

**New Road, Rainham**

**Notting Hill Genesis**

# **Business Relocation Strategy**

**Version 3**

**02 January 2019**

## **1 Introduction**

- 1.1 This Business Relocation Strategy (the “BRS”) sets out how NHG will engage with those commercial occupiers wishing to relocate from New Road to an alternate location (the “Businesses”). The BRS also outlines the advice and assistance on relocation options to be offered to the Businesses by NHG and the London Borough of Havering (the “Council”).
- 1.2 NHG will work the owners of the Businesses to implement the BRS and assist in identifying relocation options for the Businesses in a way which minimises the impact and disruption arising from the need to relocate, so far as that is achievable. Where possible the aim will be to retain businesses within the borough boundaries, where this is their preference.
- 1.3 In addition the Council has appointed consultants, Enterprise Nation, who will act as business support provider to the businesses affected by the CPO process including relocation and who wish to diversify, grow or become more sustainable in their current operations.

The objectives are to provide:

- Support for all businesses
  - Business analysis support to identify future growth potential and business direction
  - Initial diagnostic assessment – understanding the needs of the business and what support they may require to be sustainable
  - A mixture of 1-2-1’s and workshops ( businesses may need more 1-2-1 support than workshops due to the sensitive nature of the situation)
- 1.4 The outcomes for this project will be:
- a. All businesses to receive a diagnostic assessment and up to 12 hours of support
  - b. Clear evidence of support that has helped the businesses to become sustainable in their relocation
  - c. Clear evidence of support for any business choosing to sell or close their business

## **2. Review of the Businesses**

2.1 To address the requirements of existing commercial occupiers and support the delivery of the BRS, NHG will undertake a comprehensive assessment of the current business occupiers at New Road. This will include:

- Identification of demand – reflecting occupiers requirements for alternative premises, both within and outside the borough
- Identification of supply – identifying available alternative options for premises within the Borough and neighbouring boroughs (or further locations which may be identified as suitable by the Businesses)
- Analysis and overview – an initial assessment of supply against demand, with identification of any significant issues and/or risks

2.2 As a starting point for this comprehensive assessment, the Council has undertaken an initial baseline review to ascertain the likely scale of demand for business relocation support. Information has been drawn from:

- Preliminary informational meetings with businesses and stakeholders
- Evolutive – a comprehensive commercial database managed by the Council
- The Valuation Office Agency Rating List

These details will be supplemented with updated, current details through continued engagement with commercial occupiers.

2.3 The review identified the following:

- The size and scale of existing occupied sites and premises at New Road
- Business sector insight
- Market knowledge of the current supply of sites and premises required

### **New Road Commercial Occupiers**

2.4 In total, it is intended to acquire circa 6.44 hectares (15.8 acres) of land at New Road. The land is in multiple ownership and mainly characterised by relatively low value, low density commercial and light industrial buildings. The commercial/industrial buildings generally have a negative visual impact, but support a number of good quality aspiring Businesses. There is also a range of other mixed uses, including residential uses and a members club. Many of the Businesses employ locally and benefit from their proximity to central London and the M25 motorway.

2.5 At present, up to 77 Businesses will need to be relocated as a result of the New Road regeneration proposals. Of these, 8 hold freehold interests and 69 are leaseholders.

### Businesses

2.6 The businesses can be categorised into sectors set out below:

<b>Type of Business</b>	<b>Number of Business</b>
Storage & Distribution	16
Manufacturing	7
Automotive Engineering & Repairs	26
Auto Sales	4
Car Washes	3
Others	21
<b>TOTAL</b>	<b>77</b>

A breakdown of the existing property requirements for the businesses is set out below:

<b>Size range</b>	<b>Number of businesses</b>	<b>% of total requirement</b>
0 – 5,000 sqft	64	83%
5,000 – 10,000 sqft	3	4%
10,000+ sqft	3	4%
Site only	7	9%
<b>TOTAL</b>	<b>77</b>	<b>100%</b>

2.7 Business Rates generated from the Businesses is estimated to be £650,000 - £725,000.

### The Silver Hall Social Club (SHSC)

2.8 In addition to the Businesses, NHG will also engage with the SHSC to explore relocation options with its members. In collaboration with SHSC, NHG and the Council will conduct a detailed alternative site search, and will continue to consider suitable options should new sites become available. A full feasibility study for any sites deemed operationally suitable will be undertaken, to appraise the financial, operational and planning implications.

## **Community Resources**

2.9 In addition to Businesses, the initial assessment of operations in the area have identified the following operators which are deemed to be considered as providing a community resource:

- The Redeemed Christian Church of God of Kings Community Centre;
- Rainham Food Bank;

The Council will lead on engagement with these facilities, supported by Ardent. The Council will develop an area wide place-making strategy which will inform the support that could be provided to these facilities. Through consultation and engagement, should further community resources be identified, these will be considered by the Council who will direct the bespoke approach.

