Enterprise Core Strategy Review – Issues and Options

October 2012

THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA
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Enterprise Core Strategy Review – Issues and Options

Introduction
This is the first phase of consultation on a review of the Core Strategy enterprise planning policies. This review is intended both as an examination of our planning policies that relate to business uses and an investigation of how the Borough might become more business friendly.

This document does not set out proposed revisions to the existing policies – that comes later in the process. Instead it sets out what we see as the main issues, and offers some options to address these. We want your views at this early stage – have we identified the right issues? Are there aspects that we have missed?

This is your opportunity to say what you think: we want to hear your views on if, and how, our employment land planning policies should be altered and what should be done to encourage business in the Borough.

The consultation will run from 16 October to 27 November 2012.

You will be able to see a summary of all the comments received on the Council’s website www.rbkc.gov.uk/planningpolicy shortly after the consultation has closed. We are also reviewing other aspects of the Core Strategy. To find out more about these reviews please see www.rbkc.gov.uk/planningconsultations

Next steps
Following this consultation the Council will develop draft planning policies. These revised policies will be issues for public consultation from 5 February to 19 March 2013. Once amended following consultation they will be approved by the full Council and submitted for public examination by an independent Planning Inspector. This examination is likely to take place in autumn 2013. The Examination will decide if the proposed revisions are sound: that they are justified, effective, positive, and in accordance with the regulations. If the amendments are found sound our revised policies will be adopted by the Council and replace those policies in the current Core Strategy, adopted in 2010.
1.0 **Business in the Royal Borough – an overview**

1.1 The Royal Borough is a small, highly developed, largely residential borough. Unusually the majority of residents do not work in the Borough, and the vast majority of people who work here do not live in Kensington and Chelsea.

1.2 This is a very desirable residential borough and as a result there can sometimes be a conflict between the needs of residents and businesses. However, we know that in terms of shopping and cultural facilities residents acknowledge that they benefit from having considerably better provision than they would to serve their own needs.

1.3 Estimates for the number of businesses located in the Borough vary from 11,000 to 20,000, and the number of employed from 97,000 to 121,000. This discrepancy arises from difficulties in capturing information about very small businesses and people working from home. A 2010 study, commissioned by the Council, counted 20,000 businesses in the Borough with over 82 per cent of businesses employing less than four staff and 55 per cent of business activity being from micro-businesses i.e. the self-employed, sole traders and partnerships.

1.4 Approximately 10 per cent of all Kensington and Chelsea businesses are classified as Home Based Businesses, which is a high proportion in comparison with the London average (5.6 per cent). There are particularly high levels of home based working in Notting Hill, Westway, Holland Park Avenue and to some extent, West Brompton and Knightsbridge. There is very little home based activity in the very north of the Borough.

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1 Study of the Visitor Economy RBKC 2009
2 ONS Annual Business Inquiry 2011
3 Local Economic Evidence: Employment and Land Use RBKC 2010
4 ONS Annual Population Survey 2012
5 Local Economic Evidence: Employment and Land Use RBKC 2010
6 Local Economic Evidence: Employment and Land Use RBKC 2010
7 Local Economic Evidence: Employment and Land Use RBKC 2010
1.5 **Location of employment**

Employment in the Borough tends to be concentrated in and around the Borough’s main town centres (more than 20 per cent). Only 5 per cent of employment is located in the designated employment zones.\(^8\)

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\(^8\) Initial findings RBKC Enterprise Review 2012
1.6 Employment sectors
The Borough’s economy is reliant on a small number of industry sectors, with over 50 per cent of jobs falling into 20 industries, mainly in property and business services, retail and wholesale, and hospitality. There are very few larger employers, particularly in the private sector. There is also less reliance on public sector employment than many central London locations.  

1.7 Although harder to identify from standard statistics, the cultural and creative sectors are a major employer in Kensington and Chelsea, accounting for around 15 per cent of employment and 30 per cent of business units. This is around three times the national average, and also high by London standards, ranking fifth in employment terms among London boroughs. The Borough’s particular strengths include music, museums, newspaper publishing, antiques, and fashion design. Creative businesses are found all over the Borough, although they are less common on the western edge the headquarters of larger creative businesses can be found here. There are small clusters of such businesses in the northeast of the Borough, around Portobello Road and

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9 Local Economic Evidence: Employment and Land Use RBKC 2010
10 Understanding the Creative and Cultural Sector in Kensington and Chelsea 2008
Westbourne Grove, and in certain building complexes such as Westbourne Studios, Canalot Studios and Pall Mall Deposit.

1.8 The Borough has a strong arts heritage stemming from the Chelsea arts scene, the V&A Museum and the Royal College of Art (in Westminster but part of the Exhibition Road campus). This will be further strengthened when the Design Museum takes up its new home in the former Commonwealth Institute, Kensington High Street in 2014. The Borough also has the highest level of cultural engagement in the UK.11

1.9 The visitor economy is particularly significant contributing an estimated £3.1billion to the borough’s attractions, shops, hotels, eating and drinking venues. 12

1.10 In this Borough, we are therefore well placed to achieve ‘cultural placemaking’13 – building on the many cultural assets and businesses that we have to further attract and stimulate more creative and cultural activities and businesses. This could be a significant part of what the Royal Borough can uniquely do for business – and how businesses located here can work together.

