

Item No.	Classification: OPEN	Date: 8 JANUARY 2019	Meeting Name: DELEGATED
Report title:	Development Management planning application: Application 16/AP/4458 for: Full Planning Permission Address: SHOPPING CENTRE, ELEPHANT AND CASTLE AND LONDON COLLEGE OF COMMUNICATIONS, LONDON SE1 Proposal: Phased, mixed-use redevelopment of the existing Elephant and Castle shopping centre and London College of Communication sites comprising the demolition of all existing buildings and structures and redevelopment to comprise buildings ranging in height from single storey to 35 storeys (with a maximum building height of 124.5m AOD) above multi-level and single basements, to provide a range of uses including 979 residential units (use class C3), retail (use Class A1-A4), office (Use Class B1), Education (use class D1), assembly and leisure (use class D2) and a new station entrance and station box for use as a London underground operational railway station; means of access, public realm and landscaping works, parking and cycle storage provision, plant and servicing areas, and a range of other associated and ancillary works and structures.		
Ward(s) or groups affected:	North Walworth and St George's		
From:	Director of Planning		

Signed:

Date: 10th January 2019

**Simon Bevan
Director of Planning**

PURPOSE OF REPORT

- 1 To provide an update on planning and equalities implications on the Elephant and Castle Shopping Centre application (reference 16/AP/4458) following the 3rd July 2018 Planning Committee resolution to grant permission.

BACKGROUND INFORMATION

- 2 On 3rd July 2018 the Council's Planning Committee resolved to grant planning permission subject to conditions and the applicant entering into an appropriate legal agreement by no later than 18 December 2018, and subject to referral to the Mayor of London, notifying the Secretary of State, and subject to a decision from Historic England not to list the shopping centre for the following development:

Phased, mixed-use redevelopment of the existing Elephant and Castle shopping centre and London College of Communication sites comprising the demolition of all existing buildings and structures and redevelopment to comprise buildings ranging in height from single storey to 35 storeys (with a maximum building height of 124.5m AOD) above multilevel and single basements, to provide a range of uses including 979 residential units (use class C3), retail (use Class A1-A4), office (Use Class B1), Education (use class D1), assembly and leisure (use class D2) and a new station entrance and station box for use as a London underground operational railway station; means of access, public realm and landscaping works, parking and cycle storage provision, plant and servicing areas, and a range of other associated and ancillary works and structures.

- 3 In accordance with the Planning Committee's resolution, the Director of Planning has the authority to refuse planning permission, if appropriate, if a legal agreement has not been entered into by 18th December 2018.
- 4 This report provides an update in relation to planning and equalities issues in the intervening period between the Planning Committee resolution of 3rd July 2018 and the grant of planning permission, which is likely to take place on the 9th, 10th or 11th of January 2019.

Update regarding the National Planning Policy Framework (NPPF)

- 5 Following the 3rd July 2018 committee resolution a new NPPF was published on 24th July 2018. Officers have reviewed this document and do not consider that it requires a new assessment of the application or the officer recommendation to be altered or changed.

Update regarding the London Plan

- 6 Following the 3rd July 2018 committee resolution minor suggested changes to the London Plan were published on 13 August 2018 and an Examination in Public (EIP) is scheduled to begin on 15 January 2019. However, given that the plan has not yet been to an EIP it can only be attributed limited weight at present, therefore this is not considered to be a new material consideration following the committee resolution.

Referral to the Greater London Authority (GLA)

- 7 The application was referred to the GLA on 29th November 2018 and the GLA published its stage II response dated 10th December 2018 authorising the Council to determine the application.

Affordable housing provisions

- 8 Following the Planning Committee resolution and as part of its stage II response, the GLA requested that the s106 agreement includes a clause requiring any additional grant funding secured for the scheme to be used to improve the affordability of the discount market rent units, making them affordable to households on incomes of up to £60k rather than the £90k which was referred to in the officer report to the Planning Committee.
- 9 A clause to secure this has been included in the s106 agreement and would allow for the affordability of these units to be improved in the event that such funding is secured. If funding is secured, a Deed of Variation (DOV) to the s106 would be required setting out what the precise changes to these units would be. This would be a positive change in a number of respects, including in relation to equalities, but is not considered to be a new material consideration at this stage as it is not known whether any additional funding has been secured.

Affordable retail provisions

- 10 Following the Planning Committee resolution and as part of its stage II response the GLA requested that the affordable retail terms within the s106 agreement be increased from 5 years to 15 years, and a clause to secure this has been included in the s106 agreement. This would be a positive change, including in relation to equalities, but is not considered to be a new material consideration.

Notifying the Secretary of State

- 11 There is no requirement for the Council to formally **refer** the application to the Secretary of State **before** a decision on the application is made under the Town and Country Planning (Consultation) (England) Direction (2009). The resolution to notify the Secretary of State was therefore not necessary.
- 12 However, in order to give effect to the Planning Committee resolution, the Secretary of State was **notified** of the Council's resolution to grant permission by way of a letter dated 5th December 2018 sent to the National Planning Casework Unit. Confirmation was received from the National Planning Casework Unit on 13th December 2018 that no further action is required at this stage. When permission is granted the Council must notify the Secretary of State under Regulation 24 of the 2011 EIA Regulations, and this will be undertaken.

