

WANDSWORTH BOROUGH COUNCIL

REGENERATION AND COMMUNITY SAFETY OVERVIEW AND SCRUTINY
COMMITTEE – 7TH JANUARY 2009

EXECUTIVE – 19TH JANUARY 2009

Report by the Economic Development Officer on a programme to attract inward investment to Wandsworth

SUMMARY

Background. Over the last 10 years or more there has been a major transformation in Wandsworth's economy and Wandsworth is now a relatively prosperous London Borough. Despite the current financial and economic difficulties, positive decisions continue to be made which confirm that Wandsworth is a good location to invest in. The plans for the Borough contain further opportunities for change at Nine Elms, Roehampton, in the Borough's five town centres and in the Wandle Valley.

Policy. The Council has a policy of encouraging a viable and prosperous economy in Wandsworth. This includes developing the Borough's small enterprises; making town centres prosperous and working with key partners to foster neighbourhood renewal in Roehampton and Battersea/Nine Elms.

Issues/Proposals. A range of actions are proposed to help stimulate inward investment to the Borough and its constituent parts. The underlying message to be communicated is 'Wandsworth - Best Buy'. The report proposes to gather good intelligence about market trends to make sure the Wandsworth 'offer' meets the need and aspirations of future developers, landowners, businesses and investors. Inward investment brochures will be prepared to promote specific areas of the Borough, including Nine Elms in the first instance. Inward investment events will be held targeted at appropriate stakeholders and potential inward investors. The report also lists a range of themes to be communicated to selected target audiences.

Director of Finance Comments. The proposals outlined above can be met from within existing EDO departmental budgets over the next two years.

Supporting Information. N/A

Conclusions. The Executive is asked to note the many inward investment opportunities in Wandsworth and to agree the action plan to attract inward investment, as outlined in paragraph 14.

GLOSSARY

LDF - Local Development Framework
NCGM - New Covent Garden Market
SCS - Sustainable Communities Strategy

RECOMMENDATION

1. The Regeneration and Community Safety Overview and Scrutiny Committee are recommended to support the recommendation in paragraph 3.
2. If the Overview and Scrutiny Committee approve any views, comments or recommendations on the report, these will be submitted to the Executive for its consideration.
3. The Executive is asked to:-
 - (a) note the many inward investment opportunities in Wandsworth as described in paragraphs 8 to 13; and
 - (b) approve the action plan to attract inward investment as outlined in paragraph 14.

INTRODUCTION

4. Over the last 10 years or more Wandsworth has seen a major transformation in its economy. It is now a relatively prosperous London borough with high rates of business formation, relatively high levels of employment, well qualified and skilled residents working in well-paid professional and managerial positions. Vacancy rates in Wandsworth's town centres and industrial areas are lower than many other parts of inner London. Despite the current financial and economic problems, Wandsworth continues to show signs of being able to weather the financial and economic storm. Although a significant number of our businesses and our residents are involved in financial and property services, the Borough's economy is diverse. Wandsworth has a thriving and successful small business economy. For example, there are a significant number of media and creative companies based in Wandsworth; and the health and education sectors are large employers of staff. Despite the current financial and economic difficulties, positive decisions continue to be made which suggest that Wandsworth is a triple AAA location for investment. The most recent examples include the decisions of the US Embassy and the Royal College of Art to locate and invest in the Borough. Moreover, the Bahrain-based Investate Realty announced in June that it had bought the 4.5-acre Tideway Industrial Estate and Covent Garden Market Authority, which occupies a 57 acre site, has recently been given the go-head by the UK Government to prepare plans to redevelop the Market.
5. One of the objectives of the Council's long-term Sustainable Communities Strategy (SCS) is to build a prosperous and vibrant community. There is no doubt that most of the performance indicators suggest that the Borough's prosperity has been improving both absolutely and relatively compared to other areas. Further developments are

included in the SCS so that, by 2020, the amount of employment and retail space is expected to grow significantly; the number of VAT registered businesses is expected to grow by up to a third and the number of jobs in the Borough is predicted to grow by between 10 to 20%. The SCS, the Local Development Framework (LDF), town centre business plans and regeneration programmes for Battersea and Roehampton contain numerous examples of specific opportunities for development and change.

6. However, the current economic conditions are such that there are likely to be cut backs in the short term and there will not be a return to the type of growth and development seen in the recent past. Nevertheless, the Borough is poised and ready to attract new investment, once the current financial problems have been resolved.
7. This report sets out proposals to spread the news about locating and investing in Wandsworth. With so little good news around, the message is likely to be heard by a wider audience, including those looking for a cheaper location compared to the City, West End or Canary Wharf and those who have City experience but would like to set up their own niche financial services or property business in the Borough.