1.11 Business formation
Over the last five years Kensington and Chelsea has seen the lowest net change in business numbers of all the inner London boroughs, a net increase of 2.6 per cent against an inner London average14 increase of 11.8 per cent.

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11 GLA The Mayor’s Cultural Strategy 2012 and Beyond
12 Study of the Visitor Economy RBKC 2009
13 Cultural Placemaking in the Royal Borough of Kensington and Chelsea, 2012
14 Excludes the distorting effects of the City of London
1.12 This may be an indication either that the Borough has a more stable business base or that barriers to entry for businesses wishing to start-up in Kensington and Chelsea, particularly the lack of commercial space and therefore high cost of available businesses premises, make it difficult for the economy to expand.

1.13 There is also a relatively high proportion of well-established firms. 24.7 per cent of firms in the Borough have been established for more than 15 years, and only 3 per cent are less than one year old, a lower proportion than any other comparator area except for Westminster (2.9 per cent).\(^{15}\)

1.14 **Why employers chose to locate in the Borough**

Initial results from a recent survey\(^ {16}\) of over 80 businesses in the Borough’s, employment zones, has shown:

- Most of the businesses surveyed are located in Kensington and Chelsea to be close to their customers (33 per cent), because this is where their owner lives (25 per cent), or to be close to other similar businesses (18 percent).
- One third of companies have international clients / customers who fly into Heathrow and stay in the West End. The businesses choose to locate in the Borough to be between the two, where people can drive and park, because these clients do not use public transport. These clients may be the minority but they are the anchors of local clusters and provide

\(^{15}\) Local Economic Evidence: Employment and Land Use RBKC 2010

\(^{16}\) Initial findings RBKC Enterprise Study 2012
opportunities for other local businesses through their supply chains, particularly in the music and high end fashion design industries.

- One third of companies serve customers who are local. This may be because they are part of a cluster serving international firms and clients, described above, or because they serve residents.
- In common with other inner London boroughs there is very little local warehousing or manufacturing in the Borough, with a great deal of the property previously used for this purpose now used as studios, offices or showrooms.
- Most employers acknowledge and accept that Kensington and Chelsea is an expensive place to do business. The importance of international clients, resident ownership and local clusters mean that most companies located in the Borough want to stay here and those that have moved recently have experienced difficulty in finding space.

1.15 Property issues
Analysis of the supply and demand of property within the Borough suggests there is very high demand for very small business premises of less than 25m².  

1.16 Property agents in the Borough indicate that there is very little vacant property in the employment zones. Vacancy rates in these zones are well below the 8% rate the GLA identifies as healthy.  

1.17 Potential employment changes
There are a number of recent, planned or possible developments which may have implications for employment in the Borough.

- The Core Strategy allocated eight strategic sites for development across the Borough to meet the need for space identified at the time. Of these only Kensal (10,000 sq.m offices) and Earls Court (10,000 sq.m offices) had allocations for employment uses. Both sites are identified as potential sites to be the focus of the Cultural Placemaking approach.
- The BBC has moved much of its work from Shepherds Bush, just to the west in the Borough of Hammersmith and Fulham, to Salford. This could affect the amount of TV production related business in the Borough.
- Imperial College is building a new post-graduate campus - Imperial West, again on the border with Hammersmith and Fulham, just to the north of the Westway which will be a focus of activity.
- Redevelopment of Earl’s Court will result in closure of the Exhibition Centre, and although alternative provision is being negotiated as part of the planning application, the potential disruption during a lengthy construction phase, is likely to impact on businesses in the Earl’s Court area. The retail development is intended to be a neighbourhood centre to serve the needs of the new residents but it will be managed as a portfolio by the landowners, who will be able to control the selection of retailers to create an effective, balanced centre, in a way that cannot be achieved in the Borough’s town centres. In the longer term the development will

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17 Local Economic Evidence: Employment and Land Use RBKC 2010
18 Initial findings RBKC Enterprise Study 2012
19 Employment Land Study, January 2007 and Employment Land Review Update 2009
20 Cultural Placemaking in the Royal Borough of Kensington and Chelsea 2012
provide about 95,000 sq metres of office / business space in total (just over 10,000 sq metres in this Borough) as well as a hotel, and a private hospital.

- Possible delivery of a Crossrail station at Kensal for Portobello and the impact of the proposed HS2 station at Old Oak Common (officially scheduled for 2026), both have the potential to attract new employers.

1.18 Technological changes
Business use of the internet is now almost universal and improving broadband speeds and increased coverage of Wi-Fi networks will continue to encourage both home and mobile working.

1.19 For creative industries a high quality reliable data connection is an essential requirement. However recent research has indicated that most businesses in the Borough (66 per cent) are happy with their existing broadband connections. Where difficulties were identified these appear to relate to internal cabling limitations rather than the actual service provided to the building.21

2.0 Current Planning Policy

2.1 The very high value of residential properties in the Borough means that planning policy has a role to ensure that all other types of property do not eventually convert to residential uses. Our current Core Strategy employment land planning policies are set out in the appendix, but in summary these policies:

- generally protect most non residential uses across the Borough, and revisions are currently being proposed to tighten this up further in relation to public houses and other uses which fulfil a community need22
- provide some flexibility for A1 shops within town centres to change to other town centre uses
- concentrate large and medium offices within town centres and areas of high public transport accessibility
- identify the Borough’s Employment Zones as locations for small and medium sized premises
- allow new very small23 business to open up / change use anywhere in the borough (with a few minor exceptions).