Undesignated heritage assets

- 13 On 23rd October 2018 Historic England informed the Council that Certificates of Immunity (COI) from listing for the Elephant and Castle Shopping Centre together with Hannibal House (reference: 1458415) and The Coronet, 28 New Kent Road (reference: 1458416) which both form part of the application site had been granted.

Report on the Socio-economic value at the Elephant and Castle

- 14 This report is attached as Appendix 1 and is a research collaboration between Latin Elephant, Loughborough University, and the London School of Economics and Political Science. It supplements existing research carried out by Latin Elephant regarding the spaces and practices of trade at Elephant and Castle, and expands upon the spatial, social and economic value of micro-economic and independent retail activity at Elephant and Castle Shopping Centre and argues for its recognition in the current redevelopment process.
- 15 This report has been reviewed by officers and does not raise any new material planning considerations or equality implications which would warrant officers needing to refer the application back to Planning Committee. It is considered that the equalities analysis provided in paragraphs 157-244 of the officer report to the Planning Committee still stands.

Castle Square

- 16 On the 3rd July 2018 the Planning Committee also resolved not to complete the s106 agreement for the Elephant and Castle Shopping Centre application until the applicant had acquired a land interest in and planning permission for temporary retail space at Castle Square. Since the date of the Planning Committee resolution the applicant has confirmed that it has a sufficient land interest in Castle Square and the planning application was considered by Planning Sub-Committee B on Wednesday 12 December 2018. At that meeting Members resolved to defer the Castle Square application pending further analysis of the rents by officers. A reconvened Planning Sub-Committee B meeting took place on 7th January 2019 and the committee resolved to grant temporary planning permission subject to a s106 agreement and conditions.
- 17 As stated in paragraph 2 above, the Director of Planning had discretion to refuse planning permission if the s106 agreement had not been entered into by the 18th December 2018. Due to the Castle Square application being deferred on the 12th December, the s106 agreement has been unable to be completed by the 18th December deadline. As the applicant has negotiated a s106 agreement with the Council and the agreement has been prepared and executed by the applicant, the applicant's lender, University of the Arts of London and Transport for London, with just the Council needing to execute, the Director of Planning did not consider it appropriate to refuse planning permission in these circumstances where the delay is outside of the applicant's control. This is within the terms of the Planning Committee's resolution to grant planning permission and is not considered to be a new material planning consideration.

Conclusion

- 18 It is concluded that since the Planning Committee resolution and the grant of planning permission which is now imminent, no new equality impacts have been raised. Although the new NPPF has since been published which is a material consideration, it does not require a new assessment of the application or for the officer recommendation to be altered or changed.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

N/A.

REASONS FOR LATENESS

N/A.

REASONS FOR URGENCY

N/A.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Site history file: TP/1512-Q Application file: 16/AP/4458 Southwark Local Development Framework and Development Plan Documents	Chief executive's department 160 Tooley Street London SE1 2QH	Planning enquires telephone: 020 7525 5403 Planning enquires email: planning.enquiries@southwark.gov.uk Case officer telephone:: 020 7525 5410 Council website: www.southwark.gov.uk

APPENDICES

No.	Title
Appendix 1	Consultation undertaken
Appendix 2	Consultation responses received

AUDIT TRAIL

Lead Officer	Simon Bevan Director of Planning		
Report Author	Victoria Lewis		
Version	Final		
Dated	8th January 2019		
Key Decision	No		
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic director, finance & corporate services	No	No	
Strategic director, environment and leisure	No	No	
Strategic director, housing and community services	No	No	
Director of regeneration	No	No	
Date final report sent to Constitutional / Community Council / Scrutiny Team			



SOCIO- ECONOMIC VALUE AT THE ELEPHANT AND CASTLE

AUGUST 2018



Loughborough
University
London



Department of
Sociology Cities Programme ■

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Socio-Economic Value at the Elephant & Castle Report, August 2018

A research collaboration between Latin Elephant, Loughborough University and the London School of Economics and Political Science.

Authors: Julia King, Research Fellow; Suzanne Hall, Associate Professor; Patria Roman-Velazquez, Senior Lecturer; Alejandro Fernandez, Research Assistant; Josh Mallins, Research Assistant; Santiago Peluffo-Soneyra, Research Assistant; Natalia Perez, Research Assistant.

The data for this study draws on field work undertaken by Latin Elephant and LSE Researchers in 2018. It supplements more extensive survey work undertaken by Loughborough University and Latin Elephant in 2017. All figures included in this report were generated as part of this fieldwork in 2018.

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INTRODUCTION

'Socio-Economic Value at the Elephant and Castle' is a collaborative research project between Latin Elephant, Loughborough University and the Cities Programme at the London School of Economics and Political Science. The project supplements the existing research conducted by Latin Elephant on the spaces and practices of trade at the Elephant and Castle Shopping Centre (Figure 1), which highlights the role of ethnic minority and migrant transactions. This report expands on the spatial, social and economic value forged by micro-economic and independent retail activity at the Elephant and Castle Shopping Centre and argues for its recognition in the current redevelopment processes. A draft of this report was supplied as additional evidence supporting Latin Elephant's 'Objection to Planning Application, Elephant and Castle Town Centre and LCC Campus at the EC (ref: 16/AP/4458)' in July 2018. Following Southwark Council's Planning Committee approval of Delancey's plan to demolish the Elephant and Castle Shopping Centre as part of wider regeneration plans, the application will be analysed by the Mayor of London, Sadiq Khan, for final approval by the Greater London Authority (GLA). This report provides additional evidence to the existing advocacy of Latin Elephant that calls for the GLA to protect the 130 independent, largely BAME traders who are currently within the red line designation for development. The report highlights the need for a wider recognition of the importance of protecting affordable workspace in the context of current regeneration and displacement processes in London.

