



CAMBERWELL UNION, BURGESS BUSINESS PARK

DRAFT BUSINESS RELOCATION STRATEGY

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EXECUTIVE SUMMARY

This Draft Business Relocation Strategy has been prepared on behalf of Peachtree Services Ltd to support the current planning application (ref: 17/AP/4797) at Burgess Business Park, which was submitted in December 2017 for:

“Demolition of the existing buildings and redevelopment of the site to provide 505 residential units, up to 3375 sqm (GIA) of Class B1 commercial floorspace, up to 117 sqm (GIA) of Class D2 leisure floorspace and up to 570 sqm (GIA) of Class A1-A3 floorspace (retail / financial and professional services / cafe / restaurant) within 13 blocks of between 3-14 storeys (max AOD height 50.74m) with basement, car and cycle parking and associated hard and soft landscaping.”

The proposed scheme is known as Camberwell Union.

The site is 1.59ha in size and comprises part of the Burgess Business Park, bounded by Parkhouse Street to the north, Wells Way to the east, Cottage Green to the south and Southampton Way to the west. The smaller part of the application site (the ‘northern site’) extends north of Parkhouse Street and extends east adjacent to Burgess Park. A small mews joins this part of the site with Southampton Way.

The site currently comprises a number of buildings in office, light industrial and storage uses (Class B1a, B1c and B8). The total commercial floorspace on site is 12,559.3sqm (GIA), however only about 54,107.4sqm (GIA) is currently occupied, and many of the buildings are vacant and in poor condition.

The vision for the site is the creation of a new employment quarter with flexible commercial accommodation which is suitable for a range of occupiers from the creative industries, which coexist with private and affordable residential accommodation within a high quality mixed-use development.

The proposed scheme has been revised and now comprises 499 residential units (with 35% of these affordable) and 4,404sqm of employment floorspace (comprising a range of accommodation including maker spaces, creative studios, co-working office and supporting retail and leisure uses).

Policy P38 within the emerging New Southwark Plan includes a requirement for a Business Relocation Strategy where existing small or independent business are displaced by development. This document addresses the emerging policy requirement and comprises a Draft Business Relocation Strategy which sets out details of the existing non-residential floorspace and existing businesses, proposed levels of floorspace and details of engagement with existing businesses and potential occupiers (including affordable workspace providers).

1.0 INTRODUCTION

1.1 This Draft Business Relocation Strategy has been prepared on behalf of Peachtree Services Ltd (hereafter referred to as ‘the Applicant’). The Statement accompanies the current planning application (ref: 17/AP/4797) at Burgess Business Park, which was submitted in December 2017 for:

“Demolition of the existing buildings and redevelopment of the site to provide 505 residential units, up to 3375 sqm (GIA) of Class B1 commercial floorspace, up to 117 sqm (GIA) of Class D2 leisure floorspace and up to 570 sqm (GIA) of Class A1-A3 floorspace (retail / financial and professional services / cafe / restaurant) within 13 blocks of between 3-14 storeys (max AOD height 50.74m) with basement, car and cycle parking and associated hard and soft landscaping”

1.2 Policy P38 within the emerging New Southwark Plan includes a requirement for a Business Relocation Strategy where existing small or independent business are displaced by development. This document addresses the emerging policy requirement and comprises a Draft Business Relocation Strategy which sets out details of the existing non-residential floorspace and existing businesses, proposed levels of floorspace and details of engagement with existing businesses and with potential occupiers.

