

WANDSWORTH BOROUGH COUNCIL

REGENERATION AND TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE  
- 14TH JUNE 2005

EXECUTIVE –11TH JULY 2005

Report by the Economic Development Officer on a proposed scheme to assist businesses in the Stewarts Road, SW8 (Queenstown) and Riverside Road, SW17 (Earlsfield) industrial areas.

SUMMARY

This report reviews the need to improve the business environment and promote business growth in the Stewarts Road, SW8 (Queenstown) and Riverside Road, SW17 (Earlsfield) industrial areas. It is proposed to introduce a pilot loan and grant scheme to promote private sector investment and growth in these areas. The financial assistance would be for 25% of eligible costs to a maximum of £20,000. The scheme is modeled on both the Town Centre Improvement Scheme and the recently completed South London Manufacturing Excellence Programme.

**RECOMMENDATIONS**

1. The Regeneration and Transport Overview and Scrutiny Committee are recommended to support the recommendations 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 their consideration.
3. The Executive are recommended to:-
  - (a) approve the proposed pilot scheme as set out in paragraphs 12 to 15 inclusive and effective from 1st April 2006;
  - (b) instruct the Economic Development Officer to make the necessary arrangements to develop the pilot scheme and promote it within the Stewarts Road and Riverside Road industrial areas; and

- (c) approve a capital budget of £75,000 for the financial year 2006/07.

### **INTRODUCTION**

4. While much of the economic activity in Wandsworth is focused on the Borough's five town centres, there remain significant areas of more traditional industry. Recent work with businesses in the Stewarts Road, SW8 (Queenstown) and Riverside Road, SW17 (Earlsfield) industrial areas has indicated significant problems of access and a degraded environment coupled with scope for growth and the intensification of use and business innovation. Some external funds had been secured which resulted in some modest improvements being made to these areas and the businesses there, particularly in Riverside Road. However, to secure more substantial improvements, further funding is required to help secure private sector investment and funding from other potential sources, such as the London Development Agency (LDA).

### **RIVERSIDE ROAD**

5. Riverside Road (sometimes referred to as Garratt Business Park) comprises a series of small adjoining industrial estates along the eastern edge of the River Wandle, in the south of the Borough adjacent to the Borough boundary with Merton. It is bounded to the south, east and north by Wimbledon Stadium, Summerstown, Garratt Lane, Maskell Road and Garratt Park. It comprises the Summerstown Industrial Employment Area identified in the Unitary Development Plan. 64 businesses are located in the area. The service roads and infrastructure are largely unadopted. During the 1990s, it was identified as an area needing significant regeneration, especially in terms of its roads and other infrastructure. Pressure from the Council resulted in successful bids under the Single Regeneration Budget Round 6 (SRB6) - South London Manufacturing Excellence Programme (approximately £160,000) - and from the Borough Spending Plan (£145,000). This funding has helped to lever matching funds from businesses in the area and, working in partnership with Garratt Business Park Management Ltd. and Council departments, a range of improvements have been achieved. These have included the erection of a road barrier to improve site security, relaying of carriageway markings, new and improved signage, estate-wide lighting, a map to clarify site ownership and the establishment of a business association. Grants totalling £61,350 were paid to encourage four businesses to grow and new ones to set up in this area.
6. There are still significant environmental and access problems within the area which are only likely to be resolved collectively. In addition, the relatively poor condition of the physical fabric of the estate can hamper the operation and development of businesses in the area. To improve this will require improved collective working of the individual landowners and businesses. Depending on the nature of extra work, some external funding would also be required.

7. Efforts are still being made by the South London Partnership, formerly known as the London Wandle Valley Partnership, to persuade such organisations as the LDA to continue to fund initiatives help maintain a buoyant manufacturing sector in London. Meanwhile, the Council will continue to work with the businesses and to endeavour to harness new resources.

