



THE ARCH COMPANY

# TENANTS' CHARTER ONE YEAR ON

# THE YEAR IN NUMBERS



**£10 MILLION HARDSHIP FUND LAUNCHED TO HELP INDEPENDENT SMALL BUSINESSES MOST SEVERELY IMPACTED BY THE PANDEMIC.**



**£4.5 MILLION OF CAPEX INVESTED IN UPGRADING ARCHES.**



**INCREASE IN THE NUMBER OF SITE MANAGERS.**



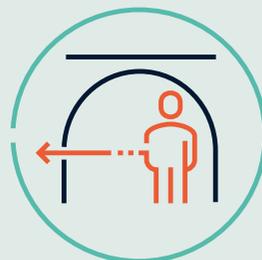
**1,350 BUSINESSES, COMMUNITY ORGANISATIONS AND CHARITIES RECEIVED A 3-MONTH RENT-FREE PERIOD.**



**172 NEW LEASES SIGNED IN THE PAST 12 MONTHS.**



**INDEPENDENT SME BUSINESS TENANTS, UNCHANGED FROM LAST YEAR.**



**7% - CHURN RATE (NUMBER OF BUSINESSES LEAVING) LAST YEAR, DOWN FROM 11% UNDER NETWORK RAIL.**



**150 ADDITIONAL ARCHES BROUGHT BACK INTO USE OR ARE ACTIVELY BEING MARKETED.**



# FOREWORD

**A YEAR AGO, WE PUBLISHED OUR TENANTS' CHARTER, DETAILING OUR COMMITMENTS TO TENANTS ACROSS OUR PORTFOLIO. WE HAVE WORKED HARD TO DELIVER ON OUR PUBLIC COMMITMENTS BUT, EARLIER THIS YEAR, WE WERE HIT BY AN UNPRECEDENTED HEALTH AND ECONOMIC CRISIS.**

We shifted our priorities during this period to ensure as many as possible of the diverse and independent Small and Medium Sized businesses (SMEs) that are the heart of the arches were able to survive through the crisis.

In March, we launched a **£10m Hardship Fund** to help independent small businesses that were most severely affected. **Over 1,300 businesses, community organisations and charities were given a three-month rent-free period**, and hundreds more received other forms of support, including rent deferrals and the ability to draw down deposits. We also assisted all our tenants by creating a dedicated Coronavirus Support Unit.

In part thanks to these measures, we have retained nearly all of our **3,800 strong tenant base over this difficult twelve-month period, helping to keep over 25,000 people employed across The Arch Company's properties**. The overall makeup of the businesses – over 90 per cent independent SMEs – has also remained the same.

We know that our tenants will continue to face challenges over the next few months and Government support will vary. Our focus remains on retaining and supporting as many of them as possible, as well as encouraging new businesses to join the portfolio.

One of the commitments we made in our Charter was to publish an update 12 months on, to ensure we are held accountable.

We haven't got everything right and we recognise that we still have more to do. However, despite the economic challenges, we've made a good start. I hope this update will show that we remain as committed to the Tenants' Charter as we were a year ago.

**Adam Dakin**  
Managing Director

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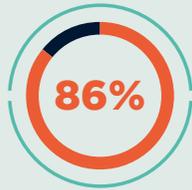
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Calls receiving a response within two days since January 2020.



Requests completed in 30 days and timetables agreed for more complex demands.



Increase in the number of site managers.



50% - increase in the number of safety inspectors.

# 01

## BEING AN ACCESSIBLE AND RESPONSIBLE LANDLORD

### WHEN WE PUBLISHED OUR TENANTS' CHARTER, WE PROMISED TO PUT TENANTS FIRST BY LISTENING TO YOUR VIEWS AND BETTER UNDERSTANDING YOUR CONCERNS.

You asked us to make it easier to get in touch. We created a new 24/7 contact centre to respond more quickly to questions or concerns and made our property management teams more accessible. Customer service is at the heart of our business and we remain focused on improving the experience of being an Arch Company tenant.

We also created new induction procedures making it simpler to get set up in the arches. Tenants are introduced to their main contact at The Arch Company and given details of their Property Manager, Site Facilities Manager and Asset Manager. This is also available in the Who's Who section of the Tenant Handbook, which is issued to all new tenants, and available on our website.

This team is the key point of contact for tenants throughout their time with us and is there to provide support, guidance and advice to help tenants manage their property. It is in our shared interest to help tenants resolve any concerns or issues with their property and to find solutions that work for everyone, as in the example of our tenant, Bloc Fit, which is featured on the next page.