### 3. Sites and Premises – Current Assessment of Supply

3.1 The Council's Development Service maintains a comprehensive database of all commercial premises and sites available in borough.

3.2 An indication of all commercial premises currently available in the London Borough of Havering, as at July 2019, is set out below<sup>1</sup>. However, it should be noted that this encompasses all classes of commercial premises and only a proportion (circa 40%) of the available accommodation would be suitable for the New Road Businesses:

Size range	Number of sites
0 – 5,000 sq.ft	225
5,000 – 10,000 sq.ft	54
10,000+ sq.ft	60
Site only	8

3.3 The current supply of freehold premises within the borough is scarce and so both freehold and leasehold premises have been identified. Freehold relocation premises outside of Havering are also being identified. The current availability of freehold premises in Havering as at July 2019 is given below:

Size range	A2 Office	B1/B2 Industrial	B1 Office	B8 Storage & Distribution
0 – 5,000 sqft	5	8	0	0
5,000 – 10,000 sqft	0	1	1	1
10,000+ sqft	0	4	0	0
Site only	0	0	0	0

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3.4 There are two strategic industrial locations located within the London Borough of Havering, in Harold Hill and Rainham. SEGRO, the development partner chosen by the GLA, are developing over 46 acres of commercial land in Rainham which will offer an opportunity for businesses whose requirements match those of the sites available. Details of interested businesses will be passed to SEGRO to progress discussions further.

3.5 Relocation premises outside of the London Borough of Havering are also being identified. Thurrock currently has a good supply of industrial space varying in size, both

<sup>1</sup> Figures from Evoluteive. Cumulative figures for each type of site

leasehold and freehold. London Borough of Barking and Dagenham also have a number of available industrial units but mainly over 6,000 square feet and only leasehold.

#### Thurrock Freehold

Size range	A2 Office	B1/B2/B8 Industrial	B1 Office
0 – 5,000 sqft	2	4	3
5,000 – 10,000 sqft	0	7	1
10,000+ sqft	0	17	0
Site only	0	6	0

#### Thurrock Leasehold

Size range	A2 Office	B1/B2/B8 Industrial	B1 Office
0 – 5,000 sqft	12	0	3
5,000 – 10,000 sqft	4	2	1
10,000+ sqft	1	1	0
Site only	0	1	0

#### Barking & Dagenham Freehold

Size range	A2 Office	B1/B2/B8 Industrial	B1 Office
0 – 5,000 sqft	0	7	0
5,000 – 10,000 sqft	1	4	0
10,000+ sqft	1	14	0
Site only	0	1	0

#### Barking & Dagenham Leasehold

Size range	A2 Office	B1/B2/B8 Industrial	B1 Office
0 – 5,000 sqft	4	32	13
5,000 – 10,000 sqft	2	25	0
10,000+ sqft	1	42	2
Site only	0	3	0

#### **4 Relocation Options Appraisal**

- 4.1 Initial analysis of likely demand and potential relocation sites suggests that although some opportunities exist, which may meet the requirements of the New Road Businesses, there is a shortage of immediately available alternative sites.
- 4.2 This BRS does not consider any differences in rental or freehold value between the current and alternative sites. Further consideration of this issue may be required as there could be a difference in some cases.
- 4.3 Interaction with neighbouring Boroughs and Districts will be required to identify suitable alternative sites within a reasonable distance. An early assessment of potential sites in neighbouring areas will be undertaken.
- 4.4 The following factors will be considered when assisting occupiers to identify sites for relocation:
- i. Customer base and location
  - ii. Current and proposed tenure type
  - iii. Preferred tenure (freehold/ leasehold)
  - iv. Size
  - v. Access requirements
  - vi. Employment contribution to local economy
  - vii. Transportation requirements
  - viii. Current site use and intensification
  - ix. Individual business and investment plans
  - x. Planning class use requirements
  - xi. Preferred location
  - xii. Specialist requirements bespoke to a particular business
  - xiii. Specialist employee needs (location, car parking, accessibility, etc.).
- 4.5 Concurrent to this business relocation strategy, the Council is carrying out an EqIA assessment which also seeks to identify if business operations provide services aimed at or disproportionately serving protected characteristic groups. This assessment will seek to make recommendations for implementation which will be implemented by the Council to supplement this Strategy.