Method

The key research questions focus on:

1. Who is disproportionately affected by the redevelopment of the Elephant and Castle Shopping Centre? Specifically, how has the redevelopment process been experienced by traders within the Shopping Centre?
2. What are the socio-economic and cultural practices of exchange within and between the shops? This includes shifts in tenure variations, gender and employment relations and forms of economic resilience.

Our method aims to:

- Build on the existing survey of traders conducted by Latin Elephant through detailed interviews with selected traders;
- Undertake additional spatial mapping of the Elephant and Castle Shopping Centre, including an inventory of shop sizes and shop uses (Figure 2);
- Draw on Borough and London wide data on current work and employment patterns.



Fig 1. Location of Elephant and Castle within Southwark Borough; and Greater London.

Key focus

This research report engages with **what constitutes affordability** in the redevelopment of the Elephant and Castle Shopping Centre. It incorporates the current impacts of regeneration on traders, and brings issues of class and cultural diversity more centrally into the understanding of concentrated impacts of social change.

It outlines three key aspects core to the practice of trade in the Shopping Centre:

1. Diverse Infrastructure

The combination of people, spaces and activities that make up the life and livelihoods of the Shopping Centre.

2. Urban Networks

The connections between the Shopping Centre, the hub of public transportation, the density of tertiary education facilities, and the critical if diminished landscape of social housing.

3. The Cost of Regeneration

The consequences of protracted regeneration processes that cause significant stress for those who use and rely on the Shopping Centre as an affordable, cultural resource. This extends to how the functioning of business is undermined by uncertainty and the nature of compensation in the process of relocating the traders.



Fig 2. Use plan of the Shopping Centre in its local context.

WHY AFFORDABILITY IS ELEMENTAL TO UNDERSTANDING SOCIO-ECONOMIC VALUE

Principle:

Affordability is key to workspace and livelihoods and access to recreation and convenience activities. Proprietors and customers of the Shopping Centre constitute a diverse group of people in terms of age groups, ethnicities and income. In this context of mixed traders and mixed users the affordability of space, goods and services is the bedrock of the economic and social life of the Centre.²

- An assessment of what can be brought and experienced at the Shopping Centre reveals access to comparatively affordable goods and services.
- Affordability is key to who uses the Shopping Centre and the range of social value this entails. Places that provide affordable food, affordable Internet services, and a host of community services are core to social life.

In urban settings, affordability is always a related condition: residents of genuinely affordable homes, for example, require and support affordable recreation and retail in close proximity to their homes. It is therefore important to recognise affordable workspace in relation to affordable homes in Southwark:

- In 2001 total social housing amounted to 54.5% of housing stock in the Borough dropping to 41.9% in 2015 with marked reductions in socially rented units. From 2001 to 2011, the private rental sector had nearly doubled. The number of owned outright or with a mortgage was stable.³
- According to 2018 Land Registry Data the average property price in the borough of Southwark is £496,797 (Figure 3)⁴; according to the estate agent Foxtons in the area around the Shopping Centre it is £999,658, 56.8% above the London Average.⁵
- In 2015, the occupancy rates of social housing in Southwark were of 98- 100% except in Peckham and Walworth where 36% and 22% of the dwellings respectively are vacant. In the last ten years, the median housing prices have risen by 50% in the surrounding areas of the EC Shopping Centre.⁶ The physical change in the immediate surroundings of the Shopping Centre is visualised in Figure 4.

