

William McKee CBE  
Chairman  
Outer London Commission  
Greater London Authority  
City Hall  
The Queen's Walk  
London SE1 2AA

5th May 2009

Dear Mr McKee

### **SUBMISSION FROM SOUTH LONDON**

I am pleased to enclose the final full response to the Commission from South London. This is a joint response from South London Partnership and South London Business. It is also supported by the South West London Housing Partnership.

The submission comprises:

- The final version of the paper we prepared for the 15 April meeting. This is largely unchanged from the document you have seen before.
- Additional information including evidence requested at the recent meeting, including material on:
  - Transport
  - Centres and nodes
  - The relationship between Outer South London and the South East region
  - Quality of life

We would be very happy to provide any additional information that would be helpful to the Commission.

As you will recall, the essence of our submission is that the South London economy has the potential to grow strongly and form a necessary counter-balance to the central London economy. Our approach is based on a number of nodes and centres, each with its own strengths and having business intensification and employment growth potential. There is a degree of inter-dependence between the centres and a need for investment.

We are determined to create the conditions through our planning, economic development and housing policies which will support and encourage this approach to succeed. However, there are some issues which are beyond what we can achieve through our own actions. One is investment, particularly transport which we explored with you in some detail at the recent meeting. A further issue is the regional policy framework within which we have to operate,



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and we feel that currently this does not create the right environment for us to pursue our objectives.

Following the discussion at the meeting on 15 April about the relationship between Outer South London and the wider South East region, we have compared the economic development policy framework for Outer South London and the region beyond London, and there is a significant contrast between the two.

Outer South London does have existing London Plan policies supportive of business and employment growth, including the central Croydon Opportunity Area, encouragement for town centre development elsewhere, definition of strategic employment locations for safeguarding. However there is a lack of strategic implementation action to deliver on what are aspirational policies, with boroughs left to do their best with scarce resources. There is a sense in the regional policies that Outer South London is seen as a workforce dormitory for strong central London employment growth, rather than an area with real economic development prospects. The present London Plan attitude is to rely on consumer and public services employment growth deriving from population increase; it takes a complacent and non-interventionist attitude to other potentials. The policy approach to employment land is more on release for housing than upgrading what exists for new activities.

This contrasts sharply with The London Fringe and adjoining Gatwick area sub-regions which benefit from a strongly proactive policy framework to sustain and grow the sub-regional economy. The South East Plan seeks to promote a culture of innovation in the development of new products and services in the 'knowledge economy', and to that end has policy to ensure that quality development space is made available. SEEDA's Regional Economic Strategy 2006-16 has a clear policy and action framework to this effect, working with business partnerships to generate innovative activities. This is particularly evident in the 'Gatwick Diamond for Investment and Growth' programme. SEEDA explicitly indicates its willingness to work with London partners to develop global business, science and creativity-based economic activity.

In part, the discrepancy between the two policy approaches derives from some real barriers to growth faced in South London, in particular, transport infrastructure. However, Outer South London has clear starting strengths: a well-qualified residential workforce; areas of high-quality residential environment; vibrant town centres; good IT connectivity. What it needs as a minimum is a better strategic and policy framework. We believe this is one aspect where the Commission could quickly and easily help us redress the balance.

We very much hope that the findings of the Commission will be fully reflected in a number of key London strategies which we believe currently do not give sufficient weight to Outer South London. These include:

- The London Plan
- The LDA economic development strategy
- TfL transport strategies
- The London Housing Strategy
- Visit London strategies



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- The GLA Office Policy Review
- The strategic plans of the HEFCE and the LSC and its successors

We would also expect to reflect the Commission's findings in our own strategies and policies and would welcome ongoing dialogue with the Commission and GLA about implementation.

We would be very happy to provide any additional information which might be helpful to the Commission.

Yours sincerely



Bruce McDonald  
Chair of South London Partnership

## Additional Information-Transport

At the Outer London Commission meeting on the 15<sup>th</sup> April we set out our transport objectives and responded to many specific questions about accessibility, travel and modes of transport. In this section we offer additional information reflecting the discussions at the meeting.

In particular we were asked what has been done to identify and prioritise the transport schemes it feels it needs to support the South London economy. In the next section we set out a summary of the body of evidence and technical research undertaken by the Partnership, with all of the key documents having been provided to the Commission following the April 15<sup>th</sup> meeting.

In general we want to emphasise and reinforce the themes identified in our original submission to the Commission. We feel that the need for significantly enhanced transport and accessibility was clearly recognised by the Commission as one of the key points we were making in our evidence. This core objective of enhanced accessibility combines well with the wider economic, social and planning issues that we presented.

The transport case must be considered in terms of direct investment in capital infrastructure and ongoing revenue funding but also we seek to stress how low cost local schemes and behavioural change opportunities can make a significant difference. These range from localised junction improvements, bus priority, improved pedestrian and cycle routes through to improved station access and facilities. Our research and the TfL Smarter Choices programme also demonstrates the excellent value for money of improving travel information and understanding the triggers to behavioural change, which we believe we can build on.

Much of the South London Partnership transport evidence seeks to convey the impact of poor accessibility has had to date on the sub region. At the meeting we were challenged to demonstrate where the London Plan had effectively suppressed growth in South London through lack of investment in transport. Members of the Commission also asked whether growth can be achieved without improved transport infrastructure. While we could demonstrate the economic and social impact of poor accessibility on a number of our communities we could point to the issues we face on the A23 corridor, both north and south of Croydon, as an example. Because of congested roads such as London Road from Thornton Heath to Streatham, poor local public transport alternatives and a general lack of investment businesses in the corridor struggle. South of Croydon, despite the road improvements at Coulsdon, the gateway to South London is congested for increasingly long periods of the day, air quality remains poor and business opportunities diminished. This should be a strong transport corridor, because of the mainline rail links and relatively frequent bus services, but it is perceived as poor and inadequate.