### **STEWARTS ROAD AREA**

8. On 12th July 2004, the Executive approved (Paper No. 04-475) a report which outlined the findings of a study of the Stewarts Road area by Colin Buchanan and Partners funded under the LDA's London South Central programme. Key recommendations included a proposed new access to Stewarts Road, a new internal link road, miscellaneous transport/interchange improvements and improvements to Heathbrook Park.
9. The consultants devised a masterplan for improving the area. Following liaison with stakeholders (e.g. Network Rail, Lambeth Council and local community groups) a number of the schemes were developed throughout the area in both Wandsworth and Lambeth. The consultants prepared costed inter-related projects which seek to improve all aspects of the area. These include a new access to the Stewarts Road Industrial Estate; an internal link road which increases accessibility to the site for commercial traffic; an indicative land use layout aimed at increasing the density of employment within the study area; a traffic management and environmental enhancement scheme for Stewarts Road; a range of access and environmental improvements including measures to upgrade Heathbrook Park and a signing strategy for strategic and local traffic movements.
10. The report identified improvement works totaling over £2.6 million. A key component to realising these improvements will be private investment in the area. The new road would have the potential to enhance commercial values in the area and create the opportunity for more intensive commercial development. The masterplan identifies opportunities for between 30,000m<sup>2</sup> and 40,000m<sup>2</sup> of new industrial/commercial development.
11. £50,000 has been approved under the Council's Borough Spending Plan for 2005/06 and discussions are underway on the most effective use of these funds to progress the masterplan. As yet, it has not been possible to secure further funds from the LDA's London South Central Programme to pursue the aims of this study. Since part of the study area lies in Lambeth, working through the LDA London South Central arrangements remains an important means to secure the support and resources from the LDA and Lambeth Council.

### **PROPOSED PILOT SCHEME**

12. In both areas there are significant access and environmental problems and limited private sector investment. Both areas have businesses with significant potential for growth. Conversely, they both have relatively high vacancy rates (12.7% in

the Stewarts Road area and 16.7% in Riverside Road). There are significant opportunities for the intensification of use of the Stewarts Road area, although much less so in Riverside Road. Both the Council's efforts in Riverside Road and the SRB6 Manufacturing Excellence Programme has demonstrated how targeted assistance can help realise the potential of businesses and develop networks and alliances within the area. In order to maintain the impetus developed by the various previous initiatives and to help attract and secure more private sector investment and funding from other agencies, it is proposed to establish a loan and grant scheme serving both areas. The pilot scheme would have the following objectives:-

- (a) to promote improvement to the environment, infrastructure, access, parking and security;
- (b) to assist the development of business networks to improve the area;
- (c) to help create more business space through redevelopment and conversion opportunities;
- (d) to assist individual business to expand and create more jobs; and
- (e) to ensure that the Council's resources make a difference and add value to the two areas by leveraging private sector investment at a minimum ratio of 3:1.

13. Eligible expenditure would include:-

- (a) capital expenditure on new equipment or means of production;
- (b) improvements to business premises which add significant value to the premises, including conversion or extension, improvements to security, access and environmental improvements (e.g. to forecourts and frontages);
- (c) improvements to business premises and the general infrastructure and environment of the Stewarts Road or Riverside Road areas which benefit more than one business; and
- (d) marketing, product development and consultancy studies which benefit one or more business.

### **PROPOSED ASSESSMENT CRITERIA AND PROCESS**

14. The scheme would involve minimal 'means testing', although an element of appraisal and assessment of financial stability will be necessary to ensure proper use and accountability for public funds. The application and appraisal process

will be designed to minimise the amount of ‘bureaucracy’ and the length of time taken to secure a decision. The assessment process would ensure that:-