2.2 The National Planning Policy Framework (NPPF) which comes into full effect in April 2013 has a strong policy presumption in favour of allowing the loss of vacant business premises to housing. However, current Core Strategy policy resists this.

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21 Initial findings RBKC Enterprise Review 2012
22 Partial Review of the Core Strategy - Public Houses and Associated Facilities
23 Less than 100 sq. m
2.3 The Localism Act 2011 allows local planning authorities to take the Community Infrastructure Levy (CIL) and Government funding like the New Home Bonus into account as material planning considerations. This means these would be factors we need to take into consideration when a planning decision is being made. In exceptional cases the fact that the Council would receive such funding could justify approval of a scheme that was contrary to the development plan. Similarly, localisation of National Non Domestic Rates (generally known as business rates) from April 2013 means that the fact that the Council would suffer income loss if the total value of commercial space on which business rates are collected declines could also be a material consideration in planning decisions, but would only lead to refusal of planning permission in exceptional cases if the proposal is in accordance with the development plan. Each case would have to be determined on its own merits with the weight to be attached to such factors a matter for the decision maker.

2.4 Cultural Placemaking\textsuperscript{24}, launched by the Council earlier in the year, has captured the imagination of many people. This is not yet embedded in planning policy.

Q1. Should the Council continue to protect premises and floorspace for business uses, or should policy be more relaxed? Please explain your thinking.

3.0 Town centres\textsuperscript{25}
20% of the Borough’s employment is located in town centres\textsuperscript{26}. The Royal Borough has one international town centre, Knightsbridge, and two major centres King’s Road (East) and Kensington High Street. These higher order town centres form part of the London town centre network within the London Plan. Portobello Road Special District Centre is a major tourist attraction as are the South Kensington Museums.

3.1 The Borough’s larger town centres have a closely interrelated mix of businesses. Shops, hotels, restaurants, cafes, bars and other leisure activities together with good transport links attract visitors from across the capital, the rest of the country and internationally. In turn the quality of these town centres makes them attractive locations for office based employers, further enhancing their vitality.

\textsuperscript{24} Cultural Placemaking in the Royal Borough of Kensington and Chelsea 2012
\textsuperscript{25} Fuller details can be seen in the relevant place sections of the Core Strategy.
\textsuperscript{26} Initial findings RBKC Enterprise Review 2012
3.2 Knightsbridge
This is the most exclusive shopping centre in London and home to Harrods, the Borough’s largest employer and biggest tourist attraction. However, Brompton Road is a Red Route and high traffic levels make it particularly unfriendly to pedestrians. Sloane Street is relatively quiet in comparison providing an unhurried environment with the space for cars to drop off and pick up which is required of such an up market retail offer. There are several luxury five star hotels in the area as well as some of London’s leading restaurants. Office occupiers are generally small companies particularly in the property and private equity sectors, although there are also some retail headquarters. Pavilion Road car park, the ground floor of the Sheraton Park Tower Hotel and the block behind Knightsbridge tube station have been identified as potential development sites. Opportunities to improve the quality of Knightsbridge Green, improve linkages to Hyde Park, create outdoor market/activity space in Montpelier Street and revitalise Beauchamp Place have also been identified.  

27 Core Strategy Chapter 14 Knightsbridge
3.3 King’s Road
Although no longer the cheap rent boutique honey pot it was in the 60s the King’s Road is a major fashion and interior design destination that has many independent retailers. It is anchored by Peter Jones at Sloane Square. In recent years King’s Road has benefited from the development of Duke of York Barracks to create more shops, the Saatchi Gallery and a square. The Saatchi Gallery is one of many non-retail attractions in the area: the King’s Road is more than a shopping destination with two cinemas, the Cadogan Hall and the Royal Court Theatre as well as many bars, cafes and restaurants. The Royal Hospital (home of the Chelsea Pensioners and the Chelsea Flower Show) and National Army Museum are nearby. Here the office occupiers are clustered near Sloane Square. They are generally small in scale and typically private equity related with a number from the property sector including house finders, property private equity as well as head hunters/recruitment agents and hedge funds. There is one large office occupier which is an oil exploration company. Further to the west on King’s Road the suites remain small and occupiers include architects, PR and media companies amongst others. The Council has identified the Sydney Street car park, the Chelsea Farmer’s Market, 125-155 Sydney Street and the office building 102 Sydney Street as edge of centre sites which have the potential to include a significant amount of new retail floorspace. At present no plans have come forward. The main challenge for this centre is to encourage shoppers to walk the full length of the road as footfall falls off significantly westwards.

