

David Morris
DCLG
David.Morris@communities.gsi.gov.uk

Dear Mr Morris

Mary Portas Review recommendations response from the Royal Borough of Kensington and Chelsea March 2012

You may not be aware but in 2006, in response to residents' concerns about the loss of much-valued independent retailers, I chaired a Retail Commission to investigate what could be done to preserve and enhance the character and vitality of the Royal Borough's shopping centres.

The final report of the commission *A Balance of Trade* ([2007](#)) identified a number of recommendations for Government, local authorities, landlords and retailers. The majority of these recommendations were endorsed by the Council in the *Response to Report Retail Commission: A Balance of Trade* ([2007](#)).

We are very pleased to see that these issues are now being actively considered by central Government.

Below is a detailed response to the recommendations of the Portas Review from the perspective of our borough. We agree with most of the recommendations and think that the review has come up with some interesting new ideas, however, there were some ideas from our Retail Commission which do not feature in the recommendations which we feel are worthy of further consideration.

In particular I would like to highlight recommendations for to changes to the Use Classes Order to create new use classes for coffee shops and small shops that we have identified would help us to protect the unique retail character of our town centres that is so valued by residents and visitors. We have been lobbying for these changes since 2007 and there have been rumours recently (notably Julian Huppert, Member of Parliament for Cambridge, in the recent Parliamentary debate on the future of town centres and high streets) that the Government is considering introducing powers to create local use classes. We think this would be a good solution, in the spirit of localism, which would allow individual local authorities to tackle the issues that are of concern to them.

Please do not hesitate to contact me if you would like any further details.

Kind regards

Cllr Tim Ahern
Cabinet Member for Planning Policy
Royal Borough of Kensington and Chelsea, The Town Hall , Hornton Street, London W8 7NX

Portas review Recommendation	Royal Borough of Kensington and Chelsea comment
<p>1. Put in place a “Town Team”: a visionary, strategic and strong operational management team for high streets</p>	<p>Our Retail Commission recommended building new, or supporting existing, local partnerships; partnership working is seen as a precursor to other desirable initiatives recommended by the Retail Commission – initiatives such as the building of a consensus of a vision for town centres or the network through which a ‘retail champion’ can communicate and listen.</p> <p>RBKC has established a Neighbourhood Planning team that supports the town centres in the borough – King’s Road, Knightsbridge, Kensington High Street and Portobello, Notting Hill. The Council’s Core Strategy planning document contains visions for each of these centres which were developed through consultation with residents and the local business community. We have established town centre partnerships in the King’s Road and Kensington High Street, which are chaired by retailers (the MD of Peter Jones and the manager of Whole Foods Market respectively) and administered by the Neighbourhood Planning Team. We will be establishing a forum for Knightsbridge this year, which will be chaired by Harrods.</p> <p>We also have a Markets Manager and a Markets Development Officer responsible for supporting our street markets (Portobello Road, Golborne Road and Bute Street Farmers’ Market) and a Market Streets Action Group, chaired by the Deputy Leader of the Council, and attended by market traders, shopkeepers, residents, landowners and council officers which identifies priorities and initiatives for Portobello and Golborne Road Markets. While we understand many local authorities may be struggling to enlist the support of just one Councillor as a ‘market champion’, we have over a dozen.</p>
<p>2. Empower successful Business Improvement Districts to take on more responsibilities and powers and become “Super-BIDs”</p>	<p>We don’t currently have any BIDs in the borough but if one was established it is quite likely that it would need to become a borough-wide Super BID because many of the issues a BID would normally tackle do not apply in this borough as it is already clean, green and safe. A BID in this borough would need to concentrate on marketing, events and business engagement. Without major projects to operate the BID budget would be smaller making it difficult to afford separate staff and premises for each town centre so a super BID could be a good solution.</p>
<p>3. Legislate to allow landlords to become high street investors by contributing to their Business Improvement District</p>	<p>This is morally correct because landlords benefit from long term improvements but it is difficult to implement because there isn’t an easy way to apply the BID levy to landlords. Business rates, paid by the occupier, are a simpler answer.</p> <p>Landlords elsewhere have made voluntary contributions to BIDs and some do participate in our retail forums and make contributions to initiatives like Christmas lights. Our only major landlord Cadogan Estates invests significantly in marketing and events for Sloane</p>

