in this revised strategy.
- 1.16. This Economic Development Strategy aligns with and supports the London Borough of Merton's Local Development Framework (LDF) and the Regeneration Delivery Plan.

⁹ ONS (2012) *Labour Market Statistics: January 2012*

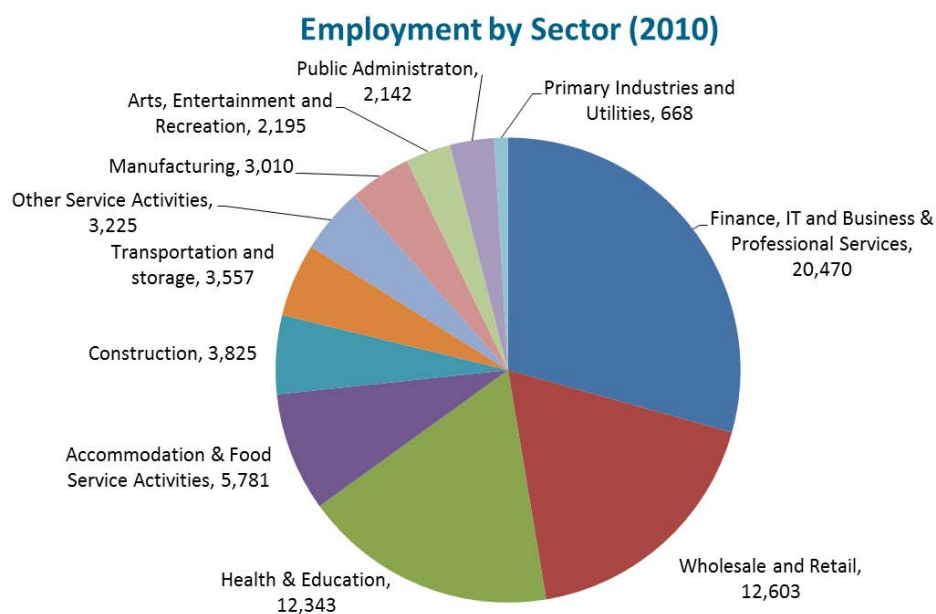
¹⁰ GLA Economics (2012) *London's Economy Today – Issue 113: January 2012*

¹¹ GLA Economics (2012) *London's Economic Outlook – Spring 2012*

¹² The latest estimates for public sector job losses are that 710,000 public sector job losses will occur due to the government's spending (OBR (2011) *Economic and Fiscal Outlook: November 2011*). Assuming that these cuts hit all regions equally then this would imply 90,000 public sector job cuts in London, though clearly it is conceivable that public sector job losses could be more or less than this figure depending on how cuts are managed in practice.

2. MERTON'S ECONOMY TODAY¹³

- 2.1. Relative to the rest of London, Merton has relatively low numbers of jobs. Moreover, the number of jobs in the borough has remained almost static between 2003 and 2010, such that by 2013 Merton will have experienced a 'lost decade' without employment growth. The chart below shows actual jobs by sector in 2010. The jobs that Merton does have do not match the sectors, which are projected to generate employment growth over the next ten to twenty years. Compared with the rest of London, Merton has a greater proportion of jobs in retail, manufacturing and construction sectors. However in absolute terms does not have enough employment in these sectors (and in business and professional services) to generate employment growth over the next two decades. This implies that Merton could face serious challenges over the coming decade without conscious action to achieve employment growth.

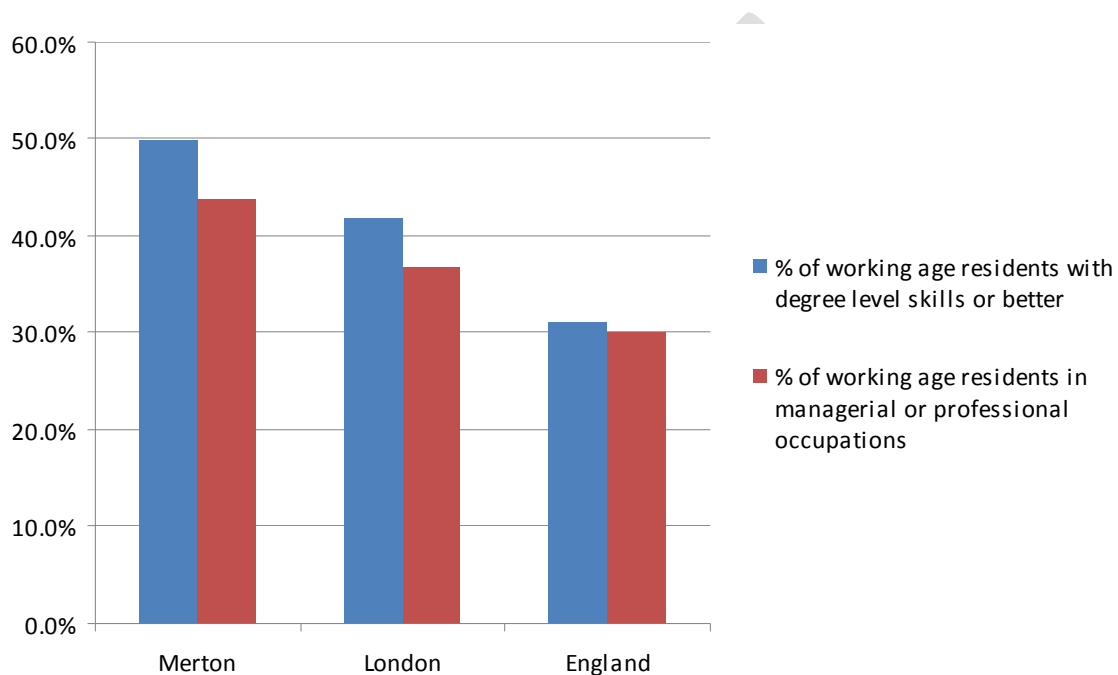


- 2.2. Merton's relatively low level of jobs reflects a business base, which is smaller and more vulnerable than that of London as a whole. Merton has fewer businesses relative to its population and these businesses tend to employ fewer people than the London average and achieve lower levels of turnover. Merton firms are also subject to larger levels of 'churn' than in London as a whole, with high rates of business 'births' matched by a high rate of business closures.
- 2.3. Merton has relatively few large and medium sized firms. The low number of large firms means that there is relatively little in the way of developed sectoral 'clusters' within the borough. Instead there are a relatively small number of firms in high value

¹³ The information in this section summarises the key findings of *LB Merton (2012) London Borough of Merton Economic Narrative*; and conversations with key stakeholders.

subsectors with only loose sectoral linkages. These apparent weaknesses in the business base underline the borough's relative lack of competitiveness as a business location. Going forward, it will be important to work with the larger firms in the borough and firms with growth potential in order to ensure that these firms can continue to expand within Merton.