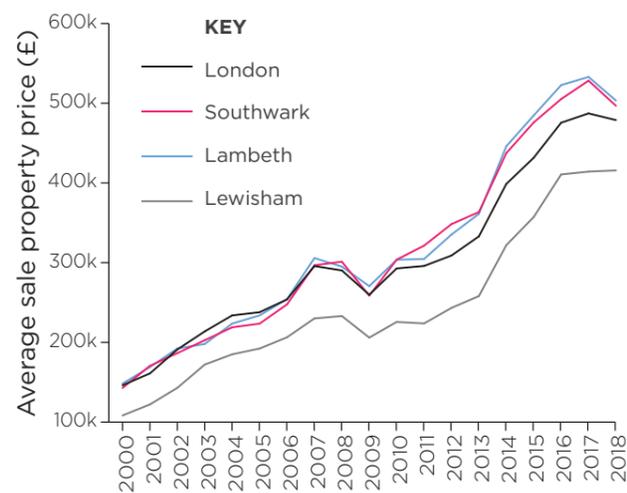
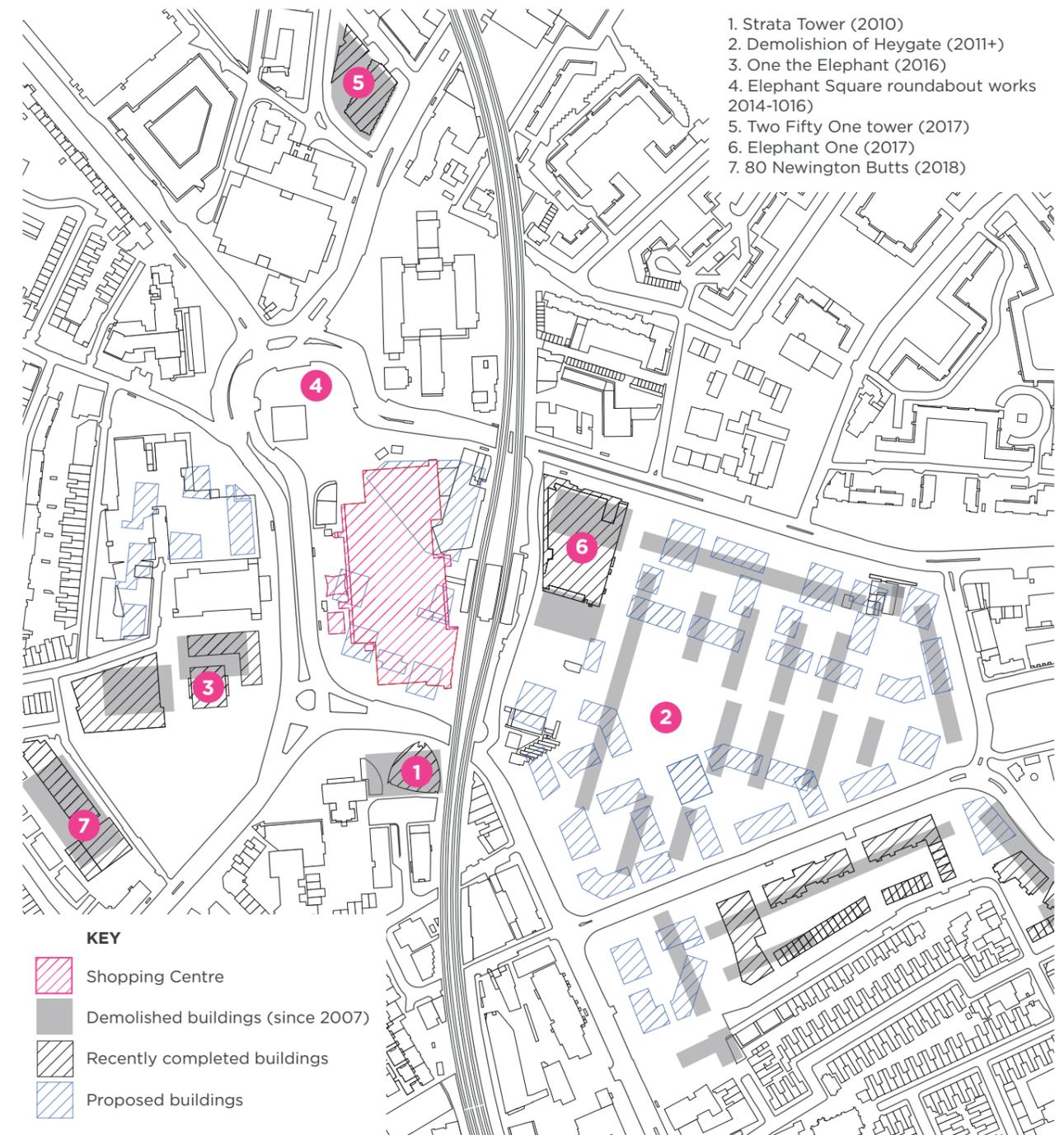


Fig 3. Average property price for Southwark, London and the neighbouring boroughs of Lewisham and Lambeth.



1. Strata Tower (2010)
2. Demolition of Heygate (2011+)
3. One the Elephant (2016)
4. Elephant Square roundabout works 2014-1016)
5. Two Fifty One tower (2017)
6. Elephant One (2017)
7. 80 Newington Butts (2018)

Fig 4. Changes to the built environment around the Shopping Centre and location of key transport infrastructure.

The need to prioritise and protect affordable dwellings is paramount, and it is crucial to simultaneously recognise that affordable workspaces are also under threat. Permitted development rights (PDR), which allows turning office space into

residential use continues to affect the amount of genuinely affordable workspace across London. Elephant and Castle is included in the Central Activities Zone (CAZ) and therefore excluded from PDR until 2019⁷. Affordable workspace in the New London Plan is defined as, “Affordable workspace is defined here as workspace that is provided at rents maintained below the market rate for that space for a specific social, cultural, or economic development purpose.” Policy E3 of the New London Plan (2017)⁸ states that:

- Particular consideration should be given to the need for affordable workspace: 1) Where there is existing affordable workspace on-site; 2) In areas where cost pressures could lead to the loss of affordable workspace for micro, small and medium-sized enterprises (such as in the City Fringe around the CAZ and in Creative Enterprise Zones); and 3) In locations where the provision of affordable workspace would be necessary or desirable to sustain a mix of business or cultural uses which contribute to the character of an area.
- Leases or transfers of space to workspace providers should be at rates that allow providers to manage effective workspace with sub-market rents.
- The affordable workspace elements of a mixed-use scheme should be operational prior to residential elements being occupied.

