

# **Croydon's response to Outer London Commission**

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## **Welcome the focus on South London and the opportunity to contribute more to the South London Economy**

Croydon welcomes the opportunity to contribute to discussions about the future of outer London and to the growth in the South London economy. Croydon Council fully supports the view of the Mayor that a successful outer London is vital to the growth and sustainable future for the Capital. With both policy support and targeted investment, outer London has the assets and the potential to generate wealth, attract investment and make a major contribution to the quality of life of London residents. Croydon Council also fully supports the joint submission by the South London boroughs, through the South London Partnership. The submission by the South London Partnership highlights the strong partnership ethos across South London boroughs and the convergence of our thinking.

## **Recognition of the contribution of South London to the London Economy**

As reflected in the statistical evidence provided so far to the Commission, outer London makes a significant contribution to the London and national economy. Outer London has 1.64 million jobs, some 42% of all jobs in the Capital. Outer London is home to 4.5 million people, 60% of London's population and contributes in GVA, £77.8 billion to the national economy, a value significantly larger than all other UK sub regions.

But outer London is not a homogenous area. Heathrow and Croydon stand out as major centres for employment. There have also been vastly different patterns of growth and decline across the outer London boroughs and there are areas facing a scale of economic risk that could undermine the future success of the sub regional economy and its ability to contribute to London's overall success. This mix of opportunity and need provides further weight to arguments for focused policy for outer London that rebalances economic activity and contributes to the sustainability and competitiveness of the Capital into the future.

## **A dynamic outer London is vital to the future of the Capital**

The impact of recession on London creates a number of major issues for both the Boroughs and the GLA. Rising unemployment, business failures and falling levels of investment and consumer expenditure are all damaging the economic vitality of London's major economic centres. The Mayor and many of the boroughs, including Croydon, have set out how they intend to support local businesses and residents during recession and have given a clear commitment to continue to invest for the future.

While it is important to address the immediate issues, the recession also provides an opportunity to reconsider the future of the London economy and the role of the sub regions over the next decade and beyond. As set out in the initial papers from the Commission this reassessment should be based on evidence and recognition of significant structural change in the London economy over the last twenty years. There has been an agglomeration of higher value business to central London and reduction in manufacturing in many parts of outer London. Residents have become more mobile, benefiting from investment in public transport to access growth in jobs in central London. Employers have become more demanding in the levels of skills they require drawing workers from outside of London and further polarising those communities where low skills is the norm.

It is vitally important in considering a new role for outer London that these issues, and the drivers behind them, are fully understood and feature as part of the new policies for outer London. The challenge for the Commission, and the outer London boroughs, is to define an economic function that builds the capacity for future growth, which creates opportunities for investment and adds value to the London economy. The focus must be on enabling growth building upon existing outer London assets and avoiding simplistic and unrealistic policies that simply seek to artificially redistribute business activity without the infrastructure necessary to sustain it.

### **Supporting the south London response to the Commission**

Croydon and the other south London boroughs have worked together to respond to the Commission and provided evidence to the sub regional meeting on the 15 April. We are clear that the Commission provides an important opportunity to accelerate work with the GLA family to develop policies and programmes that enable south London to contribute to the economic success of the Capital as a whole. In our submission we emphasised the opportunity to create new centres for driving up business activity in South London that can improve the long term sustainability of the London economy; the need to ensure that investment is available to strengthen the infrastructure required for growth; and the importance of defining the opportunity of “super hubs” as places that already provide focal points for business activity and could be more important in generating and distributing wealth across their sub regions.

The remainder of this submission focuses specifically on Croydon in relation to the key questions posed by the Commission.

### **Croydon – Making a greater contribution to a successful south London**

Croydon has traditionally been, and remains, a major economic centre in London. The borough is the largest (by population), provides 129,000 jobs and is the most important centre outside of central London for financial and business services. The borough and its partners have made major investment in creating a high quality living environment and integrated public transport infrastructure and is a key destination in south London for retail and leisure. Croydon has the key assets and infrastructure

necessary to generate high value economic growth and provide an engine in south London to attract and sustain major private sector investment for the benefit of all the surrounding boroughs in the sub region.

### **Capacity and appetite for growth**

Croydon has also undergone significant change over the last 25 years. The loss of a manufacturing base combined with a general reduction in the quality of business environment has deterred fresh investment in commercial and office space and contributed to a fall in Croydon's competitive position in London. While there are major plans to reverse this decline with the formation of London's first Economic Development Company, new public / private Urban Regeneration Vehicles, and major retail and office development schemes in the pipeline, Croydon will need the support of the Mayor and GLA to realise its full potential within London and the South London economy.

Croydon already has the advantage of being recognised as the major centre for business in the sub region. The town centre in particular has a unique infrastructure and the capacity to grow significantly without harming the surrounding living and working environment. The Council through its economic and planning policies has created a framework for growth over the next decade that fits with the Mayors ambitions to raise the contribution of outer London to the success of the Capital.

### **Critical mass to deliver**

The Croydon economic development strategy sets out a programme to build on borough's key sectoral strengths and locational advantages in south London. Croydon has an established business and professional services sector, with 35,000 jobs – a quarter of all employment for this sector in south London. Within this sector the borough is also home to key sub sectors that will be important for London's future prospects including insurance services where Croydon currently contributes 44% of south London jobs. The borough also serves as the economic and employment centre for south London in public administration (providing 49% of south London employment), telecommunications (contributing 49% of jobs) and transport services (contributing 35% of jobs).

This critical mass of employment in higher value business activities, combined with the availability of development space within central business district of the town centre, creates a unique opportunity to build an additional economic engine for London. Croydon already has the primary transport interchange in south London with infrastructure that provides ready access to the wider south London and the South East labour market. Croydon also has a comparatively affordable and an attractive housing offer, and with it's new Opportunity Borough Status, s set to grow by up to 20,000 new homes over the next decade. When combined with Croydon's outstanding track record for economic policy and programmes, such as hosting one of the biggest LEGI initiatives in the country, the largest Business Improvement District outside central London, the only area in London to be awarded beacon status in 2009 for it's partnership work in promoting economic prosperity, already a national