- 2.4. Whilst Merton's employment and business base could be considered a weakness, the borough has an undoubted strength in the high proportion of its residents with higher level qualifications. Average wage levels earned by Merton residents are higher than the equivalent London average and reflect the higher skilled occupations, which many Merton residents work in.

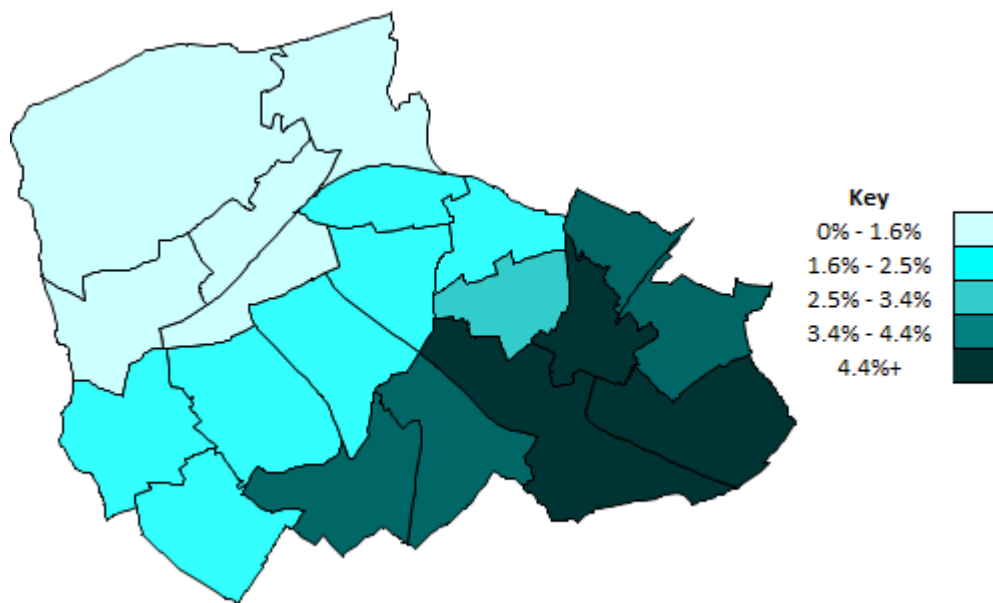


- 2.5. As a result of high average skill levels, Merton residents are less likely to be unemployed than other London residents. However, the recession has led to two trends, which are a cause for concern. Firstly, the proportion of residents who are economically inactive – i.e. those residents of working age who are not actively seeking work - has risen significantly whilst the trend across London and England has been relatively flat. Secondly, the claimant count amongst young people has risen and, whilst this has not risen as high as in London as a whole, more work is needed to fully understand the extent to which young people in Merton are being excluded from the labour market due to economic conditions.

- 2.6. Other strengths of the borough include low levels of deprivation and crime, and generally very good transport connections. This has been reflected in relatively high average house prices compared to London as a whole. However, the aggregate picture masks a significant divide between the west and the east of the borough. The west of the borough is a prominent employment location, with better transport connections, a more highly skilled population, and consequent low levels of crime and deprivation.

2.7. In contrast the east of the borough has poorer transport links, fewer numbers of jobs, a less highly skilled resident population and higher – though not high – levels of crime and deprivation. Whilst the east of the borough is not struggling in the same way that more seriously deprived parts of London are, the differences between the two halves of the borough are still jarring and suggest a need for economic strategy to focus on supporting opportunities for residents across the borough. In doing so, there is a need to recognise the role which differential quality of transport connections play in determining areas of economic strength in the borough.

% of Working Age Population Claiming JSA (May 2012)



2.8. These differences are reflected in the town centres in the different parts of the borough. In the west, Wimbledon is relatively strong, though it underperforms considering the strength of its brand, the high quality of place and the excellent transport connections it has. Colliers Wood is less successful, but it is expected that the physical improvement works that are planned will significantly improve its current performance, and there is evidence of latent demand for investment in the area. Raynes Park is smaller and relatively self-contained but prosperous nonetheless. By contrast Morden's and Mitcham's respective town centres are less successful. Both struggle to attract a sustainable level of spend and Morden is supported in a large part by the presence of the Council offices. Mitcham also has relatively poor transport links compared to other parts of the borough.

2.9. Another aspect of the borough's economic geography is the location, quantity and quality of its employment space. Merton does not have enough office space of sufficient quality to accommodate demand from large companies. The borough has lost employment space over the past decade and faces a significant challenge in terms of identifying and bringing forward sites for development or redevelopment. Where employment land has come forward, it has typically been in small, marginal sites. How this challenge is addressed will have a major bearing on whether the east / west divide is exacerbated or ameliorated over the coming years.

The Economic Challenges

2.10. From the above, we know that Merton has many economic strengths, including a well-educated resident population, high average wage levels which can support local retail and leisure, an internationally recognised sporting venue and competition, and excellent transport links. Nonetheless, the poor employment growth record of the past decade shows that these strengths, on their own, will not bring additional employment to Merton. Instead, Merton must address the economic challenges highlighted above. Specifically, the Council must work with partners to:

- Ensure that support is given to businesses to enable them to locate and grow in Merton. This applies to existing businesses as well as new firms choosing to locate in the borough.
- Ensure that infrastructure within the borough - particularly in terms of commercial office space, but also broadband, parking and transport infrastructure – is of the quantity and quality to accommodate growth.
- Reduce the east / west divide through targeted employment support to deprived parts of the borough.
- Support Wimbledon to become the major Outer London centre that it has the potential to be given its high quality of place and good transport connections. At the same time, support other town centres to adjust to new economic and retail trends.
- Ensure that key sectors which are important for future growth are effectively supported.

3. OUR ECONOMIC VISION AND STRATEGIC OBJECTIVES

3.1. In 2010, **A New Future** set out a vision for the next 20 years of development, based around a series of core objectives:

- To improve the average levels of **productivity, gross value added (GVA) and pay** for jobs in Merton
- To promote **economic resilience 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**

3.2. For the purposes of making this strategy as relevant to residents as possible it is considered that an extra objective is needed, namely:

- To support residents to **access employment, skills and training**

3.3. The original strategy set out a 20 year economic 'journey' for the borough, with successive actions leading to long-term, inclusive and sustainable prosperity across the borough over the next two decades. The long term goal of the original strategy is for Merton to be 'synonymous with quality, productivity, innovation and efficiency', and for growth to be 'self-sufficient and sustainable.' This will be demonstrated by statistical indicators 'significantly above London and South West London averages.'

3.4. The 20 year journey envisaged that by late 2011, 'the groundwork for sustainable economic growth will be complete.' In practice, whilst the Council has undertaken significant steps in the last two years towards supporting long-term economic growth, some vital initiatives are not yet in place.