1.3 The full wording of emerging Policy P38 is as follows:

1. *Where existing small or independent businesses or small shops are displaced by development a business relocation strategy, written in consultation with affected businesses, must be provided. The business relocation strategy must set out viable relocation options.*
2. *All business relocation strategies must include:*
 - i. *Existing levels of non-residential floorspace (GIA) separated by use class, including vacant units and yards; and*
 - ii. *Schedule of existing businesses operating on the site including business sector, estimated number of employees and lease terms; and*
 - iii. *Proposed levels of non-residential floorspace (GIA); and*
 - iv. *Details of engagement with existing businesses on-site regarding re-provision of premises or relocation options; and*
 - v. *Details of engagement with the council and workspace providers to secure occupiers for new employment space.*
3. *Where existing businesses are accommodated in new development schemes the strategy should include:*
 - i. *Specific business requirements including servicing, fit out and lease terms; and*
 - ii. *Temporary relocation arrangements or scheme phasing to allow the continuation of the business during construction. Temporary relocation should be contained on-site or as close to the original site as possible.*
4. *Where existing businesses are proposed to be relocated the strategy should include:*
 - i. *Reasons why existing businesses cannot be located on-site;*

- ii. *Details of relocation options explored with individual businesses and the assistance that will be provided. Evidence should be given that the relocation option is suitable for the viable continuation of the business;*
- iii. *Identification of alternative premises in in Southwark. Where no suitable sites exist, sites should be identified in adjacent boroughs;*
- iv. *Statements from existing businesses should they wish to cease trading rather than relocate;*
- v. *Collaboration with other landowners to establish whether suitable workspace for existing businesses could be accommodated in different phases of the development programmes.*

2.0 THE SITE

- 2.1 The site is located within the London Borough of Southwark and comprises part of the Burgess Business Park. The site is 1.59ha in size. The main part of the site is bounded by Parkhouse Street to the north, Wells Way to the east, Cottage Green to the south and Southampton Way to the west. The smaller part of the application site (the ‘northern site’) extends north of Parkhouse Street and extends east adjacent to Burgess Park. A small mews joins this part of the site with Southampton Way.
- 2.2 The site currently comprises a number of buildings in office, light industrial and storage uses (Class B1a, B1c and B8). The total commercial floorspace on site is 12,559.3sqm (GIA), however only about 4,107.4sqm (GIA) is occupied, and many of the buildings are vacant and in poor condition.
- 2.3 Full details of the size of the units and details of the land use and occupation are set out in the table below, as required by emerging Policy P38, part 2(i) requires details of the existing floorspace and a part (iii) requires a schedule of the existing businesses estimated number of employees and lease terms.

Meanwhile Uses

- 2.4 Arbeit Project Ltd are currently occupying Unit 4 on a short term let, providing creative workspace and studio space for artists. While this use is providing additional jobs for a temporary period of time, it is not considered that it could be a long-term solution, as Arbeit pay no rent for the space they occupy so this is not a commercially sustainable arrangement and these uses would not secure the viable use of the site in the long term.

Building	Floorspace (GIA sqm)	Occupation/Previous Occupation	Current Jobs	Lease Terms
Unit 1	1,092.6sqm	Vacant. Previously in office use as confirmed in application 15/AP/3398 for a change of use (app withdrawn) and permissions 10/AP/0193 and 04/AP/1540	0	
Unit 2	991.7sqm	Currently occupied for office use by Fruitful Office Ltd	23 (0) after 07/09/2018	Lease granted for 10 years from 09/05/2013 with a break option at anytime for the tenant with 6 months notice, and for the landlord with 12 months notice.

				Notice served to bring lease to an end on 30/06/2018, and tenant has taken a lease extension to 07/09/2018 to enable it to complete move to new unit in Croydon.
Unit 3	1,173.8sqm	Vacant	0	
Unit 4	1,598sqm	Vacant. Previously in office use as confirmed in application 15/AP/3408 for a change of use (app withdrawn)	0	This unit is currently occupied on a temporary basis by Arbeit, who have a licence to occupy from 07/12/2017 until 06/12/2018. Either party can break the lease on a 6 week notice
Unit 5	1,563.9sqm	Part occupied. 775.2sqm is in office use by Fruitful Office Ltd	57 (0) after 07.09.18	As above
Unit 6	1,260.8sqm	Part occupied for office and self-storage use by Peachtree Services Ltd. 576sqm is in use.	1	Lease granted 29/09/2001, with break option 28/09/2011. Occupier is the Applicant for the current planning application.
Unit 7	572sqm	Currently occupied for office and self-storage use by Peachtree Services Ltd.	0	Lease granted 29/09/2001, with break option 28/09/2011. Occupier is the Applicant for the current planning application.
Unit 9	677sqm	Occupied for office use by Swiss Post Solutions Ltd.	51	5 year lease from 29/09/2016 with an option to break 31/12/2016 on 6 months notice.

