

APPENDIX 9

RELOCATION STRATEGY – UPDATED DECEMBER 2018

1. The Relocation Strategy

This Relocation Strategy sets out in further detail the mechanisms and processes by which businesses trading on the East Site of the Elephant and Castle town centre development application ref 16/AP/4458 will be supported to relocate.

The Relocation Strategy is intended to operate over several years and as such is likely to require updating from time to time to reflect changing circumstances. Amendments to the strategy may take place by agreement between the Council and the Developer, in consultation with the Trader Panel, provided that the strategy remains fully aligned with the terms of the Section 106 agreement.

2. Parties and interested groups

- The Traders: all existing independently owned businesses, traders, kiosk holders, restaurants, market stall holders and charities in the application red-line falling under the definition of 'Local Independent Operators'
- The Trader Panel: A panel established to help existing traders within the Application Site affected by the Development and whose draft terms of reference form part of the Relocation Strategy, to benefit from short and long-term retail opportunities offered by the wider Elephant & Castle Opportunity Area and to relocate to alternative premises;
- The Developer
- The Council
- The Independent Business Advisor, or the Advisor: means Tree Shepherd or any other replacement organisation appointed by the Council.

3. Context

Development brings opportunity to the area but the Developer also acknowledges and wishes to mitigate the impact from the Development on existing businesses.

The development of the centre should complement the wider area, build on the diversity of the Elephant and Castle and have provision for smaller, independent traders to operate from the new centre. The Developer and Council are committed to enabling the largest possible number of existing businesses to remain in the area and so the Council has obliged the Developer to make sensible provision for them – from new premises to business support and advice. For many smaller traders this is an opportunity to grow and develop their business.

Therefore the Developer has agreed with the Council a set of principles and is funding the Independent Business Advisor to help the practical process of future steps for the Traders.

4. Headline principles of relocation

The Traders are to be supported through a number of options that allow them to best consider the future of their business. These include:

- i. Future business planning, health checks, and business clinics
- ii. Support for Relocation to sites within the Elephant & castle Opportunity Area including: Elephant One, Perronet House, the proposed Castle Square development, and Elephant Park and any sites which may come forward with the provision of affordable

- retail through the relocation fund and the database of opportunities;
- iii. Support for relocation to other sites in the borough, through the relocation fund and the database of opportunities
- iv. Support for relocation to any other site, through the relocation fund.

To assist and facilitate the relocation of Independent Businesses (the Traders) within the redline of the planning application affected by the shopping centre redevelopment, the services of an independent business advisor (the Advisor) has been retained by the Council. The Advisor will provide business support services and relocation support services to the Traders. In addition, the Advisor will also run the formal application process for those Traders who wish to relocate to Perronet House, Castle Square or Elephant One, which are all to be let in priority to shopping centre Traders.

A Trader Panel will have oversight (not decision making) of the Relocation Process and the Relocation Fund.

5. The Fund

There is a relocation fund of £634,700 (Relocation Fund), to be paid by the Developer to the LB Southwark, 6 months prior to closure of the shopping centre. However, the Developer has agreed that an additional amount may be paid to assist traders if there is no money left in the Relocation Fund and a trader has provided satisfactory evidence that additional financial assistance is required and which is agreed by the Developer.

- Eligibility

All Traders located within the application red-line on the East Site will be eligible to apply for funds to assist them with the relocation of their business.

Whilst all of these businesses would be eligible, factors such as length of time in occupation of their premises and the type of business being considered would be influential in determining the amount of funds to be paid to each specific business. Traders such as market stalls and barrows would likely require less financial relocation support than shops and restaurants by the very nature of their business and premises.

Market stall and barrow Traders will also be supported by the Council's markets team to access premises and pitches at the nearby East Street Market and other sites.

- Access to the Relocation Fund

Access to the Relocation Fund by the Traders would be provided two weeks after the Relocation Funds have been paid by the Developer. Businesses have, and will be encouraged to consider their relocation options following the formation of the Trader Panel with assistance from the Advisor, and commencement of the relocation process to new premises.

