

## Retailing, sustainability and neighbourhood regeneration

Local shopping centres are at the heart of sustainable neighbourhoods, especially in regeneration areas where many residents are without a car. But retail and transport trends have undermined local centres, reflected in derelict, stigmatised precincts and boarded-up shops. Viable local centres, accessible by sustainable transport, are also important all over Britain to reduce the huge growth in car-based shopping, which contributes to greenhouse gas emissions. A team at Heriot-Watt University looked at 14 positive examples of retail regeneration to determine good practice. They found:

- f** There is no simple answer to retail regeneration – workable solutions are as divergent as the market-place and must be tailored to local opportunities.
- f** The phasing of regeneration, especially housing demolition and decanting of population, can have a major negative impact on the viability of existing retailers operating at the margin of profitability, even forcing them out of business. Concentration of low-income households in ever fewer estates also has a negative impact.
- f** Demolition and replacement of actively trading shop units tend to foster loss of locally based retailers with their replacement by chain stores, unless there is a phased, supportive transition from old to new.
- f** Case studies show good practice includes: clear attention to what is possible within the local or sub-regional marketplace; strong leadership; respect for residents' aspirations; and an articulated vision for local quality of life, with a retail strategy embedded in a broader neighbourhood strategy.
- f** Successful initiatives included those which delegated control of retail regeneration from the local authority to either a regeneration company with strong private sector participation or to an experienced community development organisation.
- f** However, there was little evidence of attention to sustainability issues, such as the relationship between transport and greenhouse gas emissions; most initiatives flourished by broadening their catchment areas and attracting yet more car-borne shoppers.
- f** The researchers conclude that:
  - public investment is best targeted on a 'win-win' situation of achievement in the market place and long-lasting local benefits, not at subsidising marginal businesses. It supports local entrepreneurs, and underwrites community facilities and environmental improvements which promote the locality as a destination.
  - problems of retail decline extend beyond regeneration areas to encompass many local and district centres, indicating the need for continued attention in policy and practice. Case studies of high street revitalisation suggest positive ways forward.

## Background

Local shopping centres - with their community facilities, libraries, surgeries, and pubs - are at the social and physical heart of neighbourhoods. This is especially true in regeneration areas, which tend to have a strong sense of community but where many residents are among the almost one-third of British households without a car.

Retail and transport trends have undermined the viability of local shopping in many areas. The advent of large superstores and shopping malls, the consolidation of 70 per cent of food shopping with large multiple retailers and preference for car-based shopping have meant that more than 60,000 small shops disappear every decade. The trend to car-based shopping contributes to traffic congestion and increased air pollution and CO<sub>2</sub> emissions, which undermine quality of life and the Government's commitment to promote sustainable development.

Decline is reflected in the dispiriting sight of near derelict precincts or high streets, with boarded-up shops, which become the focus of anti-social activity. This demoralises communities who value public space. When shops close, poor households have less opportunity to drive to alternative facilities. This can contribute to ill health associated with poor diet. Derelict shopping areas visible to passing traffic contribute to the stigma faced by such neighbourhoods. Their revitalisation therefore is crucial to fostering sustainability, social inclusion and area regeneration.

## Learning about good practice

This study looked at retailing in regeneration areas, based on 14 case studies around Britain. These were selected to represent a range of challenges, including refurbishment of existing local shopping precincts, parades of shops, high streets and market halls; and demolition and rebuilding of shopping centres and even construction of new high streets and market halls. A final case study looked at a large shopping mall on brownfield land. The cases were also selected because each initiative has made significant achievements in retail regeneration. Each case study identifies 'points of inspiration' or best practice but also 'constraints on regeneration' which are areas of lack of achievement or unresolved issues.

