

APPENDIX D

ELEPHANT AND CASTLE SHOPPING CENTRE – PROGRESS REPORT

UPDATE ON DELIVERY OF BUSINESS RELOCATION AND MITIGATION

Delivery of Business Mitigation Package

1. In May 2017, Cabinet agreed to require the Developer to implement a package of measures to support relocation and mitigate the impact of the closure of the shopping centre on local traders and residents. This package has been developed further through the planning process and significant progress has been made in delivering a comprehensive offer to traders. Progress is summarised below against the principles agreed by cabinet in 2017 and additional mitigations secured throughout the planning process are also discussed.

Database of opportunities

2. The Town Centre s106 agreement (16/AP/4458) requires the Developer to create a database of vacant retail units (including market pitches) within the Elephant and Castle Opportunity Area and to maintain the database for a period of one year following the cessation of trading in the Shopping Centre. This database went live in December 2018 and includes affordable retail units from nearby developments, high street units and market stall opportunities.
3. It includes both privately owned units and details of vacant retail units within the Council's ownership or control. This database is regularly updated and is available to all independent traders in the opportunity area. It can be accessed via a personal login issued to each trader and also at the Tree Shepherd office.

Business support and relocation advisor

4. The Town Centre s106 requires the Developer to fund a business support and relocation advisor to support traders. Tree Shepherd has been contracted by the Council to deliver this service since August 2017. Tree Shepherd is based in the Shopping Centre to provide confidential advice to independent traders on a 1:1 and group basis to support their business planning, search for relocation premises and preparations to move. As part of this process, the advisor has conducted a number of tours of alternative sites for the traders.
5. The Developer will continue to fully fund the advisor service during the closure period and for a year after the closure of the centre. During the period leading up to closure of the centre, the advisor will provide additional support as a priority to traders that are still looking to secure a relocation site for their business.
6. In addition to providing ongoing confidential advice, Tree Shepherd supported traders with their applications for the three affordable retail clusters at Elephant One, Castle Square and Elephant Arcade. The advisor has also supported with trader consultations on the administration of the relocation fund. The advisor will administer applications to the relocation fund, on behalf of the Council.

Relocation fund

7. A business relocation fund of £634,700 has been secured as part of the planning consent to support businesses with their costs of relocation.
8. The relocation fund is designed to be a contribution to eligible business's reasonable costs of relocation. The fund is not designed to be a form of compensation, nor will it replace any statutory compensation due.
9. The sum of £634,700 represents a minimum guaranteed fund. In addition, the Developer has made clear at all-trader meetings on 10 Sept 2019 and 14 January 2020 that it is open to considering meeting additional relocation costs where the fund does not extend to cover all needs and in the case of hardship. During the application process for the fund, traders will be supported to calculate their full costs of moving by the business advisor.
10. Businesses able to claim from the fund are defined in the Section 106 agreement. In that agreement, eligible businesses are called 'Local Independent Operators'.
11. 'Local Independent Operators' are defined as all existing, independently-owned, retail businesses, traders, kiosk holders restaurants, market stall holders and charitable organisations on the East Site in the redline of the E&C opportunity area that meet the three criteria below:
 - i. do not trade from more than 3 locations, and include restaurant operators, café operators and market stall holders;
 - ii. lawfully hold a lease or licence including so that any sub-letting or assignments have been with the approval of the developer or Network Rail (as appropriate);
 - iii. occupied any part of the East Site at the date of the resolution to grant Planning Permission (3 July 2018) and continued to occupy any part of the East Site at the date the Planning Permission was granted (10 January 2019).
12. Businesses can apply to the relocation fund for a period of one year following demolition of the Shopping Centre. Additionally, should the occupiers of the railway arches on the East Site remain in that location, the relocation fund shall continue to be available to them for a further six months.

Affordable Retail Units under the Elephant and Castle Opportunity Area SPD

13. The Elephant and Castle Opportunity Area SPD required local developments to set aside 10% of any retail units as affordable and for displaced traders within the opportunity area to have the first right to apply for those units.
14. The two principal sites with units available are the Lendlease development at Elephant Park and the development at 50 New Kent Road known as Elephant One or Elephant Central.
15. As of December 2019, 5 applications from businesses within the Town Centre development area were under consideration by Lendlease and one has so far entered into a lease agreement for an affordable unit.
16. The Developer's affordable units at Elephant One were allocated under the combined affordable unit process discussed under 22 - 25.