NINE ELMS

8. The largest development area is in Nine Elms, Battersea, SW8 (Queenstown). This area, amounting to about 180 acres, is where the biggest transformation will take place. This primarily industrial neighbourhood lies between Vauxhall Bridge and Chelsea Bridge with its southern boundary defined by the tangle of commuter railway lines that snake in towards Waterloo, Victoria and London Bridge stations from the suburbs and southern Home Counties.
9. This area includes the Battersea Power Station; Battersea Dogs' and Cats' Home, the Royal Mail; the former Her Majesty's Stationery Office depot; a riverside waste treatment plant; a quartet of gasometers; the New Covent Garden Market (NCGM); a 1970s office block called Market Towers. The predominantly industrial nature of the area means that currently there are only 725 residential units in the area. But there are plans under way to increase the amount of housing in the area. Berkeley Homes has just completed Chelsea Bridge Wharf's final block and Viridian, a development of 240 homes by Barratt Homes, sits directly opposite the Power Station site. Throughout the 1990s and early 2000s, the Council has encouraged housing led regeneration to take place along the Thames. This has brought many new homes and workplaces into the Borough. This trend is expected to continue.
10. The planned arrival of the US Embassy is a real coup for the Borough. It will act as the catalyst for a new wave of investment at the centre of a new high density business and residential quarter, in this location close to central London location. This will result in the redevelopment of the existing low density industrial and warehouse sites along Nine Elms Lane; the retention, consolidation and intensification of the wholesale market within NCGM; enabling the release of land near Vauxhall, in particular the Flower Market site, for high density housing. In the longer term, there is scope to maximise the potential of the area. Improved public transport will be required to support this proposed intensification and much wider range of uses. The Stewarts Road and Silverthorne Road area will continue to provide a reservoir of employment land for

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industry and waste management and enhancements will be sought to the environment of and access to the industrial area.

ROEHAMPTON

11. Roehampton is located at the western end of the Borough. Like Nine Elms, it suffers from deprivation. Nevertheless, it has seen major investment in recent years. Notably through the expansion of Roehampton University and redevelopment of Queen Mary's Hospital, and St. James housing development on the site of the old Queen Mary's Hospital. The Council is looking for further opportunities to regenerate Roehampton and make the area more attractive. Part of the package of investment opportunities being developed includes the redevelopment of the centre of Roehampton. A planning application has been lodged to redevelop four sites for a mixed use development comprising 281 residential units, a supermarket and other retail units, other employment generating uses, leisure and youth facilities and some essential public services. Other development opportunities will be sought out in order to attract more housing, new business and retail floorspace which will create more employment opportunities for Roehampton's residents and generally make Roehampton a more attractive area for people and businesses.

TOWN CENTRES

12. Each of the Borough's town centres have development and redevelopment opportunities which will lead to intensification of activities and modernisation of floor space to make them even more attractive to modern retailers and to meet the changing needs of the Borough's (young) population. Opportunities for inward investment are:-
 - (a) **Balham.** This is the smallest centre but recent improvements to the market have been complemented by significant convenience shopping provision, including independent shops, daily street market, and a weekly farmer's market. The area also benefits from a growing evening economy. There is scope for further intensification close to Balham Station;
 - (b) **Clapham Junction.** The LDF identifies opportunities to provide new retail floorspace at the northern end of the centre, in particular around the station. A comprehensive retail and residential led mixed-use redevelopment is being considered for the station approach shopping centre and the adjoining land bounded by St. John's Hill and Falcon Road. If approved, this will facilitate much-needed improvements to the station. This proposal includes new retail floorspace which would help integrate the area better within the town centre and strengthen the town centre's retail function. Introducing more residential accommodation in this highly accessible location will add further life and vitality to the town centre. This site, together with the area around Falcon Lane, would also be attractive for new offices, a hotel or cultural, leisure and entertainment services. These developments would take pressure off the unique and distinct areas to the south such as Northcote Road. Plans will be implemented to protect and enhance the character of Northcote Road, with its small scale, independent shops and lively bars and restaurants;