The disappearance of affordable workspace jeopardises the productive fabric of central London and precludes possibilities of a wider range of innovation and job creation. According to the New London Plan, the CAZ contains clusters of specialist activities that have developed organically over time. The Mayor has credited the importance of these forms of spatial clustering for creative industries in Soho, West End and the Barbican. The Elephant and Castle Shopping Centre is not identified as providing sector specialist activities but it has become a crucial economic and social anchor for comparatively low-entry retail and service activities. This has played an important role in including Latin American and other BAME communities in Southwark. It also highlights the need to recognise migrant and ethnic economies as a specialist economic sector to be supported and encouraged by London Plan policies.⁹

London has thrived on its openness to diverse talent, investment and trade. Of the 8.7 million people that live in the capital nearly 40% were born outside the UK. The Mayor’s office underscores that this diversity contributes to London’s cultural and economic strengths, and that migrant and minority communities make key contributions, where micro-economic activity is key. The Mayor has pledged to, ‘help start-ups and small businesses to grow by promoting access to affordable workspace, finance and business support’¹⁰ :

- 30% of SMEs established between 2009 and 2011 used an incubator or a co-working space.¹¹
- National government estimates that there are 1 million SMEs led by women, contributing a Gross Value Added (GVA) of £85 bn to the economy. The 300,000 BAME-led SMEs in the UK were estimated to contribute a GVA of £30 bn.¹²

- “The retail sector also employs more ethnic minorities than the average for all industries in London, with ethnic minorities making up around 35% of the retail workforce, compared to 20% in the rest of the economy. Additionally, ethnic minorities make up around 42% of the self-employed in retail; this is a very high level which contrasts with other sectors of the economy in which ethnic minorities are underrepresented, particularly in terms of self-employment”.¹³

The loss of affordable and independent retail space is situated in the wider national context of a significant shift in the growth of small-scale self-employment over the period from 2001 to 2017, in which independent retail is key.¹⁴ This reality jars with the loss of affordable workspace and migrant micro-economies in Southwark:

- Between 2013 to 2017, there was a 50% reduction in National Insurance Number applications among the nationalities that operate in the Elephant and Castle Shopping centre. The most affected national groups are Colombians (-66%) and Nigerians (-56%).¹⁵
- Between 2002 and 2012, retail workspace rateable value rose by 55%. Southwark was the borough where the prices of office space rose the most, 159%, almost three times inner London’s average of 51%. During the same period, the availability of retail space increased by 3% while the availability of office space increased by 20%.¹⁶
- The demand for retail floor space that the GLA has projected for the next 25 years is stagnant in the borough of Southwark with a reduction of in between -4,585m² and 23,316m². In Walworth Road, this reduction will mean an estimated loss of £5.650.000 in the estimated turnover.¹⁷

Within the GLA’s own framework the potential for the displacement of affordable workspaces that offer diverse forms of socio-economic exchange is of concern. The Elephant and Castle is a designated Opportunity Area (OA) as per the London Plan of March 2015. The theme 1 of the Supplementary Planning Document published by Southwark Council and the Mayor of London states that the redevelopment should ensure: “Renew business space in the area and encourage the development of an enterprise culture and inward investment by providing more opportunities for local people and small and medium-sized businesses (SMEs)”.¹⁸

Key considerations:

- **The systematic demise of affordability across London is a form of discrimination. Planning should actively regulate against the loss of genuinely affordable spaces to live and work, with regulation to protect affordable housing provision as well as affordable workspace.**
- **The unaffordable 80% market rental units should be replaced with the London Living Rent.**
- **A just relocation and compensation deal should be in place to protect the small independent traders within the boundary of the Elephant and Castle Shopping Centre planning application, and respect existing lease arrangements.**
- **The redevelopment plans should recognise the importance of the diversity of small and medium scale trading activities.**

1. DIVERSE INFRASTRUCTURE

1.1 Principle

The Shopping Centre hosts a rich combination of people, spaces and activities that make up the life and livelihoods of those who live and work there.

1.2 Findings

Social value: In interviews with proprietors at the Elephant and Castle Shopping Centre we note that all proprietors interviewed conducted some form of social value within the remit of their work. This factor connects with the highly invested role of independent proprietors:

- “There is a retired builder that passes here every day. The other day he didn’t and I phoned him. We went to his house, and he needed help. He spent one week in intensive care.”
- “I used to have a hairdressing school during the night. 10 or 15 years ago, there were only private schools. We opened the saloon to teach. It was free, no charge for that. I helped people learn hairdressing including deaf people.”
- “We are not just a food place. We are an information point. People come here and ask for a doctor or a bank. Some people even ask about other restaurants! It is kind of sad because if we moved to other places people may see it more difficult to come in.”

Scale of units: Spatial mapping reveals that retail practices operate from units ranging from 1.3m² to 88m² (Figure 5). This variety constitutes different forms of affordability from shared tenancies that allow for part time work, low-entry and hence affordable space, a stepping stone of different scales of space that allow for incremental growth:

- “I started by business by making coffee at home and selling it here. I then started selling food and bought this shop and then I expanded, and I recently just opened up another [London based] business.”

In addition to the variety of units there is also a variety in terms of uses from cafes to gaming shops; which despite decreases in footfall still cater for large numbers of customers from varied ethnicities.

Synergies between units: The high social and cultural capital found in Elephant and Castle Shopping Centre is generated by the intense clustering of units in one place. During interviews proprietors described the importance of the existing clustering such as smaller units next to, or adjacent to larger units such as the Santander Bank and Tesco. They also felt that this will be lost under the new plans with businesses relocated to various unconnected sites; some of which are in discreet locations with low footfall. 67% of interviewees reported losses to their business due to the closures of ‘anchor’ business:

- “I lost clients when the Santander closed. People came to the bank and then got a haircut. If the Tesco goes, I don’t know.”
- “We are quite well-known for helping people. We have people coming from the airport with their luggage! ... Once the shopping centre is gone, the commercial hub will be scattered.”