- (a) preference will be given to small independent businesses, rather than medium-sized or national businesses who are better able to access commercial sources of funds;
  - (b) proposals must contribute to the improvement of the area and, in the Stewarts Road area, be consistent with the masterplan for Stewarts Road;
  - (c) building improvement must have a life expectancy of at least five years and enhance the value of the business;
  - (d) the proposals must fall in the two eligible industrial areas. See attached plans;
  - (e) the maximum amount of assistance would be £20,000 per eligible property in the form of either an interest free loan or grant, or a combination of both loan and grant, £5,000 would be the minimum amount of assistance considered;
  - (f) normally up to 25% assistance would be offered towards eligible costs, but up to 50% in exceptional cases of a major investment in improvements which benefit both the business and the wider area; and
  - (g) preference will be given to offering loans for those improvements which directly benefits the business and preference will be given to grants for improvements which primarily benefit both the business and wider industrial area.
15. There are established arrangements for the administration of loans and grants under the Council’s Town Centre Improvement Scheme (TCIS) and it is proposed to use these arrangements to administer the pilot Scheme. The Scheme would be managed on a day-to-day basis by the EDO’s TCIS Manager. The TCIS Manager would prepare a report on all loan and grant applications and present his report to an independent panel who would assess each application. This independent panel would be drawn from a group of local businesses and would normally include an architect or property professional, an accountant, bank manager or business adviser and a general business person. The panel’s recommendations would be passed to the Economic Development Officer for his consideration. He would determine each application as follows:-
- (a) loans and grants of up to £20,000 would be dealt with under the Economic Development Officer’s delegated powers;
  - (b) security (in terms of a charge on property) would not normally be taken, unless the appraisal identified specific reasons to take security; and

- (c) for approved applications, loan and grant agreements would be effected through a legally binding letter approved by the Borough Solicitor.
16. The loans and grants would be made pursuant to Section 2 of the Local Government Act 2000, i.e. the power “to do anything which the Council considers is likely to promote or improve the economic, social or environmental well-being of their area”. It is considered that the grants and loans will, in appropriate cases, promote or improve both economic and environmental well-being, as detailed above. When deciding whether or how to exercise its power under Section 2, the Council is required to “have regard to” its “Community Strategy” published under Section 4, which, in relevant respects, says that the Wandsworth Local Strategic Partnership is committed to encouraging a viable and prosperous economy in Wandsworth particularly with respect to small enterprises.

### **DELIVERING THE NEW SCHEME**

17. It is proposed to hold launch meetings in each of the areas and to mail each business with details of the pilot scheme and the application process. It would be important to stress at the same time that this is a pilot scheme and that applications would be considered on a first come first served basis. Subject to the Executive approving the recommendations in this report, the Economic Development Officer would prepare an appropriate leaflet and application form which would be distributed to all eligible addresses in the autumn, with a view to generating applications during the winter. The first decision letters would be sent out in spring 2006 and the first loans and grants paid in early 2006/07.

### **COMMENTS OF THE DIRECTOR OF FINANCE**

18. The proposal to offer a mixture of loans and grants to promote private sector investment in the Stewarts Road and Riverside Road industrial areas can be met from the £75,000 provision for Business Improvement Schemes in the 2006/07 approved Capital Programme.

### **CONCLUSIONS**

19. This pilot scheme is intended to encourage private sector investment and renewal in the Riverside Road and Stewarts Road industrial areas. The Scheme has been based on the TCIS which has been successful over a period of 10 years and its scope is intended to tackle some key issues within the designated areas. The Scheme would be reviewed and a report prepared on progress. If the pilot scheme proves popular, then consideration would be given to securing funding to further improve the two areas.

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MIKE BROOK  
Economic Development Officer