- (c) **Putney.** A shortage of available modern retail units providing medium to large floor-plates in the core frontages can be remedied through redevelopment of significant sites on either side of the High Street. A small amount of new retail and bar/restaurant floorspace could be provided as part of the renewal of office blocks outside the shopping core along the Upper Richmond Road to enhance overall provision in the centre. The Council wishes to see Putney continue as an important office location so the Council will encourage the renewal of this area to create new employment space through mixed use developments. In particular, the redevelopment and refurbishment of existing office blocks clustered around East Putney Station and on the south side of Upper Richmond Road offer opportunities to deliver modern office floorspace, new housing including affordable housing, new retail/restaurant space and an improved public realm;
- (d) **Tooting.** There is a high proportion of independent retailers, especially catering for specialist Asian shopping, and a number of specialist outlets as well as the covered markets. Together with the high proportion of Asian businesses and important Afro-Caribbean sector, this gives Tooting a distinctive identity and character to protect and build on. There is a need to secure large modern retail units, and there is some scope to add or improve floorspace through renewal of existing buildings and modernisation of the markets. As part of the 'Tooting Together' Initiative, officers are about to carry out a shopping 'gap' analysis to identify how well the current shopping offer in Tooting serves the retail needs of its changing population and point out new business opportunities. There is some development potential for major new retail development, (e.g. the site of the markets and previous Marks and Spencer). There are also other smaller main road sites that might be redeveloped. Work is about to be carried out to investigate the potential of key development sites, with a view to identifying ways the Council might catalyse the process; and
- (e) **Wandsworth.** Recent improvements to the Southside shopping centre will be enhanced by the redevelopment of the northern part of the centre. New complementary shops, restaurants and bars can be provided as part of the former Ram Brewery redevelopment. Opportunities to create better linkages within the town centre and beyond to the River Thames are being pursued. Developments on adjoining sites along the Wandle will enhance the Wandle by providing a series of 'stepping stones' to the Wandle Delta. Mixed use developments between the town centre and the riverside will help both open up the Thames riverside and improve links with the town centre. Redevelopment of the Wandsworth Business Village and former Young and Co's offices and warehouse at Buckhold Road, will also open up new links to King George's Park and the town centre which will make this area particularly attractive for new small businesses and residents. To achieve their full potential, these proposals will require major investment in transport, to re-route through traffic away from the town centre.

THE WANDLE VALLEY

13. Sites within the Wandle Valley will continue to provide a strategic reservoir of land for employment uses, including logistics, services and industry, and for future waste management facilities. Some renewal will take place in locations such as the Garratt Business Park and Bendon Valley. The Wandle Valley is also a major opportunity for

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formal and informal recreation that support the concept of the Wandle Valley Regional Park. Plans to create this Regional Park will be supported as it would further enhance the Borough's environment, one of the key aspects that helps attract new investment, new businesses and new residents.

PROPOSED INWARD INVESTMENT STRATEGY

14. The following actions are proposed to help stimulate inward investment to the Borough and its constituent parts:-
 - (a) **Key message.** The underlying message to be communicated is 'Best Buy' - Wandsworth. This will underwrite and emphasise all the successes (especially at a time when almost every other message seems to be one of gloom and doom). After each event (see below), a strong on-going dialogue and after care service will be established with potential inward investors, relevant landowners, commercial agents and developers to help them bring forward new developments which make Wandsworth more attractive. The town centre newsletters, using simple A4 format, would be used to carry the key messages and update local residents and businesses of progress being made;
 - (b) **Research.** It is important to maintain good intelligence about the market trends to make sure the Wandsworth 'offer' meets the needs and aspirations of future developers, landowners, businesses and investors. The impact of the current recession is likely to result in trends developing that will be different from those that fuelled economic growth during the 1990s and 2000s. The Economic Development Officer is reviewing a range of different sources of research to ensure that Wandsworth is at the leading edge of new developments. Sources of research include updating the Exchange Putney's retail study; new research relating to Tooting; building on the findings of the research carried out as part of the Northcote Road study and to prepare the Balham Town centre business plan; and the research carried out by developers in the Borough to inform the nature of their developments;
 - (c) **Inward investment documents.** These will be prepared to promote specific areas of the Borough. A brochure has been prepared promoting Wandsworth town centre. One is under drafted for Putney town centre and another is being prepared for the Nine Elms area. Further brochures will be prepared in due course for Clapham Junction, Tooting, Balham and Roehampton, each tailored to the specific needs of the locality;
 - (d) **Inward investment events.** Inward investment events will be held targeting appropriate stakeholders and potential inward investors. The Wandsworth town centre event took place on 9th December 2008 with the launch of the 'vision and agenda'. This event celebrated Wandsworth's success in attracting new development; the opportunity for more investment, exemplified by the proposed Minerva development of the Ram Brewery. The second event will be the preparation and launch (4th March 2009) of a brochure promoting the new Nine Elms development

area as Central London's largest development opportunity. This event will build upon the successful event held in April 2008 which promoted Wandsworth (and London South Central) as a location for foreign direct investment via the many embassies and consulates based in London, and in particular to the 'Back Office Services' sector. This event was followed 6 months later by the decision by the US Embassy to relocate to Nine Elms. The proposed Putney event will involve a presentation in a suitable venue, perhaps followed by a boat-trip to show off the Putney riverside and will be held at an appropriate time in 2009. Where relevant, the costs of these events would be shared with private sector partners;

