

## **Response to the GLA Review of Measures Designed to Support London's Local and Neighbourhood Shops from the Royal Borough of Kensington and Chelsea**

### **1. What pressures do small shops and neighbourhood and local shopping centres face e.g. threats to economic viability, changes in shopping patterns, competition?**

- Shopping patterns have changed drastically since the sixties, now the majority of women work and consequently most food shopping takes place at the weekends or after the working day. The combination of the convenience, of being able to meet all shopping requirements under one roof, offered by supermarkets together with the fact that small shops have found it difficult to match the quality, value, marketing and extended opening times of supermarkets means that there has been a drastic reduction in the number of specialist butchers, bakers, fishmongers and greengrocers. In contrast cafes and coffee shops and, to a lesser extent, delicatessens and wine merchants have expanded as leisure shopping has increased.
- There has been a tendency for retail to concentrate in higher order centres and out-of-town locations, at the expense of smaller and local centres, despite attempts to protect smaller centres and local shopping on sustainability grounds.
- In comparison to other types of small businesses small shops suffer disproportionately from the NNDR because shops generally have much higher rates than other business properties, this threatens the economic viability of smaller shops where the rates can easily be the equivalent of the cost of a member of staff. This problem is more pronounced in London because property prices are higher.
- The expansion of restaurants, cafes and coffee shops, often run by chains, that can afford to pay higher rents is putting small shops under pressure to convert to these higher value uses which require considerably less investment stock. Similarly isolated small shops, small parades and neighbourhood centres can come under pressure to convert to residential uses. Whilst there are planning powers to prevent these changes, once a property has been vacant for some time its viability as a shop becomes questionable and it can be increasingly difficult to refuse change of use.

### **2. What are the advantages of local centres that provide convenient access to goods and services that are needed on a day-to-day basis?**

- Fundamentally this is an issue of sustainability - reducing the need to travel. There are other, more nebulous benefits, in terms of supporting a sense of community and providing the opportunity to meet people. Local centres need to provide for both shopping needs and neighbourhood facilities, such as doctors etc. A successful centre is one where there is a balance between shops and social and community uses because these uses draw people in to centre and help to support the shops.

### **3. How effective the planning system is in supporting small shops in local high streets and where has it has failed in recent years?**

- The planning system provides no powers to protect small shops in local high streets or anywhere else. RBKC's Retail Commission identified two particular changes to the planning system that would help to protect small shops:
  - change the Use Classes Order to create a new use class for small shops (less than 80m<sup>2</sup>) so planning permission would be required to amalgamate small units into larger ones, but not to divide a large units into smaller ones; and
  - change the Use Classes Order to create a new class for coffee shops and internet cafes. Currently there is an anomaly in that coffee shops and internet cafes where most of sales are taken away are defined as A1 shops and consequently planning permission for change of use from a shop to such a coffee shop is not required, although permission would be required for change to a restaurant or a cafe.

### **4. What are London local authorities doing to support small shops and neighbourhood and local shopping centres through the planning system, Development Plan Documents, or proposals under the Sustainable Communities Act?**

- Acting on one of the main recommendations from the Retail Commission the borough has appointed both a Retail Champion (Town Centre Initiatives Manager) and a Markets Champion (Markets Development Manager) to develop, respectively, the borough's retail offer and markets.
- RBKC's Proposed Submission Core Strategy includes a series of policies under the heading 'Keeping Life Local' that are designed to enhance neighbourhood centres and ensure that all residents can meet their day-to-day needs locally. In addition the Proposed Submission Core Strategy 'Places' section examines what makes each of our major town centres unique, identifies a vision of how the centre should develop up to 2028

and a set of policies and actions that will help to deliver this vision. In addition the Town Centre Initiatives Manager is building upon the consultation work undertaken for the Core Strategy and working with retailers to develop Action Plans for each of the borough's main town centres. The provision of small shops is an important part of the vision for our centres since they can be a significant point of differentiation between centres that, particularly across London, have to compete with many other centres nearby and further afield.

