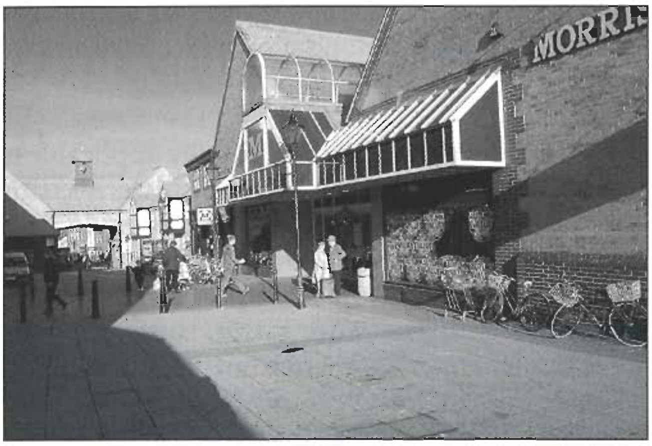
Filling the Shopping Bag

Retail Need And Impact

3



Town centre foodstore, Newark

1. INTRODUCTION

3.1.1 It would be misleading to suggest that historic retail centres had been unchanging entities since their foundation and that only recently had they come under pressure from the 'retail revolution'. Historically, street markets gave way to the shop, the Victorians introduced department stores and covered shopping arcades, national multiples have imposed new trading formats such as self service and the car, then pedestrianisation, has changed the way we shop in centres. Change has always been there and historic centres, for the most part, are the rich and diverse places that they are because they have changed and adapted over the centuries.

3.1.2 However, over the last 20 years, the infusion of new retailing ideas, or opportunities to exploit new consumer markets, has created a momentum of change with far-reaching implications. Although propelled by market forces this change was fuelled by de-regulatory planning policies of Central Government and rapid consumer expenditure growth in the late '70s and through the 1980s. Local authorities were ill-equipped during this period to respond to these challenges.

3.1.3 These trends have not only assumed a dominant influence on the pattern of land use in town and city centres, but have also had a profound impact upon traffic movements and behaviour patterns, including leisure time. Historic towns and cities have been no exception and they have had to contend with an added dimension brought about by their own particular character and planning constraints. Historic centres have often been characterised by the uncertainty of development projects and 'stop and go' periods of inactivity and growth, but more importantly, insufficient levels of investment in their future. Expansion and adaptation to the requirements of the retail sector and the local consumer population have been more difficult to accommodate within the constrained urban fabric of sensitive, historic environments while the gestation period required before appropriate solutions emerge has been accordingly longer. Consequently, retailers and developers have often reacted by shifting away from those difficulties and instead responding to 'need' by locating schemes in more problem-free, out of town locations. Confronted by threats to the continued vitality and viability of their centres, towns and cities have made conscious attempts to maintain their position by promoting development initiatives, limiting conflicting schemes and implementing positive measures for management of the local environment. Correspondingly, the planning process has placed upon local authorities the need to invest considerable resources in the gathering of statistical information about the sizes and composition of retail centres, development proposals and local shopping needs. More so than ever before local authorities have had to come to a view about the shape of their shopping centres in the future - how much development can they or should they accommodate, what will the effects be if it goes ahead and, indeed, if it doesn't.

3.2 ASSESSMENTS OF NEED AND IMPACT

3.2.1 Retail Need and Impact studies have been used for some time in assessing the potential for the development of new shopping facilities and the possible effects of proposals. Such studies have often sought, with the implication of mathematical precision, to identify the capacity for new development at particular locations and to predict the likely outcome on existing centres. They have been used by local authorities in order to apply some rational and strategic assessment of proposals to guide the policy and decision making processes as well as by competing developers and other interest groups (residents, amenity groups, traders) seeking to promote or resist a particular scheme.