The Commission members sought to understand South London's relationship with the Outer Metropolitan areas and whether there is competition with Surrey and Berkshire for economic investment and growth, where it might be perceived that these areas were competitive because of easier parking, for example. In the

meeting we suggested that business location decisions were made on a complex interplay of elements and while transport links are extremely important we did not have evidence that this was specifically an issue.

We were asked whether the South London Boroughs and the business sector had a view on the options for demand management, which could include a congestion charge and perhaps a new approach to town centre parking, for example. As this policy position is primarily the responsibility of individual Boroughs the South London Partnership does not offer a view, but we recognise that any use of demand management needs to follow significant investment in infrastructure and not the other way round.

The option for new or upgraded roads was raised and we believe that there may be opportunities in South London, although probably limited. We believe that by focussing on improving congested trunk routes, such as the A23, A217, A240, we would offer a realistic response to the emerging London wide transport policies which seek to more equitably share road space without undermining our aspirations for less trafficked town centres, better local links and more orbital routes.

Our evidence particularly focussed on the opportunities that an extended tram network can achieve, in terms of passenger movement, but also in terms of public perception and economic change. We recognise that the relatively poor view of buses in south London (which we suggest is not always justified) could undermine the case we make for improved bus services and routes, as well as more bus priority on key corridors in the sub region. The South London approach has been to recognise that new bus routes may be acceptable as precursors to new tram services if they are high quality, high frequency, reliable and convenient.

We were also asked whether train or tram was most important to delivering the economic development we need in South London and we responded emphasising the different objectives for each mode. The separate South London Partnership studies into the economic, social and environmental benefits of both trams and rail confirm our position in recognising and valuing different roles for each mode. We believe that an extended south London Overground network and new tram extensions are compatible, a point well developed in our research.

The South London Partnership has had a long standing focus on interchanges and town centres, recognising that accessibility in our sub region is highly dependent on trips which mix modes and routes. We commented on the disconnect we often see between town centres and their stations and how we believe that through better coordination of often small levels of investment access is significantly improved. We are therefore extremely supportive of nodes as hubs ("super" or otherwise) to achieve local orbital travel. Also we continue to emphasise the real contribution of walking and cycling to meeting future travel needs, particularly as people will actively choose to live and work locally in a strong south London economy.

As part of our written evidence we commented on the value generally achieved by Smarter Choices initiatives, whether through travel planning or other localised initiatives. At the meeting we emphasised again the suitability of the

South London sub region for such interventions and would suggest that the whole of the sub region should be engaged as part of a major Smarter Choices personalised travel planning exercise. This could be established as a visionary project that is politically acceptable, with measurable benefits, relatively inexpensive to deliver and quick to implement. We would be pleased to work with TfL to develop such ideas to reflect London's world city status in innovative travel planning as well as infrastructure provision.

In responding to the questions raised at the meeting on 15<sup>th</sup> April we believe we have provided evidence of our long term strategic thinking on transport (through the studies and our previous policy statements), our unified approach (with business, voluntary sector and the Boroughs), our exemplar projects (and why we need more of the same) and the contribution to London's economy that can be achieved through better transport accessibility in South London.

### **South London Partnership-Transportation Reviews**

South London Partnership has conducted a number of studies to identify and prioritise the transport schemes and the full reports of the most pertinent studies have been sent to the Outer London Commission. These are:

- (1) **Major Transport Projects-Evaluation and Prioritisation, July 2007.** This study provides a strategic review of proposals for major transport projects that are envisaged to have an economic impact on the wider south London region over the next 20 years and to develop a prioritisation of those schemes
- (2) **Major Transport Projects-Rail Strategy Review November 2007.** A high level review of rail projects that builds on the initial study of Major Transport Projects –Evaluation and Prioritisation
- (3) **Town Centre & Station Access, November 2008.** This study provides a strategic analysis of Town Centre and Station Access priority areas across South London. By collating key information for both activities, including planned funding where known, mapping the gaps and highlighting opportunity areas it gives the South London Partnership a clear set of recommendations.
- (4) **South London Tram Review, October 2008.** This report provides an overview of possible schemes for the expansion of the Tramlink network, including those that have been specifically identified and promoted by Borough councils in south London.

## Additional Information- Centres and Nodes

District and town centres are at the heart of our multi-modal approach, together with the larger metropolitan centres of Kingston, Richmond, Sutton, Croydon and Wimbledon. These district and town centres should become the focus for an increasing intensification of housing, business and employment. They will be the foundation of a successful South London economy – and they represent a sustainable model for future development with reduced need for commuting and car journeys.

However, there are a number of factors which need to be addressed to make them successful.

1. They need to be linked together with effective public transport – tram, bus, train, and they also need to be linked to the metropolitan centres and to the important industrial locations. This is essential in order for employers to have access to a diverse workforce, and in order for people to be able to pursue challenging and rewarding careers without the necessity of looking for work in Central London.

As we have said elsewhere, interlinking forms the basis of orbital travel. We need to make it easier to understand the orbital routes and to make mode shifting easier. Orbital travel is not just about express bus routes from Heathrow to Bromley. The recent development of Mitcham Eastfields is an example of what can be done to improve connectivity with relatively low levels of investment.

2. Improvements in access to public transport are important and we are pursuing with TfL and others the progression of a number of schemes. A key factor is the bringing together of a number of scheduled projects – for example, station improvements and town centre works. This can have the effect of increasing the impact that would be gained from any one project on its own. As an example we have identified three locations in South London, Thornton Heath, Whitton, Wimbledon where coordination of TfL's existing investment programmes can bring greater benefits earlier, unlock third party funding and increase personal security through safe walking and cycling routes.
3. District centres need to have a mix of businesses and employment. Often the focus of development in district centres is on retail and leisure use, but this ignores the current situation where there is already a diversity of business use – for example in Wimbledon 50% of employers are office based – and aspiration for increasing intensity of employment.

LDFs need to allow for diverse use and imaginative approaches taken towards development and investment. In South London we are already pursuing models of sustainable centres at Hackbridge, Mitcham and Morden.