## Characteristics of success and failure

The case studies indicate that there is no simple answer to retail regeneration - the solutions which work must be tailored to local opportunities. But successful initiatives have some factors in common:

- **Attention to the retail market-place:** clear attention to what is possible within the framework

of the local or sub-regional retail market-place and available catchment, overlaid with strong aspirations to business success and profitability;

- **Leadership:** clear leadership in the regeneration initiative;
- **Involving residents:** respect for local residents' needs and aspirations;
- **Local vision:** a strong, positive vision for local quality of life, with the retail strategy embedded in the local regeneration or neighbourhood strategy;
- **Organisational innovation:** control frequently delegated from the local authority to a regeneration company with strong private sector participation or to an experienced community development organisation;
- **Use of investment:** use of public and social investment to reinforce potential achievement in the market-place, but not to subsidise marginal schemes; and
- **Environment and community facilities:** promotion of the locality as a high quality destination through environmental enhancements and community facilities.

Where projects have been less successful, they have:

- **Short-term aspirations:** that dominate development planning;
- **Lack of vision and strategy:** pursuing of partnership without achieving a clear vision and consensus on future aspirations, and thus a clear, agreed strategy; and
- **Failure to work toward sustainability:** ignoring the need to achieve economic, social and environmental objectives simultaneously, which defines the term 'sustainable' development.

## Key issues in retail regeneration strategy

### *Restore or rebuild?*

A key initial question is whether to restore existing facilities, often a choice where a shopping precinct is the social centre of an estate or for a high street in multiple ownership, or to demolish and rebuild, a much-used option for larger 1960s-style shopping precincts. Careful market analysis and consultation with residents can inform this important decision.

### *The impact of regeneration*

Too often in the case studies, the demolition of a shopping precinct or market has meant the loss of local retailers who go out of business, retire or relocate elsewhere in the city. But some initiatives have fostered local retail vitality through business support and advice, or by making transitional arrangements during regeneration.

### ***The role of public facilities and space***

The best shopping centres, lively and with plenty of customers, combine retail provision with a range of community and health facilities, including libraries, healthy living centres, employment centres, education and training facilities, and so on. The social focus is a complement to the retail focus, both reinforcing a sense of place which underpins retail vitality and serves community needs.

### ***Meeting market needs for retail space***

Successful initiatives provide shop units of appropriate sizes to both market and retailer needs, ranging from market stalls to small kiosks to giant superstores. All can have a role to play. Small units, such as kiosks, can serve as low-risk 'stepping stones' into the retail market-place for budding local entrepreneurs, especially if marketing advice and business support is available.

### ***Extending the catchment area***

There are advantages to increasing catchment. One approach is to physically reorganise facilities, so that they are visible, attractive and appear a secure, pleasant destination to passing non-residents. Another is to develop a shopping centre marketing strategy, which builds on a particular market niche. The case studies demonstrated examples of successful marketing strategies, representing the joint effort of retailers and the local authority.

### ***Vulnerable position of traditional market halls***

If these are within covered structures, they may be unsound and require major investment. One option is to let the market run down to the point of closure; another, if the land is valuable, is to close the market and sell on the land, thus realising a capital receipt. Either way, the market does not survive. Given the historic role of markets in British retailing, there is case for 'listing' to preserve their function.

### ***Local employment benefits***

Although there is little evidence of whether new retail development creates new employment, or merely displaces it, a significant finding is that in some cases where retailers set out specifically to provide employment opportunities for long-term unemployed local residents, they were successful in doing so. This suggests that training and employment schemes, with strong retailer commitment, have real potential to contribute to reduction of unemployment, particularly as the 'sequential' land use test, which favours inner city over greenfield sites, makes brownfield sites more attractive to large retailers.

### ***Improving environmental benefits and fostering good urban design***

The best developments contribute to quality of life in the neighbourhood by environmental improvements, building restoration, quality public space, use of public art and development of community facilities such as healthy living centres. However, too many developments still achieve retail vitality at the expense of quality urban design. This is particularly the case with shopping centres dominated by car parks, which turn their back on the neighbourhood for security reasons. Urban design guidance could improve the quality and sustainability of development.