3.4 Kensington High Street
This centre has weathered the effects of both Westfield opening and weekend closures for refurbishment of the District and Circle Lines, and now has few vacant / short term use shops. The High Street has a highly unusual cluster of bespoke travel agents and outdoor retailers as well as a good selection of High Street names with a particular strength in young fashion. It is anchored by Marks & Spencer and Whole Foods Market, has a major tourist attraction in Kensington Palace at one end and will be the new home for the Design Museum when it relocates to the former Commonwealth Institute in 2014 at the other. There are three large hotels, the Royal Garden, Copthorne Tara and Kensington Park. It is also a significant office location with Associated Newspapers, Sony, EMI, Warner Bros and Mulberry. The High Street has an active night time economy with two nightclubs and a cinema as well as numerous bars and restaurants. The High Street has benefited from significant public investment in streetscape improvements using high quality York stone paving. The removal of all pedestrian guardrails has made crossing the high street much easier and pedestrian footfall less one-sided. Lancer Square and the Tube Station have been identified as potential development sites.
3.5 Portobello Road / Notting Hill Gate / Westbourne Grove

The ‘Boho’ retail mix of Portobello Road, particularly the antiques trade, is feeling the effects of gentrification of the surrounding residential area which is pushing up retail rents and has priced out some of the independent retailers that make the area so appealing to visitors. Portobello street market remains vibrant and is a major tourist attraction, particularly on Fridays and Saturdays. Tavistock Place has been improved to provide a high quality square and the Portobello Wall public art project is being used to encourage people to venture further up Portobello Road to Golborne Road. Westbourne Grove and the side streets surrounding Portobello Road form a cluster of some of the most unique up-market retail in London, in a village like atmosphere, that offers a real alternative to London’s larger retail centres and shopping malls like nearby Westfield.

3.6 South Kensington / Brompton Cross / Fulham Road

This area is being marketed by landowner South Kensington Estates as Brompton Design Quarter and has many fashion and interior design shops along Fulham Road, Brompton Road and the surrounding side streets, perhaps typified by Michelin House, which houses the Conran Shop. The area is a major visitor destination with the V&A, Natural History Museum, Science Museum and Royal Albert Hall (in the City of Westminster). It also serves local residents and has a weekly farmers’ market in Bute Street. Exhibition Road has been transformed into a kerb-free single surface and the Council is implementing a new way of working in partnership with the restaurants and cafes at the southern end of Exhibition Road to ensure that the newly created space is managed effectively for the benefit of all concerned. This approach could expand to cover a wider area and might, in the longer-term, develop into a more formal partnership or even a Business Improvement District. The Council has identified South Kensington Station, the Queen’s Gate car park, the office building on the northern side of Pelham Street and the Post Office building on the western side of Exhibition Road as potential development sites. Plans have been submitted for the new Iranian Embassy and TfL has started informal consultations with local residents and Councillors about re-development of the tube station. The area’s concentration of museums and institutions, like Imperial College, are key employers and significant knowledge assets that other businesses in the Borough could link into more effectively.

3.7 Business engagement in town centres

The Council chairs the Markets Streets Action Group that represents Portobello Road and Golborne Road. Retail Forums have been set up for King’s Road, Kensington High Street and Knightsbridge and businesses are being invited to set up a forum for Notting Hill this autumn. These forums meet regularly and are chaired by retailers. Typically these forums take forward initiatives that can build footfall and encourage new shoppers through marketing and organising events. However, there are some areas where physical interventions like signage, public realm streetscape improvements might be beneficial.

3.8 Future prospects for the Borough’s town centres

31 Core Strategy Chapter 12 South Kensington
It is not possible to intervene effectively in the range of shops in any of our centres because the Council does not have any power to control shop occupiers and landownership is very fragmented, with the exception of parts of Sloane Street / King’s Road/ Duke of York Square which are owned and actively managed by Cadogan Estates.

3.9 It is likely that in the UK as a whole there will be a reduction in total retail floorspace as retailers give up under-performing shops when leases come up for renewal. This is a reflection of many different drivers: retailers concentrating on fewer centres, expansion of out of town shopping centres; the fact that many of the shops in traditional high streets no longer meet retailers’ requirements, either because they are too small, or are too difficult to service or because footfall is inadequate; the growth of on-line retail purchases; and the recession.

3.10 These trends are less likely to affect Kensington and Chelsea because of the expenditure of large number of visitors, from overseas and the rest of the country, and the wealth of many of our residents. There is demand for vacant shops in our town centres, and very few remain vacant for long even if on occasions landlord’s rental expectations have not been in line with retailers’.

3.11 Similarly should Sunday trading hours increase this is likely to increase retail trade in this Borough, rather than just spread trade, because of the importance of visitors’ expenditure.

Q2. What sort of business premises / floorspace are required in and around our town centres?

Q3. What sort of accommodation in town centres (if any) should we be protecting for business use?

Q4. Would it be appropriate to releases any accommodation in town centres for residential use, and if so what?

Q5. Are there any interventions that could make our town centres function better e.g. a neighbourhood plan or Business Improvement District?

Q6. Are there any physical interventions like environmental improvements, refurbishment or re-development that would make the town centres more attractive to business?

32 The AMR August 2012 shows the average unit vacancy rate in the higher order shopping centres was 4.9 per cent, and 5.6 per cent Borough wide. The national retail vacancy level in June 2012 was 14 per cent, with 10 per cent in London.

33 A Business Improvement District (BID) is a defined area within which businesses pay an additional supplement to their business rates in order to fund improvements requested by businesses within the district's boundaries.
4.0 Hotels
There are 191 hotels (28,500 bed spaces) in the Borough and the hotel industry is particularly strong in terms of the number of people employed and the number of businesses, compared to elsewhere in the UK.\textsuperscript{34}

4.1 Expenditure on overnight accommodation is estimated to contribute £730 million per year to the Borough’s economy\textsuperscript{35}.