An important part of our commitment continuously to improve is to give our tenants a voice. We repeated our tenant survey exercise to listen, learn and benchmark our performance. And we have engaged with SME groups including the Federation of Small Businesses (FSB) and Guardians of the Arches to find out what matters most to our tenants.

## TENANT CASE STUDY

# BLOC FIT, LONDON

BlocFit owner, Dave Culver, had already endured a rocky couple of years, in which his business had been evicted from the space he was subletting. Having re-started in February 2020, a global pandemic just a month after reopening was the last thing he needed.

With help from The Arch Company's property management team and a little luck, Dave was able to move into a new arch property on Coldharbour Lane in Brixton and restart the business.

***“Yvette and Warren, from the property team, have been amazing. They did nothing but help me during those difficult months.”***

*Dave Culver, BlocFit*

With some additional investment for some new bouldering, Dave feels he now has the best community climbing gym in London.





**£4.5 million** of capex invested in upgrading arches.



**150 additional arches** brought back into use or are actively being marketed



**£1 million** invested in maintenance across the portfolio.



**£1 million** invested in minor refurbishments ahead of re-lettings.



**All project contractors** are prequalified for technical competence and commercial integrity.



**All projects** have pre-agreed start and completion dates.



**At least 14 days' notice** is given for any Network Rail access requirements, unless at the request of the tenant.

# 02

## PROVIDING ENVIRONMENTS THAT HELP YOUR BUSINESS THRIVE

**OVER THE PAST 12 MONTHS, AND DESPITE THE HEADWINDS OF THE GLOBAL PANDEMIC, WE HAVE CONTINUED TO INVEST IN IMPROVING PROPERTIES AND BRINGING THEM BACK INTO USE, SO THAT WE CAN PROVIDE MORE SPACES FOR SMALL BUSINESSES TO THRIVE. AND OVER THE NEXT YEAR, WE PLAN TO BRING ANOTHER 160 PROPERTIES BACK INTO USE AND HELP BUILD MORE THRIVING COMMUNITIES ACROSS OUR ESTATE.**

As committed to in our Charter, we have also reviewed maintenance and service levels across the estate to ensure we are providing tenants with the right level of operational support. The review covered cleaning, landscaping, waste collection and security, with new security arrangements now under discussion to improve the quality and reduce costs for tenants. We are pleased to report that the first Tenant Liaison Forums for our serviced estates started recently, giving our tenants a voice and helping us to prioritise initiatives to meet their needs.

Clearer instructions on when and how to raise maintenance issues are now provided for tenants in the Tenant Handbook. We created a new system for maintenance requests to keep tenants regularly informed and put in place a new selection process for all term contractors and framework consultants.

## TENANT CASE STUDY

# UPSIDE DOWN PRESENTS, NEWCASTLE-UPON-TYNE

Tucked in a railway arch under the main line into Newcastle Central Station is a unique gift and present shop, UpSide Down Presents – the sort of shop that makes the Arches truly unique.

The shop was opened in early 2014 by Sean Gerrie, a Newcastle-Upon-Tyne local who invested all his life savings in starting up the business. Upside Down Presents is just a short walk from Tyne Bridge, Quayside and Newcastle Castle and is ideally placed to attract souvenir-hunters and local people looking for quirky gifts and cards.

In fact, the shop became so popular that Sean was looking for more space and in 2018 the arch across the road fell vacant. With the help of the Arch Company, Sean was able to expand his business and UpSide Down Presents and 61 Side are now Newcastle institutions. The prime location of his arches have allowed Sean to attract a lot of footfall and put him at the heart of a strong local business community.

***“It’s always been my dream to have both shops under the one archway so when I managed to secure the unit opposite, I was over the moon!”***

*Sean Gerrie, UpSide Down Presents*





45 - discounted rents agreed with long-standing tenants since October 2019



Increase in the number of team members dealing with rent reviews.



7% - churn rate (number of businesses leaving) last year, down from 11% under Network Rail.



Independent SME business tenants, unchanged from last year.

# 03

## WORKING IN PARTNERSHIP WITH YOU

**MOST OF OUR TENANTS ARE INDEPENDENT SMALL BUSINESSES AND WE ARE COMMITTED TO WORKING WITH THEM TO CREATE AND SUSTAIN A DIVERSE AND VIBRANT COMMUNITY. WE ARE ALSO ACTING ON OUR COMMITMENT TO HELP LONG-STANDING BUSINESSES BY DISCOUNTING RENTS FOR THOSE WHO CANNOT AFFORD THE MARKET LEVEL.**

We have worked to put in place a clear and transparent process for rent reviews and lease renewals, which is explained in our Tenant Handbook. Over the past 12 months, we have cleared over 50 per cent of the backlog of outstanding rent reviews. We were on course to meet our 80 per cent target earlier this year, but progress has been impacted by the COVID-19 pandemic and the offer to suspend rent reviews for a six-month period. Full information on performance in this area is included in the appendix to this report.

