

## **Draft London Plan: Response from Kingfisher PLC**

Executive Summary:

Our Objectives in London:

1. The potential for the home improvement market London is significant, and we would like to achieve our potential through opening more stores in underrepresented areas.
2. Retain and protect our existing store estate – a number of our larger B&Q stores located in retail parks have been under threat from closure through landlords wanting to develop the site into housing.

Proposed Solutions:

1. Where new housing development is proposed on retail parks, every effort should be made to retain and/or adapt the current retail presence on that site (e.g. through considering larger stores in mixed use developments).
2. Where it can be proven that redeveloping a site including a home improvement store would lead to the loss of the final store in a district, provision should be made to protect that to ensure an adequate retail provision can be maintained.
3. Retailers proving to serve the same aims as industrial, logistics and services sites should receive the same planning protection.

### **Introduction: About Kingfisher**

Kingfisher PLC is an international home improvement company with 1,211 stores in 10 countries across Europe, Russia and Turkey, supported by a team of 77,000 colleagues.

We offer home improvement products and services to nearly six million customers who shop in our stores and through our digital channels every week. Our customers are everyone wanting to improve their home, as well as the experts and trade professionals (including electricians, plumbers, decorators, builders and plumbers) that help them maintain and repair their homes. With more and more people living in less space, within older buildings and looking for more comfort, the home improvement market is large and growing.

We believe everyone should have a home they feel good about, so our purpose is to make home improvement accessible to everyone. Being accessible means being the first place people can turn to for home improvement, and helping to break down the barriers to home improvement including budget, skills, time or even daily life, and for tradesmen to be able to do their job faster to meet their customers' housing needs as quickly and as conveniently as possible.

In the UK, we are the market leader with our B&Q and Screwfix brands, where we operate more than 800 stores supported by more than 25,000 colleagues. To help us make home improvement accessible for our UK customers, we are working with Shelter, the leading charity tackling poor housing and homelessness, to improve the lives of thousands of people through practical home improvement help, and funding of frontline services.

### **Kingfisher in London**

We welcome the opportunity to respond to the Mayor's draft London Plan, and stand ready to engage with the Greater London Authority and individual boroughs to discuss our

submission in more detail. Broadly, we support the principles outlined in the Plan with minor modifications to ensure that our customers continue to have good access to our stores.

In London, we operate 98 B&Q and Screwfix stores with more than 2,000 colleagues<sup>1</sup>, and our Kingfisher head office is based in Paddington. With its growing population and ageing housing stock, there is a significant potential and a very real need for the home improvement market in the capital.

We therefore see ourselves as not only providing essential retail facilities in London, but that we are also a significant employer and, as such, our business should be regarded alongside other employment-generating issues.

**However, we perceive that one of the barriers for our customers to maintain and repair their homes in London is the lack of stores within the city, particularly compared with other parts of the UK such as Greater Manchester. We therefore see that having an appropriate spread of stores across Greater London as a priority.**

This is why we have an objective to further invest in the capital through opening more Screwfix and smaller format B&Q stores within the Central Activities Zone, International and Metropolitan areas in the near future. This would ensure greater accessibility to more customers across the capital.

We believe that operating a range of smaller stores focused on convenience and individual product purchases within more central areas needs to be complemented by our existing range of stores.

Our existing presence in London include larger B&Q stores, which are primarily located in district areas within in Outer London. These stores focus on project-based shopping, such as purchasing a kitchen or bathroom where customers can get ideas, touch and test products, and seek advice from our colleagues as well as housing bulky products, such as fencing panels, bricks or cement bags. As customers visiting these stores will be purchasing bulky or multiple products, car parking provision is an important aspect of the offer provided by these stores.

There is, therefore, a need to support the larger stores at out of centre, but accessible locations. **As these stores provide a key role in helping customers improve their homes, provide local jobs and meet a specific retail demand, it is essential that this floorspace and car parking provision is protected.**

While we do see the potential to increase our presence in underrepresented areas of London, we have faced difficulties in recent years to retain our full portfolio of existing B&Q stores. This difficulty arises when our landlords wish to redevelop our existing sites into (typically high-end) residential developments without offering an alternative site to relocate our stores, or the provision of equivalent floorspace and car parking provision within the new scheme. Recent examples include our stores in Wandsworth and the Old Kent Road.