## **5 Business Relocation Approach**

- 5.1 NHG supported by the Council will take early action to engage with all of the Businesses in order to ascertain their relocation requirements. These requirements will be agreed with the Businesses in the form of a relocation pro-forma detailing relevant criteria such as location, size, preferred tenure, yard/parking requirements, etc. (refer to list at 4.4 above). This engagement will serve to update the current baseline level of information obtained and ongoing engagement will be carried out with Businesses to capture any potential changes in requirements. Ardent management, acting as NHG's agent, will develop and maintain a bespoke relocation plan for each of the Businesses which will be based on the outcome of the needs assessments. The approach will also ensure that the needs of a specific business are taken into account rather than adopting a "one size fits all" approach.
- 5.2 So far as it is achievable, Business relocations will be staggered to ensure the managed relocation of businesses from New Road over as long a period as possible. The New Road regeneration programme will be undertaken over a period of 7 years and the BRS will take that into account. Where Businesses occupy land that is not required for immediate development, NHG and the Council will work with them to agree the terms of their continued occupation until such time as their land is needed. Businesses will be advised at an early stage of when they might need to relocate in order to provide them with certainty around this issue. A "not before date" confirming the earliest date when their land is required will be advised to Businesses. A flexible approach will however be adopted and should Businesses wish to relocate ahead of the "not before date" efforts to facilitate this will be made.
- 5.2 Ardent Management will be the property advisor appointed by the NHG to identify potential relocation opportunities and lead on freehold and leasehold negotiations with the Businesses. Ardent Management have good links with local commercial property agents and will use its contacts to ensure the Businesses are kept fully advised of all suitable alternative properties on the market. Businesses will also be made aware of any new properties that come on to the market that meet their particular requirements at the earliest possible opportunity. This will be supplemented with continuous reviews of the Council's and neighbouring boroughs vacant sites databases noted in Section 3 above.
- 5.3 NHG with the support of the Council and Ardent Management will undertake meetings/interviews with all Businesses in order to ascertain their specific circumstances and relocation requirements.

- 5.4 In addition, where freeholds are purchased with occupational tenancies in place, following completion of the purchase of freeholds, NHG will write to occupying tenants introducing themselves as the new Landlord. This will provide contact details for tenants to contact should they have any tenant queries.
- 5.5 In order to implement the BRS, NHG, the Council and Ardent Management will engage proactively and constructively with the Businesses over relocation issues where relevant and will:
- i. Produce a comprehensive and ongoing assessment of the Businesses' needs and requirements.
  - ii. Produce a comprehensive and ongoing assessment of current alternative sites.
  - iii. Ensure accurate record keeping of dialogue with the Businesses
  - iv. Sensitively and effectively manage the relocation process, to ensure that disturbance to the Businesses is minimised, offering effective support measures where available
  - v. Work effectively with commercial agents, consultants, surveyors, landowners, developers, Local Enterprise Partnerships and other identified relevant organisations to ensure effective, up-to-date and reliable information is available. This will cover the London Borough of Havering and the surrounding Boroughs and Districts.
- 5.6 By gaining an understanding of a particular Business' circumstances the aim is to ensure that any relocation solutions offered are the best available to meet its ongoing business needs and accommodation requirements.
- 5.7 The level of support available will differ according to the requirements of each individual business, and may include some of the below elements set out below:
- i. Assistance in identifying an appropriate alternative site within the London Borough of Havering
  - ii. Assistance in identifying an appropriate alternative site in neighbouring boroughs and districts (or alternative locations), where preferred
  - iii. Access to the Evolutive database
  - iv. Business analysis support to identify future growth potential and business direction
  - v. Keeping businesses informed on progress with finding relocation premises that meet their requirements, and where "first choice" premises not available carrying out further engagement with Businesses to determine whether certain elements of their requirements could be adapted.
- 5.8 The Council will publish on it's dedicated website ([www.rainhamandbeambark.co.uk](http://www.rainhamandbeambark.co.uk)) details of support available to businesses and their employees, in particular support that may be required for business owners/ employees requiring extra assistance, such as

Government and Council initiatives. The Council will review and maintain these details over the life of the project.

- 5.9 Additional financial support may be offered to businesses in advance of taking possession to facilitate the business to relocate. This may include:
- i. Payment of reasonable interim professional fees to assist with site searches. Fees will need to be agreed in writing with NHG and the Council prior to an advisor's instruction
  - ii. Early acquisition and leaseback of a business' existing site to allow a new property to be acquired and prepared for use while the business continues to operate at its current premises.
  - iii. The agreement of an option to provide the certainty of an agreed purchase price for an existing property once alternative premises have been identified and need to be acquired.
- 5.10 Once relocation premises have been identified and a business has submitted a claim for compensation, Ardent Management will provide an initial analysis of the claim within ten working days in order to provide early clarity over NHG and the Council's position with respect to compensation payments.
- 5.11 Working with NHG, Ardent and the Rainham and Beam Park Regeneration LLP, the Council will explore the feasibility of acquiring (or facilitate the acquisition of) land for new premises to supplement this relocation strategy. The Council will keep NHG, Ardent and the Rainham and Beam Park Regeneration LLP informed in respect of progress in this respect.