

<b>Report Title</b>	Elephant and Castle Traders - Update on Business Continuity Support
<b>To</b>	Stephen McDonald - Strategic Director of Major Projects Directorate
<b>Report author</b>	Adeola Dada
<b>Date</b>	31 <sup>st</sup> January 2008
<b>Confidential</b>	No

## **RECOMMENDATION(S)**

1. To agree the updated approach for business continuity support for Elephant and Castle Traders, contained in Table 1.

## **BACKGROUND INFORMATION**

2. The starting point for this review is the report to Executive committee 'Business Continuity at the Elephant and Castle' dated 30<sup>th</sup> January 2007 and draft Business Continuity Charter.

3. The report identified three main phases:

Short Term - trading during the period until the shopping centre is closed

Medium term – transition to new locations

Long term – trading vision for the area

4. The perspectives of key stakeholders have been ascertained to inform the drafting of this paper, a list of whom is included at appendix 1.

There was broad commonality of views as to long term objectives.

Differences of opinion and concerns arise in connection with medium and short term arrangements and in particular with respect to a support package, transitional arrangements and status of the charter.

## **KEY ISSUES**

### **Leases and Tenancies**

5. The current working assumption is that extinguishment of leases etc through a CPO process will be led by Southwark Council and backed by Lend Lease. This is unlikely to commence until:
  - The development agreement (also known as the regeneration agreement) has been negotiated and agreed.
  - There is sufficient evidence in place to support a CPO i.e. planning approval
  - There is adequate information as to the ability to fund the acquisitions.
6. The CPO process will take considerable time to achieve ratification. Acquisition by negotiation and agreement to relocate businesses could run in parallel. It is necessary to agree and commit to an effective way of working in the intervening period.

## **Communications and Liaison**

7. The feeling of the trader association representatives is that there has been inadequate communication on progress since spring 2007, most significantly around the appointment of Lend Lease. The main reasons for this are that various liaison meetings during spring, summer and autumn have been declined. There is a need to increase the level of community buy-in.

8. More recent communication between council officers and representatives of the two trader organisations has been undertaken separately, which has created fragmented and duplicative lines of communication. A level of concern has been expressed as to the council's equal treatment of both organisations.

9. The trader association representatives have indicated a desire for the following:

More involvement in promoting the centre

Certainty as to timescales:

- Cessation of trading
- Demolition

Certainty as to relocation opportunities

10. This report does not recommend any change or enhancement of the approach outlined in the Executive Committee report and/or the Charter.

11. In spite of the content of the charter being viable, the package has failed to achieve 'buy-in' from some sections of the business community. Therefore an important next step will be to re-launch the charter.

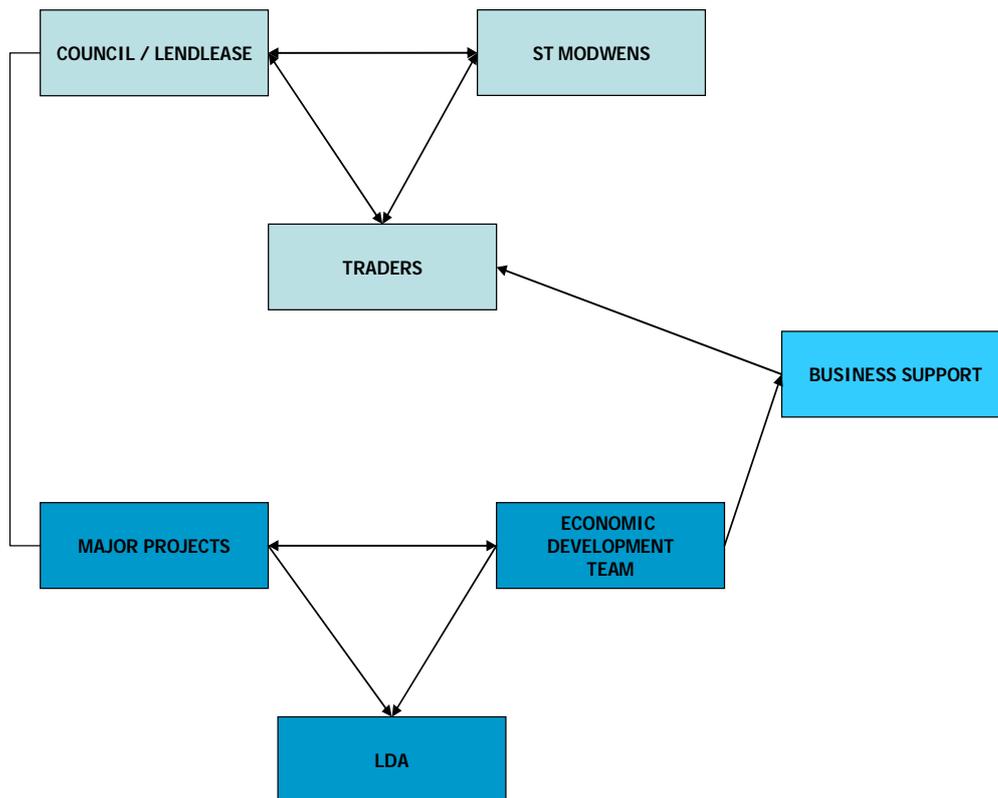
12. In summary, the Executive Committee report refers to the need to undertake further work to develop principles in detail. These need to be put into practice at the earliest opportunity.