There needs to be a mix of business premises and we need to address the current low quality of office space that is clustered around our district centres. Each centre will have its own characteristics and strengths.

Croydon for example will continue to provide larger premises for headquarters or branches of regional, national and international companies. While there may not be scope for further re-locations from central London on the scale of the Home Office, with several thousand jobs, there is nevertheless continued demand for larger office footprints in well connected locations.

Other centres will reflect the emerging sector strengths – for example the creative sector in Richmond and Kingston.

There is potential for further hotel developments in district centres, aligning with the Visit London forecasts of the required increase in bedspace in London. Hotels do not have to be concentrated in Central London, and there are successful examples of new developments in South London where hotels have been part of centre redevelopments – in Colliers Wood and Merton Abbey Mills.

4. Attention need to be paid to the urban realm and how centres are managed. Examples such as Wandsworth town show that centres can reinvent themselves and change how they are perceived. In many instances this involves a change in the market for a centre, and it takes a long time for this to take effect.
5. Higher density development around the centres and improved transport hubs go hand in hand, but this must be taken forward with due regard to design and public realm. We would expect our local policies and frameworks to create the right standards for future developments.

South London Partnership and South London Business will be conducting further work on town and district centre development in south London building on previous benchmarking work which examined the relative success of centres, and the City Growth projects. This further work will take account of the relationships between the metropolitan, major and district centres and importantly the linkages between south London and the South East. As one example, this is an area where we welcome an ongoing dialogue with the Outer London Commission.

## Additional Information-Outer South London and the South East region

### 1 Comparative economic performance

**Outer South London** Previous drivers of office employment – ‘back office’ activities related to central London ‘world city’ functions related to central London – have steadily declined due to structural changes and outsourcing. Much dated stock discourages new occupiers. Manufacturing activities have steadily declined. There are some bright sectors, in creative industries, logistics and other supply-chain activities, and some centres with attractive ‘cachets’ have shown signs of growth (Richmond, Kingston, Wimbledon).

**London Fringe/Surrey** Has a more recently-developed office-based economy: new forms of knowledge-based, research-led and high-value added sectors have preferred to locate here (part of the ‘golden arc’ to west and south of London). Reasons are: connectivity to highly-skilled workforce; strategic accessibility nationally (via M25) and internationally (airports); high quality perceived environment and quality of life in attractive green belt towns; availability of quality, accessible business park locations with favourable parking provision and town centre sites; reinforcing development of sectoral clusters sustaining growth.

### 2 Employment growth projections

**Outer South London** GLA Economics 2006/7 borough-level projections prepared for the London Plan Alterations were based on established employment trends varied by assessments of site availability and accessibility at the time, a methodology considered by Professor Ian Gordon as seriously disadvantaging South London. The total growth projection for the five OSL boroughs was only 23,000 over the whole period 2006-26, an average of 1,150 p.a. (more was attributed to the 2016-26 period than 2006-16).

**London Fringe** For the adjoining Surrey sub-region, forecasts prepared by the South East regional assembly and SEEDA, based on the employment structure of the sub-region and presented to the South East Plan Examination-in-Public were 35,000 – 46,000 for the 2006-16 period, or 3,500 – 4,600 p.a. No 2016-26 forecast was made. These very much higher figures than those for OSL were actually constrained by a very tight labour market, with a growing imbalance between strong labour demand and supply and limited workforce growth: a trend projection would have been considerably higher.

### 3 Economic development policies

**Outer South London** does have existing London Plan policies supportive of business and employment growth, including the central Croydon Opportunity Area, encouragement for town centre development elsewhere, definition of strategic employment locations for safeguarding. However there is a lack of strategic implementational action to deliver on what are aspirational policies, with boroughs left to do their best with scarce resources. There is a sense that OSL is seen as a workforce dormitory for strong central London employment growth, rather than an area with real economic development prospects. The

present London Plan attitude is to rely on consumer and public services employment growth deriving from population increase; it takes a complacent and non-interventionist attitude to other potentials. The policy approach to employment land is more on release for housing than upgrading what exists for new activities.

**The London Fringe and adjoining Gatwick area sub-regions** benefit from a strongly proactive policy framework to sustain and grow the sub-regional economy. The South East Plan seeks to promote a culture of innovation in the development of new products and services in the 'knowledge economy', and to that end has policy to ensure that quality development space is made available. SEEDA's Regional Economic Strategy 2006-16 has a clear policy and action framework to this effect, working with business partnerships to generate innovative activities. This is particularly evident in the 'Gatwick Diamond for Investment and Growth' programme. SEEDA explicitly indicates its willingness to work with London partners to develop global business, science and creativity-based economic activity.

#### 4 Making the Outer South London economy more like Surrey

We ask that the Commission addresses how OSL can overcome the apparent competitive disadvantage with the Surrey/Gatwick areas, so that the growth sectors which have hitherto preferred locations there can be attracted here. OSL has clear starting strengths: a well-qualified residential workforce; areas of high-quality residential environment; vibrant town centres; good IT connectivity. What it needs, to compare favourably with the Surrey and Gatwick areas, is a strong and proactive policy and action framework in the following areas:

- Improved public transport accessibility across the sub-region, so that its labour market functions efficiently and its centres and other employment locations are better connected, and to address road traffic congestion (*see transport recommendations elsewhere*)
- Promotion of office-based economic activity at the most accessible town centres, primarily Croydon.
- Promotion of other knowledge based business activity at other centres offering specific competitive conditions, particularly as their hub/interchange accessibility improves. Kingston for instance has well established retail and leisure economies and an expanding cultural base. This success however is not mirrored by the commercial sector principally due to comparatively poor transportation links and accessibility issues.
- Improvement and promotion of attractive and accessible business development locations, upgrading to 'Industrial Business Park' condition and including sites attractive to new knowledge-based innovative economic activity, together with business support etc.
- A clear link between economic development, housing and environmental policy and action, taking forward the Wandle Corridor initiative and replicating it elsewhere; this to include a housing policy focus on the type of housing provision to attract people needed for the new growth sectors.

