

Dear Vikki,

Please see below Latin Elephant's consultation response based on the Addendum for Castle Square Application, published on Friday 4 January. And please refer to attachments for further documentation.

The application for Castle Square is a scheme we welcome and believe it necessary in the context of the potential loss of the Elephant and Castle Shopping Centre and adjacent retail spaces. However, after carefully reading the latest report and addendum, Latin Elephant would like to further raise some concerns in order to achieve improvements in this application.

1. The Applicant must provide Castle Square as an S106 obligation of the Shopping Centre approval.
2. In turn, the Castle Square facility must give *'adequate mitigation for businesses affected by the planned redevelopment ... to justify building on an area of public realm'* (Officer's report 18/AP/2108, paragraph 64 – our emphasis). We note that this is an obligation that falls solely upon Castle Square and not upon any other sites.
3. Castle Square is the only purpose-built facility among all relocation sites and the only one that could potentially increase in size.
4. As such, Castle Square as it stands is not adequate on these counts:

**-Units**

- i) Castle Square can only offer 26 units (See 'Explanation slides').
- ii) Only up to 84 units could be available across all relocation sites (See 'Relocation slides')
- iii) Latin Elephant can give evidence of at least 99 eligible independent traders currently operating in the area (See 'Tables')
- iv) Consequently, Castle Square should have at least 41 units ( $99-84+26=41$ )

**-Retail area**

- v) Castle Square can only offer 461 sq m GIA based on a the 26-unit scenario (Refer to 'Castle Square Area Breakdown' and item 4i)
- vi) Only 2,263 sq m of retail floorspace could be available across all relocation sites (See 'Relocation slides')
- vii) The total retail area of all independent traders amounts to a minimum of 3,462 sq m (See 'Tables')
- viii) Consequently, Castle Square should offer at least 1,660 sq m ( $3,462-2,263+461=1,660$ )

5. We note that no structural report has been provided that proves the floor of the square cannot support heavier loads than the current scheme, i.e. a bigger market.
6. We note that no architectural evidence has been provided that demonstrates a facility larger than the current scheme cannot fit in the square while allowing for its use as public realm.

7. In sum, Castle Square as it stands does not provide 'adequate mitigation' as part of a number of relocation sites. Therefore, the justification for building on an area of public realm would be only met if it can accommodate the necessary number of traders set above.

## 8. Rent levels.

i) The Addendum (7 January 2019) does not clarify inconsistencies on paragraph 42 of the officer report. It still remains unclear why some businesses have been disregarded when making the calculation for rent levels of existing independent traders.

Eligibility criteria for Castle Square (paragraph 32) includes "all existing, independently-owned retail businesses, traders, kiosk holders, restaurants and market stall holders on the east site who occupied any part of the east site on 3rd July 2018 and which continue to occupy any part of the east site at the date of the grant of permission for the main shopping centre redevelopment". Also, the developer expressed during last Planning Committee that if larger businesses were willing to relocate to Castle Square they can take a double or a triple modular unit.

As a consequence, if all existing independent businesses qualify and the developer underlines the "flexibility" of units to accommodate any type of business, it remains unclear why over 80 current independently-owned businesses were excluded from the calculation for rent levels.

ii) Paragraph 8 of the Addendum ratifies the figure of £65.06 per square foot for the average rent of 18 units of up to 600 square feet in size which was provided by the applicant (Addendum, Para. 6). Research carried out by Elephant and Castle Traders Association and Latin Elephant has identified a total of 19 independently-occupied units with less than 600 sq ft. Of these, at least 10 pay a range from £16 to £58 with an average of £38 per square foot.

It follows that a considerable number of the 18 units taken into account for the average rent will not only not pay less in Castle Square (Addendum, Para. 8) but in some cases even pay significantly more than they currently pay per square footage.

Furthermore, paragraph 43 of the officer report claims that "...if occupiers of larger shopping centre units were able to adjust their business to a smaller Castle Square unit, their occupancy costs would be lower in all cases" (our emphasis). This information is inaccurate and not substantiated. If the Council's rent calculation would take into account all those independently-owned businesses larger than 600 square feet in size and who are also eligible to apply for units at Castle Square, it will arise that a significant number of existing businesses would be paying more in Castle Square than they currently pay, per square footage.

In consequence, the proposed values of discounts stated in paragraph 42 (45% on the ground floor units, 56% on the first-floor units and 27% on the second-floor units) are overestimated. For these figures to remain accurate we propose an amendment by the Applicant to the proposed rent values for Castle Square in paragraph 40, so that these are properly reflected against the current average rent paid by independent businesses.

iii) Information presented in paragraphs 11, 12 and 13 is insufficient, since legal officers were only able to broadly verify rent levels for a small number of the 16 traders who selected Castle Square as their first choice, and second choice; and couldn't confirm how much rent is being paid by the 8 traders who selected Castle Square as their third choice.

Best regards,

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