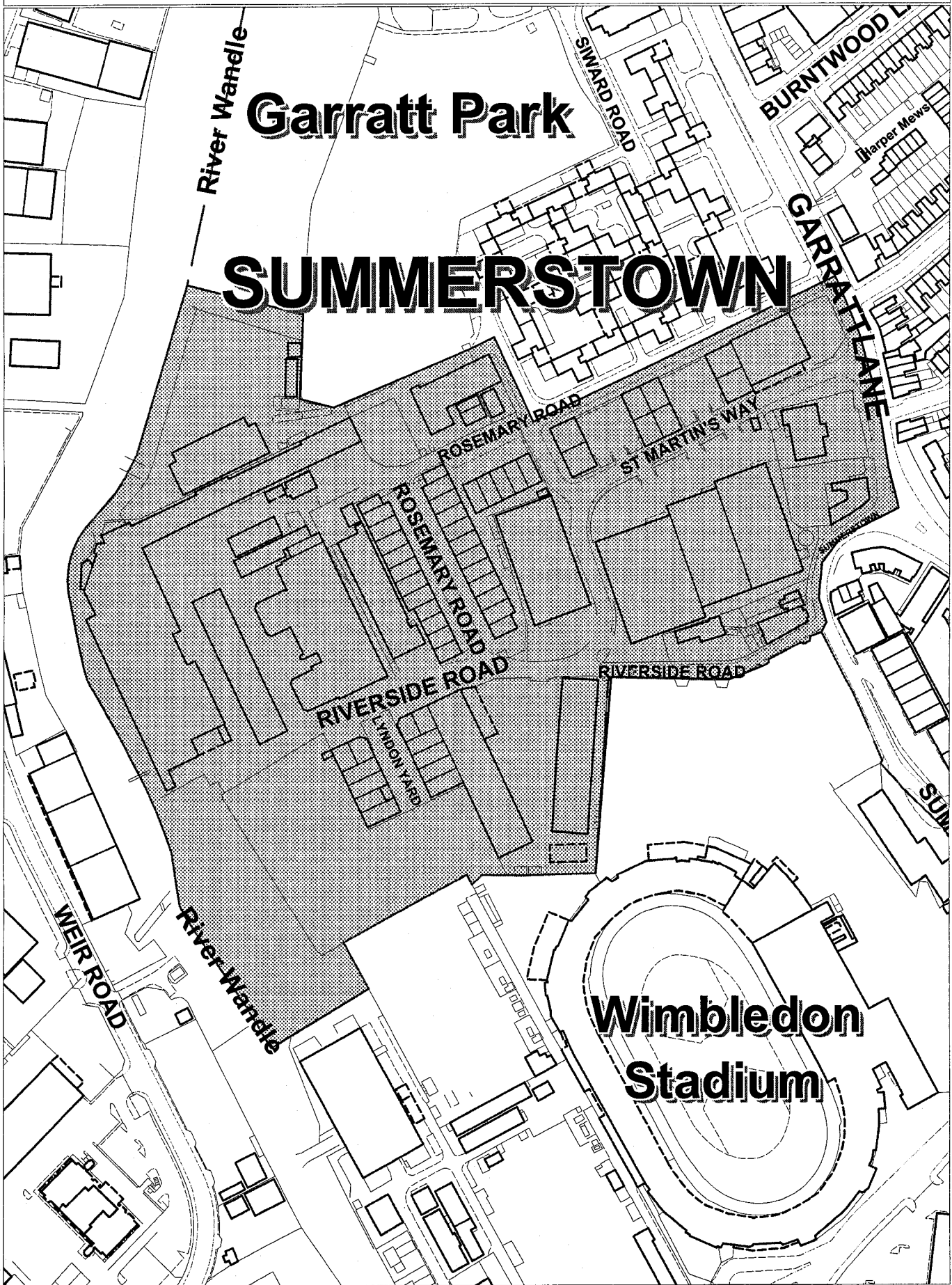
6th June 2005

**Background Papers**

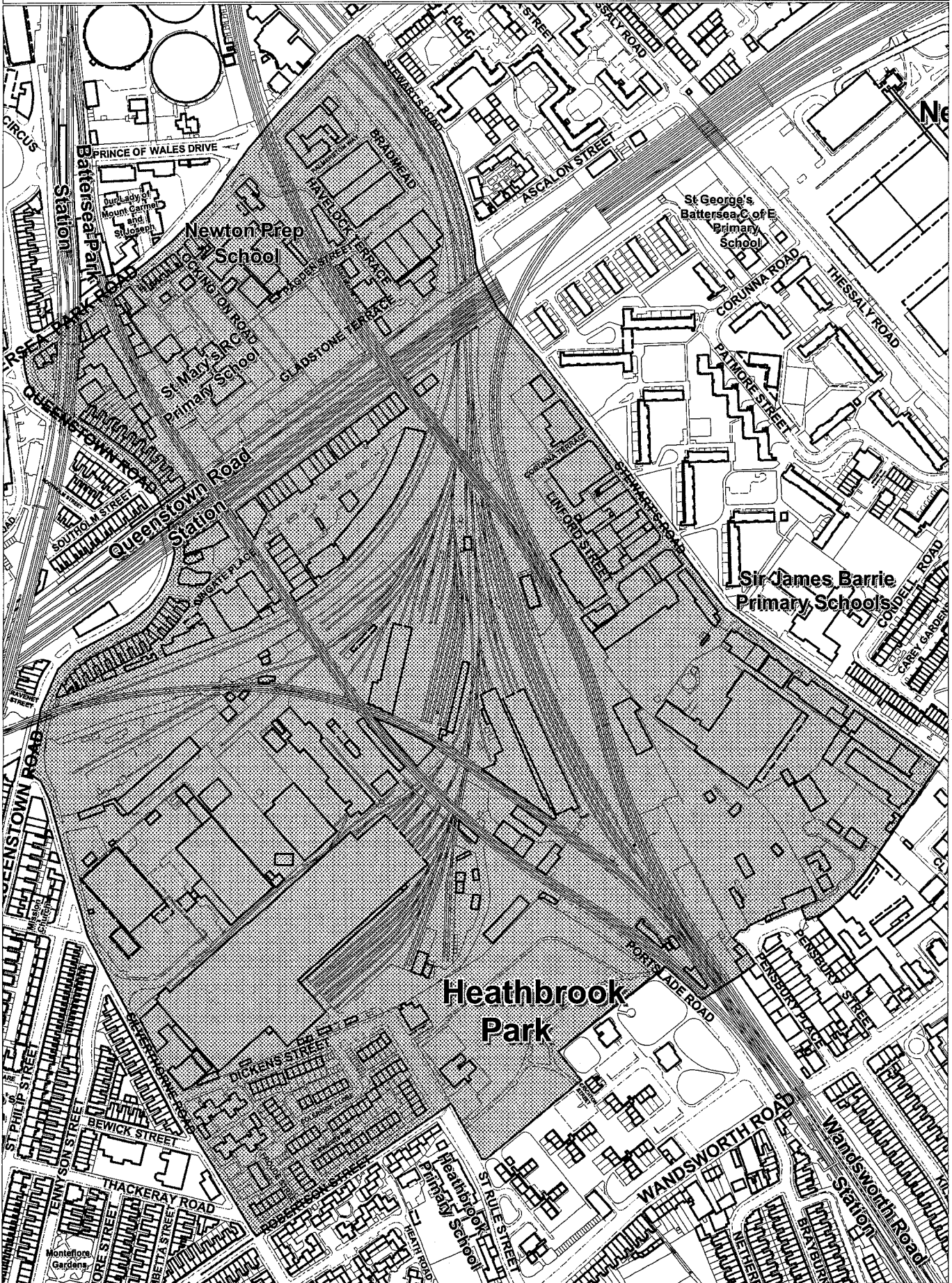
The following background papers were used in the preparation of this report:-

1. Paper No. 02-728 - Report by the Economic Development Officer on the Riverside Road Industrial Estate, SW17 (Earlsfield).
2. W.S. Atkins – Industrial Areas Assessment Study for the London Wandle Valley Partnership.
3. SRB6 Round 6 Bid by the London Manufacturers Group.
4. The future of employment land and premises in Wandsworth - Roger Tym and Partners November 2004.
5. Study of the Stewarts Road area by Colin Buchanan and Partners, 2004.
6. South London Manufacturing Excellence Programme Final Evaluation Report, March 2005.
7. Paper No: 03-219 to Regeneration and Transport Overview and Transport Committee 6th March 2003 - Joint report by the Director of Technical Services and the Economic Development Officer on the Riverside Road Industrial Estate, SW17 (Earlsfield).
8. Paper No: 04-475 to Regeneration and Transport Overview and Scrutiny Committee 5th July 2004 on Stewarts Road.

If you wish to inspect any of these documents, please contact initially the Committee Secretary on 020 8871 6488.



# Stewarts Road Industrial Area



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Scale: 1:3000