4.2 Currently the Council protects all hotels in the Borough, except in Earls’ Court ward, and requires all new hotels to be located within, or immediately adjoining the Borough’s larger town centres.

4.3 The Government is proposing to make changes to the Use Classes Order (General Permitted Development Order) so that changing from a hotel to residential use will not require planning permission.

Q7. Does the Council’s current policy towards protecting hotels strike the right balance?

5.0 Businesses elsewhere in the Borough
Outside the town centres employment is distributed more evenly and dominated by small businesses and working from home. Although these businesses make up the majority of the Borough’s employment we have little understanding their nature so further research is being undertaken to inform the later stages of this Enterprise Review.

5.1 The Borough protects small office uses throughout the borough and supports home working in principle. Residents can work at home and have offices in their homes that employ staff without the need to apply to change the planning use class, provided the main use of the building remains residential.

5.2 The Council is preparing a Supplementary Planning Document (SPD) on land underneath and close to the Westway which highlights development opportunities in the area, including business uses.

5.3 The Borough currently has a policy which identifies three employment zones Kensal, Freston Road / Latimer Road and Lots Road. Within these zones we protect employment uses and we do not allow residential development because this would push up land values and increase rental expectations on existing businesses uses. These areas are not particularly accessible by public transport so we do not encourage large offices (over 1,000 sq metres). Generally these areas provide relatively low cost accommodation for small and medium sized businesses. The Council has not identified any development sites in the employment zones.

5.4 Although they only account for 5% of the employment in the Borough recent research has indicated these zones accommodate significant clusters of creative businesses that serve international clients, particularly in the music

\textsuperscript{34} RBKC Hotel Survey 2004
\textsuperscript{35} Study of the Visitor Economy 2009
and high end fashion design industries\textsuperscript{36}. Despite lack of encouragement the success story in parts of these areas has been the attraction of larger occupiers.

5.5 Some buildings in the employment zones are quite run down. This may mean they provide cheaper premises for businesses that could not afford to pay higher rents, such as new businesses and businesses that provide local services like car servicing and repair. Alternatively, it could signal the opportunity to refurbish and re-develop buildings to better meet modern business requirements.

5.6 \textbf{Kensal}
This is the largest employment zone and there is a particularly strong cluster of firms engaged in the creative and cultural industries, such as recording, media, design, advertising, printing, publishing, visual arts and crafts, located here. The Portobello Dock development, home to Tom Dixon Designs and a location for the London Design Festival, is within this employment zone and the headquarters of Innocent Smoothies is a recent addition. As a result this

\textsuperscript{36} Initial findings RBKC Enterprise Review 2012
area has been identified as a focus for Cultural Placemaking. Some new employment opportunities may be created as part of re-development of the Kensal Gasworks site but this expected to be primarily residential and retail (re-provision of the Sainsbury’s supermarket and some additional neighbourhood retail provision). The Council is actively lobbying for provision of a Crossrail station at Kensal for Portobello. This would make the surrounding area more attractive for employment uses and make higher density development viable, increasing business uses both on the Kensal Gasworks site and in the employment zone. The Council has also taken the opportunity to reconnect this area with the top of Portobello Road as part of the renewal of the Wornington Green Estate/Portobello Square. The reconnection of Portobello Road to Ladbroke Grove is likely to be completed around 2018. This will enhance perceptions of the area and increase passing trade for businesses, especially in the northern end of Portobello Road.

5.7 Lots Road
This area contains a cluster of antiques and art-related firms focussed on the Bonhams and Lots Road auction houses and Heatherley’s School of Fine Art, as well as designers and business services associated with the Design Centre Chelsea Harbour, nearby in Hammersmith and Fulham. This is another area identified with the potential for Cultural Placemaking. The Lots Road Power Station is being redeveloped as a residential-led mixed use scheme, which includes over 4,000 sq. m of office uses, as well as some retail. Cremorne Wharf is a designated GLA safeguarded wharf site owned by the Council. It is currently used for storage and will be required for excavation of the Thames Tunnel (combined sewage and surface water overflow tunnel). The Council has sought to remove the safeguarded wharf status of the site through the GLA’s ‘Safeguarded Wharf Review 2011-2012. The outcome of this review is expected in autumn 2012 and the Council has submitted a planning application for this site. Chelsea Wharf warehouse buildings have been converted to offices. The recently opened Chelsea Academy specialises in sciences and catering.

5.8 Freston Road / Latimer Road
This employment zone is close to the A40 Westway and Latimer Road Underground station. It offers low-cost, flexible space for small businesses. These businesses are generally offices and showrooms, there are now fewer light industrial uses. Alongside the Phoenix Brewery, now converted into offices, there are new developments that are home to large occupiers: the Headquarters of Monsoon Accessorise (although recently a number of their staff have been relocated outside London), Talk Talk and Colart (leading visual artists’ brand including Windsor and Newton). Property agents have identified this new demand as overspill from Paddington, where property prices are double, and the halo effect of White City. They have also indicated that there may be opportunities for further landmark buildings to be developed. The Imperial (College) West campus being developed immediately over the border in Hammersmith and Fulham will include accommodation for small companies spun off from Imperial College research.