### ***Failure to embrace broader needs for sustainability***

The contribution of CO<sub>2</sub> emissions from traffic to climate change is now accepted. However, most initiatives studied achieved retail vitality by attracting more car-borne shoppers, with increased traffic flows a mark of success. This is not just a local issue. The researchers conclude that, if national objectives of reducing CO<sub>2</sub> and other emissions are to be met at a time when traffic volumes are still increasing, national targets need to be translated into regional and local targets. In addition, every development should include an assessment of CO<sub>2</sub> implications and promote sustainable transport modes: walking, cycling and public transport.

## **Conclusions and recommendations**

The researchers conclude that a more strategic approach to retail revitalisation would enable the achievements documented in the case studies to be repeated elsewhere, and help local stakeholders overcome constraints. Recommendations include:

- **National Planning Guidance** enhanced to foster strategic retail planning at the regional and development plan spatial levels. This could also identify key factors which enable retail, transport and land use trends to be monitored in a way which helps balance the needs of town centres, districts and neighbourhoods at a time of contracting opportunity for smaller, independent retailers. An appropriate balance of retail function in prosperous and deprived areas could be enhanced by making the 'sequential test' yet more sophisticated. Planning guidance (PPG 6) could give greater emphasis to the social impact of the location of new retail development, particularly superstores and supermarkets.
- **Regional Planning Guidance** (for England, and its equivalent for Wales and Scotland) which integrates the need for retail vitality and area

regeneration within a context of sustainable development, including integration of transport and land use. Such guidance could also encompass planning's role in reducing CO<sub>2</sub> emissions. Parking charges at most retail locations, in and out of town, could also be considered, including hypothecation of parking revenues to sustainable forms of transport.

- **Local Development Plans** 'Sequential' testing of acceptable development sites could encompass support for regeneration, and the role of district and neighbourhood centres in social and economic life, and look further forward, for example, presenting twenty-year strategies for retail enhancement.
- **Neighbourhood/district retail strategies** The decline of local retailing needs to be countered within the context of both top-down development planning and local, bottom-up retail development strategies, which encompass residents' aspirations. Forums, as proposed by the Government's Policy Action Team 13, could take forward this activity, but would need to concentrate on articulated strategy or they risk being 'talking shops'.
- **Local authority liaison officer** Local authorities concerned about the quality of retailing could benefit from designating an officer to develop intelligence and competence in this area. The officer would be available to assist local retail partnerships, such as in proposed Business Improvement Districts, with market assessment and strategy, to monitor retail viability and to promote the case for area enhancement within development processes.
- **Retail development within context of Community Planning and Local Strategic Partnerships** The emerging Community Planning framework provides a good context for local involvement in retail revitalisation. But, although much innovation can be put in train locally, support at the local authority level is also important. Here Local Strategic Partnerships can not only bring residents and retailers into the strategy process, but support neighbourhood plans.

### About the study

The project was directed by Professor Michael Carley with Karryn Kirk and Sarah McIntosh. It began with a

literature review followed by case study selection with advice from a telephone survey of expert informants. The criteria for selection was to pick initiatives which had made significant progress in achieving retail regeneration, and would allow learning to be unlocked. Criteria for examination of the case studies were developed, reflecting the project's three-fold concern for retail, social and environmental concerns. A summary of the criteria is in the report.

The fieldwork consisted of two to three site visits to the case study areas during the years 2000-2001; an average of twelve one to two hour face-to-face interviews with participants including regeneration managers, local government officers, shopkeepers and store managers, and community representatives; and a small number of focus groups with local residents/shopkeepers and local officials. Finally, there were face-to-face interviews with development policy managers from major retailers, specialist chartered surveyors, investment companies, and interest organisations such as the National Retail Planning Forum.

### How to get further information

The full report, **Retailing, sustainability and neighbourhood regeneration** by Michael Carley, Karryn Kirk and Sarah McIntosh is published for the Foundation by YPS as part of the Reconciling Environmental and Social Concerns series (ISBN 1 84263 49 0, price £14.95).