3.2.2 As tools they can assist the analysis of local shopping patterns and the testing of some basic assumptions about the size and distribution of any growth in disposable income or consumer expenditure between competing stores or centres. PPG6 (revised) advises that all applications for major retail developments should be supported by evidence of their likely economic and other impacts on other retail locations and a broad assessment of changes in shopping journeys. Such assessments' usefulness is, however, limited by the availability and accuracy of relevant data, the variable nature of the assumptions and not only the difficulties of taking into account qualitative factors but also the appropriate degree of priority or weighting afforded to them. The Government recognise that it may not be appropriate to rely too heavily upon technical details and assumptions. While this recognises the fruitlessness of arguments over percentage points of impact as pursued in countless public inquiries in the 1980s, it provides little help as to what <u>should</u> be relied on.

3.2.3 In addition to Retail Impact Studies, Environmental Impact Studies have now become not merely desirable but essential for major retail development schemes in historic centres. An Environmental Statement would be expected to offer a detailed justification for an increase in retail floor space in relation to the size and location of existing facilities. The degree of assimilation, or otherwise, into the urban fabric and relationship to local infrastructure, other neighbouring or central area uses, are as likely to be critical elements of the submission as is a comprehensive account of traffic generation and design aspects. In respect of design, Environmental Statements should address qualitative issues which are especially relevant to the locality, e.g. scale (volume), massing, uniformity, contribution to townscape, extent of enclosure/ public access and harmonisation with other frontage styles.

3.2.4 This form of analysis is equally applicable to development proposals outside an historic centre as to those within centres. It does, for example, need to be fully appreciated that whilst in-centre developments have impacts upon the townscape of historic towns and cities, out-of-centre developments can have a detrimental effect on the viability and vitality of centres, leading to vacancy, dereliction and to a degeneration of the town's historic character. As well as predicting the implications of development, impact studies ought also to address the consequences of not proceeding with that development. It would therefore be appropriate, when assessing the case for development, for consideration to be given to the alternative of a *no development* scenario; including the following issues:

* the possible decline in established centres through lack of investment
* the failure, through lack of intervention, to stabilise or regenerate the historic fabric
* the inability to provide a focus and direction for the enhancement of historic centres
* the lack of commitment to existing infrastructure and its upgrading
* the increasing volume of shopping trips to competing destinations (at alternative locations either in or out of town)
* the lack of maintenance for an attractive and lively shopping environment
* the lack of impetus for change and improvement leading to sterile historic centres

Vacant shops in Dudley town centre

3.3 THE IMPACT OF OUT OF CENTRE DEVELOPMENT

3.3.1 Congestion, manifestly prevalent in many towns and cities, has provided the justification for the relocation of large retailing schemes to out-of-centre, edge of town or out-of-town sites; often with dramatic effects. Taking advantage of lower site development costs (including land values) and lower rental levels such locations have been able to utilise large level sites, with easier servicing and less onerous design restrictions. Benefits usually include improved accessibility, copious amounts of surface level, free car parking and all the advantages of choice, product range, quality, discount and bulk-purchase which can be offered by the larger scale unit or 'one-stop shop'.

Merry Hill shopping centre

3.3.2 Local authorities have accepted, or have been forced to concede, varying amounts of retail growth in out-of-centre locations according not only to local needs and pressures, but also in response to the extent to which provision can realistically be made for in-centre development. Without the benefit of support from Government policy to curb decentralisation, historic towns and cities have faced the prospect of ever-increasing competition from commercial centres further afield, leading to a downward spiral of investment and confidence. An increasing dependence upon more remote shopping facilities consequently has led to longer, more costly journeys. This has a particularly adverse effect upon sections of the population on low incomes and relatively low levels of personal mobility, as well as reinforcing practices increasingly regarded as 'unsustainable'.