	Street and Duke of York Square in King's Road, but they might be reluctant to invest in a BID because they already provide this role for their properties.
4. Establish a new "National Market Day" where budding shopkeepers can try their hand at operating a low-cost retail business	23 June - 8 July has been designated Love Your Local Market Fortnight by the National Association of British Market Authorities. We are currently planning what we do, as it coincides with Wimbledon it might be tennis-themed. We may also showcase our investment in electrical supply for market traders on Portobello Road between Cambridge Gardens and Golborne Road by having one or more night markets, and hold one-day 'taster trading' probably by obtaining blanket liability insurance so single-day traders wouldn't have to buy an annual policy.
5. Make it easier for people to become market traders by removing unnecessary regulations so that anyone can trade on the high street unless there is a valid reason why not	<p>We have some reservations about this recommendation and feel that it might not apply to a vibrant, well-established place like the composite 'Portobello Market' which offers many different routes to market trading (both private and Council-managed) but rather to moribund town centres in depressed areas of the UK.</p> <p>It is not difficult or expensive to set up a stall in Portobello Road but it would not be appropriate to have stalls set up anywhere in the borough. Market stalls do need to be managed and regulated to ensure the right retail mix is maintained.</p> <p>There is also concern amongst independent retailers that market stalls can represent unfair competition, because they do not incur the costs of premises and business rates. However, we do accept that there is evidence to show that markets attract customers who spend £1.75 in local shops for every £1 spent on market stalls.</p>
6. Government should consider whether business rates can better support small businesses and independent retailers	<p>Our Retail Commission recommended widening the applicability of the Small Business Rate Rebate Scheme and applying national funding to make it more generous. So a change to the system of small business rate reliefs that recognised regional/local inequalities in how small businesses are identified, by their rateable value, would be welcomed.</p> <p>In addition we feel that the current system puts a disproportionate burden on small shops compared to large-format retailers because rents for small shops are much more transparent.</p>
7. Local authorities should use their new discretionary powers to give business rate concessions to new local businesses	<p>This proposal is problematic as there is currently no financial incentive for local authorities to do this, and the link to local economic and social benefit is either too intangible or does not measure up against other pressures on Council budgets.</p> <p>The proposed local authority retention of business rates, whatever proportion that might end up being, may provide some flexibility here but our understanding is that this revenue will not be ring-fenced and will therefore be subjected to the same budget pressures.</p>
8. Make business	The advantageous property of CPI is the use of a geometric mean