10-12 Parkhouse Street	2,104sqm	Vacant office building. Office use confirmed under prior approval 13/AP/4584 granted in Feb 2014	0	
15-19 Parkhouse Street	1,010sqm	Currently occupied as a garage/ workshop by Olympic South Ltd.	0	Currently vacant but previously occupied as a garage/workshop. Arbeit are looking to occupy this space on a temporary basis.
2 Parkhouse Street	515.5sqm	Currently occupied as a car wash	5	The current lease runs from 23/02/2018 to 22/02/2019 and the Landlord can break at any time by giving 2 weeks notice
Total	12,559.3sqm		137 (57) after 07.09.18	
Total occupied floorspace (excluding temporary uses)	4,107.4qm			

3.0 THE PROPOSED DEVELOPMENT

Vision

- 3.1 The vision for the site is the creation of a new employment quarter with flexible commercial accommodation which is suitable for a range of occupiers from the creative industries, which mutually coexist with private and affordable residential accommodation within a high quality mixed-use development.
- 3.2 The proposed scheme comprises 499 residential units (with 35% affordable) and 4,404sqm of employment floorspace (comprising a range of accommodation including maker spaces, creative studios, co-working office and supporting retail uses).
- 3.3 The site is located within proximity to existing employment clusters within LB Southwark, including Peckham, Elephant and Castle and Camberwell, and it is anticipated that based upon the level of occupancy and demand for these sites, a similar range of occupiers will be attracted to the Camberwell Union site.

Proposed Development

- 3.4 The proposed scheme comprises the demolition of the existing buildings on the site and construction 13 blocks of varying heights (between 3-12 storeys) which are centred around a central street. The proposed massing responds to the surrounding area, setting down towards the neighbouring buildings and with a taller element in the centre of the scheme.
- 3.5 The footprint of the masterplan has been designed to introduce new permeability through the site. Smaller routes have been created from the main street, providing yards which are to be use for the servicing of the commercial premises. Three yards are provided in total, which adequately provide for the servicing requirements of the proposed quantum of commercial floorspace.
- 3.6 The scheme is a truly mixed-used development, with a significant amount of commercial floorspace provided at ground and mezzanine floors, and residential units provided above. The commercial floorspace will be for uses falling within Classes B1a – B1c, and it is envisaged that this commercial floorspace will attract co-working and creative office occupiers, and light industrial users will occupy both small and large ‘maker spaces’ and workshops. The scheme will also provide leisure floorspace (Use Class D2) and retail and restaurant floorspace (Use Classes A1 – A3).
- 3.7 As required by emerging policy P38, part 2 (iii), a summary of the proposed land uses is set out in the table below:

Use Class	Detail	Proposed Area (GIA sqm)	Proposed jobs
Class B1a-B1c	Making spaces, workshops, creative offices and microbrewery	3,725sqm	215
Class A1-A3	Retail and cafe	551sqm	30

Class D2	Gym	128sqm	10
Total		4,404sqm	255

3.8 The proposed Class B1a-B1c commercial floorspace is intended to be flexible to provide a varied range of commercial spaces, suitable for a variety of occupiers. Other retail and leisure uses which will also generate employment opportunities include A1, A2, A3 and D2 uses (retail, restaurant and gym use).

3.9 The proposed commercial uses are set out as follows. It should be noted that, as stated above, the commercial uses have been designed to be flexible, and the spaces can move between the uses below if needed. Only the retail/restaurant and gym uses are set within a specific location within the masterplan.