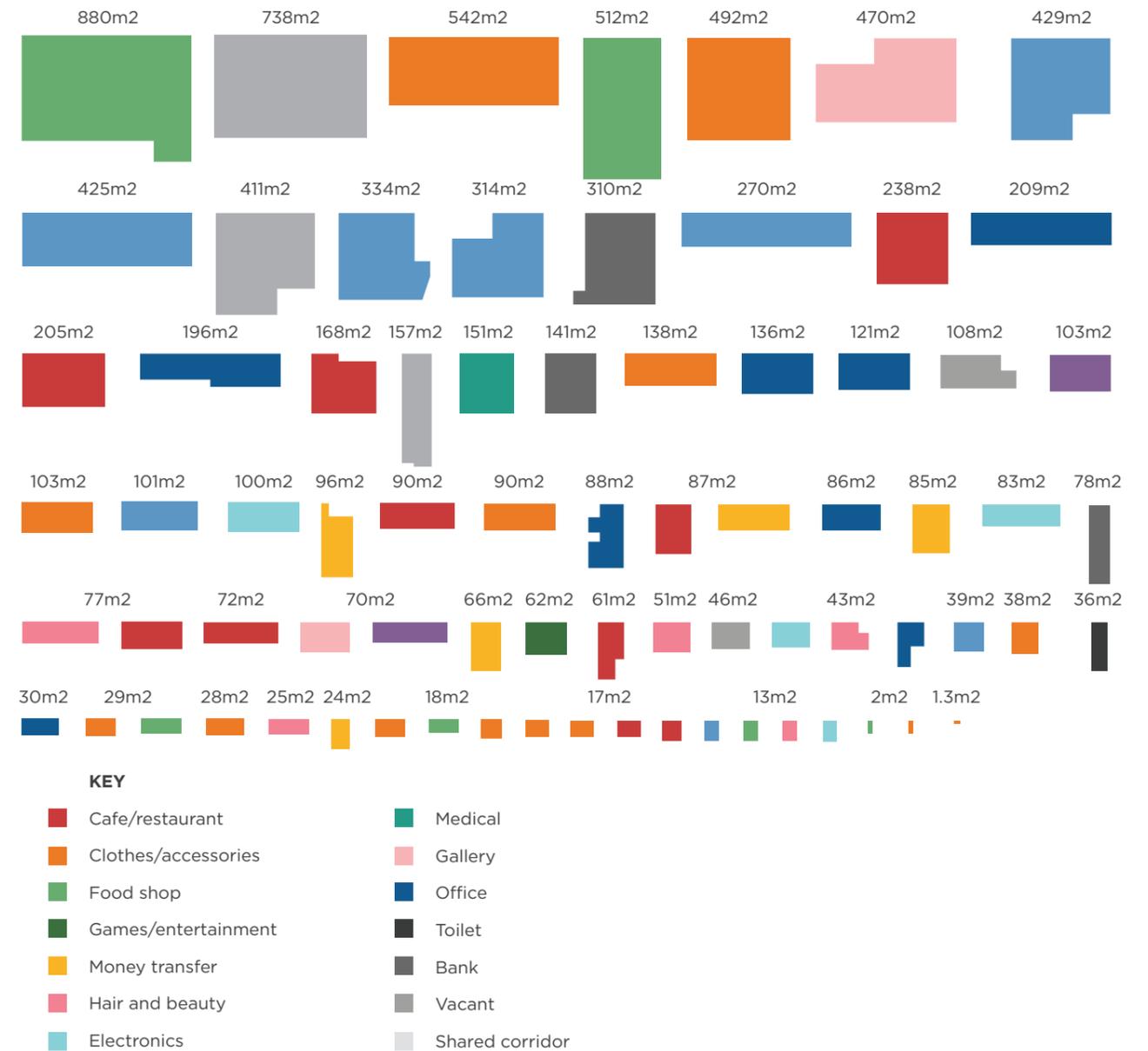


Fig 5. Range of units sizes and use. Note this drawing excludes the Bingo Hall & Bowling Alley and external market stalls.

1.3 Key Considerations

- Only 411 square metres have been made available for independent traders by Delancey. Traders currently occupy 4,005 square metres of floor space. This equates to the displacement of the majority of those businesses.
- The relocation plans should consider the value of how businesses and services work as clusters not simply as single entities.
- The relocation plan should consider the spatial and tenure diversity within the Shopping Centre.
- The relocation plans should ensure the economic viability of existing businesses including leases and diverse tenure arrangements.

2. URBAN NETWORKS

2.1 Principle

The economic vitality of the micro-economies at the Shopping Centre is integral to the hub of public transportation and the density of tertiary education in the immediate area (Figure 5).

2.2 Findings

Small Enterprises: The majority of interviewees described themselves as independent entrepreneurs and in the majority of the cases are the sole source of income for those who work there.