Where we have lost stores in the past, such as in Whetstone in 2016, or where we are at risk of losing a site in future due to increasing residential demand and associate land values, typically we are not offered a replacement site, floorspace or car parking provision where this is needed, and do not receive a transfer of customers to the nearest store. As a result, we have lost 15% of our store presence in London in the last three years.

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<sup>1</sup> B&Q 28 stores/ more than 1,000 colleagues; Screwfix 70 stores/ more than 1,400 colleagues

Ultimately, there is a risk that within certain boroughs the closure of one of our stores would lead to there being no provision of larger, project-focused, home improvement stores within the district or, indeed, within the borough. This is then unsustainable, in planning terms, because it would involve significantly greater travel movements by private car than would otherwise have occurred as well as the inconvenience caused to the customer needing to seek their desired products at a greater distance from their home. It could also lead to an increase in online shopping, leading to additional congestion on London's roads. Most importantly, it would make our stores and therefore vital home improvement projects less accessible to our customers.

We are now seeking opportunities to engage with the GLA and specific boroughs to reduce the risk of closing our existing sites, and to further expand into the capital in order to provide more well-located stores to our customers. **Significantly, we see the need to increase the presence of our stores in underrepresented areas of London, and the policies of the Plan should support this and recognise that out of centre locations serve a specific purpose and have a sustainable role in the retail hierarchy.**

### **The Importance of Home Improvement Stores to London's Housing Goals**

Kingfisher's ambition is to make home improvement accessible to everyone. We agree with the principles set out in the Mayor's draft Housing Strategy and 2050 Infrastructure Plan that housing should be a planning and an infrastructure priority for the capital.

We recognise the Mayor's observations that London's housing stock is ageing, should be adapted to the population's diverse needs and should become more energy efficient to tackle fuel poverty<sup>2</sup>. We agree that homeowners need to be incentivised to undertake home improvements to address the £6bn of basic repairs needed to existing housing stock<sup>3</sup>, as well as the need for 66,000 extra new homes to be built in the capital each year. On energy efficiency, our target for 2025 is to bring our customers the products, services and advice they need to achieve a 50% reduction in their home energy use.

It is our view that our B&Q and Screwfix stores have a fundamental role to play to help Londoners improve their existing homes as well as to provide our trade customers with the right tools and materials to contribute their skills to creating new homes for the capital.

In addition, through our charity partner Shelter, we are supporting one of their DIY Skills Advisers based in their Hackney hub, supporting people and families with their home improvement projects in London. Since the partnership with Shelter was launched last year, London's B&Q stores have raised £15,000, which will all go towards frontline services supporting around 14,000 Londoners.

**To achieve these mutual goals of adapting the current London housing stock for the population's current needs and to build the new homes needed, it is crucial that residents and trade customers have good accessibility to home improvement stores, including our B&Q and Screwfix stores.**

Without a sufficient provision of home improvement stores within the capital, it will be more difficult for customers to carry out maintenance, repair work and larger projects in their homes and for trade professionals to access the tools that they need to help maintain the new homes built in the capital.

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<sup>2</sup> Draft London Housing Strategy Consultation, pp.14

<sup>3</sup> Ibid, pp.129

Below we set out our concerns around the proposals included in the draft plan [Policy H1 Increasing Housing Supply] to redevelop retail and leisure parks to deliver housing intensification.

We would emphasise that we do not oppose the principle additional housing to be included within retail parks, but due consideration needs to be given to retain or adapt the existing retail floorspace and car parking provision to ensure that new residents will have access to the products they need to maintain and repair these new homes.

### **Role for Larger Stores in Mixed-Use Sites**

We are supportive of the principle of increasing mixed use sites, including a combination of retail and residential provision.

With our smaller-format stores (Screwfix and our smaller format B&Q stores), we have successfully incorporated the store within mixed-use residential sites. Our examples include: B&Q City on Holloway Road and Screwfix in Battersea, Kensington, Fulham, Welling, Tooting and Lewisham. As part of our new store opening approach, our teams engage with local residents and the wider local community to alleviate any concerns about noise and disruption during the fit-out of the store, deliveries and during trading hours.