A strong policy and implementational framework will be required to put the above in place, with spatial measures in the new London Plan closely coordinated with transport measures (*see SL recommendations*) and clear interventionist steps for OSL across the themes in the new LDA Economic Development Strategy. The latter should take full account of the measures in

SEEDA's strategy, particularly to stimulate the growth of new innovative industries (*SEEDA's Regional Economic Strategy 2006-16, pages 56 et seq.*)

**The Wandle/Croydon to Gatwick Coordination Corridor** The potential of this feature of the existing London Plan should be exploited in the Commission's recommendations regarding the above. Its significance is the way, spatially, it can relate OSL, and particularly Croydon developing as a 'super-hub' related to the Wandle area and Sutton, to key growth locations in the Surrey/Gatwick areas along this transport spine, strengthening linkages. It would enable a specific collaboration with SEEDA, regarding its declared willingness to collaborate on the growth of knowledge-intensive services and product development in high-tech sectors.

## Additional Information-Quality of life

There is clear link between economic success and quality of life. Creating sustainable communities requires a wider diversity of employment in South London where people will be able to pursue satisfying careers without the need to work in central London. To attract and retain a diversity of businesses requires a well qualified and balanced workforce, which in turn will demand places to live which are attractive, safe and well connected to good public services such as education and health. Family sized homes are necessary for the retention of this balanced workforce.

The South London boroughs are each working to secure further improvements in education, and are working in partnership with Further Education Colleges and higher education to ensure there is effective vocational learning and higher level qualifications.

South London is positive about housing growth, and the South West London Housing Partnership has collaborated effectively to deliver increases in social rented and shared ownership housing. Our planning frameworks encourage appropriate housing development, striking the balance with employment usage.

However, we need to link new households to new jobs in order to create sustainable communities - least one new job per new household, and employment projects for South London in regional strategies must reflect this balance.

We have commented in our earlier submission on the importance of green spaces to making South London an attractive place to live. The urban realm is also important in the reinvention of South London. We recognise the need to make improvements in order to attract and retain both businesses and a highly qualified (and mobile) workforce. We expect to address this ourselves through policies and Local Development Frameworks.

A good example is Morden town centre. Through the *moreMorden* project, Merton Council will regenerate Morden to be an economically sustainable and viable town centre, including:

- Achieving high quality urban design, architecture and public realm, incorporating high quality spaces and streets with pedestrians as the priority.
- Improving the quantity, quality and mix of commercial residential and retail uses
- Intensifying development on underdeveloped sites
- Enhancing the accessibility between the town centre and its suburban hinterland

## V7 OUTER LONDON COMMISSION

### South London Submission

This paper sets out the response from South London Partnership and South London Business to the Outer London Commission's 'First Thoughts' paper and Initial Questions in preparation for its South London meeting on 15 April.

The South London Partnership comprises seven south London councils namely, Croydon, Kingston, Merton, Richmond, Sutton, Wandsworth and Lambeth. Our purpose is to promote and represent the interests of the south London sub-region, particularly in regards to economic development and transport planning. Evidence to the Commission principally focuses on the five outer London Boroughs and less so in regards to the inner London Boroughs of Wandsworth and Lambeth.

South London Business is the 'Voice of Business' in South London. Its aim is to help South London prosper by representing and promoting business' interests to local, regional and central government.

This short note sets out our overall approach, and a full supporting response to the initial questions raised by the Commission is attached as an [annex](#).

Our case centres on three main propositions:

- London's future economy must not be heavily reliant on a few previously successful business sectors. The economic model for London has changed.
- South London can become a strong and successful economy in its own right which will strengthen London as a whole, but the deficit between south London's contribution to the Exchequer and the public sector investment it receives must be countered in order to overcome some structural barriers
- The concept of a 'Super Hub' is interesting – we ourselves have been developing the sense of South London's economy as a series of successful nodes linked to each other and to Croydon as a natural focal point – each with a particular strength, but each dependent on each other to make the successful whole. If the "Super Hub" concept is to be developed further, it must be seen as a step towards supporting the wider economic development of South London – a lever for investment across the sub - region, particularly in regards to the transport infrastructure, in order to generate significant and sustainable economic growth.

### A permanent shift in the London economy

The economic downturn heightens the economic significance of Outer London. There is a need to re-balance the London economy – to spread the economic base across more sectors and to reduce reliance on financial services and the City. Outer London should be seen as a key element of the London economy in its own right, not as ancillary to central London. Building business and employment in Outer London builds London's resilience against future economic shocks. Fortunately, there is a strong basis on which to grow a sustainable South London economy.

Recent evidence shows how the recession is hitting the global financial services industry hard, with a knock-on impact on the associated business services. CEBR's ongoing research indicates that the employment downturn resulting from the global financial crisis is harming London more than elsewhere (62,000 jobs lost in financial services), and it was financial and business services employment which drove London's growth prior to 2008. While London will remain a world financial and related business service centre, the greater degree of regulation that it will operate within suggests that the ongoing pace of recovery from the current sharp employment downturn could well be below recent historic levels. We should not base future planning for London's economy on a return to previous patterns.

### **The South London economy**

We are not sure the positioning of the outer London economy is entirely right in the Commission's initial papers. The economy of South London has not been stagnant in the last 20 to 30 years, and exhibits many healthy signs. It has been our contention during successive London Plan iterations that there is tendency by regional bodies to under-play the importance of South London businesses and employment, and to forecast unnecessarily low predictions for jobs growth in the sub region.

The economy of South London has a sufficiently strong foundation for it to become a counter-balance to the gravitational pull of the City and Central London, and for it to function as a "third node" for the London economy. It also has the potential to grow more sustainably than the areas to south of London, with shorter commutes and a good network of exiting town and district centres that have the potential for employment intensification.