<p>rates work for business by reviewing the use of the RPI with a view to changing the calculation to CPI</p>	<p>which better reflects changes in consumer spending patterns relative to changes in the price of goods and services. The treasury benefits when the government chooses to use CPI for revenue raising and RPI for revenue spend and it would be a great relief to retailers if this was turned around, but there is little likelihood of that.</p>
<p>9. Local areas should implement free controlled parking schemes that work for their town centres and we should have a new parking league table</p>	<p>This is less of an issue in RBKC as all resident parking permit holders can park anywhere in the borough and there is not sufficient parking space to encourage people from outside to park in the borough.</p> <p>Our Retail Commission recommended we introduce free 30-minute parking meters at local shopping areas to encourage use of local shops by more people but this has proved technologically very difficult. We did trial free weekend parking for four weekends in April 2009, which was well received by residents and businesses but was prohibitively expensive for the Council to continue.</p> <p>Currently our planning policy does not protect shoppers' car parks because public transport use is very high.</p>
<p>10. Town Teams should focus on making high streets accessible, attractive and safe.</p>	<p>Our Retail Commission recommended local partnerships should be encouraged to achieve and maintain high standards of repair, cleaning, safety and security in retail areas, including the removal of unsightly roller shutters and graffiti.</p> <p>However, on the whole our town centres are already very accessible, attractive and safe – we need to concentrate on marketing and events, and some streetscape improvements.</p>
<p>11. Government should include high street deregulation as part of their ongoing work on freeing up red tape</p>	<p>See point 12 below, the Retail Commission recognised the need to resist 'planning creep' or 'planning by stealth', whereby a street of A1 uses is cumulatively turned into a street of A3 uses. We would like to see more regulation, not less, in order to be able to protect our unique retail offer.</p>
<p>12. Address the restrictive aspects of the 'Use Class' system to make it easier to change the uses of key properties on the high street</p>	<p>We have been lobbying for greater control through the use class system because there is a real danger of independent retailers being forced out by multiples that can afford higher rents in this borough. Specifically we have asked for small shops (less than 80 sq m) to be placed into a separate use class so that we could require planning permission to amalgamate units.</p>
<p>13. Put betting shops into a separate 'Use Class' of their own</p>	<p>We have not identified betting shops as a problem in our borough. We have asked for coffee shops to be a separate use class as currently, if they have a significant takeaway business, they are classed as A1 shops and there is a danger of them proliferating and forcing out other 'real' shop uses.</p>

14. Make explicit a presumption in favour of town centre development in the wording of the National Planning Policy Framework	We fully endorse the need for a re-affirmation of the town centre first approach for new retail development. This is seen as one of the few tools we have to attempt to maintain the vitality and viability of our existing centres.
15. Introduce Secretary of State “exceptional sign off” for all new out-of-town developments and require all large new developments to have an “affordable shops” quota	<p>Our Retail Commission recommended promoting consultation between developers, retailers and residents at all stages of a major retail development to establish the optimum mix of uses and unit sizes, and designs appropriate for the neighbourhood. It also recommended encouraging the retention of existing, and entry of new, shops having a ground floor space (net) of less than 80 sq. m.</p> <p>We already seek affordable shops in our Core Strategy, and we like the affordable shop quota idea, as our policy was weakened by the Inspector. It is important that individual boroughs should be able to define, as they do currently, what they regard ‘large new development’ to be. In a highly built up borough such as ours a development which includes the net increase of 1,000 sq m is considered to be ‘large’, although we recognise that this threshold may not be appropriate everywhere.</p>
16. Large retailers should support and mentor local businesses and independent retailers	This sounds interesting but is probably very difficult in practice, the best hope would be to tie in to management training schemes and CSR.
17. Retailers should report on their support of local high streets in their annual report	<p>This is a very interesting idea, on the principle that what get reported gets done! In tough trading times it is increasingly difficult to get retailers to think outside their own store and many medium sized store managers are quite junior and don’t think about the big picture.</p> <p>We find we get most support from large retailers like Peter Jones and Whole Foods Market ,who are fully aware of their role in the wider community, and smallish (semi)independent retailers who probably don’t produce much in the way of annual reports, but who definitely think outside their own stores.</p>
18. Encourage a contract of care between landlords and their commercial tenants by promoting the leasing code and supporting the use of	<p>Our Retail Commission identified turnover related rents as the most equitable mechanism for landlords and tenants to share in the fortunes of the High Street, and the Council supports this recommendation.</p> <p>The Retail Commission also identified that;</p> <ul style="list-style-type: none"> • standard leases for small businesses should be introduced