We are eager to explore opportunities to combine our larger B&Q format stores within mixed-use sites but have not found that developers have had the desire to explore this opportunity with us in the past. **To encourage developers to opt for a combination of larger stores and residential properties within a mixed-use site, the Plan should include policies to support the retention of retail floorspace through integration with mixed-use residential sites.**

It is encouraging that the Deputy Mayor wants to explore mixed-use opportunities beyond the model of combining high-rise accommodation with a convenience supermarket on the ground floor – we would be prepared to outline in more detail how we might see a larger B&Q store being incorporated into a mixed-use site with residential properties in practice.

### **Redevelopment of Retail Parks: Provision to retain the last home improvement store within a district**

Kingfisher recognises the fast pace of transformation in the retail sector owing to changes in consumer habits, including the trend towards more smaller convenience outlets in central locations. In our response to this trend, we last year opened our first B&Q City Format store in the UK on the Holloway Road, which focuses on convenience purchases of individual products.

While we are evaluating the success of this store and see the potential for opening additional smaller sites within the CAZ and within Metropolitan and Major centres in the near future, there is still a role for larger sites in out-of-centre retail parks as previously stated. Ultimately there is a balance to be achieved between convenience and project-based purchases within the capital, with specific roles for stores of all sizes to play alongside our digital offer.

While we acknowledge that there is a surplus of comparison goods retail space in retail parks within certain district centres, we do not believe that there is a blanket surplus of home improvement stores (categorised as stores specialised in the ‘maintenance and repair of the dwelling’) in London. To the contrary, we believe there is currently a lack of home improvement stores in the capital compared with other UK cities, which is why we have an objective to expand our presence in the Capital.

**We therefore believe the London Plan should include provisions for boroughs to consider their comparison goods retail provision in greater detail to ensure that they will not risk a lack of access to any one type of provision in particular (be it home improvement or another kind of comparison goods retail such as clothing or electronic goods). We believe that the Plan should include provisions for the final store within the relevant category of comparison goods retail in the district to be protected.**

We do not oppose the principle to not to increase retail floorspace in retail and leisure parks where this space can be used to deliver housing intensification and a surplus of comparison goods retail can be proven. However, Policy SD8 should also provide provision for the existing retail floorspace to be retained where required within the retail park – either in isolation or within a mixed-use site.

**Home Improvement stores should be protected in the same way as land for industry, logistics and services [Policy E4; E5]**

Kingfisher agrees with the intention to secure sufficient supply of land and premises to meet current and future demands for industrial and related functions to be maintained. Indeed, a significant proportion of our Screwfix trade counters in London (typically B8 sites, serving predominantly trade customers within industrial estates and some Strategic Industrial Locations), fall into this category.

Since 2012, Screwfix has opened 50 new stores across the UK every year, with expansion also included within the capital with an increasing number of outlets located in more central locations (e.g. Fulham and Kensington).

Screwfix also contributes to the Mayor's aspiration to address the Construction Skills Gap in its support for trade apprentices; it is running its Top Trade Apprentice competition for the third consecutive year to support the pipeline in the trade and published a guide in 2016 to encourage trade customers to hire their own apprentices.

Kingfisher supports the draft Plan's inclusion to encourage boroughs to define the detailed boundary of Strategic Industrial Locations in policies maps as it is sometimes difficult to identify whether or not our Screwfix sites fall within or outside of the SIL boundary.

**However, it is becoming increasingly difficult for Screwfix to find new B8 sites in London and have opened A1 sites in some locations – which typically have higher rental rates than B8 sites, which makes it more difficult to maximise financial viability.**

While it is encouraging to see that businesses serving an industrial purpose are being protected in the Plan, we believe that the approach to out of town retailing is contrary to this approach. **We believe that retailers contributing to these same aims as industrial sites and contributing to other planning priorities such as housing should receive similar protections to industrial sites.**

We believe our B&Q stores have much in common with industrial sites identified for protection. Not only do they directly serve a significant number of trade professionals (who represent around 25% of B&Q's customer base through its 'Trade Point' provision), they also contribute directly to the Mayor's priorities to maintain and repair existing housing infrastructure as well as creating more homes in the capital to serve the needs of London's growing population.

Like industrial sites, B&Q stores also contribute towards employment opportunities for Londoners with more than 1,000 store colleagues within the capital.

We very much hope that you will take these comments into consideration, and make modifications to the policies in the draft London Plan. Please do not hesitate to contact us should you wish to discuss the matters further with us in more detail.

**For further information, please contact [Mair.Roberts@kingfisher.com](mailto:Mair.Roberts@kingfisher.com)**