- **“We are one family with two businesses here. We have no other income but our shops. Since I’ve been in England, I have only been self-employed.”**

These businesses rely on the economic vitality of the area, specifically the location of the Shopping Centre as a transport hub for the area (Figure 6). Elephant and Castle has both an underground and over ground station and has 38 bus routes that stop in and around the roundabout. The Shopping Centre falls within a region with the highest PTAL rating (6b), a widely recognised way to measure connectivity to the public transport network. The 130 small independent traders who currently occupy 4005m² inside and around the shopping centre are being offered 411m² for immediate relocation with another 1050m² of affordable floor space by 2019. An additional 300m² are offered by Delancey but only if planning consent is approved. By 2019 the available affordable retail space will equate to 1461m², leaving a shortfall of 2,544m². These physical moves away from this connected hub will have a significant impact on the sustainability of these small and medium sized businesses.

Financial Loss: Many interviewees described how events such as the loss of social housing at the Heygate Estate, the closure of underpasses, lack of maintenance and other changes to the built environment have had, and continue to have, a dramatic impact on their businesses.

- In 2015, following a period of large-scale social housing demolitions the occupancy rates of social housing in Walworth were dramatically impacted: 1200 units at the Heygate alone were lost, and 22% of the dwellings were vacant in the ward.¹⁹

The impact of this has been felt in terms of custom (footfall) by the majority of proprietors interviewed:

- **“We are one family with two businesses here. We have no other income but our shops. Since I’ve been in England, I have only been self-employed.”**
- **“Now I get 20-25 people a day if I am lucky. I used to get 40-45 and on a good day 100. Now some days I get 5. Normally, in the weekend I was fully booked.”**

All proprietors interviewed, bar one, have had to let people go in recent years and since the announcement of plans for the proposed redevelopment of the shopping centre:

- **“I employ 4 women here. When these people arrived in England, I employed them. One is from Argentina, other Uruguay and two Colombians. We used to be 6. Now only 4.”**

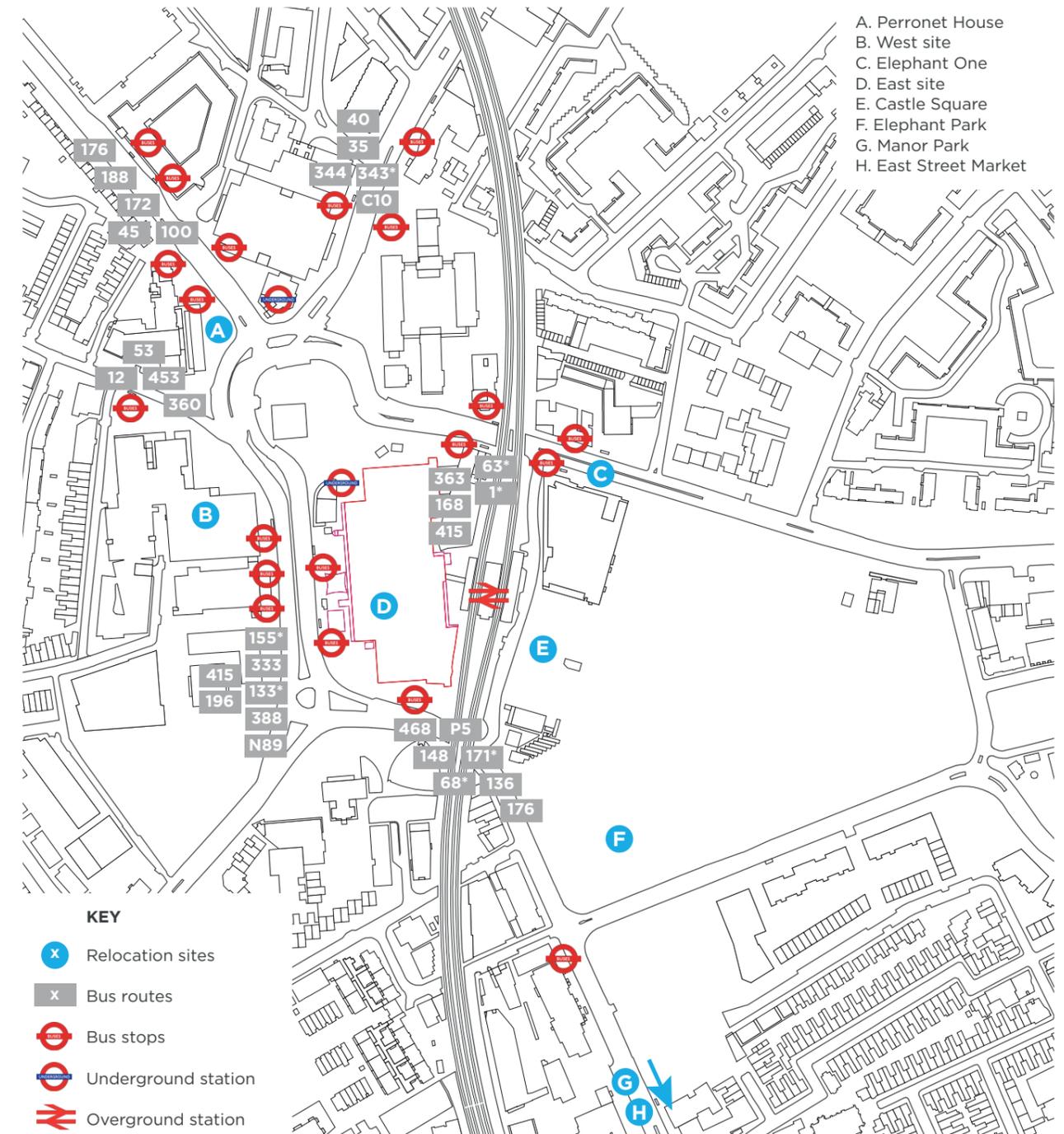


Fig 6. Changes to the built environment around the Shopping Centre and location of key transport infrastructure. *Indicates an additional night route.