Large and small making spaces

3.10 A variety of large and small creative maker studios are provided, which can be subdivided according to demand. The size and specification of the units has been informed by actual demand in the market place and from inspection of other similar facilities across London. In addition, meetings have been held with potential occupiers to gain an understanding of their specific needs and requirements. The studios will be well lit and naturally ventilated, and the larger units will be dual aspect. The units have been designed to allow for the installation of specialist equipment and facilities for the purposes of making and production. It is intended that these spaces will accommodate small companies and individuals who are looking for spaces for activities from small scale manufacturing, to more bespoke artisanal production, to research, product development and prototyping. These activities support the design, construction, engineering, digital media, fashion, film and music industries.

3.11 The studios are clustered together to form small communities within the wider site, located around the servicing yards. The studios will provide an active ground floor frontage and will enliven the street.

Creative offices

3.12 The creative office floorspace will offer a accommodation in a range of sizes for creative industries. The offices will be well ventilated and have good levels of daylight with good floor to ceiling heights in accordance with modern day occupier expectations. The creative offices are located in a cluster around service yard No. 3, to form a community within the wider site.

Large office/co-working space

3.13 The co-working spaces will be designed to be flexible to allow for occupation by either a single co-working provider or numerous smaller occupiers. The units can provide space either with small offices, or within a larger space where desks can be rented. The co-working floorspace will be well lit, naturally ventilated with dual aspect.

Microbrewery

3.14 The microbrewery is located within the centre of the site and has been designed to accommodate a small brewery occupier. The space has been designed to provide the required floor to ceiling heights and will include a small tap room to allow the visitors to purchase and consume produce, which will active the frontage at ground floor.

Retail/restaurant/café floorspace

- 3.15 The scheme provides an element of retail/restaurant floorspace which will provide a valuable amenity for both residential and commercial occupiers. The proposed retail space includes a grocery store, a café/restaurant and a bike shop/café, all of which have been carefully located at key prominent positions across the site to attract customers and create pockets of activity within the site.

Gym

- 3.16 A small gym is proposed which includes studio space at the upper floor and a small juice bar at ground floor which will ensure an active frontage onto the main street. The gym will provide a valuable amenity for residents of the scheme and for the wider community and neighbourhood.
- 3.17 In order to ensure the success of the Camberwell Union, it will be important to let as much of the commercial floorspace as possible to generate activity and bring a sense of place to the area. The letting strategy will therefore be to grant flexible, tenant friendly tenancies at affordable rents with a view to achieving maximum occupancy levels. While the intention is to let to specific occupiers (and the scheme has been designed accordingly), it is essential that the planning permission includes sufficient flexibility to accommodate a range of these uses within different locations in the site, to allow the scheme to respond to market demands.
- 3.18 The uses at ground floor level will flank the pedestrianised routes through the site to create a continuous active frontage and ensure there is a human scale at street level. Together with the mix of uses proposed this will assist in the creation of a new sustainable mixed-use quarter combining jobs, homes, leisure, retail and services.

Affordable workspace

- 3.19 The proposed commercial floorspace will be offered at affordable rents by London standards to reflect the market dynamics of the location and to ensure maximum occupancy levels. The commercial units will be affordable by their nature, due to the flexibility of the units to accommodate a range of occupiers and the inclusion of maker spaces and creative and co-working offices. In addition, there will be a requirement to set the rent levels at an appropriate level to attract potential occupiers to this new commercial location, which is untested and is not easily accessible (with a PTAL of 2).
- 3.20 It is acknowledged that officers have requested that the scheme provides a quantum of affordable workspace. We believe that by its very nature the commercial floorspace will be affordable, both due to the types of uses proposed and as a result of the requirement to set the rent levels at an appropriate level to attract potential occupiers to this new commercial location, which is untested and is not easily accessible (with a PTAL of 2).
- 3.21 Notwithstanding this, the Applicant is willing to offer a maximum of 10% of the commercial floorspace as designated affordable workspace. In the absence of a policy requirement within current LB Southwark policy, this provision is commensurate with the requirements of other boroughs. As set out above, the rent levels will be set at an appropriate level.
- 3.22 It is proposed that the affordable workspace is operated by a Council approved Affordable Workspace Provider or the Applicant. The floorspace will be leased to occupiers on a cascade scale, with rent levels of 50% of local commercial rent in the first year, rising to full local market rent by year 5. The cascade then moves back to 50% should a new occupier lease the floorspace. Full details of this provision can be discussed in detail and secured in the Section 106, and this provision is offered for a period of 10 years.
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4.0 EXISTING BUSINESSES

- 4.1 The following section sets out details of the existing businesses on site, and their specific requirements, including servicing, transport links and space.