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37 Cultural Placemaking in the Royal Borough of Kensington and Chelsea 2012
38 Cultural Placemaking in the Royal Borough of Kensington and Chelsea 2012
39 Initial findings RBKC Enterprise Review 2012
and may increase demand for property in this employment zone in the longer-term.

5.9 A recent survey of employers, mainly in employment zones has found\textsuperscript{40}:

- Almost 100 per cent of employment property is leased.
- Employers expressed concerns about parking costs and enforcement regimes and the lack of lunch venues in employment zones, and some area specific issues like security of the canal at Kensal, street cleaning after the Notting Hill Carnival and children involved in anti-social behaviour.
- Most companies are not concerned about having residential neighbours but there is a sizeable minority of businesses who are. Their concerns relate to residents creating noise during office hours and some firms needing to make noise 24 hours a day, or at odd hours. There was also some concern about residents’ parking and residents’ cars blocking access.

5.10 Business Engagement in the Employment Zones

The Council does not actively engage with businesses in the employment zones, and there are no business forums based in these areas that we are aware of. A neighbourhood plan may emerge for the St Quintin and Woodlands area which would include Latimer Road Employment Zone.

Q8. What sort of places do we want our employment areas to be and what types of employers should we try to attract i.e. should they be high rent office or low rent activities?

Q9. Should we stop restricting large employment uses in employment zones, regardless of their accessibility?

Q10 Would it be desirable to introduced some mixed use development (residential and employment uses in the same building) in our employment areas?

Q11 Are there cultural facilities that would attract creative businesses, if so what are they?

Q12 Would the employment areas work better with some associated facilities like restaurants and cafes?

Q13 Are there any interventions that could make employment areas function better e.g. a local business forum, neighbourhood plan or Business Improvement District?

\textsuperscript{40} Source: as above
Q14 Are there any physical interventions such as environmental improvements, refurbishment or re-development that would make the employment areas more attractive to business?

6.0 Supporting people into employment
Overall employment in the Borough is high; however, unemployment is an issue. As of August 2012 there were just under 3,000 residents in receipt of Job Seeker's Allowance, or 2.5 per cent of the working age of the population. This average figure hides a wide disparity between wards at the extremes, with Golborne ward at 7.2 per cent and Queen's Gate ward at 0.9 per cent. The number of residents claiming one of the key out of work benefits is 11,180 (February 2012), 9.5 per cent of the working age population.

6.1 Long term unemployment (those claiming Job Seeker's Allowance for 12 months or more) has tripled since the start of the recession, while total unemployment has risen by 16 per cent over the same period, but the increase it is not as high as other parts of urban London.

6.2 Residents are out of work for a variety of reasons including the recession, skills levels, health conditions, caring responsibilities, lack of suitable childcare and levels of motivation. During the recession young people and recent graduates have faced intense competition and struggled to gain their first jobs. The range of circumstances for unemployed residents means that the availability of personalised employment support (advice, guidance and training) and assistance to access suitable vacancies is a Council priority.

6.3 London’s diverse labour market will continue to create employment opportunities for our residents both inside and outside the Borough. But where we do have opportunities, through regeneration, to attract new employment to the Borough our current view is that where we can we should promote employment opportunities for local people.

Q15 Where we can, should we encourage local businesses to take on unemployed residents?

7.0 Making the Borough more business friendly
The Council has encouraged new businesses by funding advice and training for start-ups, ensuring that premises are available on flexible terms (e.g. Baseline Studios) and supporting projects to develop young entrepreneurs. The Council also engages with employers to identify and fill apprenticeship places and supports hospitality employers to recruit locally.

8.1 The Council has a statutory role in regulating business through planning and transportation and highways, health and safety, licensing and environmental health regulations. The Council also uses discretionary powers to license chairs and tables on the public highway, increase planning control in Conservation Areas and through Article 4 Directions. Much is already being done centrally to reduce the burden of regulation on business and promote growth, but it is felt that there are opportunities at the local level to take this further.
Q16 How can greater numbers of new businesses in Kensington and Chelsea be encouraged?

Q17 How can business growth be realised?

Q18 Are there any barriers to conducting business that could be removed or lessened?

Q19 In the future how should the Council engage with and act on the views of businesses?
Appendix 1 - Core Strategy employment planning policies

Policy CF 1
Location of New Shop Uses

The Council will ensure vital and viable town centres through a town centre first approach to new retail floorspace.

To deliver this the Council will:

a. support the creation of new shop floorspace within town centres;
b. require new retail development with a floor area of 400sq.m (4,300sq.ft) (gross external) or more to be located within existing higher order town centres or within sites adjoining Knightsbridge, King’s Road (East and West), Fulham Road, Brompton Cross and South Kensington where no suitable sites can be identified within these centres;
c. permit new shops (A1) of less than 400sq.m (4,300sq.ft) (gross external) in areas of retail deficiency as shown on the plan within Chapter 30 (Keeping Life Local);
d. require the establishment of new centres in the Latimer and Kensal areas to address identified retail deficiency and support the establishment of a new centre in the Earl’s Court & West Kensington Opportunity Area, with retail provision to serve the day-to-day needs of the development. Any new centre must comply with the requirements of PPS4, and be of a scale that does not have an unacceptable impact on existing centres.
e. require, where proposals for new retail development do not comply with parts (a) to (d), that it is demonstrated either:
   i. that the development would meet the requirements of the sequential assessment; and that the development will not have an unacceptable impact on existing centres; or
   ii. that the new floorspace would underpin the Council’s regeneration objectives and the vitality of any existing centre will not be harmed.