3.5. The next section sets out the steps needed by the Council over the next few years to progress towards the vision for the borough's economy.

4. ACHIEVING OUR VISION

- 4.1. The analysis in the previous sections explained where the Merton economy is today, its strengths and weaknesses, and the economic vision for the borough. This section sets out how Merton will achieve this vision.
- 4.2. Given the reduction in public expenditure, which is occurring across the UK, it is more important than ever that the Council works to support businesses in the borough and to encourage more businesses to operate in Merton. Merton's 7,420 businesses play a fundamental role in the economic life of the borough, employing approximately 57,000 people. Achieving inclusive and sustainable growth will require the Council to support business growth and investment, and to work with employers and partners to support residents to access jobs locally.
- 4.3. We therefore consider that there are six principal **components of growth** – that is, areas of focus that are necessary in order to achieve long-term, sustainable economic growth. The choice of each component partly reflects the original strategy, but also reflects an improved and updated understanding of the borough's economy and business base, as well as a realistic appraisal of the Council's capacity to support growth.
- 4.4. The components of growth are:
- Retaining existing companies
 - Support business growth and start-ups
 - Inward investment
 - Town centre initiatives including BIDs
 - Providing support to identified sectors
 - Supporting residents into work
- 4.5. Each of these components is discussed in detail in the following subsections. For each component of growth there is:
- A brief discussion of the rationale for inclusion in the EDS
 - An analysis of existing relevant activities being undertaken and where there are gaps in provision
 - Details of the key delivery actions and how these will be financed
 - Details of the key development areas that will be impacted by the component in question

Retaining Existing Companies

- 4.6. A key premise of the Council's approach is that it is easier and more cost-effective to retain companies already in the borough than to attract new firms into the borough. Therefore it is evident that the Council should look to build its relationships with medium and large sized firms in the borough so as to be better placed to address any issues that firms have and, where relevant, to facilitate investment in the borough by said firms. Merton has relatively few businesses and only 20 large private sector employers (employing 250 or more people in the borough), so it is vital that these firms are engaged with in order to retain employment in the borough.

Existing Activities and Business Investment

- 4.7. The Council already engages with businesses via a variety of different forums, including the town centre forums and the sector forums. These forums allow businesses to air concerns with the Council, but there is a need for this feedback to be more systematically recorded, communicated within and across the Council, and responded to. More generally, there is a need to ensure that the Council engages with its strategically important firms with greater precision and regularity. The current town centre and sector forums may exclude some firms that are of significant strategic importance to the borough, or may otherwise be unrepresentative.
- 4.8. Industrial estates are major economic bases and employers in the borough. Willow Lane Industrial Estate (WLIE) and South Wimbledon Business Area (SWBA) are the largest industrial estates in the borough. WLIE has over 150 companies employing over 2,500 people. It is the main location for the borough's manufacturing, construction, environmental and other industrial companies, including many serving international markets. Similarly SWBA has over 150 companies located on the estate employing more than 2,000 people. These range from small independents to large national and international companies.
- 4.9. In recognition of their significance the Council has provided grant funding for both industrial estates under the Industrial Estates Programme. This includes funding for a portal for each estate to assist in promotion. The programme also funds a local facilitator, whose role includes working with firms to promote the sites and the businesses at each location. The council also provides ongoing support to all Merton's industrial estates through the business growth officer.
- 4.10. 2012 is the third year of the Merton Business Awards, which are supported by the Council. More than 150 businesses entered this year and 58 businesses have been selected for the finals, which was announced at a celebration ceremony in September. The awards showcase the best of businesses in Merton, providing a platform to encourage collaboration, share good business practice and celebrate achievements.
- 4.11. In addition, the Council already carries out some key account management, speaking on a semi-regular basis to specific firms. There are opportunities to scale this up and be more systematic, thereby improving efficiency and effectiveness.

Planned Actions and Funding

- 4.12. The main action required is to significantly scale up existing business engagement on a more strategic and focussed basis. The Council will aim to engage with the 'top 100 firms' in the borough on a regular basis. This 'top 100' will be chosen on the basis of employment and strategic significance to the borough.
- 4.13. The Council will carry out an initial selection exercise using business intelligence from the **Economic Narrative** and other sources, including detailed business data. The Council will then aim to meet with each of these firms on a six-monthly basis, making notes of discussions and following up any key issues raised by these firms. In total, this is likely to require around one to two days per week of internal staff time, plus modest travel expenses.
- 4.14. For this engagement to be effective, the Council must be able to respond to issues in a timely manner. The kinds of issues that firms might be expected to raise include issues around premises, parking, skills and business rates. The Council will need to ensure that there are robust channels for economic development staff to interact with other parts of the Council. Where business demands run counter to broader Council strategy – for example, where demands for more parking are in direct conflict with the Council's desire to discourage car travel – then the Council will need to be prepared to make this case directly to businesses, or modify policy where there is a clear strategic case to be made against the status quo.
- 4.15. In the long term, this engagement with businesses will feed into other parts of the strategy. Engagement with firms will help provide information on employer skills demand, and will help open up opportunities for local employment or work experience. Through taking a strategic view of businesses in the borough, the Council may be able to support supply chain development where business intelligence indicates synergies between two or more firms. For some of the smaller firms in the top 100, engagement might provide information on where firms could benefit from targeted business support.
- 4.16. As well as pro-active engagement, the Council will need to ensure that it is able to respond quickly and effectively to business concerns and queries. This will be resource intensive and will require re-prioritisation of the current Business Growth Officers time to focus on this important activity or will require some additional part-time resource to handle and deal with such enquiries from firms. This member of staff should have good access to other relevant parts of the Council that typically come into contact with businesses on a day-to-day basis (e.g. parking, licensing, etc.) As with the more pro-active engagement, these contacts with firms should be recorded to supplement the Council's business intelligence.
- 4.17. In addition to business engagement, the Council should renew the Industrial Estates Programme, with a view to continuing to provide location specific support to the businesses at the South Wimbledon, Willow Lane industrial estates and other estates in Merton. The Council should provide funding in 2013 / 2014 and 2014 / 2015 to enable this.

Key Development Areas

- 4.18. Council funding should be given to continue with the range of business support and physical improvements needed to keep the industrial estates competitive and viable. However, over the longer term, there may emerge opportunities for the Council to work with firms strategically to move forward development. For example, where a firm is looking to expand or consolidate at one location, the Council may be able to use this demand as a pre-let to get development moving at a key location. The Council will also be in a position to share information on where development is coming forward and discuss where this might fit in with a particular firm's needs, thus helping to support the occupation of new commercial space. Where Council leases are set to expire and it is known that a tenant is unlikely to renew, the Council can discuss this with firms that might be interested in renting that space.