3.3.3 Deliberately planned out-of-centre development in comparatively less remote locations has presented the opportunity for local authorities to retain control over the precise siting, scale and form of these shopping facilities. Yet it is important to ensure that restrictions are imposed on out of town expansions whilst promoting diversification in existing centres with additional retail floor space and other commercial (e.g. leisure and office) functions. In this context, it is vital to establish the relative roles of the out of centre schemes and the town or city centre and to achieve some degree of balance between the relative amounts of retail investment in the centres. The application of sound principles of Development Plan policy can therefore help to direct shopping development and avoid a situation whereby the market dictates land uses and undermines strategic objectives. Revisions to Government Policy have, since 1993, reflected these concerns and have highlighted a change of emphasis towards an interventionist approach with greater priority for town and city centres.

3.3.4 In reaching the 'right' balance a number of factors will need to be addressed. On the basis of retail developments completed, in progress or planned in the near future, it may be generally concluded that town and city centres have been significantly affected by competition from large out of centre shopping facilities. That is to say, the balance has been tilted too far in favour of out of town schemes. The extent of the impact varies and could well be accentuated by other factors such as the corporate restructuring of businesses, the more efficient use of floor space, the creation of new distribution networks, the decline in particular types of small business activity and changes in consumer fashion. Nevertheless, many local authorities will have experienced the displacement of retailers, some of them previously occupying prime locations in the high street and providing key destinations for shopping trips, resulting in temporary or even permanent losses of vitality in the centre.

3.3.5 Losses may be expressed in the form of business closures or relocations to out-of-centre sites or other attractive centres in the Region. Withdrawal of one or more particular shops has, on occasion, de-stabilised the fragile pattern of retailing, as well as affected the confidence of the business community to the extent that others are marginalised and lack the support to continue trading. As well as these negative considerations it is accepted that a number of retail operators have moved out of central locations in order to realise their potential for business expansion and/or to consolidate their trading position. Although this may not necessarily be reflected in terms of increased employment, it will have maintained the retailer's presence in the town if not in the centre.

3.3.6 While the relocation or displacement of retail activity centres may have undesirable consequences, it may be better to provide accommodation for development close to a centre than to resist change which might lead to the diversion of shopping facilities to more distant locations. There are, indeed, many instances where retailing has been specifically used to regenerate marginal areas which are under-used, neglected, redundant or derelict. Off-centre development has assisted efforts by many local authorities to enhance the environment of their town and city centres and relieve the pressure for redevelopment.

3.4 THE IMPACT ON IN-CENTRE DEVELOPMENT

3.4.1 The intrinsic qualities of historic centres demand that all new development is sympathetic to its immediate and often wider surroundings, in both functional as well as physical terms. The intimacy and sensitivity of the historic environment, which has evolved incrementally over many centuries, incorporates buildings with many different characteristics and modifications. Local authorities generally accept the need, where possible, to maintain this pattern of change by applying the principles of good urban design. Large, modern, in-centre developments have had a tendency to conflict with these principles of urban design by creating uniformity and exerting a dominant effect over the centre as a whole.

3.4.2 Historic centres have complex structures of use, movement and physical form which frequently create interrelated problems for development . Opportunities for change may be dependent upon resolving a combination of land uses, tackling complicated traffic and servicing arrangements, implementing a land assembly programme and dealing sympathetically with difficult design issues. The greater the complexity and sensitivity, the greater the likelihood for development to be concentrated into more infrequent phases. Market forces will create their own surges of pressure for change. The rigorous assessment of schemes, as required by the planning process, does, furthermore, have a tendency to produce more comprehensive and meticulously prepared proposals.

Coppergate, York

3.4.3 Although desirable, it may prove very difficult for historic centres to continue to evolve in gradual stages and it could be counter-productive if change were to be forestalled on the grounds of size or scale. It is, however, important to ensure that the right balance is achieved between the size or scale of development and adherence to the broad design principles for new in-centre developments. Government advice, as expressed in PPG6 advocates modernisation and refurbishment of centres based upon realistic expectations of the market. It is characteristic of a number of historic centres that retail change has been achieved through a series of major in-centre developments (e.g. Lincoln, Norwich, Lancaster, Worcester, Cambridge, Ipswich, Leamington Spa and more recently Durham). Others in earlier stages of progress include schemes at Gloucester ,Tunbridge Wells, Guildford, Canterbury and further expansion at York and Lincoln.