However, we accept that the sub regional economy has not grown as strongly as the rest of the London economy and that of the Greater South East. This in part is due to long standing under investment in South London, particularly in transport. The GLA projections for the amendments to the London Plan in 2006 showed employment growth as significantly constrained (by 50%) due to the sub-region's poor public transport accessibility. A recent research study by South London Partnership has also shown there has been net under-investment by the public sector in the outer South London boroughs. £2.7 billion of London's net positive contribution to the Exchequer in 2006/07 of £12.6 billion was directly attributable to the five outer South London boroughs and is in contrast to an overall UK deficit of £30 billion. However, there was an imbalance, with residents within the five boroughs generating £11.8 billion in tax receipts compared to total spending of £9.1 billion.

We view transport infrastructure as the greatest barrier to the South London economy achieving the full weight of contribution it could make to London as a whole. Ironically, as we have argued consistently for many years, this might not be as hard to rectify as in other parts of London, with investment in transport infrastructure in the sub region providing relatively much greater value for money in terms of net impact than some of the other major transport projects elsewhere in London. The tram system and proposals for its extension are just the most prominent example of the high impact, high value for money investments we have suggested – there are many others.

## Super Hubs

Within a successful South London economy there will be a number of “centres” or nodes, each with a mix of employment and business use which will naturally attract further business location and employment. Each may well have a particular focus, or critical mass – for example Kingston is a regionally important centre for retail, Willow Lane is strategically important for manufacturing, and the Wandle corridor is an important location for a number of employment opportunity areas, for example Beddington Lane. We view these nodes as essential for sustainable economic growth, with more local employment and less commuting and car use.

The concept of a super hub within this pattern, which adds a further dynamic to the economy, would seem natural. However, we would see a clear relation between the super hub and other important nodes. There would need to be a relationship between the super hub and the other centres so that there was mutual reinforcement rather than the development of the one at the expense of the others. It needs to be made clear that a strong investment focus on ‘super-hubs’ would not adversely impact on the prospects of these other centres in terms of resources, particularly if it appears that ‘super-hub’ *designation* itself concentrates infrastructure investment in Croydon to their detriment.

Any “superhub” would need to be well connected. We are clear that improvements to connectivity to the west and Heathrow and the other growth corridors outside London such as Gatwick Diamond, the A3 Corridor, Thames Gateway and to the M25 and the string of towns along it are all important to economic success in South London.

We look forward to discussing these issues further with the Commission at the meeting on 15 April.

South London Partnership  
South London Business  
April 2009

## **OUTER LONDON COMMISSION**

### **South London Submission**

This is the Annex to the South London Partnership and South London Business response to the Outer London Commission's Initial Questions, and it follows the same themes:

- Economic questions
- Quality of life questions
- Transport questions
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#### **A: Economic questions**

In response to the Commission's economic questions we wish to cover in our response:

- Barriers to growth
- Spatial issues including corridors, hubs and strategic sites
- Sectors
- Skills

#### Barriers to growth

The South London economy has not been stagnant in the 20 to 30 years, but it has not grown at the same rate as the rest of London or the South East. To an extent, this is due to the distorting effect of the financial services sector in Central London as noted above. Structurally, the underlying growth in the London economy over the 1986-2006 period has arisen from its increasing dominance in global finance and business services stimulated by a very lightly-regulated environment compared with several other world centres. Alongside this and influenced by new information technologies 'back office' activities which decentralised to outer London locations in the 1960s and 70s have contracted, either through new more efficient ways of centralised working or out-sourcing to cheaper overseas countries. This has left outer London office locations reliant on corporate headquarter activities, private consumer business services or public sector functions.

A further reason for slower growth is that the transport infrastructure of South London has not been sufficient to support stronger growth, and this issue is dealt with later in this paper.

A recent research study by South London Partnership has also shown there has been net under-investment by the public sector in the outer South London boroughs. £2.7 billion of London's net positive contribution to the Exchequer in 2006/07 of £12.6 billion was directly attributable to the five outer South London boroughs and is in contrast to an overall UK deficit of £30 billion. However there was an imbalance, with residents within the five boroughs generating £11.8 billion in tax receipts compared to total spending of £9.1 billion.

On a per capita basis, the five outer South London boroughs paid on average just over £11,100 per head, in 2006/07, compared with an average of just over £8,500 per head across the UK as a whole. Overall public spending in the five boroughs averaged almost £8,600 per head, compared with a little less than £8,900 per head across the UK as a whole. Note is made of the fact that this

lower level of spending per head, in London, contrasts with the higher prices in the region; presenting an even greater challenge in delivering public services in London.

This highlights the importance of ensuring that the economic success of the area is maintained. Ultimately, if the net tax burden on either businesses or individuals rises to the point where London is no longer a preferred location for people to live or businesses to run their operations then the region will no longer be able to maintain a fiscal contribution on the current scale.

As an example of under-investment in outer South London, there is a disparity in terms of the density of higher education provision. Kingston University and St Mary's University College are regional centres of excellence and their continuing development and success are essential to the economy of South London. However, there is a need for further higher education presence within outer South London, the absence of which becomes an increasingly marked anomaly as the decades pass.

The reasons for slower growth are also as much to do with accessibility (particularly to skilled workforce), environment, and the emergence of mutually-reinforcing clusters of similar activities. This has led to well-documented (e.g. the 'Polynet' study) growth to the west and south of London. Outer London, despite some advantages in workforce terms, has failed to gain much of this growth, except in a few locations in creative industries.

A key issue is therefore what Outer London can do to identify and address now this comparative disadvantage, notable as between South London and Surrey, can be remedied so as to draw into South London these kinds of growth sector. Some of the answer will be in improving accessibility, in identifying new and attractive development locations, and in targeted research linkages, skilling and business support for those locations. Collaboration with bodies outside London should be part of the solution.

#### Spatial factors and "super hubs"

Spatially, two factors are apparent. The first is that office locations in outer London with a degree of critical mass have shrunk, with only Croydon and the Brentford-Heathrow area now standing out. However, some other, environmentally-attractive locations have attracted smaller-scale corporates, notably in south-west London (Wimbledon, Richmond/Twickenham). Otherwise there has been very little new office development, except in the public sector.