Policy CF 2
Retail Development within Town Centres

The Council will promote vital and viable town centres and ensure that the character and diversity of the Borough’s town centres is maintained.
To deliver this the Council will:

a. require the scale and nature of development within a town centre to reflect the position of the centre within the retail hierarchy and to assist in the implementation of the vision for that centre as set out within Section1b Places (Chapters 4-18);

b. require a range of shop units sizes in new major retail development, and resist the amalgamation of shop units, where the retention of the existing units contributes to achieving the vision for the centre;

c. seek the provision of affordable shops in new large scale retail development or mixed use development with a significant retail element, to provide affordable shops, or where this is not appropriate, to provide a financial contribution through planning obligations to support retail diversity within the centre. Affordable shops can be provided off site within the same centre where appropriate.

Policy CF 3

Diversity of uses within Town Centres

The Council will secure the success and vitality of our town centres by protecting, enhancing and promoting a diverse range of shops and by ensuring that these uses will be supported, but not dominated by, a range of complimentary town centre uses.

To deliver this the Council will:

a. Protect all shops and shop floorspace at ground floor level in primary retail frontages of:
   i. Knightsbridge, King’s Road (East and West), Fulham Road, Brompton Cross, South Kensington, Kensington High Street and Westbourne Grove town centres unless the change is to another town centre use and where 80% of the ground-floor units in the relevant street frontage will remain in an A1 (shop) use and the non shop use is not adjacent to another non-A1 use;
   ii. Notting Hill Gate unless the change is to another town centre use, but not an estate agents, bureaux de change (Class A2) or hot food takeaway (Class A5) use and where 80% of the ground-floor units in the relevant street frontage will remain in an A1 (shop) use and the nonshop use is not adjacent to another non-A1 use;
   iii. Portobello Road Special District Centre;

b. Protect all shops and shopping floorspace at ground floor level within the secondary retail frontages of:
   i. Knightsbridge, King’s Road (East and West), Fulham Road, Brompton Cross, South Kensington and Kensington High Street and Portobello Road town centres, unless the change is to a town centre use and where 66% of the ground-floor units in the relevant street frontage will remain in an A1 (shop) use and there are no more than 3 non-A1 uses in a row;
ii. Notting Hill Gate District Centre unless the change is to another town centre use, but not an estate agents, bureaux de change (Class A2) or hot food takeaway (Class A5) and the change is to a town centre use and where 66% of the ground-floor units in the relevant street frontage will remain in an A1 (shop) use and there are no more than 3 non-A1 uses in a row;
c. protect retail uses above or below ground floor level within town centres unless it is successfully demonstrated that their loss will not adversely affect the essential shopping character and function of the centre;
d. protect all shops within neighbourhood centres, unless the proposal is to change to a social and community use, and where 66% of the relevant street frontage remains in an A1 use (shop).

Policy CF 4

Street Markets
The Council will ensure that street markets remain a vibrant part of the Borough’s retail offer.

To deliver this the Council will:

a. protect all of the Borough’s street markets including those at Portobello Road, Golborne Road and Bute Street;
b. support new, or the expansion of existing, street markets where this fits in with our broader retail strategy and our strategic objectives for the town centres in which they would be located within or adjacent to;
c. require the protection of existing storage lockups for street traders, or their equivalent re-provision.

Policy CF 5

Location of Business Uses
The Council will ensure that there is a range of business premises within the Borough to allow businesses to grow and thrive; to promote the consolidation of large and medium offices within town centres; support their location in areas of high transport accessibility; and protect and promote employment zones for a range of small and medium business activities which directly support the function and character of the zone.

To deliver this the Council will, with regard to:

Offices

a. protect very small and small offices (when either stand alone or as part of a larger business premises) throughout the Borough; medium sized offices within the Employment Zones, Higher Order Town Centres, other accessible areas
and primarily commercial mews; large offices in Higher Order Town Centres and other accessible areas, except where:

i. the office is within an employment zone and is being replaced by a light industrial use, workshop or other use which directly supports the character and function of the zone;

ii. the office is within a town centre and is being replaced by a shop or shop floorspace, by a social and community use which predominantly serves, or which provides significant benefits to, Borough residents; or by another (not residential) town centre use where this allow the expansion of an adjoining premises;

b. permit very small offices anywhere in the Borough save for ground floor level of town centres;

c. permit small office developments anywhere in the Borough; require medium-sized office developments to be located in town centres, in other accessible areas, in Employment Zones and in commercial mews; require large office developments to be located in higher order town centres and other accessible areas, except where the proposal:

i. results in shared communal residential/ business entrance;

ii. results in the net loss of any residential units or floorspace; or

iii. in the case of a town centre, harms the retail function of that centre;

d. permit business centres at upper floor levels of higher order town centres, within accessible areas and within Employment Zones;

e. require all new business floorspace over 100sq.m to be flexible, capable of accommodating a range of unit sizes;