Supporting Business Growth and Start-Ups

- 4.19. One of the headline findings of the **Economic Narrative** is that Merton has experienced a 'lost decade' of zero employment growth. In contrast, high growth firms in the borough representing less than 3% of total businesses added 3,500 jobs in the last year alone. This reflects wider findings that the majority of employment growth at a national level is driven by a small group of high growth companies.
- 4.20. Therefore it is vital that Merton concentrates its business support offer on firms that are aiming for growth. In this way, Merton can ensure that it gets the best return from its economic development budget. In the main, this will involve focusing on early stage and start-up firms that are considered to have growth potential and an 'appetite for growth.' However, there will also be some resources to signpost all firms towards traditional business support in both the public and private sectors.

Existing Activities

- 4.21. The Council already undertakes a significant amount of business support. A programme of business support is undertaken through the Merton Means Business (MMB) programme, which was continued into 2012 to aid, assist and support businesses at any stage of their business journey. The service includes workshops, networking and 1:1 session support for both start-ups and established businesses.
- 4.22. The Generator Business Centre in Mitcham provides a modern, purpose-built, managed workspace for start-ups and small firms, currently with associated business support contracted to December 2012.
- 4.23. The Council also has a Service Level Agreement (SLA) with Merton Chamber of Commerce to provide business support services including delivering the town centre forums and the Wimbledon BID (discussed in more detail in the Town Centre Initiatives section, below).

- 4.24. An up-to-date business directory is being produced for Merton-based businesses to market their products and services and an online commercial property database to market property available in the borough. These activities will promote the existing business offer and support the proposed retention of existing companies, encouraging business growth and inward investment proposals.
- 4.25. Feedback from stakeholders suggests that there is an opportunity to create larger returns on the Council's investment, by focussing more carefully on firms with growth potential and by generating and using business intelligence more systematically.

Planned Actions and Funding

- 4.26. The Council should agree a number of actions aimed at promoting and supporting business growth in the borough. These are:
- A new Merton Business Support Service (MBSS) contract with a major emphasis on supporting businesses with growth and job creation potential.
 - Consider options for the management of the Generator site and in doing so increasing the emphasis on business growth and making it a self-financing operation.
 - Implement the Merton Business Loan Fund (MBLF)
 - Implement the Finance Readiness Scheme (FRS)
 - Review the Service Level Agreement (SLA) with Merton Chamber of Commerce
 - Support the Greening SMEs Programme
- 4.27. The most important initiative in terms of overall expenditure will be the new Merton Business Support Service (MBSS) contract. This will be a sizeable contract to provide signposting, start-up and growth support to businesses in the borough. The contract should be let for three years so as to allow the chosen contractor sufficient security to invest in the appropriate level of staffing. The contract will be divided as follows:
- Support for new business start-ups, particularly those with growth and job creation potential. It will also include self-employment and business franchising. There will be a contractual requirement for the appointed contractor to deliver between 300 and 330 new business start-ups and 600 jobs per annum.
 - Support for early stage businesses aimed at high growth and job creation potential. This will be focussed on early stage businesses that have been operating for less than 24 months and need quality advice to help develop and expand to the next stage. There will be a contractual requirement for the appointed contractor to support these businesses to create 400 to 600 jobs per annum.
 - Support for established small and medium businesses in signposting and to broker and assist these businesses to access private and public sector support and advice,

e.g. in accounting, legal, finance, intellectual property advice, winning public sector contracts and exporting.

- 4.28. The new MBSS contract provides an opportunity for a step-change in the quality of outputs generated by the Council's investment. It is expected that the quality of business information will be significantly improved and that the Council will get direct access to this. In time, this might be expected to lead to further opportunities to help firms in the borough grow and invest in Merton. The new MBSS contract will make much greater provision for the recording and evaluation of outputs, so that progress towards targets can be effectively monitored and measured.
- 4.29. The management of the Generator will be evaluated. The Generator currently has one vacant suite but this can fluctuate and sometimes can be only half-full. The preferred option would be to continue to use the space to support business growth, however the site must remain viable to the Council until 2017 and so alternative options should be considered.
- 4.30. The Council will implement a Merton Business Loan Fund (MBLF), which will be used to provide finance to viable businesses who face barriers to financing, to enable them to develop and grow. The Council has made funding available which will be matched by the Greater London Enterprise Loan Fund. The fund will provide loans of between £10,000 and £20,000, along with post-lending services to support the success of the initiative. Between 35% and 40% will be deliberately targeted at firms in the east of the borough and around Mitcham, to specifically address the challenges that some firms in deprived areas face.
- 4.31. Related to the MBLF, additional funding will be used to establish a Finance Readiness Scheme (FRS), aimed at supporting Merton's small businesses to raise finance from banks and other sources. Support will be delivered via experienced Business Finance Advisors who will assist firms in aspects of finance raising such as completing loan applications, negotiating with banks, reviewing cash flow and business models, and identifying relevant public funding and contracts. Firms will pay a small fee for receiving FRS support equivalent to no more than 25% of support costs.
- 4.32. The Council should re-negotiate the existing SLA with Merton Chamber of Commerce. This will provide support to continue some of the existing programmes, including the sector and town centre forums, Destination Wimbledon and the Wimbledon BID, which are all discussed in more detail below. As part of the SLA there should be challenging output targets and a new emphasis on resolving appropriate business/public sector related issues working in partnership with the council and other partners and collecting high quality business intelligence that can support the Council's long term economic strategy and activities.
- 4.33. Merton is supporting the Greening Business Programme. This is a European Regional Development Fund (ERDF) funded programme in which 'green doctors' go into businesses to provide them with support on reducing energy / water usage and waste.

Key Development Areas

- 4.34. The Generator itself is largely self-financing, though the current offer doesn't appeal to all businesses. As mentioned above, there is a management challenge to ensure that the Generator continues to provide for the needs of growth firms, however to remain viable all options regarding the site should be considered, including the possibility of the Council managing the site using internal staff and resource or continuing to out source the site for managed workspace.
- 4.35. Worsford House in Mitcham is currently vacant but had been previously used as council offices (to July 2012). The site is included in the Council's Sites and Policies Development Plan Document (Site Proposal 17 Worsford House / Chapel Orchard) with the proposed long term use for a school or residential beyond 2013. Until a long term use is established the site could be considered for managed workspace or short term commercial lets. It is therefore proposed that this site is also considered as a key development area to support business growths and start-ups.
- 4.36. Workspace, the business premises provider are proposing to develop managed office / light industrial space on the Rainbow Industrial Area in Raynes Park to be attractive to SME's.
- 4.37. Over time, improved intelligence on growth firms may create opportunities for the Council to support development in the borough. Better relationships with growth firms will put the Council in a better position to highlight premises, which might be suitable for a given firm. Where lack of large employers is a barrier to pre-lets, the Council may be able to use knowledge of multiple smaller firms to generate demand for pre-let commercial space.