Fruitful Office

- 4.2 Fruitful Office currently occupy Units 2 and 5, and operate a nationwide distribution business, delivering fresh fruit to over 2,500 workplaces across the UK
- 4.3 Their operation requires substantial storage space and parking for numerous vehicles associated with this distribution service. Fruitful Office also require good transport links, to facilitate deliveries to their clients.
- 4.4 The Fruitful Office London business has expanded rapidly, and with this expansion comes additional storage and parking requirements, which cannot be accommodated within their existing premises. They have taken the decision to relocate to an alternative site in Croydon, which can offer them more space.
- 4.5 The existing lease for Burgess Business Park comes to an end on 30th June 2018, and Fruitful Office have extended this to 7th September 2018 to allow them to complete the move to their new premises.
- 4.6 Draft Policy P38 requires confirmation of why the existing businesses cannot be located on-site. In this instance, the nature and scale of the distribution business operated by Fruitful Office cannot be accommodated within the proposed scheme. The proposed development cannot accommodate the number of vehicles operated by Fruitful Office, and their requirement for parking. In addition, the distribution operation generates a substantial number of vehicular movements, which would not be compatible with the proposed mixed use nature of the Camberwell Union scheme.
- 4.7 The relocation of Fruitful Office to Croydon will allow the viable continuation of this business, and will also enable future expansion which cannot be accommodated at Burgess Business Park.

Swiss Post Solutions

- 4.8 Swiss Post Solutions occupy Unit 9 at Burgess Business Park for office use, and employ approximately 50 people. They provide electronic document management services and business processes. Swiss Post Solutions has offices throughout the world, including the USA, Australia, Asia and Europe.
- 4.9 The Applicant has not yet commenced discussions with Swiss Post Solutions, however full details of the proposed engagement strategy are set out in Section 5 below.

Continental Hand Car Wash

- 4.10 The car wash is located within the yard at no. 2 Parkhouse Street. The car wash has a yearly lease, with the current lease coming to an end 22nd February 2019.
- 4.11 The car wash has requirements for a substantial amount of space to carry out their operations, including room for parking cars which are waiting to be washed. This space requirement

cannot be accommodated within the proposed Camberwell Union scheme. In addition, the nature of the car wash operation would not be compatible with the proposed mixed use development, as the noise and traffic generated may cause disturbance to residential occupiers.

- 4.12 It should be noted that LB Southwark have received numerous complaints about the car wash, objecting to the traffic queuing along the highway and causing congestion, the pollution caused by running vehicle engines and the noise generated by the car washing operations.

5.0 ENGAGEMENT STRATEGY WITH EXISTING BUSINESSES

5.1 In order to create a sense of continuation between the existing offering and the new scheme, the Applicant is happy to discuss accommodating Swiss Post Solutions within the proposed Class B1a office accommodation. This accords with the aspirations of emerging Policy P38.

5.2 An engagement strategy has been developed in consultation with CF Commercial, the Applicant's commercial agents. This strategy would be as follows:

Initial Discussions

5.3 The Applicant will engage with Swiss Post Solutions to discuss the proposals for the site and understand whether it would be viable for them to be relocated within the proposed development. Swiss Post Solutions currently occupy 677sqm of office floorspace. The proposals provide a total of 3,725sqm of Class B1a-B1c floorspace, and the current quantum occupied by Swiss Post Solutions could be accommodated within this.

5.4 The Applicant is happy to discuss the potential relocation of Swiss Post Solutions within the scheme, including consideration of which units may be most suitable for them to occupy.