<p>lease structures other than upward only rent reviews, especially for small businesses</p>	<p>to reduce the administrative burden on small businesses</p> <ul style="list-style-type: none"> tenants should be offered the option of a fixed period lease with rent based on annual indexation (cost of living without mortgages), the option of rent payable one month in advance, rather than the customary three, to help the cash flow of small and start-up businesses.
<p>19. Explore further disincentives to prevent landlords from leaving units vacant</p>	<p>This is not really an issue for RBKC, businesses do come and go but premises don't remain empty long. This is why we have never managed to get a pop-up shop off the ground.</p>
<p>20. Banks who own empty property on the high street should either administer these assets well or be required to sell them</p>	<p>As above we don't see much long term empty property in this borough.</p> <p>We have a particular problem in Portobello Road where the shops are too small to meet modern retail banking requirements resulting in banks locating elsewhere and leaving Portobello Road without adequate cash point services.</p>
<p>21. Local authorities should make more proactive use of Compulsory Purchase Order powers to encourage the redevelopment of key high street retail space</p>	<p>As above we don't see much long term empty property.</p>
<p>22. Empower local authorities to step in when landlords are negligent with new "Empty Shop Management Orders"</p>	<p>As above we don't see much long term empty retail property in this borough. However, our Retail Commission identified the need to outlaw restrictive covenants, which result in uncompetitive practices or properties being kept empty.</p>
<p>23. Introduce a public register of high street landlords</p>	<p>This could be very useful but would be very difficult, not least because we suspect that many of our landlords are based overseas. We are proposing to undertake a piece of work to identify property ownership in our town centres.</p>
<p>24. Run a high profile campaign to get people involved in Neighbourhood Plans</p>	<p>We are proposing to do this via our City Living, Local Life ward initiative.</p> <p>Unfortunately there is a danger that this will raise expectations that cannot be met as we know our residents expect the Council to be able to provide protection for independent retailers but the planning</p>

	system does not allow us to exert this control (see points 12 and 13). As result in our borough Neighbourhood Plans may not be able to achieve what people want.
25. Promote the inclusion of the High Street in Neighbourhood Plans	<p>We have already produced the place chapters in the Core Strategy which include all our main town centres, these will be a good starting point for neighbourhood plans.</p> <p>We are clear that within a city like London people need to be able to define the neighbourhood they live in and that our town centres are a very important part of this identity. At the launch of our City Living, Local Life initiative we asked people what neighbourhood they lived in and we are in the process of mapping the results.</p>
26. Developers should make a financial contribution to ensure that the local community has a strong voice in the planning system	Developer contributions will be made via Community Infrastructure Levy (CIL) by 2014 at the latest (mid 2013 in this borough). The Government has indicated that it will be mandatory for a meaningful proportion of CIL revenues to be passed by Councils to neighbourhoods (not spent on their behalf). In order for the CIL to be spent on town centre initiatives the Regulations will need to allow CIL to be spent on maintenance, operational and promotional activities.
27. Support imaginative community use of empty properties through Community Right to Buy, Meanwhile Use and a new "Community Right to Try"	We have very little long-term empty property, and property prices are very high so this is unlikely to be workable in the Royal Borough.

Other recommendations from our Retail Commission that have not identified in the Portas Report

Central Government should:

- Amend legislation to allow local authorities to serve Stop Notices on developers in exceptional circumstances for 28 days, without liability.
- In London, continue to work alongside the Mayor of London to increase co-ordination of, and to minimise disruption caused by, utility companies in the installation, repair and replacement of pipes, wires, cabling, etc.

Supermarkets should:

- Enhance rather than detract from local character in the design of their stores and shopfronts, particularly in conservation areas.
- Negotiate 'good neighbour policies' with fellow retailers, the local authority and residents, in any local shopping centre where they have an outlet.

Small and independent retailers should:

- Consider specialisation, catering to a niche market, as a means to compete with large retailers and multiples.
- Obtain professional advice before signing leases, perhaps from local agencies sponsored to provide this.
- Become members of an appropriate business association and of local bodies such as the Chamber of Commerce.
- Provide evidence, through their business association, to the Competition Commission on any local practices by supermarkets or (multi-) national chain stores which place smaller retailers at a disadvantage.
- Consider, through their business association, combining with others to create a joint purchase association.
- Lobby central Government through their business associations (both sectoral and local) to reduce the burden and costs of regulation devised with larger concerns in mind.

Residents and visitors should:

- Buy from local, independent and specialist shops if they want them to thrive and survive.