**13. Recommended actions:**

<b>Table 1</b>	
<b>1</b>	<p><b>Business Support Function</b> LBS/Lend Lease partnership to appoint suitably qualified person to undertake a business support function to provide direct liaison between the council and the traders association.</p> <p>Key elements of the brief: To support the council's policy of a healthy, independent local retail sector through and beyond the development of Elephant &amp; Castle by developing an implementation plan for the business continuity charter</p> <ul style="list-style-type: none"> <li>– To lead on the liaison between the council and various agencies to ensure that needs of each of the individual businesses are addressed and supported effectively.</li> <li>– To undertake an advocacy role on behalf of the businesses and commission the appropriate packages for them.</li> <li>– To work with the businesses and both internal and external partners to promote and market the shopping centre and the Walworth Road as a retail district.</li> <li>– To provide support for businesses in accessing appropriate training and finance, working with relevant service providers and colleagues in economic development.</li> <li>– The appointee should have a background in business, combined with excellent people skills and a good knowledge of public sector workings.</li> </ul> <p>A proposed structure chart is located on page 4.</p>
<b>2</b>	<p><b>Business Continuity Charter</b> Produce draft Implementation plan for remaining charter proposals. Outstanding actions in addition to those above:</p> <ul style="list-style-type: none"> <li>- communication of timetable</li> <li>- promotional activities</li> <li>- environmental audit process &amp; action plan (internal &amp; external)</li> <li>- negotiations re: rent &amp; service charges</li> <li>- rent subsidy proposal to be prepared for moves into LBS property portfolio</li> <li>- identification of alternative/new premises through s.106 agreements</li> <li>- further legal advice to be sought on financial support package for relocation costs</li> <li>- review outcome of LDA managed London-wide review of support packages</li> </ul>
<b>3</b>	<p><b>Management of Trader Liaison Meetings</b> Future meetings with traders to be open to all and chaired by Southwark Council.</p> <p>Programme of liaison meetings to be established.</p>
<b>4</b>	<p><b>Support for Relocations</b></p> <ul style="list-style-type: none"> <li>– procure and manage a package of specialist business advice directly to individual traders as required to review practical options facing traders (eg closure/permanent relocation/temporary relocation and</li> </ul>

	<ul style="list-style-type: none"> <li>– return to E&amp;C) and to assist them with business planning;</li> <li>– project board (with member and legal representation) to be established to steer implementation and results.</li> <li>– Named person and process to be communicated for access to LBS Property portfolio as described in charter</li> <li>– Talks to be held with St. Modwen regarding the early release from leases for individual traders if alternative premises are available</li> </ul>
5	<p><b>London Development Agency Support</b></p> <ul style="list-style-type: none"> <li>– Encourage take up of London Development Agency-funded legal advice package on leases, tenancy and compensation. NB Funding expires end March 2008.</li> <li>– Secure support to ensure that LDA offer to provide financial assistance in creating nearby retail units is realised as an early benefit.</li> <li>– Economic Development/Lend Lease &amp; St. Modwen to advise on potential sites for LDA investment</li> </ul>

**Structure Chart**



## KEY ISSUES FOR CONSIDERATION

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Business Continuity at the Elephant and Castle	Coburg House	Jon Abbott 020 7525 4922

## APPENDICES

No.	Title
Appendix 1	Insert title of document(s)
Appendix 2	Insert title of document(s)
Appendix 3	Insert title of document(s)
Appendix 4	Insert title of document(s)
Appendix 5	Insert title of document(s)
Appendix 6	Insert title of document(s)

## AUDIT TRAIL

*This section must be included in all reports.*

<b>Lead Officer</b>	N/A
<b>Report Author</b>	Adeola Dada
<b>Version</b>	Final
<b>Dated</b>	31 <sup>st</sup> January 2008

## **Appendix 1**

Informal meetings were held with:

Cllr Richard Thomas – Executive Member for Regeneration  
Cllr Toby Eckersley – Executive Member for Finance and Resources and former  
Chair of Regeneration Scrutiny Committee  
Cllr Mary Foulkes - Opposition member for Regeneration  
Deborah Collins – Director of Legal and Democratic Services  
Paul Evans – Strategic Director of Regeneration & Neighbourhoods  
Graham Sutton – Economic Development  
Ian Fraser, Valerie Stevens – Elephant & Castle Traders Association  
Leke Dada – Elephant & Castle Tenants Association  
Simon Elcock, Kura Perkins – Lend Lease  
Patrick Blunt – Business Extra

Shamim Uddin – Elephant & Castle Tenants Association declined a meeting