5.5 While the Applicant is happy to discuss the relocation of Swiss Post Solutions within the proposed development, it would not be possible to accommodate them on site during demolition and construction works, as the entire site will be required to be cleared to allow construction to take place (as set out in the Draft Construction Management Plan). It is anticipated that the demolition works would take approximately 9 months, the groundworks would take approximately 12 months and construction of above ground structures would take approximately 27 months.

5.6 The earliest phase of the scheme, Blocks A and B, is expected to be completed and occupied in mid-2020, with the remaining Blocks C to M to be completed mid-2021.

Following Construction of the Scheme

5.7 While the Applicant is not able to accommodate Swiss Post Solutions on site during the construction process, it is proposed that they would be contacted prior to the commencement of marketing of the commercial units (approximately 6-12 months prior to practical completion) to initiate further discussions on whether they would wish to relocate back to Camberwell Union. If this is to be pursued, the Applicant will discuss entering in to a pre-let with Swiss Post Solutions.

6.0 ENGAGEMENT WITH LB SOUTHWARK AND WORKSPACE PROVIDERS

- 6.1 The Applicant has met with LB Southwark Employment Team and Planning Officers to discuss the proposed commercial floorspace on site.
- 6.2 With regard to workspace providers, the Applicant is undertaking a programme of engagement with affordable workspace providers on LB Southwark's list, and Southwark-based art organisations, to discuss future occupation of part or the entire site once the development is built out.
- 6.3 As part of the initial round of activity, beginning in March 2018, the Applicant sought to discuss the proposals and potential occupancy with a selection of affordable workspace providers and Southwark-based artist organisations. The Applicant offered meetings to the following list:
- Acme;
 - Arbeit (with whom the Applicant has an existing relationship, having worked with them to bring in creative meanwhile uses which are currently based on site);
 - The Art Academy;
 - Assemble;
 - ASC Studios;
 - Iniva;
 - Koestler Trust;
 - Makerversity;
 - Make Shift;
 - Second Home;
 - Southwark Studios;
 - The Rattle;
 - The Trampery;
 - Vanguard.
- 6.4 From the above selection, the Applicant has met with the following organisations to discuss future occupation of creative space on site:
- Arbeit (29 March 2018);
 - ASC Studios (16 May 2018);
 - The Art Academy (23 May 2018).
- 6.5 In August 2018, the Applicant approached the remaining affordable workspace providers from LB Southwark's list to inform them of their application and the benefits it will deliver. The list of the providers approached is below:
- 3Space;
 - Artworks Elephant / Hotel;
 - ACAA;
 - Cell Projects;
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- Central Working;
- Craft Central;
- Eat Work Art;
- Ethical Property Company;
- Hatch;
- Ministry of Sound;
- SPACE;
- Tannery Arts;
- The Brew;
- The Collective;
- V22 London.

6.6 The Applicant remains open to holding further meetings with affordable workspace providers from Southwark's list before and after determination of the planning application for the Burgess Business Park.

7.0 SUMMARY

- 7.1 Policy P38 within the emerging New Southwark Plan includes a requirement for a Business Relocation Strategy where existing small or independent business are displaced by development. This document addresses the emerging policy requirement and comprises a Draft Business Relocation Strategy which sets out details of the existing non-residential floorspace and existing businesses, proposed levels of floorspace and details of engagement with existing businesses and potential occupiers (including affordable workspace providers).
- 7.2 Full details of the existing businesses on site are provided within Section 4. There are currently three existing occupiers on site, one of whom is relocating in September 2018. The remaining two businesses comprise an office occupier and a car wash. The Applicant is happy to discuss the relocation of the office occupier, Swiss Post Solutions, within the proposed scheme. However, it is not possible to accommodate on the site while the construction works are underway. The existing car wash is on a short term yearly lease and attracts numerous complaints about impact on amenity and highways. It is therefore not intended to accommodate this use within the proposed development, as it is not compatible with the mixed-use nature of the proposed scheme.
- 7.3 The Applicant is currently undertaking a programme of engagement with workspace providers on the LB Southwark list, and Southwark-based organisations. It is intended that these discussions will continue as the planning process continues.