The proposition of focusing policy on 4 or 5 'super-hubs' in outer London is an interesting one and worth exploring further. The concept adds weight to our suggestion that the South London economy needs to become a counter-balance to over dependence on Central London. However, our view is that it requires considerable research and development before it could be adopted, and we would be happy to work with you on this.

The idea of a super hub must also be considered in the light of the links to the rest of the South East beyond London. These links are increasingly important to the South London economy. There are existing links to the west and to Heathrow, Thames Gateway, the Gatwick Diamond, the A3 Corridor and the M25

string of towns which are increasingly favoured as business locations. These economic links all require improvements in connectivity. This leads to the concept of “super growth corridors” rather than just super hubs.

The development of the super hub concept must also take into account the different needs of business and the various factors that determine business location and growth. While some businesses may see advantages in focusing in a town centre location with a high concentration of other similar businesses, others may be more concerned with other factors such as availability of appropriate premises, cost, good road transport connections, proximity to markets, accessibility to air transport connections, availability of skilled staff, car parking, proximity to research facilities such as higher education institutions or even locations convenient for senior staff. In short the concept of developing super hubs, while welcome, needs to be developed and refined if the objective is to stimulate and support economic development and business growth.

Of the four locations identified in the ‘First Thoughts’ paper, Croydon is the biggest, with by far the largest critical mass of office development, and has several advantages as a super-hub contender. Croydon possesses more critical mass, in commercial and employment terms, than other outer London centres. It has more spatial coherence than other locations, arising from its greater public transport accessibility, to be augmented by the East London Line Extension, and including orbital connections provided by Tramlink and rail services west from West Croydon station. Further transport issues concerning the super hub concept are dealt with later in this paper.

In addition Croydon has ambitious plans for regeneration (e.g. East Croydon Gateway (Ruskin Square) and the Council/Laing Local Asset-Backed Vehicle (LABV). Croydon is key to the Wandle-Croydon-Gatwick Coordination Corridor, on the transport spines to Gatwick Airport, which is due to have new owners with likely expansion plans.

The other nodes or hubs we would see in the South London economy include the main retail centres of Kingston, Sutton and Bromley, and others presenting important thematic strengths: Richmond (plus Twickenham) and Wimbledon. Scope for growth at accessible district centres should also be recognised. The Wandle Valley Corridor offers a range of employment locations with renewal potential, associated with the Regional Park concept. Other areas of strategic employment importance include Kimpton (Sutton), Chessington (Kingston) and Coulsdon (Croydon). The importance of these centres and nodes is already reflected in Local Development Frameworks and economic development priorities.

However, any further development of the Superhub concept must take into account the possible unforeseen consequences on other important centres in South London. We have a view that a successful South London economy will comprise a number of successful centres or nodes, with Croydon as a natural centre. Each will have its own strengths and the success of all is interdependent. We would not want designation of just one centre as a Superhub to mean that the others would be by-passed in any investment decisions. We think it is also very clear that Superhub on its own would not be viable or sustainable – it must be linked to a surrounding successful network of centres.

The investment case for Outer London would therefore need to reflect the requirements of the other centres and nodes.

The distinction between inner and outer London for businesses is not always helpful. There are some parts of inner London that clearly have the characteristics of outer London but happen to be in the “wrong borough”. A more flexible, business focused approach to boundaries may therefore be justified.

### Sectors

The severity of the recession, the impacts of which on future employment are still to be understood, means that we cannot base the post-recession future on pre-2008 trends: the limits to their evidential value now need to be recognised. In particular, the employment projections to 2026 prepared for the 2006/7 London Plan Alterations process, driven by FBS, lack realism in the circumstances of 2009 and need revisiting from first principles and not on an assumption that the past pace of growth will resume. New expectations of slower central-London oriented globally-driven growth seem realistic. This will require a much stronger focus on developing a more diversified London economy, both structurally and spatially. It postulates a fundamental rethinking of the relationship between central and outer London, which should be the background for considering the role and potential of outer London in the metropolis-wide economy.

Another structural reason for slower economic growth in South London is the long-run decline in manufacturing, considerable sectors of which were in outer London, particularly in the north (notably the Upper Lee Valley), along Thames-side and at locations to the west and south. However, there is still a significant aerospace/ engineering base in South London that could and should be supported, equally there is scope to develop the transport and logistics sector in the sub-region in addition to the businesses administration and retail sectors.

Many manufacturing sub-sectors have disappeared or shrunk, with only a few (e.g. food in west London) growing. Occupiers of industrial estates are now largely in the logistics and other service sectors. Spatially, new forms of ‘knowledge-based’ economic activity, spanning an increasingly blurred distinction between manufacturing and services whose characteristics are research-based and high value-added, have as a generalisation preferred to locate in the ‘Outer Metropolitan area’ outside London. Like many areas, we believe there is significant potential in environment technologies – the so called “green industries”. We believe this is a London wide issue, and the opportunity need to be grasped at London level – spurred by the environmental commitments of the London Olympic Games and Paralympic Games. South London will be an important element of this potential growth sector, with existing environmental expertise at Kingston University and a sound base of manufacturing, aerospace and instrument industries which are likely to include the necessary pre-requisites of knowledge, skills and innovation.

We believe it essential to address the disparity in performance between South London and adjoining areas of Surrey and the Gatwick-Crawley area in the development of high value-added knowledge-based service and manufacturing activities and employment. Policy and action, notably by SEEDA and its

associated business partnerships is much more proactive in stimulating business innovation (e.g. with the 'Gatwick Diamond' initiative) than in outer London. This needs reversing. South London possesses inherent strengths in terms of qualified residential workforce, transport connectivity and environment, which with stronger policy and action programmes, can offer significant competitive advantage in this regard. It needs to be at the forefront of IT connectivity, and where practical foster links with research institutions. Attention needs to be paid to the quality of the industrial land 'offer'. New attractive and accessible locations should be identified and promoted as 'Innovation Business Parks': part of Cane Hill (Croydon) is already a candidate; another in south-west London may be found. South-west London has a notable existing presence in new creative industries, which strategy should foster.