2.3 Key Considerations

- **Establish a formal forum for property owners, managing agents and tenants from different surrounding institutions to exchange points of view, expertise and best practices to ensure a better understanding of the nature and range of small business practices.**

3. THE COST OF REGENERATION

3.1 Principle
Protracted regeneration processes cause significant stress and uncertainty, undermining the functioning of socio-economic exchange. Communication strategies are crucial, as are fair processes of compensation.

3.2 Findings

Uncertainty related to regeneration processes both internal and external to the Shopping Centre has a condensed set of impacts:

Financial Cost: Many businesses highlighted that since the Shopping Centre was earmarked for redevelopment there has been a gradual running down of the centre due to a lack of maintenance. Surveys revealed that although the environment of the Shopping Centre had been run down through limited maintenance, rental rates and services charges remained the same and in some cases increased:

- "I used to make £2000/week and now I am lucky to make £1000 but my rates and rent remain the same."
- "They broke the glass of my shop while cleaning. They have only put tape on it. No one has come to repair it. People now think their [possessions] are not safe here."

This should be understood as part of a wider conversation: The Mayor of London has denounced rises on business rates for SMEs as unfair when this is not in relation to their economic activities: "unfair on businesses for whom the increase in rateable value bears no reflection of the performance of their business".²⁰

Financial Stagnation: Many interviewees noted that the lack of information on the future of the shopping centre was a factor precluding adaptation and innovation:

- "I want to make my place beautiful. I want to buy new [furniture] but I don't know. If I move it would be very expensive to take them with me."

Sweat Equity and Long Term Investments: Surveys conducted by Latin Elephant reveal the Shopping Centre as a cluster of entrepreneurship that provides high-quality employment and socio-economic opportunities. Figure 7, based on data available from 36 respondents, charts when shops were established, ordered by age of the proprietor and a rough estimate of customers per day. 50% of these businesses have been established for over 10 years (since 2008) and of those 38% of the proprietors are in an age category of 50+ (which across all respondents is 41%). Corroborated by interviews conducted by the LSE this suggests that the economic landscape of the Shopping Centre is that which employs high numbers of people; however many shops have been affected, losing almost all employees. More work is required to understand the employment groups, and it is worth noting that a high portion of tenants of the Shopping Centre are women, as well as traders who have had long-term tenancies. This reflects the high level of investments traders have made over extended time periods, with, the average duration of tenancies is at 10 years.

- "Employment rates: In Southwark, the employment rate among people aged 16-84 decreased by 1.9% according to the 2017 annual population survey. Among ethnic minorities, this descent has been mitigated and it is 0.3%."²¹



Fig 7. Duration of shops, and rough number of employees ordered by age of proprietor.

3.3 Key considerations

- A consistent, clear and regular communication strategy should be in place over periods of transition.
- An enhanced relocation fund together with the details of the relocation strategy should be advanced.
- The relocation fund should cover not only the physical relocation costs but expand to the loss of custom, and should be cognisant of long-term tenants.
- The management company should ensure adequate maintenance of the premises and individual units, or offer compensation by way of reduced rentals.

CONCLUSIONS

This report has emphasised that **affordability** must be understood in the round – considering where we live, recreate and work. Affordable workspaces are characterised by low entry rentals, require a range of tenure types and floor plate sizes to grow and change, and are often highly networked in social and economic ways. The Elephant and Castle Shopping Centre plays an important role in the creative fabric of London. These businesses not only contribute through their high social and cultural capital they also offer accessible economic opportunities for employment, particularly for the elderly and women.

The **diverse infrastructure** of the Shopping Centre allows for businesses to grow incrementally and adapt to change. This diversity is supported by significant social value: every trader interviewed went beyond their ‘formal’ role by offering various forms of support and care to local residents.

The **urban network** within which the Shopping Centre sits speaks to the importance of locality and place. Our surveys revealed a direct relationship between transport and housing and economic vitality. The relocation plans should consider the interconnectivity of the urban fabric, and the economic viability that the Shopping Centre as a physical hub represents.

The **cost of regeneration** should take time into account. Despite notable decreases in services and maintenance provided by the Shopping Centre management rates and service charges have remained the same and in some cases increased. Coupled with uncertainty and lack of information businesses have born a financial burden over years. Uncertainty precludes businesses investment and innovation, and relocation plans will disproportionately effect the traders at the Shopping Centre many of whom are of BAME background, the sole earners for their families, women and elderly. They have made elemental contributions to the economic and social value of the Shopping Centre, yet their future remains precarious.

ENDNOTES

1 All participants in the surveys conducted by LSE will remain anonymous, as such any references to their shops and names have been removed.

2 We draw on our research conducted in the ‘High Streets for All’ report commissioned by the Mayor of London in 2017 to echo that: the shopping centre provides local and affordable economic opportunities; and the shopping centre promotes affordable social and cultural exchange significant for the elderly, young people and newcomers.

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19 Southwark Council, Social housing asset data (2015)

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