Additional Mitigations

17. The offer to traders has been further developed through the planning process and consultation with affected traders;

Elephant Arcade

18. The Council has invested in the conversion of the garages underneath Perronet House into a bespoke retail space named Elephant Arcade. The space will be managed through Meanwhile Space, a retail management specialist, to provide a permanent affordable location for displaced traders in the centre of Elephant and Castle. This site's units have been allocated under the combined affordable unit process discussed under 22-25.

Castle Square

19. The Castle Square planning consent (AP/18/2108) requires the developer to construct a bespoke site for the relocation of traders from the shopping centre during the East Site construction period, for five years or until Practical Completion (which ever is longer). The Developer was required to secure planning permission for this site before implementing the main consent.
20. Consent was granted on 9 January 2019 and it will be available for occupation from June 2020. This site's units were also allocated under the combined affordable unit process discussed under 22 - 25.
21. Those traders moving to Castle Square will have access to a dedicated business support service for the site, in addition to ongoing advice from Tree Shepherd.

Relocation of traders to affordable unit clusters

22. A single application process was conducted by the Council and Developer in March 2019 for the affordable units at Castle Square, Elephant One and Elephant Arcade.
23. There were 64 separate applications, with 36 successful applications and 28 unsuccessful applications. Successful applicants were asked to for an in-principle acceptance of the offer within 14 days, with the respective landlord#s following up after this period with a formal lease.
24. Owing to the absence of certainty over the closure of the centre between March 2019 and January 2020, landlords have been flexible in allowing potential tenants time to consider their options.
25. The distribution of businesses in each affordable cluster may change during the closure of the shopping centre, as businesses finalise their decisions on offers of units. Where units are not taken up, every effort will be made to find a new tenant from traders that have not yet secured a relocation site for their business.

Trader Panel

26. The Developer has established the Trader Panel and its membership which has been approved by the Council as required by the Town Centre s106. The panel has met monthly since January 2019. The panel is comprised of representatives from the Developer and 12 representatives from businesses within the Application Site. The

advisor and Council officers attend by invitation. Ward councillors from North Walworth and St George's wards sit as chair and vice-chair.

27. The panel has held a consultative role as well as a representational role during the implementation of the relocation strategy. The panels have been well attended and have addressed a number of issues connected with the relocation of traders, including:
 - i. The affordable unit application process: Tree Shepherd ran four trader focus groups in August and September 2019 to get input into the criteria that should be used for assessing the applications, which was reported back to the panel and helped construct the process.
 - ii. The relocation fund: The panel members have helped the Council and Developer understand business's priorities for the application and administration process.
28. In addition, the panel holds an oversight and monitoring role during the implementation of the relocation strategy including to:
 - i. Receive regular updates from the Developer on a database of available vacant retail premises within the town centre area suitable for traders.
 - ii. Receive regular reports from the Council and the business support and relocation advisor on the distribution of payments from the relocation fund.
 - iii. Receive regular reports from the Council and the business support and relocation advisor on successful bids and consequent allocation of affordable retail units.
 - iv. Consult with the business support and relocation advisor, the Council and the Developer on relevant issues from the Scheme which affect traders.
29. The Trader Panel is anticipated to continue to meet monthly until three months after the closure of the Shopping Centre, and thereafter quarterly until 6 months following practical completion of the retail floorspace on the West Site.

Rent Reduction for Shopping Centre traders

30. At the July 2019 trader panel, the Developer confirmed giving a rent reduction for Shopping Centre traders of 50% from June 2019 and 80% from November 2019.
31. Urban Space Management (USM) is the contracted market operator for the developer at the Shopping Centre. The Developer agreed that USM will pay £0 in rent and service charge and have requested that USM to pass on the highest possible discount to the traders.

Centre marketing initiatives

32. The Developer has set up a staffed community space at the centre to show the history and progress of the development. This space is also available for events for local community groups.
33. The Developer has also produced a brochure in September 2018 called 'The Herd' which details the traders currently in the centre who will be moving locally. This was

most recently updated In December 2019 and distributed to 30,000 homes in the immediate area and provided to traders to give to customers.

34. In addition, the Developer has instituted a number of events around holidays to keep the centre attractive for both customers and traders, including a recent 'Twelve Days of Christmas' showpiece where shop fronts were dressed and decorated for the Christmas period.