Inward Investment

- 4.38. A key driver of growth is inward investment, i.e. attracting new companies both foreign and domestic to Merton. Whilst every effort should be made to encourage firms within the borough to grow and invest, attracting investment from outside the borough remains an important priority for Merton's EDS. At the same time there needs to be a recognition that attracting inward investment is often extremely difficult and that Merton has typically struggled to attract large scale investment over the past decade or so. Moreover, given the poor outlook for the UK economy the difficulty of attracting inward investment has increased.
- 4.39. The principal success story in the last few years has been the relocation of a major office employer to Wimbledon town centre, on the basis of the area's good connections with Central London and the high quality of life in the area. We propose that, rather than a broad approach to inward investment, the Council should instead aim for a tightly focussed inward investment campaign, aimed at attracting office employers that are already based in London. This will ensure the most efficient use of limited Council resources.

- 4.40. The rationale for focussing on office occupiers is that Wimbledon in particular has significant potential as an office location given its good transport connections and high quality of place, but that these qualities are relatively poorly marketed at the moment. There is a strong perception amongst stakeholders that Wimbledon is currently almost a 'secret' office location, which is greatly valued by companies that are already located there, but which punches below its weight when compared to other Outer London locations. Therefore an inward investment strategy, which addressed this could support Wimbledon to become a major Outer London centre whilst generating employment for residents throughout the borough.
- 4.41. Rather than just targeting any office occupiers, the emphasis should be on targeting office occupiers that are already present in London, as these are most likely to move to Merton. London & Partners have recently set targets to attract Foreign Direct Investment (FDI) equivalent to 200,000 new jobs over the next four years. Of their target sectors, Merton can make a strong case as an investment destination for business services, company / European headquarters and the creative industries. Depending on the needs of the business in question, Merton might also be a good location for IT services.

Existing Activities

- 4.42. At present the borough does not have an active inward investment strategy, though the Council does work with potential investors as and when interest is shown. Therefore, there is clearly significant potential to expand activities in a targeted manner.

Planned Actions and Funding

- 4.43. Attracting inward investment is very resource intensive. Given the relatively small budget, this resource needs to be used carefully. Approximately a third of the budget might be used for 'passive' activities, such as the creation of an inward investment brochure or website targeted at attracting office employment, primarily to Wimbledon town centre. Such material will stress the quality of Wimbledon's transport links, highly skilled resident population and high quality of living.
- 4.44. The remaining funding should be used to finance more direct marketing activities to companies. This will include sending marketing material out to potential investors, partnering (including joint funding of marketing) to target companies already in London that are seeking a suitable new location such as Wimbledon; marketing Merton at office employer events, giving presentations to interested companies and working with UKTI, London & Partners and other partner organisations to support inward investment opportunities in the office sector. Partnership working should include working with existing owners, property agents and developers for key sites as they emerge. This assumes that some staff time will be available to carry out these kinds of actions, perhaps one day per week, though clearly more is likely to be achieved with more staff resource. The Council should make strong efforts to secure financial contributions to this work wherever possible.

- 4.45. Given the nature of the challenge in attracting firms to the borough, it is important to remember that whilst the inward investment brochure / website will be an important 'set piece', the real core of the work must be the week-to-week generation and follow-up of leads and marketing directly to potential investors. It is this work that is most likely to result in investment in the borough.

Key Development Areas

- 4.46. In addition to new development, there will be significant employment potential through ensuring occupation of existing empty office space in the Wimbledon area. Therefore it is important that inward investment activity is supported by an up-to-date understanding of existing vacant office space, as this may be more suitable for smaller firms and start-ups that have lower requirements but still value a Wimbledon location.
- 4.47. The extent to which inward investment will have a physical component will depend upon the nature of the proposed investments. However, it is clear that it will be far easier to make the case for the borough in general – and Wimbledon specifically - as a major office location if the available office space is of the quantity and quality to attract significant investment. Therefore one of the most important things that the Council can do is to support the development of new high quality office space and the refurbishment of existing space to a higher specification through the planning process and working with the business community to shape Wimbledon's offer.
- 4.48. The Council will work jointly with LoveWimbledon to procure research to determine the scope of expanding and intensifying Wimbledon's business base. Drawing on the SW19 global brand, and knowledge of redevelopment opportunities, the Council and LoveWimbledon will develop a prospectus to drive inward investment, potentially being the UK's first business led Community Plan to lead economic growth.

Town Centre Initiatives including BIDs

- 4.47. Merton's town centres are significant economic assets. They are important focal points for employment and economic activity and recognisable places with their own identity. Nevertheless, they are subject to the same broader trends as other parts of the UK. Most importantly, wider trends in the retail sector will have a significant bearing on how well Merton's town centres continue to prosper over the next decade. Increased internet retail and reduced consumer spending, as well as a longer term shift towards more 'experiential' retail, means that only town centres with a strong retail and leisure offer will be sustainable. Smaller centres with a less attractive offer will struggle to retain their critical mass and may see substantial shrinkage as a result.
- 4.48. Looking at Merton in light of these trends suggests that Wimbledon is relatively well-positioned to prosper in the new climate, though it will need continued support and management. The challenges that Colliers Wood faces are likely to be addressed by the development programme that is now underway (see below) and Raynes Park is

sufficiently self-contained not to be greatly affected by wider trends. Morden and Mitcham are more challenging and may be more adversely affected by changing retail trends than in other areas. In all cases there is a need for ongoing management of the town centre areas to ensure that the potential of these areas is maximised.

Existing Activities

- 4.49. The Council is already supporting a range of initiatives and development around the town centres. A number of these schemes are managed by Merton Chamber of Commerce under their SLA with the Council. The Chamber supported the activity leading up to the ballot for a 'Yes' vote on the Wimbledon Business Improvement District (BID), known as 'Love Wimbledon', and also runs the quarterly town centre forums in all of the town centres including Wimbledon through the BID management.
- 4.50. The Council provided funding and support in the creation of 'Love Wimbledon' by supporting the BID proposal in the development and marketing work needed for a successful ballot result, recognising the benefits of BID's to all businesses by making the area more attractive and ensuring it is well represented, serviced and promoted. Alongside, investment in the public realm has taken place over the past two years and 'Destination Wimbledon' was formally completed in June 2012, creating better facilities for residents and businesses.
- 4.51. The Raynes Park town centre enhancements set out a programme of improvements to the local centre which not only enhanced the public realm but also maintained convenience for the local population by strengthening the centre's economic role. It also strengthened Raynes Park's retail offer, making it a more attractive destination for local shopping needs. The council's investment in infrastructure and public realm has contributed to the success of Raynes Park High Street as a vibrant shopping and business destination. A recent report found that Raynes Park is London's best performing High Street in London in terms of occupancy rate.¹⁴
- 4.52. Aside from the Council-funded activity, there are a number of other business groupings in the borough, including: Wimbledon Village Business Association, Willow Lane BID, South Wimbledon Business Area and Raynes Park Business Association. Via Merton Chamber of Commerce, the Council has loose links with all of these groups, though relationships could be strengthened.