(e) **Themes.** The themes to be developed in this Inward Investment Programme are:-

- (i) there is no other area so close to central London which offers the scale of regeneration opportunities now emerging at Nine Elms with its locational advantages being in close proximity to Westminster, City and West End and to international transport links;
- (ii) promote the new business space opportunities and residential opportunities coming on stream in the Borough; .
- (iii) promote the sport, leisure and recreational facilities in the area; and
- (iv) Wandsworth is a 'best value' location for investment, for business and for living. Wandsworth is one of the top performing councils in the country; is one of the most supportive councils towards business; and provides good value services. Wandsworth is best for many other aspects (qualified workforces, access to education, etc.); and
- (v) Wandsworth is a great place to live, work, and visit;

(f) **Target Audiences.** These will include the following:-

- (i) those attending the April 2008 event (ambassadors and/or their commercial counsellors of the countries with the greatest amount of foreign direct investment in London (US, Canada, India, Russia, Brazil, France, Japan, Australia, Sweden, South Korea, Germany, Ireland, Spain and China) and the Chambers of Commerce associated with these countries);
- (ii) developers, agents and property press (commercial and residential) (including Treasury Holdings; Ballymore, Investate, Berkeley Homes, St. George's; Barratt's, etc.). Other property owners in the area such as Workspace; Spacia, etc. and the main commercial and residential agents;
- (iii) successful businesses in the Borough from key growth sectors (Business to Business Cluster Action Team members, food, logistics, health, education, creative, etc.). Also relevant foreign owned companies who can vouch for the area as a good location to invest in (eg Hutchison Whampoa) and local companies with an international profile (Jack Barclay, Planned Maintenance, The Foster Partnership, QVC, etc.);
- (iv) selected Olympic Committees from around the world who are looking for pre-Olympic sites for their teams and may be interested in Wandsworth;

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- (v) residents from the Borough as they are often the best ambassadors. Moreover, Wandsworth is also popular with the 'great and the good'. Being able to showcase this aspect will help show that the best people choose Wandsworth as the best location to live in;
 - (vi) business support agencies such as the London Development Agency, Think London (the inward investment agency for London), the Department for Business, Enterprise and Regulatory Reform, South London Business, Wandsworth Chamber of Commerce and private sector agencies who advise on inward investment; and
 - (vii) other key partners such as the Mayor of London, Greater London Authority Planners, Transport for London, Visit London, South London Partnership, Roehampton University, members of Wandsworth Business Forum, Covent Garden Market Authority, Western Riverside Waste, etc.
15. The inward investment programme would be implemented over the next two years, by which time it is hoped that the current financial and economic problems will have subsided and there will be sufficient development momentum underway in the Borough that further inward investment promotion will not be required.

COMMENTS OF THE DIRECTOR OF FINANCE

16. The proposals outlined above can be met from within existing EDO departmental budgets over the next two years. This includes the specific funding for the shopping 'gap' analysis in Tooting Town centre which was added to budgets in Paper No. 08-791 in October.

CONCLUSION

17. Over the last 10 years or more Wandsworth has seen a major transformation in its economy. It is now a relatively prosperous London borough with high rates of business formation, relatively high levels of employment, well qualified and skilled residents working in well-paid professional and managerial positions. Wandsworth also continues to attract inward investors and residential-led developments. Wandsworth is a 'best value' location for investment, for business and for living. There are plenty of significant opportunities for further inward investment in the Borough's five town centres and two regeneration areas of Roehampton and Nine Elms. The latter area probably represents one of London's top new areas for investment. A proactive and positive inward investment strategy during these difficult economic times is likely to be heard by many so that when the economy does pick up they are more likely to remember Wandsworth as a good location for future investment.

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23rd December 2008

Background papers:

No background papers were used in the preparation of this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the Committee Secretary, Mr. M. Newton (020 8871 6006); email: mnewton@wandsworth.gov.uk can supply it if required.