Outer South London also has the greater capacity to grow in a more sustainable way than the rest of the south east, with shorter travel to work, existing town centre infrastructure and less pressure on green spaces.

Other sectors which we envisage will grow strongly in outer South London include:

- Tourism
- Hospitality
- Education
- Medicine and related businesses
- Digital and creative media

Home working and home based businesses will also be important. Many home based businesses are substantial and the sector no longer represents just "lifestyle" enterprises. Significant business can be run from home, and the business model is very sustainable with reduced need for travel and reduced carbon footprint. This trend needs to be encouraged and we envisage that with the higher levels of qualification among South London residents that this sector will become an increasingly important contributor to the economy.

The continuing success of the tourism sector is based in part on the green spaces within the sub region – research has shown that these are highly valued by visitors. There is a need to maintain and protect green space, and further enhancement by the creation of the Wandle regional park would be a valuable boost to the visitor economy.

### Skills

The population of the south London boroughs is very highly educated. 35% have qualifications at levels 4/5 compared to 31.0% for Greater London and 21.7% for the South East. This is a very positive given the importance of skills as a precondition for economic growth. Moreover, the skill base is adaptable. Whilst the south London boroughs are potentially vulnerable to the effects of the recession, with a high number of jobs in those employment sectors where employment contraction will be greatest, the adaptability of the skills base will support diversification and growth in more knowledge based sectors.

Higher education in South London does not have the presence that is found in the other parts of London. Despite the continuing excellence of Kingston University and St Marys University College there is a need for further investment

in further dedicated university presence in outer South London. This should be seen as an essential long term plan, necessary for the stimulation and servicing of a high performing South London economy. The role of higher education as an agent of regeneration and growth and as a driver of cultural well being is now well recognised. While South London does have a higher proportion of residents qualified to degree level, this is not the same as having a density of higher education institutions with links to employers and the regeneration infrastructure. We would be prepared to support the development of a new higher education presence in the more easterly part of Outer South London. This should reflect the technical and commercial aspirations that we hold for the economy of South London. We note the successful creation of new university campuses elsewhere in the Greater South East though the joint investment of existing universities - for example Grays, Thanet, Bognor Regis and the plans for Crawley.

The innovation support structure in outer South London is under- developed. SEEDA have taken a lead by establishing their Innovation and Growth Teams in areas where there is a concentration of companies with high growth potential. We would argue that South London would certainly be able to match any such potential, and there is an argument for greater investment and clustering of support for innovation, including higher education and business incubation facilities.

## **B: Quality of Life**

The key aim should be to create sustainable communities, which provide a mix of employment, housing, education and leisure opportunities. The link between economic development, housing development and environmental action can create a virtuous circle of sustainable growth. The type, space standards, quality and density of housing needs to take full account of economic objectives, including the need to attract and retain higher-order occupational groups and families, rather than focusing solely on small flats. We believe that there is scope for higher density housing in terms of flat developments around the district centres, and this would support their role as centres for increasing diversity of business and density of employment. Beyond the district centres, family sized homes are the requirement, to support the balanced workforce we are trying to create, attract and retain in South London.

Work on the Wandle Corridor demonstrates the virtuous linkage between environmental assets and their development (the Regional Park proposals) and industrial renewal. We have taken the lead on creating the necessary conditions for these linkages to occur – for example through Local Development Frameworks, with Sutton's being a good example.

Employment and economic development should be planned to keep high value jobs close to where people live to reduce the need to travel to central London. The network of town and district centres should be the focus for employment and economic development. Some of these centres are experiencing long term decline, and this impacts on the quality of life of residents, making them less attractive places to go and therefore adding to the spiral of decline. Reversing the decline need not be about making the case for new investment – though there is always place for it. We have argued that impact can often be about timing – the bringing together of improvements by TfL – road and rail - train

operators and local authority improvements can often have a much more visible impact than any one scheme taken on its own, and help change the perceptions of a place which are so important to its fortunes.

South London includes many attractive suburbs, which need to be safeguarded from development detrimental to their character, which is important to an advanced economy, as well as having 'green' sustainability advantages, capable of being enhanced. Policy should promote the 'sustainable suburb' concept, including Sutton's Hackbridge exemplar, and Mitcham and Morden in Merton. But there is much variation: some suburban areas need focused renewal.

The green spaces in South London are a resource for all Londoners, and they should be invested in and protected. The Wandle Valley regional park proposal would be a significant and potentially relatively inexpensive addition to the green resources of Outer London. The River Thames and its tributaries, particularly the Wandle, are important aspects of how people perceive and experience South London's places. They are an environmental asset in Outer London and the River should not be seen as solely an inner London issue.

Provision of social infrastructure capacity (notably education and health), particularly to match planned growth in housing and population, is vital. The increasingly diverse population in outer South London brings new challenges for health provision. These are being addressed but there is a long term requirement to match the changes in population. Further development of inter-agency tools to provide greater capacity is needed.

There needs to be a strong focus on fostering 'sense of place', particularly in enhancing the attractiveness of centres, including district centres at the heart of local communities.

Adverse perceptions need to be addressed: crime, security and vandalism, requiring adequate Police resources in outer London including its key centres.

### **C: Transport**

We see better transport as fundamental to unlocking the potential of our communities to grow and contribute more to London's economy.

South London Partnership, South London Business and our Boroughs have established a clear strategic view on transport issues over many years, through their support for major transport schemes such as Tramlink and Overground, as well as developing its own policies and strategies. In recent years SLP has produced reports on the economic benefits of Tramlink, set out its major transport project priorities and established a framework for the more effective development of town centres as transport hubs. We were the first London sub region to establish a Transport Strategy Board with TfL, which is already contributing to the development of the new Mayor's Transport Strategy.

There are many preconceptions about travel and transport in outer London. While we recognise the existing role of the car in meeting travel demand in our sub region, we do not assume it is the dominant mode for all trips now or in the future. The disbenefits of unconstrained car access to our towns are well understood, but until our sustainable transport networks offers the accessibility

found in central London we have to recognise the competing demands for roadspace and funding. For many of our communities they do not have a travel choice and therefore sustainable travel options are not available where they could make a real contribution to local economies, environment and social welfare.

