

LATIN ELEPHANT - Presentation for EiP through JSEP seat  
Thursday 11 September 2014  
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NOTE: Latin Elephant is member of Just Space Economy and Planning Group. We were asked to answer the following question in the enquiry in public (EiP) for FALP 2014. We would like to thank JSEP for the opportunity.

**The FALP envisages a structural change in retail provision driven largely by changes in the way people shop (internet, multi-channel shopping etc) and leading to, amongst other things, the expansion or strengthening of some centres and the decline of others. Are the proposed alterations to Policies 2.15, 4.7 and 4.8 (and the supporting reasoned justification) sufficient to manage these changes particularly where centres are declining to ensure that they remain viable and vital?**

In answering the question, we would draw on the experience of Latin Elephant's work with Latin American retailers at the Elephant and Castle. Based on this work we believe that the proposed alterations to policies 2.15, 4.7 and 4.8 (and the justification for these changes) are not sufficient to manage change in London's urban centres and that the supporting reasoned justification does not focus on local realities and needs but on general trends in consumer behaviour.

There is disconnect between regeneration initiatives triggered by the existing and proposed opportunity areas in the London Plan - a large proportion of which are happening in London's most deprived boroughs - and migrant and ethnic economies.

This **disconnect between urban policy and migrant and ethnic economies** trickles down to borough level where the mechanisms to manage change are not robust enough to ensure that existing small migrant and ethnic economies remain viable and vital. Why is this important?

1. Migrant and ethnic enterprises contribute to London's diverse economies and spaces.

- Ethnic and migrant entrepreneurs contribute between £25 and £35 billion to the UK economy annually (Regeneris, 2010)
- One in seven businesses in the UK are opened by migrant entrepreneurs. In London most business start-ups are from ethnic minorities.

- Ethnic minority businesses (EMBs) represent 'between 6.7% and 9.3% of the total number of SMEs in the UK' the greater proportion of which are in London (Regeneris 2010).
  - Whilst the government's department for Business, Innovation and Skills Survey of Small Business estimated that 6.2% of SMEs were from ethnic minority group (BIS 2012).
  - Migrant entrepreneur-founded companies employ 1.16 million people in the UK (Centre for Entrepreneurship, 2013)
- Are an important feature of multicultural urban life - contribution to the UK economy and to community cohesion
  - The economic downturn put pressure on retail spaces in local high streets and town centres (Portas, 2011)
  - Regeneration initiatives are putting more pressure on SME and particularly so in migrant and ethnic economies (Roman-Velazquez, 2014).

Despite this, a report by Communities and Local Government (2013) found out that service provision and access to government and financial advice is not reaching EMBs. The report concluded that failure to reach EMBs is costing the UK economy £8 billion annually.

2. Regeneration is a threat to settled migrant communities and their support systems, including long established ethnic enterprises. This is not unique to Latin Americans. Regeneration initiatives are taking place in deprived boroughs where diverse migrant and ethnic economies have settled and made this their place in London. **The London Plan comes short of mentioning or even acknowledging migrant and ethnic economies in equal terms with other economies: technology, creative industries for example are explicitly addressed in the London Plan.**

Our experience at Elephant and Castle has been that there is **little understanding of how ethnic minority businesses participate in processes of urban regeneration** and little understanding of how to engage these communities. Southwark Council has been the first borough in London to recognize Latin Americans as an ethnic group for

local monitoring purposes and in planning terms it has acknowledged the contribution that Latin American businesses make to E&C in its Supplementary Planning Document (SPD). Despite this, strategies and mechanisms to incorporate migrant and ethnic businesses and groups in regeneration initiatives are not supported by the London Plan.

The lack of acknowledgement of these economies in the London Plan only reinforces our position that there is very little understanding of migrant and ethnic economies and that with the right policies and infrastructure in place they can thrive become viable and vital to the re-invention of urban centres in London.

Our experience with Latin American retailers at the Elephant and Castle – one of the largest LA business cluster in London – which started at the beginning of the 1990s – show how a community of retailers established in an area that 20 years ago was considered to be in decline. Despite this or because of this, they settled, survived and are a vibrant addition to the identity of the area. These businesses are an asset to the area, and over time have demonstrated that they are an agent of growth in their own right.

Nevertheless, existing businesses take as given that they will go - that the pressures will be too many for them to stay. And it is this experience that led us to assert that the mechanisms to manage changes are not robust enough – not just due to changes in consumer behaviour and retail demand (which are the given ‘reasoned justifications’ for changes to these policies), but due to regeneration. Which leads me to the point that the ‘reasoned justification’ referred to in this question, is based on general consumer behaviour trends, not on local realities and needs. So the justification should focus on the impact of urban change, growth, regeneration and subsequent population changes for the survival, viability and vitality of existing thriving local economies, like is the case with Latin American shops at Elephant and Castle.

## SUGGESTIONS FOR AMMENDMENTS

Based on this disparity in justification for the proposed alterations to Policies 2.15, 4.7 and 4.8, JSEP's position is for these policies to remain unchanged and thus relevant elements of supporting text removed pending a review of the evidence base. If the amendments to Policy 4.8 go ahead, then we would propose the following:

Green – JSEP & Latin Elephant's suggestions | Blue – proposed amendments in FALP

### **Policy 4.8 SUPPORTING A SUCESSFUL AND DIVERSE RETAIL SECTOR AND RELATED FACILITIES AND SERVICES**

Policy 4.8 clause 'g' [manage clusters of uses having regard to their positive and negative impacts on the objectives, policies and priorities of the London Plan including a centre's]:

EiP is proposing to include a seventh point: **'vii role in promoting health and wellbeing'**

Consider adding **'viii – role in promoting social and community cohesion'**

Based on the experience of Latin Elephant and in particular of the evidence presented in JSEP submission about the contribution of these to the UK economy and to community cohesion - we would like the London Plan to include a clear commitment to London's migrant and ethnic economies by promoting stronger policies to support management in changes to urban centres in London. Basically to narrow the gap between migrant and ethnic economies and planning policies in the context of urban regeneration.

The London Plan should include a stronger commitment to ethnic and retail business similar to that in policy 4.10 NEW AND EMERGING ECONOMIC SECTORS – [text in point f **'support the evolution of London's science, technology, media and telecommunications (TMT) sector, promote clusters such as Tech City and Med City ensuring the availability of suitable workspaces including television and film studio capacity'**].

**We would suggest a similar wording to be consider for inclusion in policy 4.8:**

**'Support the evolution of London's small ethnic and migrant retail, business and creative sector and ensure their growth and sustainability by the provision of adequate, affordable and suitable retail and workspaces'.**

Also consider adding the text suggested below in point 4.50A:

4.50A - It is important that the planning system is used to help manage clusters of uses to provide diverse and more vital and viable town centres. The London Plan supports and promotes the contribution to London's economy made by specialist clusters of economic activity **and in particular London's migrant and ethnic economic sector**. For example, clustering of particular leisure uses in town centres can provide a visitor attraction, promote regeneration and boost economic growth and employment provided it is managed effectively and does not reach saturation levels beyond which it has unacceptable negative impacts on a centre's vitality, viability, amenity and associated community safety. In such circumstances, the planning process can help manage such negative impacts....

#### **Work Cited:**

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