Longmarket, Canterbury

3.4.4 Retailing is fundamental to the survival of historic centres. All centres face stagnation or decline if they do not adapt and build upon their commercial strengths which are interwoven with their own character and identity. Too great an emphasis upon preservation of an existing built environment that is deficient in terms of vitality and viability can lead to centres which are either museums for tourists or well preserved ghost towns. Assertiveness can be expressed by reclaiming from competing centres a level of retail activity commensurate with size, importance and role, while sustaining and enhancing character. It does not have to mean wholesale loss of character or preservation in aspic. Imaginative solutions can strike the right balance.

3.4.5 Historic towns and cities often have the advantage of a special unique character and heritage to support small, independent, speciality retailers. These particular businesses may, however, have a very limited tourist season and be particularly susceptible to economic fluctuations as well as the pressures borne by small businesses. Consequently, the failure to retain a sufficient range of national multiples will undermine the survival of the specialist. Inevitably this may lead to more restricted representation in the range of A1 class retailers and a greater proportion of A2 and A3 (food and drink) class uses.

3.4.6 In these circumstances local authorities have a responsibility to ensure that development takes place at the appropriate time and in the appropriate scale. The critical mass which may be required in order to support a particular scheme also applies to the centre as a whole and demands skilful co-ordination, which cannot be left to chance.

3.5 CHANGING ROLES

3.5.1 Proposers of new retail developments increasingly argue that impact should not be seen as purely negative and that the roles of parts, or even the whole, of town centres may need to be readjusted to accommodate changing retail needs. It is suggested that the vacuum left by a retail exodus can be filled with other uses - service uses, residential, cultural/community activities - and that this should be seen as an opportunity to create diversity.

3.5.2 Vacancy and decline in secondary areas should not necessarily be used as an obstacle to reinvestment elsewhere in a centre and the future of such secondary areas is addressed in Section 10 of the Guidance. However, it is unrealistic to suggest that important historic centres, as a whole, can lose critical elements of their retail offer and develop a new role without incurring some disbenefits. Even with a strong retail core, it is difficult to promote and sustain diversity so it is untenable to argue that more marginal uses can survive in isolation, as replacements for that core retail function. The substantial heritage assets (buildings, spaces, collections) require the direct and spin-off benefits of the retail presence to sustain them.

3.5.3 Clearly it is a matter of degree as to what constitutes a fundamental loss of critical mass and what represents reformatting at the margin. While PPG6 reminds us that 'commercial competition as such is not a land-use planning consideration' and that impact on the vitality and viability of a centre 'as a whole' should be considered this does not necessarily mean that a large quantitative impact of one scheme (e.g. 70% on Dudley of Merry Hill), and consequently the need to find a new role for that part of the centre, is the only consideration. A serious impact affecting the whole centre could also involve any of the following:

- the loss of retail uses which sustain key historic buildings contributing to the centre's character
- the loss of an anchor store (department store) which creates the flow to sustain other shops
- the loss of a store performing the key role in a mixed use trip (see section on food stores)
- the loss of a large part of a retail sector (eg furniture, electrical goods) which forms an important part of the overall shopping offer
- cumulative impact over time (past and future)
- prejudice to a competing proposal which might sustain or regenerate a centre, reverse derelict urban land and reduce the need to travel.

1 GUIDANCE

Development Plan preparation and review:

a) Assess whether need exists for more floor space by sector (food, durables)

- current facilities outdated
- facilities offered by competing centres
- evidence of catchment loss
- existing facilities overtrading therefore cramped and overcrowded
- gaps in types of stores
- unserved catchment population
- future population growth levels and locations
- changes in household structure (eg falling household size leading to more household formations leading to more demand for goods)
- projected changes in per capita expenditure locally
- projected changes in floor space efficiency
- projected role of tourism spend

b) Assess likely impact of new floor space on:

- existing shops in comparable sectors
- other shops and facilities (linked trips)
- people without access to cars
- physical environment

If results acceptable, proceed to c).