Light Industrial

f. protect all light industrial uses throughout the Borough;

g. require new light industrial uses to be located within Employment Zones, predominantly commercial mews and other areas where amenity is not harmed;

h. require the provision of a mix of unit sizes suitable for the creative and cultural businesses, as appropriate;

Employment Zones

i. protect light industrial uses, workshops, very small, small and medium offices, and business centres;

j. require there be no net loss of business floorspace unless to uses which directly support the function and character of the zone;

k. resist large office developments except when consisting entirely of very small, small or medium units;

l. resist residential uses including for student housing or any form of living accommodation;

m. promote employment zones as locations for small businesses and for workshops (whether stand alone or part of large business centres).

n. to restrict, through the use of s106 planning obligations, the amalgamation of small and very small business units.
Policy CF 6
Creative and Cultural Businesses
The Council will promote and protect the work-spaces needed to support the creative and cultural industries across the Borough.

Policy CF 7
Arts and Cultural Uses
The Council supports the Boroughís role in both local and world-class arts and culture. The Council will welcome new cultural institutions and facilities across the Borough and protect, nurture and encourage those which already exist. In particular the Council will support proposals which enhance the cultural draw of South Kensington, King's Road/Sloane Square, the Notting Hill Gate and Portobello Road area and Kensington High Street.

To deliver this, the Council will:

a. protect all land and/or buildings where the current or last use is/was an arts and cultural use unless that use is re-provided to an equivalent or better standard in the immediate vicinity of the site;

b. permit new arts and cultural uses, or the expansion of these uses, which are likely to generate large numbers of visitors in higher order town centres and other areas of the Borough which have a PTAL score of 4 or above, or will achieve this level through improvements to public transport during the lifetime of the plan. Smaller scale arts and cultural uses which are likely to attract fewer visitors will be welcomed throughout the Borough;

c. permit enabling development on land and/or buildings where the current or last use is/was an arts and cultural use, in order to provide alternative arts and cultural uses on site or improve arts and cultural uses elsewhere within the Borough, where it is successfully demonstrated that there is greater benefit to the Borough resulting from this proposal.

Policy CF 8
Hotels
The Council will ensure that the visitor economy is supported through appropriate hotel provision.

To deliver this the Council will:

a. protect hotels across the Borough except in Earl's Court ward;

b. require new hotels to be located within, or immediately adjoining, the Borough’s higher order town centres, and in particular Knightsbridge, South Kensington,
Kensington High Street, King’s Road (East), Brompton Cross and Notting Hill Gate and within the Earl’s Court Exhibition Centre Strategic Site;
c. encourage the upgrading of existing hotels where:
   i. this will assist in maintaining the vitality of the centre;
   ii. this will not result in the loss of any residential accommodation;
   iii. there will be no material harm to amenity.

**Policy CF 9**

**The South Kensington Strategic Cultural Area**

The Council will protect and enhance arts and cultural uses in the South Kensington Strategic Cultural Area.
Appendix 2 – Consultation Response Form

Enterprise Core Strategy Review – Issues and Options

2.0 Current Planning Policy

Q1. Should the Council continue to protect premises and floorspace for business uses, or should policy be more relaxed?

☐ Yes

☐ No

Please explain your thinking

3.0 Town centres

Q2 What sort of business premises / floorspace are required in and around our town centres?

Q3 What sort of accommodation in town centres (if any) should we be protecting for business use?
Q4 Would it be appropriate to release any accommodation in town centres for residential use, and if so what?

Q5 Are there any interventions that could make our town centres function better e.g. a neighbourhood plan or Business Improvement District\(^{41}\)?

Q6 Are there any physical interventions like environmental improvements, refurbishment or re-development that would make the town centres more attractive to business?

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\(^{41}\) A Business Improvement District (BID) is a defined area within which businesses pay an additional supplement to their business rates in order to fund improvements requested by businesses within the district’s boundaries.
4.0 Hotels

Q7 Does the Council's current policy towards protecting hotels strike the right balance?

[ ] Yes
[ ] No

Please add any additional comments:

5.0 Businesses elsewhere in the Borough

Q8 What sort of places do we want our employment areas to be and what types of employers should we try to attract i.e. should they be high rent office or low rent activities?
Q9 Should we stop restricting large employment uses in employment zones, regardless of their accessibility?

Yes  

No

Please add any additional comments:

Q10 Would it be desirable to introduced some mixed use development residential and employment uses in the same building) in our employment areas?

Yes  

No

Please add any additional comments:
Q11  Are there cultural facilities that would attract creative businesses, if so what are they?

Q12  Would the employment areas work better with some associated facilities like restaurants and cafes?

Q13  Are there any interventions that could make employment areas function better e.g. a local business forum, neighbourhood plan or Business Improvement District?
Q14  Are there any physical interventions such as environmental improvements, refurbishment or re-development that would make the employment areas more attractive to business?

6.0  Supporting people into employment

Q15  Where we can, should we encourage local businesses to take on unemployed residents?

Yes

No

Please add any additional comments:

7.0  Making the Borough more business friendly

Q16  How can greater numbers of new businesses in Kensington and Chelsea be encouraged?
Q17  How can business growth be realised?

Q18  Are there any barriers to conducting business that could be removed or lessened?

Q19  In the future how should the Council engage with and act on the views of businesses?
Please add any additional general comments here: