

ELEPHANT & CASTLE TOWN CENTRE

Detailed Planning Application
London Borough of Southwark



**DRAFT LOCAL BUSINESS SUPPORT &
RELOCATION STRATEGY**

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1. CONTEXT

The new Elephant and Castle Town Centre is integral to Southwark's wider regeneration plan for the opportunity area, and is key to unlocking an array of economic benefits.

Whilst no homes will be displaced as a result of the development it is inevitable that the proposals will create change. The substantial benefits that the development will deliver must be carefully weighed against the potential impacts that it may have on existing communities and businesses.

Southwark Council's Cabinet considered a report on 9th May on Elephant and Castle Shopping Centre Equalities Analysis and Mitigation Projects. The Applicant has reviewed the contents of the Council's Cabinet paper and the subsequent decision to pursue its recommendations.

A proposed Local Business Support and Relocation Strategy, the draft principles of which are detailed below, forms the Applicant's targeted effort to deliver appropriate mitigation in this context. It is envisaged that the headline principles set out in this draft document will be detailed further with the input of Southwark Council, and secured by the Section 106 Agreement, which will sit alongside any future planning permission.

2. ENHANCING THE RETAIL AND BUSINESS OFFER AT ELEPHANT & CASTLE

The redevelopment of the existing shopping centre is at the very core of this project. The Applicant's proposals include a wide range of town centre uses, in addition to new homes. This will provide a stronger heart to Elephant and Castle Town Centre and enhance and complement the retail and business space provision across a wider and more accessible area, contributing significantly to delivering the overall Elephant & Castle vision.

The proposed development will include:

- Creation of c.288,000 sq. ft. of new shops and restaurants.
- Greatly enhanced leisure opportunities through a new cinema and a music venue.

- A much improved town centre environment through creation of new public realm and better pedestrian links to connect communities across the wider Elephant and Castle and Walworth Road areas.
- A new cutting-edge university campus for UAL's London College of Communication – including 60,000 sq. ft. of workspace for its London staff.
- Workplaces for start-up and small scale businesses.
- A new London Underground Station for the Northern Line

3. SUPPORTING EXISTING AND FUTURE LOCAL TRADERS AND BUSINESSES

The Applicant values the diverse mix of businesses currently operating at the shopping centre and it recognises the role that many of them play in meeting the needs of the local community.

The Applicant is conscious that a development of this scale brings both challenges and opportunities for existing businesses and traders.

For all of these reasons, the Applicant is keen to continue working constructively with the Council, with neighbouring landowners and with local businesses to assist in managing the short and medium term trading challenges arising from the redevelopment.

Where practicable, the Applicant will take steps to help existing traders and businesses to benefit from the long-term opportunities offered by the wider Elephant & Castle regeneration – see further detail below.

In parallel with measures to support existing local traders and businesses, the Applicant is keen to ensure that the future development, once completed, will be well integrated and play its part in strengthening the wider Elephant and Castle area.

The Applicant is therefore proposing an approach which balances support for existing businesses with the need for regeneration.

4. PLANNING POLICY CONTEXT

Planning policy at both regional and local level recognises the significant opportunity at Elephant and Castle for regeneration, a new and improved retail offer, the creation of new jobs and provision of new homes, together with transport infrastructure improvements.

The London Plan identifies Elephant and Castle as an Opportunity Area whilst the Elephant and Castle Supplementary Planning Document states that there is an *“aspiration to transform the environment at Elephant and Castle and expand the amount of shopping space available, improving choice for the borough’s residents and enabling people to shop more locally”*.

The SPD also seeks to maintain a vibrant balance of uses – Policy SPD 1 requires large retail developments to *“contribute to the provision of a vibrant mix of retail uses to add diversity to the town centre”*. Within the Elephant and Castle area it is expected that developments will maximise diversity through a range of shop unit sizes to accommodate large multiple stores as well as independent small and medium sized operators.

The context for this policy is the Town Centre as a whole which covers the wider Elephant and Castle opportunity area and Walworth Road. The redevelopment of the shopping centre will play its part, but fits within a wider context where the provision of retail will continue to improve both in terms of overall floorspace and range/choice.

The new Town Centre will continue to serve the existing local community whilst also increasing the role of Elephant & Castle as a retail and leisure destination for the Borough and London, given its southern gateway location.

As part of this improved retail offer, the Applicant recognises that redevelopment of the Shopping Centre should play its part in meeting the need for affordable retail space, at the same time as ensuring a viable and successful development can be delivered. The Council’s planning policy seeks 10% of new floorspace in large retail developments as affordable, aimed at providing opportunities for small and medium sized enterprises who have been displaced as a result of development, and to cater for new start-ups or independent retailers.

To this end the Applicant has proposed a number of business support and relocation strategy measures, details of which are set out below.

5. PROPOSED LOCAL BUSINESS SUPPORT & RELOCATION STRATEGY MEASURES

A. Business Support and Relocation Advisor

An independent business advisor – Tree Shepherd – has been selected and appointed by the Council to assist businesses in the Shopping Centre with relocating on an independent basis. Tree Shepherd will initially provide practical support to businesses within the Shopping Centre whilst they are still trading and will then coordinate more specialist advice for affected and eligible traders seeking to relocate. This will include facilitating access to surveyors, solicitors, accountants, and other specialists as appropriate.

The Council is responsible for overseeing Tree Shepherd's role and activities. Tree Shepherd's appointment is funded by the Applicant and will continue to be so. A summary of the scope of services can be found in Appendix 1.

The services of Tree Shepherd will be open to businesses that are operating within the planning application site boundary and that require such assistance. There will be a focus on businesses that have been in the Shopping Centre for more than 3 years. Tree Shepherd's services will be focussed on small, independent businesses within the Shopping Centre as those that require the most assistance.

B. Database of Relocation Opportunities

The Applicant will set up and subsequently maintain a database of vacant retail units within Elephant and Castle and the Walworth Road area, with input from the Council to ensure coverage is accurate and up-to-date on an ongoing basis.

As well as affordable retail units which have been secured through this development and other development sites (see Section 6), the database will include high street and market stall opportunities in the wider town centre, including the Walworth Road and East Street areas, together with the new Market Square located east of the railway arches.

The database will differentiate between affordable retail and market (i.e. normal rent level) retail units for ease of reference for those businesses looking to relocate.

The database will be available to all existing businesses, traders, kiosk holders and market stall holders on the Shopping Centre site.

C. Relocation Fund

The Applicant will establish a relocation fund to assist businesses that require financial support with costs associated with their relocation from the Shopping Centre.

The Applicant and the Council will agree the maximum amount to be provided through the fund and which eligible businesses will be able to drawdown from the fund. Those businesses eligible are those who have occupied premises in the shopping centre for more than 3 years and who would be eligible for affordable retail space and use of Tree Shepherd's services, and where they will not separately receive statutory payments arising from the redevelopment of the Shopping Centre, such as under the Landlord and Tenant Act.

The provision and amount of the fund will be secured in the Section 106 Agreement to be entered into in respect of the development. Tree Shepherd will assess those businesses that require assistance from the fund and confirm to the Applicant and Council how much should be provided to each business. In this way it can be ensured that no business is provided with too much from the fund to the detriment or prejudice of other businesses that are in need of support.

Monies from the relocation fund will be used to pay for businesses' access to professional services, such as solicitors and surveyors, and contribute towards physical costs of relocation and fit out of new premises as appropriate.

D. On-Site Affordable Retail

In addition to the above package of business support measures which are intended to assist existing occupiers, the Applicant is also mindful of the need to deliver an appropriate mix of retail space across the new development.

It is critical to the success of the new Town Centre, and therefore the Elephant and Castle area as a whole, that the retail space on the East Site will appeal to large format national retailers and has sufficient critical mass to support a wide and vibrant food, beverage, shopping and leisure mix. This will drive the success of all businesses across the expanded Town Centre which will extend through Elephant Park and along the Walworth Road.

It is nevertheless proposed that a balance is struck between the need to assist existing businesses through the Local Business Support and Relocation Strategy, with a desire to achieve a varied mix of space within the redeveloped shopping centre site.

West Site - 10% of the retail space (Use Class A1-A4) to be provided on the West Site will be provided as affordable retail space. Further details will be secured in the Section 106 Agreement. Eligibility for the affordable retail space will be as stipulated in the Elephant and Castle Supplementary Planning Document for those businesses who have occupied retail premises in the shopping centre for more than 3 years, using a cascade approach as follows:

- i. small and medium-sized enterprises in the Elephant and Castle Opportunity Area which have been displaced as a result of development;
- ii. new business start-ups; or
- iii. independent retailers.

Businesses will also only be eligible for affordable retail space if they have less than three units and employ less than ten full time staff (or equivalent).

East Site - 5% of the retail space to be provided on the East Site will be provided as affordable retail space. The eligibility criteria will be the same as stated above for affordable retail space on the West Site.

E. *Affordable Retail – Payment in Lieu*

A payment in lieu will be made by the Applicant in respect of the 5% shortfall in provision of affordable retail on the East Site.

This payment will be made to the Council to be used towards the provision of affordable retail space elsewhere in the Opportunity Area. The 9th May Cabinet Report ‘Elephant and Castle Shopping Centre Equalities Analysis and Mitigation Projects’ identifies disused garage areas beneath Peronet House and a garage block on Arch Street for potential conversion to affordable retail space – the payment in lieu could be used for projects such as these.

The amount of the payment in lieu will be agreed between the Council and the Applicant, and will be secured in the section 106 agreement.

F. *On-Site Affordable Workspace*

The Applicant, in addition to on-site affordable retail space and affordable retail payment in lieu, will also provide affordable workspace (i.e. affordable employment/office space) despite there being no policy requirement to do so.

Up to 10% of the flexible commercial space on the West Site will be provided as affordable workspace (Use Class B1), with the exact amount to be agreed and secured through the section 106 agreement.

There is no Council policy relating to eligibility of affordable workspace. Eligibility criteria will be agreed and secured through the section 106 agreement.

6. FURTHER SUPPORT IN THE WIDER ELEPHANT & CASTLE AREA

In addition to the above measures, and as part of the overarching business and relocation support strategy, the Applicant will support businesses looking to access affordable retail units that have been secured by the Council across recent developments and those currently under construction in the area. This includes Elephant Park (the former Heygate Estate), Elephant 1 (adjacent to the Shopping Centre along New Kent Road) and Skipton House (once planning permission is granted).

The detailed process for marketing and letting the affordable retail units across other development sites is set out in each of the relevant planning agreements for those schemes and is not in the direct control of the Applicant. However, the Applicant and Tree Shepherd will work to facilitate the transition of qualifying tenants into those affordable retail units where possible.

Delancey, which acts on behalf of the Applicant, also represents the owner of the property to the east of the East Site, fronting New Kent Road and Elephant Road, known under its development name, Elephant 1. The 9th May Cabinet report on 'Elephant and Castle Shopping Centre Equalities Analysis and Mitigation Projects' identifies the affordable retail provision at

this site, which currently comprises 6 units although an application has been submitted to amend the layout and increase the number of units to 7. It is envisaged that the marketing process for these spaces will commence in the near future. Based on the latest masterplan for Heygate Estate, there will be around 1,200sq.m of affordable retail space overall.

The above referenced affordable retail units will also be included in the database of relocation opportunities.

APPENDIX 1 – TREE SHEPHERD, SCOPE OF SERVICES SUMMARY

Elephant & Castle shopping centre

Business support and relocation advisor

Tree Shepherd
10th August 2017



Our approach to supporting the 25 small independent retailers

Phase 1 (pre-implementation)

- Produce and distribute a jargon-free information pack (in English and Spanish) to each trader outlining the support on offer
- Publicise and hold a series of interactive information workshops to ensure each of the traders is introduced to Tree Shepherd's Business Connector and Business Advisors
- Make introductory door-to-door visits of 25 named retail business owners by our Business Connector
- Match each business with one of our Business Advisors for 1-to-1 confidential advice sessions
- Conduct an initial business health check and needs analysis with each trader
- Building trust and creating well-attended events that act as a forum for the Centre Management team and tenants to work together
- Staff unit 231 to:
 - Use as a base for walkabouts of the shopping centre
 - Give traders the chance to drop in for informal visits
 - Hold 1-to-1 confidential advice sessions
 - Run small group business workshops

Phase 2 (post-implementation) = maintaining momentum of Phase 1 through continuous delivery of the above activities

PLUS

- Establish and manage a panel of specialist accredited advisors and support agencies
- Assist traders to review and assess alternative business models and/or premises options

Throughout the project

- Trust-building activities
- Clear communications
- Continuing needs analysis and personalised tailored support

Additional details:

Tree Shepherd administration team are now relocated to Unit 231 at E&C Centre until closure

The office is staffed 9 – 5pm Monday to Friday

Wednesdays and Thursdays are the dedicated delivery days for E&C support

Individuals are recommended to book in advance, however drop-ins are also welcome

Lisa Wilson is the newly appointed Business Connector to start September

Yolanda Lopez, our new enterprise administrator will support with Spanish

Line management by Lydia Gardner, Regional Enterprise Manager

Reporting to Colin Crooks, CEO

Quarterly business events, separately funded by LCF, are also planned to include the wider community

Until the new phonelines are connected, the number is 07561 012895

Until September, email Lydia@treeshepherd.org.uk