If results unacceptable in terms of detrimental impact, frame Development Plan policies to restrain further development until situation changes (establish monitoring procedures).

Dudley town centre

c) Frame Development Plan policies to:

- allocate sites for new development
- draft supporting, criteria based policies which say alternative development will not be allowed unless benefits outweigh those of the allocated sites (to take account of better sites which may come forward)
- include policies to sustain existing retail areas
- include policies to regenerate/reformat areas where retail change may be experienced
- include policies requiring all proposals to be supported by pre and post development impact studies (retail and environmental)
- secure ongoing confidence and investment in the future of historic centres

d) Monitor progress of policies by:

- regular vacancy and retailer representation surveys
- diversity of use surveys
- user satisfaction surveys
- reviewing validity of base assumptions (expenditure, population, efficiency)

Note: Subsequent detailed stages are covered in Guidance note 6 on bulk retailing and Guidance note 5 on food retailing.

2 DEVELOPMENT PROPOSALS

a) Ensure impact statements are consistent with plan requirements

b) Measure proposals against policies

If acceptable, proceed to c

If unacceptable, compare base assumptions with those in impact statements, revise if necessary then either proceed to c or refuse

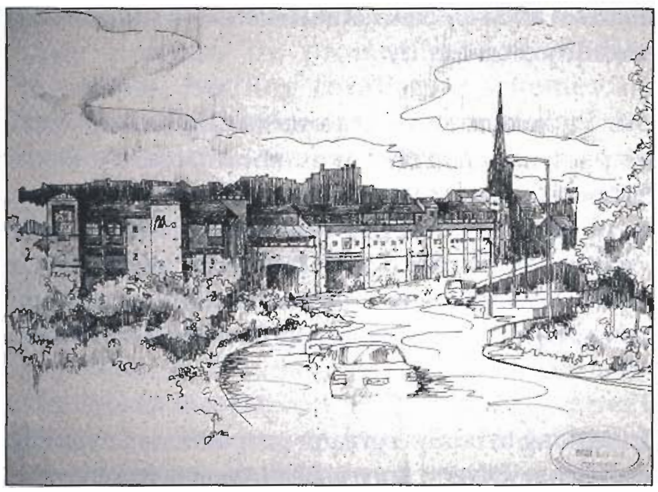
c) Proceed to approval - see appropriate section of Guidance (bulk retailing or food retailing) for detailed steps.

CASE STUDY : DURHAM

There has been no major growth in retail floorspace in Durham City Centre since the completion of the second phase of the Millburngate development in 1987. There has, however, been considerable growth at competing retail centres in both central urban areas and at out of centre sites. Confronted by these pressures the City centre has been faced with the difficulties of accommodating development of an appropriate type and scale within the constraints of a historic urban location. Against a background of failed schemes over the last decade there has been a certain loss of confidence on the part of retailer interests and growing concerns regarding the vitality and viability of the centre. The centre needs to reclaim from competing centres a level of retail activity commensurate with its size, importance and role in relation to local needs.

In the 1980s, the City Council identified lower Claypath and Walkergate in its Local Plan as areas being appropriate for retail development. Schemes prepared for Walkergate, then under the name 'Bishops Mill' initially proposed a retail area of approximately 23,225 sq.m. (250,000 sq.ft.), as part of a redevelopment for shopping malls, leisure and other uses. A smaller scheme for adjoining Clayportgate included provision for a development of 3,716 sq.m. (40,000 sq.ft.) containing 1,614 sq.m. (17,375 sq.ft.) of floorspace at ground level. These schemes, for various reasons, proved not to be viable and difficult to accommodate. Walkergate is, nevertheless, now expected to fulfil a role as a focus for social, leisure and community facilities.