- What is the Relocation Fund for?

The overriding principle of the Fund is for the reasonable costs of relocation. The Fund is not designed to be a compensatory fund, nor will it replace any Statutory Compensation. Statutory Compensation due to any Trader under the Landlord and Tenant Act, will be paid separately, and in addition to any application to the Relocation Funds.

- Relocation Fund Heads of Claim

The proposed heads of claim under which the Traders can make an application for funds are:-

- Legal costs for taking a new lease of premises
- Surveyors costs of taking a new lease of premises
- Removal costs for moving to new premises
- Contribution towards a new shop-fit cost dependent upon age and condition of existing shop-fit
- One-off payment of £500 for new stationery and for notifying existing customers (if applicable)
- Any other reasonable and proper costs

Each Trader to provide receipts, invoices and any appropriate fee quotations in advance. Receipts and invoices will be required for audit purposes.

The Developer and Traders should:

- Act in 'good faith'
- Act with integrity

The Traders should:

- Mitigate any loss as far as possible
- Justify and evidence any claim
- Physically relocate and open for trade.

6. Governance

- Parties and Support

Parties involved with the Relocation Process will be the Trader Panel, the Council, the Advisor, and the Developer along with the Traders

The Advisor will act as the business advisor and administrator for the Relocation Fund. The Council will receive the Relocation Funds from the Developer, and will distribute the Relocation Funds as and when they are due. The Developer will not be required to administer or supervise the Relocation Fund but will have knowledge of funds applied for and paid to the Traders. The Advisor will administer the Fund and the Relocation Process which should assist the dialogue process with the Traders. This process will be overseen by the Trader Panel, however, the Trader Panel will not have access to any confidential Trader information.

The Fund should be held by the Council and released in phases to the Advisor according to council rules governing the use of S.106 and award of grants, for payment to Traders of approved funds.

Money is to be held in a client account by the Advisor and bound by established accounting principles.

7. Database of Opportunities

The Developer will supply the Traders with access to a password protected database via the internet of premises available for possible relocation. This database will be available for access prior to the Relocation Process commencing. The Advisor will also have access to this database to help businesses if they need assistance.

The database will provide information on the three relocation sites – Castle Square and Elephant One and Perronet House. In addition, the database will include properties currently being developed in Elephant Park, other units or leases available in the Borough, as well as opportunities for market stalls or units in East Street.

Full information on the relocation opportunities available in Castle Square, and Elephant One will be provided on the database including plans, photos, measurements, specification, and proposed lease terms.

In addition, the Advisor has also had oversight of the affordable units located within Perronet House, along with other affordable opportunities available within the wider Elephant & Castle Opportunity Area (such as Elephant Park). All of these relocation opportunities have been presented to the Traders. The Advisor will continue to encourage the Traders to consider these relocation opportunities and provide appropriate business advice going forward when the Traders relocate.

8. The Application Process on Elephant One, Castle Square, and Perronet House

The Advisor will oversee a single application process for possible Trader relocation to Elephant One, Castle Square and Perronet House once Planning Consent has been granted for the Shopping Centre and Castle Square. This application process will commence on a date to be advised and aim to be complete before Traders are advised of the date of closure of the shopping centre. The single application process will require a Trader to complete a simple application form for the three aforementioned sites. The application process will run for a fixed period of time.

Applicants will be asked to submit a choice of three premises, in order of preference, to which they wish to relocate. In addition, they will be asked to submit a business plan which will be supported by the Advisor.

Applications will then be considered on the following grounds:

- If they have a viable existing business
- Their business plan
- Track record
- Breach of existing lease terms
- Committed/committing any Trading Standards violations

Traders who submit applications within this process may impact their ability to be able to be considered for relocation into Castle Square or Elephant One if they:-

- are in persistent arrears or have been persistently late in paying rent or service charges during the past 5 years prior to a possible offer to rent a unit;
- are unable to present three years trading history;
- are unable to post a financial covenant of four month's rent.