- RBKC has recently announced that it will be launching the Wedge loyalty card for independent retailers borough-wide in March 2010. 86,000 households in the borough will be sent a free Wedge card (normal cost £10) and all employees working in the borough will also be eligible for a free card. The Borough sees this as a concrete step that will support small retailers, and participating retailers will also gain from having their businesses featured on the Wedge website and access to the Wedge team's expertise in marketing small shops.

**5. What, if any, progress has been made in relation to planning and related areas following the recommendations made by a number of bodies over the past years? (e.g. Parliamentary Small Shops Group in 2005, New Economics Foundation -Clone Town Britain, Competition Commission Inquiry into the UK Groceries Market, 2008)**

- We are not aware that any progress has been made and, despite lobbying from 2007 to 2009, CLG has declined to implement the changes that were recommended in RBKC's Retail Commission Report – A Balance of Trade.

**6. How can the Mayor's commitment to help protect the high street best be implemented through London Plan and other policies?**

- Support London-wide introduction of the Wedge loyalty card for independent retailers. As detailed above RBKC have recently decided to support the Wedge Card by giving free cards (normal costs £10) to all residents and employees in the borough for one year.
- As part of the wider duty for Unitary Local Authorities to assess the need for economic development, ensure that GLA guidance includes a specific reference to assessing the need for development and support for the retail sector.

- Support the use of s106 agreements to provide ‘affordable’ retail units to be managed by councils. This policy has been written in to RBKC’s Proposed Submission Core Strategy.
- Support diversity within London’s Town centres in terms of their function, type of retail and unit sizes.

**7. What outstanding actions and opportunities are in order to support and to help small independent retailers in London and facilitate ongoing support?**

- Support the recommendations of the RBKC Retail Commission:
    - change the Use Classes Order to create a new use class for small shops (less than 80m<sup>2</sup>) so planning permission would be required to amalgamate small units into larger ones, but not to divide a large units into smaller ones; and
    - change the Use Classes Order to create a new class for coffee shops and internet cafes. Currently there is an anomaly in that coffee shops and internet cafes where most of sales are taken away are defined as A1 shops and consequently planning permission for change of use from a shop to such a coffee shop is not required, although permission would be required for change to a restaurant or a cafe.
- RBKC is writing to London Boroughs to ask for their support to put forward a new London Local Authorities Bill to grant these powers to London Boroughs.
- Resist the Killian Pretty review recommendations that shop front alterations should be subject to prior approval (except in Conservation Areas) as this will inevitably lead to deterioration in the quality of shop fronts.
  - Support provision of a new facility for local authorities to be able to create an exemption from standard VOA rating practice for small retailers who contribute to the unique attraction of a particular area. In the case of RBKC the Council would like to be able to support the antique arcades in Portobello Road in this way. These antiques arcades suffer a particular disadvantage because they generally only trade on Saturdays but they are rated as other shops in the street that can trade all week. This means that the owners are under considerable pressure to convert antiques arcades into normal shops, and the area risks losing one of its unique attractions.
  - Implementing the recommendations of the Hampton Review (encouraging greater synergy between planning authorities, Town Centre Managers, community workers, market officials and national departments and agencies). RBKC have found considerable benefits in having the Town

Centre Initiatives Manager and the Retail Planner working very closely together within the Planning Policy section. This arrangement has improved retailer engagement in the Core Strategy consultation process and day-to-day brings a balanced view of retail matters to planning policy decisions.

- Retain the needs test in PPS6, this has worked effectively and adds clarity to the process. Although need is integral to the thorough impact assessment the government is proposing, removal of the needs test will cause confusion and is a retrograde step. However, because this borough is heavily built up and residential land prices are very high, RBKC does not have a problem with large out-of-town supermarkets.

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