Further information about the billing and arrears process can be found in the new Tenant Handbook. We set out estimated fees payable during rent reviews and lease renewals in writing at the start of the transaction process and formally track all correspondence with our credit control team.

We are now continually working to improve our systems for managing, accounting and reconciling service charges; and to increase transparency around management fees.

## TENANT CASE STUDY

# WEST MIDLANDS METAL, BIRMINGHAM

Phil Carver and his uncle John Trayers own and run West Midlands Metals, on the main A45 route into Birmingham City Centre. Phil's grandfather set up the business in the late 1970s and it has since become one of the city's leading scrap metal yards.

Up until March, West Midlands Metals had only ever shut over the Christmas holidays, but when the nationwide lockdown was announced, Phil was forced to close his doors for three weeks.

Thanks to The Arch Company and Government financial support and the prime location of Phil's arch, West Midlands Metals was able to survive through the pandemic.

*"The space is very flexible and easy to work from. The main road runs right down the outside of our arches and yard, so we're very easy to see and it makes it easier to bring in customers. We're really grateful for the financial support we received through the landlord's rent-free offer and the small business grant that we applied for through the council, which meant we had one less thing to worry about while we weren't doing any trade."*

*Phil Carver, West Midlands Metals*





**Energy Efficiency Programme launched to reduce energy consumption and decrease carbon emissions.**



**FareShare and the London Ambulance Service - arches made available to charities and public sector organisations.**



**Give As You Earn Scheme - available to all Arch Company Employees.**

# 04

## CREATING POSITIVE SOCIAL AND ECONOMIC IMPACT

**WE ARE WORKING WITH OUR TENANTS TO HELP THEM GROW AND TO MAKE A DIFFERENCE WITHIN THEIR LOCAL COMMUNITIES. TOGETHER WITH LOCAL AUTHORITIES AND OTHER ORGANISATIONS, WE ARE MAKING OUR ESTATE A GREAT PLACE TO LIVE AND WORK.**

In the past year we have been able to offer some of our vacant arches to support charities, community organisations and start-up businesses. Among the organisations that we have supported are foodbanks, the NHS and the Community Interest Company, Meanwhile Space, which supports new start-up companies in Loughborough Junction.

Recognising the severe impact of COVID-19 on many of our tenants, we repurposed the Social Fund, reinvesting it to help provide financial support for businesses who were affected the most. We plan to revitalise the Social Fund as a source of support for social and charitable initiatives in our shared communities as the impact of the pandemic recedes.

After lockdown, we plan to deliver a programme of in-person networking events and we have already started a business development pilot programme together with Enterprise Nation. This pilot scheme provides advice and support to tenants to help them grow their businesses and we hope to roll it out more widely.

We created The Arch Company Environmental, Social and Governance (ESG) working group, which is now meeting regularly. In 2021 it will report for the first time on improving environmental sustainability across our estate.

Further information about our work with tenants and local communities is available in the community section of our website. Improvements to the website are underway to enhance usability and put more of the information that tenants want at their fingertips. The redesigned website will launch early next year.

## TENANT CASE STUDY

# DWAYNAMICS, LONDON

Lorraine Jones founded the Dwayne Simpson Foundation following the tragic death of her son. The project brought together children and young adults, encouraging them to take up fitness and non-contact boxing classes to help steer them away from gangs, knife crime and gun violence.

The work the Foundation does to help vulnerable people has been even more important over the past few months. The Coronavirus lockdown had a huge impact on Dwaynatics, now located in a railway arch in Loughborough Junction. With the support of a rent-free period agreed by The Arch Company the organisation was able to deliver food packages, mental health support and other vital services to people living in the area.

*“The transition to the railway arch came at a pivotal time. We needed the space because of the growing demand for our services – we now have more than 300 youths coming to us. Police*

*Commander Richard Wood was a huge help, allowing us to use the arch for two years before we took on the lease. We're a non-profit organisation and funding is always a challenge, so being able to use the arch on a reduced rent has helped us a great deal. The team at The Arch Company has been extremely supportive, with regular visits to see the work we're doing within the community. It's unique to see such engagement from a landlord and the community rent arrangement they've offered us has shown that they are a great investor in the vulnerable young people we serve.”*

*Lorraine Jones, Dwayne Simpson Foundation*





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**[THEARCHCO.COM](https://www.thearchco.com)**

**PROPERTY HELPDESK**

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**OPERATING HOURS**

**Our call centre is open 24/7**