Planned Actions and Funding

- 4.53. Given the changing retail trends discussed above, a major driver of successful town centre management will be properly understanding the retail context for each of the town centres in the borough. The Council should allocate funding to undertake a retail

¹⁴ Evening Standard 14th September 2012/ Local Data Company September 2012

study to understand how these retail trends are expected to impact the performance of each centre. This should provide analysis of current provision, footfall and catchment area, as well as detailed analysis of the future prospects for each centre.

- 4.54. When this study is complete the Council will have a far better understanding of how best to respond to changing trends at each location. In the case of successful areas such as Wimbledon, Raynes Park and Colliers Wood, this might involve more retail or renewal of existing retail space, whereas in Mitcham or Morden there may be an argument for a managed reduction of the town centre core.
- 4.55. The Council has received funding via the Mayor's Outer London Fund (OLF) for a town centre initiative in Mitcham. This will include some public realm improvements, general business support and marketing and promotion for the area. A number of projects will be delivered to improve the business and job prospects within the centre as well as creating an attractive town centre to help increase footfall and support businesses and retailers increase sales. The funding programme includes provision of a facilitator to oversee the interventions for Mitcham and Colliers Wood. They will be responsible for ensuring co-ordination with other parts of the Council's business support offer and with the town centre forums.
- 4.56. The Council was successful in being awarded £2.7m from the Mayor's Regeneration Fund to help repair the damage to businesses and the economic fabric of Colliers Wood following the August 2011 riots. This along with the proposed council funding will be used to help revitalise and transform the town centre. The programme of activity includes a number of projects to promote Colliers Wood as a shopping destination, as well as schemes to support businesses, job creation and wider economic development of Colliers Wood and South Wimbledon.
- 4.57. The Council should allocate funding towards a business premises programme until 2014 / 2015, which includes match funding from the High Street Innovation Fund. This programme will predominantly support the refurbishment of shop fronts particularly those that bring vacant premises back to use as well as refurbishment of other business premises in the town centres.
- 4.58. More generally, the Council will look to support existing and new business structures in the town centres. Where there is demand for a BID in town centres apart from Wimbledon, the Council should pledge to support this. The project facilitator for Mitcham and Colliers Wood will support local events and place promotion as part of the re-negotiated SLA with Merton Chamber of Commerce. Also, as part of the new SLA, Merton Chamber of Commerce will lead the development of new interactive websites for each of the town centres to support local businesses to network, market their services and trade with each other. The Council should seek to retain and build upon the existing town centre forums, so as to get better feedback about the impact of its policies. As with other elements of the economic development strategy, the new SLA with the Chamber will require greater gathering of intelligence on businesses and ensuring that business issues are recorded and responded to more systematically.

- 4.59. One specific area in which the Council could use the town centre forums is to engage with retailers in the Morden area prior to the TfL development (see below). The Council should seek to support retailers to transition into the new development where there is demand.

Key Development Areas

- 4.60. The Colliers Wood plans are now being prepared for a major redevelopment programme to transform the fragmented shopping areas into a single coherent retail location. This will involve public realm improvements including the creation of a new public square outside the Colliers Wood Tower. The Tower itself is being refurbished as a predominantly residential development with high quality retail and business space on the ground floor to attract new quality retailers, restaurants and business service companies. The Priory Retail Park will be redeveloped with better frontage to Christchurch Road. The Council will look to leverage the development to attract a higher quality, more sustainable offer that can ensure Colliers Wood remains a competitive and attractive retail and leisure location.
- 4.61. Merton is set to see a significant amount of development in and around its town centres. The most notable of these are plans to develop next to Morden tube station. This is likely to involve a significant retail footprint on the ground floor which will need to be considered in light of the findings of the retail study, as well as either hotel, residential or even a small amount of office space above.
- 4.62. Wimbledon has a number of key sites suitable for office development along the Broadway and near the station that are expected to come forward for development in the next few years. As discussed previously, there is a need for the Council to use its development sites to support growth, which in Wimbledon will mean support for developing modern office space that will attract high value employers to the borough.
- 4.63. There is an opportunity in Mitcham to develop the transport network and public realm. The proposed programme includes the development of the green, the marketplace and funding to support shop front improvements.

Providing Support to Identified Sectors

- 4.64. As a general principle, the Council should focus on supporting individual businesses of importance to the borough or with growth potential, rather than attempting a sectoral support approach. This is due to the small size of the business base and the general lack of scale within tradeable sectors that would be suitable for such an approach.
- 4.65. There are, however, a few sectors that are considered to be of sufficient scale or importance to justify development of a sectoral approach to support. One is retail, which has already been discussed in the context of town centre initiatives and is largely a location-specific issue rather than a sector with a borough-wide focus. Other sectors that are considered to warrant a separate focus are:

- Creative and Cultural
- Green Technology

4.66. Creative and cultural activity in the borough is relatively small in total employment terms, but includes some significant employers, including Square Enix and Wimbledon Studios. Moreover, the creative sector is supported by the presence of Wimbledon College of Art. Likewise, relatively few people in the borough are employed by green technology firms and there are no large firms. However, the sector is considered to have significant prospects for growth. In particular, there is potential in terms of sustainable construction and installation of renewable energy generation. In the case of both sectors there is the potential for the Council to support promotion of the businesses within the sector, and to promote the emergence of larger-scale opportunities by supporting networking between a number of smaller companies.

Existing Activities

4.67. There are already sector forums for both the creative and cultural sector and the green technology sector. Both of these forums are chaired by Merton Chamber of Commerce on behalf of the Council under the existing SLA. Feedback from stakeholders suggests there is scope to build on the current setup and expand the number of businesses that engage with these forums. There is also scope to improve the way the forums capture and feedback information on businesses and the sector as a whole. A broader issue is that the way in which the forums currently work does not necessarily encourage whole-sector collaboration in the way that it should and it is considered that there is room for improvement in this regard.

Planned Activities

4.68. The Council should allocate a small amount of funding to both the creative and cultural sector forum and the green technology sector forum. This funding will enable joint marketing and promotional activities for firms in these sectors. This investment will need to be supported by work with the firms in each sector to develop broader initiatives that benefit the entire sector. Otherwise there may be a tendency for sectors to not spend the money strategically or in a way, which only benefits part of the sector.

4.69. In the long-term the Council should consider funding a study to explore potential actions to strengthen the creative and cultural sector, such as how Wimbledon College can promote start-ups and how they can work more closely with businesses to develop commercial opportunities.