It is also understood that there are very different attitudes to meeting travel needs and the use of sustainable modes even within individual Boroughs, so that when prioritising transport schemes we must recognise that one size does not fit all.

Clearly the nature of trips to and from south London determine the travel options our communities choose and demand. The radial routes into central London are often at capacity in peak and increasingly during off peak periods, underlining the need for improvements to those corridors. However, there are finite limits in many cases and encouraging travel to centres within the sub region, for jobs, retail and leisure, can reduce the pressure on the main radial routes.

A strategy that recognises the importance of the radial routes into the main centres, from all directions, would allow such routes to be strengthened to become strategic orbital corridors. This improved orbital travel would offset existing transport capacity deficits and ease congestion on London bound radial routes by offering effective east west routes, for example. It has been the South London Partnership position for many years that we believe “hub & spoke” type networks are very effective on the small local scale as well as at sub regional scale, reflecting the high priority we give to orbital travel.

Therefore, in considering the future role of “super hubs” in our sub region or elsewhere in outer London we need to be clear about their role within the overall travel network. Based on existing major centres there may be established routes from certain directions, but will they have the capacity to deal with a step change in demand arising from new employment and retail?

Increased commuting into super hubs from outside London in particular could be a negative issue if not properly managed, as it could be car borne if rail networks cannot offer capacity, reliability or frequency. Commuters living in adjoining south eastern counties may believe that car access is attractive to new jobs in a super hub just within the outer London boundary, if their rail options are limited and unattractive. The connectivity between South London and the areas outside London, including the important economic areas of the Gatwick Diamond, the A3 corridor, and the Thames Gateway needs to be improved. Road links to the M25 should be improved, together with the links to the important string of towns along it. To the West, the links to Heathrow are poor, and any Superhub would need better connection through the Airtrack proposals.

On the positive side by developing existing major centres into “super hubs” there could be beneficial impacts arising from increased reverse peak hour flows utilising the spare capacity available, for example on the rail network travelling north – south from inner London homes to outer London jobs.

Not all journeys can be made on a single mode. For an orbital network to be attractive ease of interchange between modes is essential to simplify otherwise complex journeys. Work on station access and town centres has been a high priority for SLP and the Boroughs in recent years, reflecting the benefits of greater integration and seamless travel. We have established through our research that several key stations in sub region are at capacity and cannot realistically achieve higher peak hour throughput (either trains or passengers). For example, East Croydon station is now the ninth busiest in the UK in terms of entries and exits and the third busiest London interchange after London Bridge and Clapham Junction. This suggest that emphasis on key nodes and hubs must be a priority if more complex orbital travel patterns across the sub region, either to super hubs or existing major centres, is to be encouraged and achieved.

Boroughs in outer London have also suggested that investment in both rail and bus based P&R should be prioritised, to meet radial and orbital trips serving the main hubs, specifically to attract car traffic from outside London which otherwise might drive into our centres.

In South London we often emphasise the Gateway role of the sub region, both in terms of rail and road passengers to and from Hampshire, Surrey and Kent, but also Gatwick and Heathrow. As throughout the rest of outer London we constantly seek to balance travel demands from communities further away with the needs of the neighbourhoods, towns and main urban areas of our sub region. There are benefits in being a gateway, but only if it is not detrimental to the environment and economic well-being of smaller communities.

It is in South London that we have the prime example of the economic, environmental and social benefits that a substantial investment in tram networks can achieve. The success of Tramlink reinforces the strong business case for further investment, as explored in SLP's recent research, to extend and enhance the tram network across south London. Tram provides the balance between local service provision and mass transit capacities that our existing major town centres require to meet increasing non-car travel demand. While we recognise that new tram capacity cannot be provided everywhere in south London there are corridors where a strong business case already exists and with economic growth the need is further strengthened to roll out extensions in discrete achievable elements. Rail improvements, through AirTrack, Overground and working closely with the train operators, will contribute, but achieving major network improvements we will need to focus on tram.

For the bus network it is frequency and reliability (often through increased bus priority, which may sometimes be at the expense of car capacity) for a greater range of destinations that will be the main drivers to increased bus patronage in South London. Bus is the flexible answer to many transport problems in outer London and is often undersold, both by transport professionals and politicians. However, it cannot be a substitute for the major investment we need to see in rail and tram networks.

The Mayor has brought new emphasis to better management of our highway assets and building capacity, which we support in South London. It is our view however that it is important not to overstate further improvements in road capacity and efficiency through traffic management initiatives ("smoothing"), as

we recognise our finite road capacity because of issues at key junctions that can not be readily resolved.

South London has led on smarter choices initiatives and responds well to information and incentives campaigns. Improved supply side solutions on their own can not always achieve targets and therefore influencing behaviours and attitudes is essential. Sub regional wide interventions are now needed, utilising soft measures and we believe that south London could be an excellent test bed for substantial introduction of Smarter Choices programmes across several Boroughs in parallel – in scale possibly the largest such intervention in the world. We would be pleased to develop these proposals with TfL and other partners.

Our sub regional success with Smarter Choices projects in Sutton and Richmond also reflects that the population of south London is not homogenous, that their trips vary over time and there are many potential transport solutions which will be effective, some requiring major investment, others only needing political support. By understanding travel demand much better and prioritising those schemes that make sense in economic, environmental and social terms we can contribute to the London wide growth.

Ultimately, travel and transport in South London is determined by three key factors:

- Orbital travel is essential to the future strength of our town centres as economic hubs, but without investment in interchanges and tram/rail links our radial routes will continue to be over capacity.
- Car travel remains important, but the development of attractive alternatives through a comprehensive tram network can deliver real and sustained mode shift.
- With substantial investment in transport infrastructure south London is well placed to achieve extensive community based change through sub region wide "Smarter Choices" initiatives.