Further business support will also be given to those Traders who do not wish to relocate to any of the three relocation premises, but who do wish to relocate elsewhere.

The Developer and the Council will review the applications collated by the Advisor at the end of the process, and the Developer will take the final decisions on Castle Square and Elephant One and the Council will take the final decisions on Perronet House.

Within a pre-determined timeframe from closure of the Application Process, Traders will receive written notification of the outcome of their application, and where the relevant property owner has agreed to lease a unit to a Trader, that Trader will be provided with confirmation of the position. If no unit is to be leased to a Trader as part of the Application Process, Traders will still have access to the Relocation Fund to facilitate other private relocation options, as advertised in the database of opportunities or sourced via other routes.

9. Trader Consultation

The Traders have been consulted on the principles of governance, and the Application Process of the Relocation Fund. Focus groups have been held by The Advisor and this consultation has taken place in the context of the Relocation Fund and its stated purpose and how the Relocation Fund can be accessed. Discussions have also taken place on how to resolve the possible situation where more than one Trader applies for the same unit which have been reserved for The Traders. The Traders have provided an indication they are in agreement with the general principles of governance as well as the Application Process.

Following these focus groups, The Advisor has then undertaken a survey of all Traders individually, discussing the matters arising from the groups thereby enabling The Traders to have further input into the process of the Fund.

Trader consultation will continue through the Trader Panel.

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TERMS OF REFERENCE OF THE TRADER PANEL FOR THE SHOPPING CENTRE TRADER RELOCATION PROCESS

At least six months prior to closure of the Shopping Centre (The Development), the Trader Panel and its membership shall be approved by the Southwark Council (The Council). Membership of the Trader Panel shall include the following representatives:

- Darren Merrill – Chair – Labour Ward Councillor;
- Maria Linforth-Hall – Liberal Democrat Ward Councillor;
- Six representatives from independent businesses (Traders) within the Redline of the Application Site (ideally, one representative from the arches, one from the market traders, and three from the shopping centre); and
- Two representatives from the Developer.

At each meeting of the Trader Panel, Council Officers and Tree Shepherd will be invited to attend and to assist the Trader Panel in its consultative role. In addition, Latin Elephant to be invited to attend the meetings if the Trader Panel are in agreement for them to do so.

The Trader Panel will hold a consultative role during the implementation of the Relocation Strategy including to:

1. Seek to maximise the opportunities that the Development will provide to local retail businesses;
2. Liaise with the Council and the Independent Business Advisor (Tree Shepherd) to provide input from Local Independent Operators on the bidding and allocation process for Affordable Retail Units within the Elephant and Castle area and as part of the Development; and
3. Liaise with the Council and the Independent Business Advisor to provide input from the Local Independent Operators on the process for applying for monies from the Relocation Fund.

The Trader Panel will hold an oversight and monitoring role during the implementation of the Relocation Strategy including to:

1. Receive regular updates from the Developer on a database of available vacant retail premises within the town centre area suitable for the Local Independent Operators;
2. Receive regular reports from the Council and the Independent Business Advisor on the distribution of payments from the Relocation Fund; and
3. Receive regular reports from the Council and the Independent Business Advisor on successful bids and consequent allocation of Affordable Retail Units.
4. The Trader Panel will consult with the Council, the Independent Business Advisor, and the Developer on relevant issues from the Development which affect Local Independent Operators.
5. The Trader Panel will not have access to confidential, commercial or personal data regarding Local Independent Operators and will have no direct role in the allocation of funds or units to businesses.
6. The Trader Panel is anticipated to meet:
 - Monthly from its establishment (the aim is to have the first meeting on 15th November 2018), until 3 months after the closure of the Shopping Centre and thereafter;
 - Quarterly until 6 months following Practical Completion of the retail provision (Use Class A1-A4) on the West Site, unless the Parties (Southwark Council, the Independent Business Advisor, and the Developer) agree at any earlier date that the Trader Panel is no longer required.
7. Action points from meetings to be recorded by the Developer and circulated for agreement to the Chairman of The Trader Panel