4.70. With regards to the green technology sector, the Council should undertake a survey of low carbon business activity in the borough. This survey should not only map companies whose activity is predominantly based on green technology, but also those firms for whom green technology forms a part of a wider offer.

4.71. Once this survey has been completed, the Council should focus on the key opportunities available. These are likely to be mainly in the sustainable construction sector, rather

than in more complex sectors such as renewable energy generation and manufacture of renewable energy equipment. The Council has the potential to support the emergence of local consortia of multiple small companies to provide sustainable construction services to larger organisations including the public sector and housing associations. These opportunities should be explored through the sector forum.

Key Development Areas

- 4.72. At the current time there are no specific developments to note. However, the Council is aware of a number of potential investments, which might impact upon the sectors in question, particularly the creative and cultural sectors. Where there is potential to bring these investments forward, the Council will wholeheartedly support these initiatives.

Supporting Unemployed Residents into Work

- 4.73. Although total unemployment in Merton is relatively low, this obscures some important differences between places within the borough. In particular there is a significant divide between the east and west of the borough, with the area around Mitcham having particularly high incidences of unemployment. A key part of the economic vision for the borough is to support residents to access employment and training. In particular, there is a need to focus on long-term unemployment and youth unemployment, which have been exacerbated by the poor condition of the UK economy.

Existing Activities

- 4.74. The Council is in the process of setting up an employability sub-group whose task will be to support the delivery of better frontline services. The group is composed of representatives of Merton Council, Merton Chamber of Commerce, Merton Priory Homes, the voluntary and charity sector, Job Centre Plus (JCP) and the colleges. The group should also include employers, delivery and employment representatives. In time, the employability sub-group will take responsibility for delivering the skills strategy that is to be prepared (see below).
- 4.75. The Council has engaged with some of the Work Programme providers covering the Merton area and is seeking to engage with the remainder. The Council has also undertaken some preliminary conversations with employers with a view to expanding apprenticeships in the borough. There is a recognition that significantly more can be done to address employment and skills issues in the borough.
- 4.76. Job Centre Plus (JCP) Mitcham is undertaking a number of programmes aimed at reducing unemployment in the area. This includes promoting work experience for young people and working with companies to increase work experience opportunities, providing financial support through the Flexible Support Fund to enable residents to overcome barriers to work (e.g. costs of work clothing, transport), and providing out-of-hours office support at weekends to support clients in their job search. JCP Mitcham are also carrying out work under the ESF-funded Troubled Families and Families with Multiple Problems initiative. In addition, JCP Mitcham are working with offenders prior

to release to reduce re-offending rates. The strategy will recommend that the Council continues to support these initiatives wherever possible.

Planned Actions and Funding

4.77. One of the principal problems is that there is no existing skills and employment strategy for the borough to inform the Council's actions. The Council should therefore allocate funding for the production of an employment and skills strategy. The kind of areas that the skills strategy will need to address are:

- Ensuring that education and training provision is informed by skills and recruitment needs of employers
- Reducing the numbers of young people not in Education, employment or Training (NEETs) / youth unemployment
- Reducing long-term unemployment
- Increasing the numbers of apprenticeships
- Using local procurement to support improved employment outcomes
- Addressing barriers to work

4.78. Each of these topics will need to consider how they could build on the proposed relationship-building with companies/employers in the borough. The employability sub-group will be one means towards the delivery of the strategy.

4.79. The Council should allocate funding for an Employability and Access to Jobs Programme. This programme should look to fund gaps in provision as well as match fund other employment and skills activity so as to enable other initiatives to build scale and impact. To support this work and other initiatives, the Council should make funding available to employ an additional employment and skills specialist

Key Development Areas

4.80. The nature of this component of growth is that there are no direct developments of relevance. More broadly, the Council should look to work with developers to generate local employment. This will involve talking to developers ahead of the building phase to understand their employment requirements, and trying to match local residents to these roles.

4.81. The Council is working collaboratively with Transport for London and adjoining boroughs to bring forward significant tram improvements. This includes supporting infrastructure upgrades to facilitate increased frequencies on the existing network, together with a tram route extension to Sutton via Morden Town Centre. A new tram stop serving Willow Lane Industrial Estate in Mitcham is also being considered as part of this work. Such improvements will make it easier for residents to access town centres and

Industrial Estates within the borough, though clearly it will also make it easier for non-borough residents to access jobs in the area as well.

Summary of Actions

4.82. The table below summarises the actions discussed above under each of the components of growth.

Component of Growth	Description of Action	Resources	Timescales for Delivery	Expected Outputs
Retaining Existing Companies	Engage the 'top 100' most strategically important companies in the borough	1-2 days of staff time per week. Expenses budget for meetings and travel.	Long-term / recurring six-monthly meetings with firms.	Greatly improved business relationships and intelligence
	Facilitate supply chain and networking opportunities	Minimal staff time – will be accounted for by general relationship management	Long-term / ad-hoc depending on nature of opportunities	Dependent on the nature of opportunities – but would expect commercial benefits to business and improved business to business relationships within the borough
	Respond quickly and effectively to employer enquiries and concerns	1 full time staff member (in post) however a case be made for an additional resource to support this activity in the light of the Business Growth Officer workload	Long-term	Improved business retention; Greatly improved reputation amongst businesses and some business intelligence
	Renew Industrial Estates Programme	£90,000	3 years to 2014 / 2015	Increased business and job retention, increased turnover for businesses
Supporting Business Growth and Start-Ups	Tender a new Merton Business Support Service (MBSS) contract	£200,000 per annum	3 years to 2014 / 2015	300 – 330 start-ups supported / 200 early stage firms given support for growth / Between 1,000 and 1,200 new jobs
	Review proposals on the Generator and Worsford House	No expense -	2 years	Generator has good occupation levels / Businesses at the Generator have significant growth potential

Component of Growth	Description of Action	Resources	Timescales for Delivery	Expected Outputs
	Merton Loan Fund (MLF)	£300,000 (to achieve match funding from the London Loan Fund)	Aug 2012 to Dec 2015	34 loans totalling £600,000 to 34 Merton firms / £200,000 of additional finance accessed / 17 jobs directly created / 51 jobs directly safeguarded
	Finance Readiness Scheme (FRS)	£39,400 (includes contingency)	Aug 2012 to Dec 2015	71 days of bespoke assistance to Merton firms / 40 successful applications to banks and other finance sources / Total of £200,000 raised for firms
	Renew the SLA with the Chamber	£30,000 per annum for the next three years	3 years to 2014/ 2015	Continued business support / forum management / town centre initiatives. Resolution of appropriate business/public sector related issues; Improved business intelligence gathering and reporting.
	Greening SMEs	£20,000 ERDF funding, possibility for more ERDF match if officer time allocated.	3 years to 2014 / 2015	Improved environmental performance amongst SMEs
Inward Investment	Production of a brochure / website	£10,000	Long-term	Improved inward investment outcomes
	Inward investment promotion activities	£20,000 / 1 day of staff time per week	Long-term	Improved inward investment outcomes
Town Centre Initiatives including BIDs	Retail study	£50,000	2012 - 2014	Completed retail study with robust intelligence on future market demand at each town centre
	Mitcham Town Centre Initiative	£45,000 (remainder is Match Funding from OLF and other sources)	2012 - 2014	Improved place promotion / public realm / local business support for Mitcham town centre
	Business Premises Programme	£200,000 (£100,000 already received from High Street Innovation Fund)	3 years to 2014 / 2015	Improved shopfronts and other town centre premises leading to increase footfall and shoppers/sales; improved image and perception of town centres