In the early 1990s it became increasingly apparent that Leazes Bowl, in proximity to the Market Place, rather than Walkergate, should be the location for major retail investment. This gave rise to a proposal by Boots Properties plc for 12,500 sq. m. of retail floorspace. Construction of the development began in late 1996 and is designed to allow consolidation of the retail core area, create a more dynamic shopping environment and make best use of existing pedestrian route circulation. Features include an open plan 'high street' and environmental works to the nearby highway, supported by Lottery funding and both local authorities. A shoppers car park (400 spaces) lies below the single shopping level. Offices and residential flats also form elements of the scheme.



Proposals for retail development, Durham

Boots Properties has undertaken considerable market research into the feasibility of their development. Their proposals assume that an increased proportion of expenditure can be drawn from residential areas in and around Durham. Potential benefits arising from tourists/visitors and those who work in Durham are also anticipated. It is expected that these will result in improved performance for the City centre as a whole and not merely for the Leazes Bowl development.

3

The size of the scheme was determined by commercial considerations but the additional retail floorspace provision is justified in the content of Durham's capacity for growth and its retail catchment area. Analysis of population and available retail expenditure in Durham's catchment area (112,000 population) would appear to currently indicate a low retention of expenditure in Durham City.

The attraction of alternative centres with a wider range of shopping facilities has gradually undermined Durham's role in providing goods and services for the population of the surrounding area. This trend will undoubtedly continue unless positive action is taken by the City Council to bring about a significant improvement in the attractiveness of its City centre as a shopping destination. Such action accords with current Government policy (Planning Policy Guidance Note No.6) which seeks to encourage retail investment in town and city centres and thereby maintain their viability and vitality.

An Environmental Statement (including retail impact assessment) was submitted by Boots Properties to accompany their planning application. An assessment of the Statement of both retail capacity in Durham and the Boots' proposals in particular, has been conducted using specialist consultants (Donaldsons) commissioned by the City Council.

In seeking to retain a greater proportion of available consumer expenditure within the catchment area, Boots would aspire to increase Durham City's market share from an estimated 42% in 1991 to 52% after occupation of the new retail scheme (Autumn 1998). It would be furthermore anticipated that increased expenditure of 5% would arise by way of visits from residents living beyond the outer catchment area. On the basis of all these expectations there could be sufficient increases in expenditure available to support further floorspace growth. The current retail proposal reflects, however, a cautious but strategic approach based upon an increase in Durham's market share, sensitivity to variations in performance of the retail sector as well as limits of an environmental capacity nature and infrastructure constraints.

Further Reading:

1 ***Canterbury Shopping Study Review, 1991.*** *Healey & Baker*
2 ***Chester Shopping Study, 1994.*** *Nathaniel Lichfield & Partners*
3 ***Chichester Retail Study, 1996.*** *Chase & Partners*
4 ***Halifax Shopping Study, 1994.*** *DTZ Debenham Thorpe*
5 ***Hove Retail Survey & Analysis Report, 1996***
6 ***Stratford on Avon Shopping Study & Impact Assessment, 1988***
7 ***Trouble In Store*** *- Retail Location Policies in Britain and Germany, 1989. TEST*
8 ***UK Goods Based Retail Expenditure Estimates & Price Indices,*** *URPI*
9 ***The Demand for Retail Space,*** *Henley Centre, 1988.*
10 ***Teale M. 1989. Retail Shopping:*** *the need for more space, in D. Cross and C. Whitehead, Development and Planning 1989, Cambridge: Policy Journals*
11 ***West Yorkshire Planning Forum Shopping Monitors,*** *West Yorkshire Shopping Group, 1993*
12 ***Retail Analysis of Durham City,*** *Pragma, 1992*
13 ***Donaldsons Retail Study,*** *1995.*

Contact: David Thornborrow
Planning Dept
Durham City Council,
Ruth First House,
Claypath,
DURHAM DH1 1XE
Tel: (0191) 386 6111

EHTF

DONALDSONS

SIMONS