Component of Growth	Description of Action	Resources	Timescales for Delivery	Expected Outputs
	Support future BIDs where there is demand	Minimal	Long-term commitment	New BIDs for town centres where there is business demand
	Place promotion for Colliers Wood and Mitcham	Accounted for under the SLA with the Chamber	Long-term	Improved image and profile for Colliers Wood and Mitcham
	Mitcham Outer London Fund activity	Accounted for under the Mayor's funding and proposed match funding	2012 / 2013 and 2014 / 2014	50 jobs created, 15 new businesses started; 20 jobs safeguarded; increase footfall
	Colliers Wood Mayors Regeneration Fund activity	Accounted for under the Mayor's funding and proposed match funding	2012 / 2013 and 2014 / 2014	50 businesses supported; 20 jobs created; 50 jobs safeguarded; 20 shopfronts improved; 15 new businesses attracted; increase footfall
	Improve the town centre forums	Accounted for under the SLA with the Chamber	Long-term	Improved attendance / Better feedback from Council on business concerns / Better business intelligence
	Develop social networking websites	Accounted for under the SLA with the Chamber	2012 / 2013	Social networking websites developed and promoted
Providing Support to Identified Sectors	Fund sector marketing and joint-working initiatives	£20,000 (£10,000 for each sector forum)	2013 / 2014	Improved profile for the key sectors; Improved business intelligence; Improved inter-business trading
	Commission a creative and cultural sector study to support growth	Indicative cost of £10,000 - £20,000	2013 or 2014	A study with firm recommendations for how to build on the success of the creative and cultural sector

Component of Growth	Description of Action	Resources	Timescales for Delivery	Expected Outputs
	Undertake mapping exercise of green technology firms	Minimal expense and staff time. Requires contacting accreditation bodies for details and setting up a database of registered suppliers in the borough	2013-2014	Comprehensive data on companies operating in the borough whose derive some or all of their turnover from green technology activities
	Support networking of green construction firms	Accounted for under sector forum budget	2013 - 2014	Opportunities for scale working identified and explored with green firms
Supporting unemployed Residents into Work	Skills Strategy/Action Plan	£20,000	2012	A skills strategy and action plan setting out the key actions required to tackle skills and unemployment issues in the borough
	Employability and Access to Jobs Programme	£200,000	3 years to 2014 / 2015	Match-fund other employment and skills initiatives to maximise scale and impact
	Additional staff resource specialising in employment and skills and support to business growth activity	£90,000	2 years to 2014/15	Co-ordinate the implementation of skills and employment strategy/action plan; bid for funding for employment and skills projects; work in partnership with employment and skills organisations

5. PRINCIPLES FOR SUCCESS

- 5.1. The sections above have identified the components of growth and the key actions that will be undertaken to support these. In doing so, some principles for turning the Council's planned actions into successful outcomes have been touched upon. This section re-emphasises and expands on those principles that will best ensure the success of the strategy. In most cases these principles involve reflection on how the Council and Council policy more widely can support economic development and remove barriers to growth.

A unified business intelligence system

- 5.2. In many parts of the strategy we have spoken of the need to improve quantity and quality of intelligence that the Council keeps on businesses in the borough. A key aspect of this is ensuring that there is a unified system for managing business intelligence, which brings together information from direct conversations, sector and town centre forums, the Generator, and other business interactions with other parts of the Council (e.g. complaints about lack of refuse collection.) For each business in the borough there should be a single file containing all of this information, and this should be kept up-to-date. To ensure business confidence, this information should be stored securely and confined to key members of the economic development team. Business intelligence gathered by the Council and its partners should be supplemented by relevant studies by other organisations, such as the Annual Business Survey undertaken by South London Business.

A formal mechanism for communicating business concerns to members

- 5.3. If the intelligence which the borough is intending to collect on business concerns and issues is to have maximum impact, there must be a mechanism for feeding back this information to cabinet on a regular basis. Moreover, this mechanism must include feeding back the cabinet response to businesses so that companies feel as though their engagement with the Council is worthwhile. In this way, the Council will be able to properly engage with business concerns and demonstrate that the major employers in the borough are valued by the Council.

A presumption in favour of commercial development

- 5.4. It is likely that the development case for most areas will favour residential development rather than commercial development. This is a historic pattern that the Council needs to be aware of and address. In some cases this may mean that the Council does not maximise the value of its landholdings, but instead looks to business rate retention or other means for achieving long-term financial returns. This is especially important in the case of office space within Wimbledon town centre. Wimbledon can be a significant asset for the borough and an important Outer London office location, but this can only happen if the Council supports the development of new office space and the refurbishment of existing space to a higher quality specification.

A policy decision on transport and parking

- 5.5. Current policy is in favour of a move towards more sustainable transportation within the borough. Though this is a laudable aim, there is a significant amount of feedback from stakeholders and businesses, which suggests that this policy position is having a negative impact on enterprise within the borough. Merton has an unenviable reputation for poor parking provision and high levels of congestion. The health of the town centre businesses in particular is dependent upon good transport access and there is evidence of a need for more short-stay car parking around the town centres. The Economic Development Strategy cannot dictate policy with regards to transport. However, the Council does need to review its transport policies in light of its goals for economic growth, and perhaps seek to find a balance, which better supports local businesses.

A local procurement policy to support growth

- 5.6. Even with projected cuts in spending taken into account, the Council is a significant presence in the local supply chain. Without prejudicing its own financial position or legal responsibilities, the Council should seek to support local firms to access public sector contract opportunities, so that this spending can be retained within the borough. This might involve workshops with firms to help them understand the Council's tender processes and more actively inviting local firms to bid for relevant tenders.

The Council has already started to consider how this can be achieved and recently introduced the Action Plan that the council will adopt to ensure that the 'Procurement Pledge on Employment and Skills' is delivered on. This is in response to the London Councils Paper written for London Council Leaders. At the London Council Leaders Committee meeting on 13th December 2012 Councillor Alambritis agreed to the following pledge: **'London Borough of Merton is committed to creating jobs and training opportunities through its supply chain.'**



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