North West Under-served Markets Event

Thursday 29th November

Welcome
Jo Lappin, Director at GONW
Jo welcomed participants to the workshop. There was good representation from both public and private sector. The event represented a good opportunity to explore the issue of bringing retail investment into deprived communities.

Introduction to the USM Project
Bill Boler, USM Project
In the pack is a copy of the USM Guide which is focused on setting out lessons from the USM project. The workshops being run to promote the key messages in the guide follow its structure:

- Attracting investment to deprived communities
- Using the planning system proactively
- Maximising regeneration benefits

Bill's background is based on the experience of using retail investment to tackle deprivation in the Harlem in the USA. The USM project has tried to translate this model to the UK – but there are big differences. In the USA the authorities had moved out of deprived areas. In England there was a bigger need to work with Government. Also, key issue is that most of deprived areas in England are not in town centres. Much of Bill's time on the project in the last 3 years has been spent trying to 'join up' the regeneration and planning sides of local and Central Government.

The workshops are a chance to debate the issues.
Also in the pack is a research bibliography prepared by the University of Stirling. Thanks to King Sturge who have sponsored these events and also carried out work on the value of retail employment. The research showed that over 40% have worked in retail at some point even though they may have moved on to other forms of employment. This indicates that retail employment is a good 'stepping stone' to other things.

Planning for retail development
Michael Morris, GONW
Aim: to draw attention to the links between retail planning policy and deprived areas. Michael set out the following:
- Policy background to tackling deprivation – National Strategy for Neighbourhood Renewal, New Deal for Communities programme, etc.
- The planning system has impact on all sectors and in promoting sustainable forms of development that tackles deprivation
- Some PPSs are more relevant to this debate than others e.g. PPS1 (overall framework), PPS6, PPG13 on access, also PPS 4 on economic development is expected soon in draft form.

Planning policy background
- Key message in PPS1 on the importance of a holistic approach to tackling regeneration.
- PPS6 –focus on vitality and viability of town centres (town centres first policy) but also encourages investment in deprived areas.

- Other messages in PPS6 planning for existing and new centres
- Not just retail but other uses that promote viability and vitality of town centres
- Also, encouraging consumer choice
- Various references to deprived areas e.g. the need to enhance consumer choice especially in deprived areas, to promoting social inclusion, and encouraging investment to regenerate deprived areas
- **Key message is the need for positive and proactive planning to . promoting growth and managing change**

There is a hierarchy of strategies – regional, local, action areas
as well positive tools, e.g. CPO powers

PPS6 argues that in promoting growth in existing or designating new town centres, priority should be given to deprived areas.

Deprived areas
- PPS6 promotes use of the Index of Multiple Deprivation which is based on use of seven domains.
- In the NW, the main concentrations of deprivation are in Manchester and Liverpool with other centres in Blackpool and Barrow in Furness.
- NW region has highest number of SOAs in the 20% most deprived.
- Region has 6 NDC areas, Housing Market Renewal areas.

Key policy considerations for retail in PPS6 are:
- Need for new floorspace – quantity and quality, with greater weight to be given to deprived areas
- Sequential approach to selecting sites –but give weight to sites that serve deprived areas
- Scale of development
- Impact of development - positive and negative (this will feature more in revisions to PPS6)
- Accessibility – public transport accessibility key for deprived areas

Other important issues in PPS 6:
- Social inclusion –will development help those with poor access to goods and services
- Employment – realistic assessment of net change an higher skill opportunities
- Economic growth –unpack and avoid double-counting through displacement
- Physical regeneration -unpack an avoid double-counting through displacement

Conclusions
- Need to try to guide retail development to existing centres in deprived areas
- Requirement for a good understanding of the needs of deprived areas
- PPS6 can have a big impact on deprived areas.

Questions

Concern that the planning system is reactive and often the only responses are to say either yes or no.
Response:
GO is keen to encourage a plan-led approach and involve stakeholders in shaping what is put forward

Proposals can come through the plan-led system and this is the preferred route set out in PPS6 through use of town centre strategies, retail strategies, etc.
Reality is there will be discussions prior to submission of planning applications and they will not come 'out of the blue'
Liverpool perspective – PPS6 is written primarily for centres in South East and promotes the status quo. Supermarket developers would not submit planning applications in Liverpool without talking to the Council first.

Hopefully with the planning review and greater focus on 'impact' will lead to greater transparency of discussions on merits of retail schemes

Question – what is an under-served market?
Response
Origin of term came from Harlem. Locals became experts at presenting the negative side of deprived areas which does not play well in terms of encouraging private investment. The term perhaps does not work so well in the UK.

Group discussion - Making the messages in PPS6 a reality at the local level

Feedback points

- Keep employment local – need to ask employers what they want
- Central question is access – but to what? There are several retail markets not just one so the reality is more complex
- PPS6 is not being used in reality but is secondary. Importance of big retailers in providing employment and need for all stakeholders to make this happen
- Bringing in retail to deprived areas is a business case first and foremost
- A lot of the same questions were being asked 40 years ago. Then there were more then enough shops. Issue has been growth of supermarkets which have hit these. What Can PPS6 do to limit the impact of large stores
- Centres-based approach may not work in a deprived area. One option is to designate a new centre - but too slow? Or make distinction between convenience and comparison stores?

Encouraging investment
Sean McGonigle, New East Manchester

- New East Manchester is an Urban Regeneration Company which has been operating for the past 8-9 years.
- Situated close to thriving town centre but characterised by some of the worst deprivation in the country.
- Area was ex-industrial where the economy collapsed. The area was characterised poor quality housing, lack of facilities, poor health, low employment levels. No real retail offer apart from poor local one.
- Some shops retained but poor quality: take-aways, etc.
- Positives are Manchester city centre being on the up, legacy of the Commonwealth Games, environmental assets e.g. canals

Role of New East Manchester (NEM) URC

The approach
The aim was to set out some key principles rather than plan. The URC leads physical, social and economic regeneration and co-ordinates the many regeneration initiatives as well as harnessing mainstream public funding (£150m p/a) and encouraging private investment.

A framework was put in place in 2001. The URC has carried out a lot of local consultation and some way into the programme expanded the boundary of the area it covers. Objectives of the framework include improving retail provision.

Benefits are using a strategic approach and also looking a long way forward.
East Manchester didn't have an existing centre so opportunity was to create a new one. Also opportunity to build on and strengthen existing centres.
City Council has belatedly recognised retail as an issue. It has carried out a retail study whose focus is primarily on building on existing centres

Impact
The deprivation in the area has not greatly shifted during the life of the programme as it is deep-rooted. The reason why the retail market has failed is that retailers feel the area has failed. There is a need to build up the image of the area. The Commonwealth Games has helped with this.

The URC encouraged the biggest Asda/Walmart in Europe to be served by a new metro station. The unsuccessful regional casino bid would have encouraged massive investment to the area.
The URC has encouraged lots of new development– not just retail.

The positive momentum in NEM has changed the perspective of the area. Risks have been minimised to encourage private investors to move in. e.g.
In Gorton – a new indoor market was created, a new district centre anchored by a new Tesco.

Openshaw – characterised by a new district centre anchored by a new Morrison's store
Other issues that need to be addressed– tackling retreating high streets
Importance of using eight new Metrolink stations and building district centres around them.

Economic strategy

- Looking at new growth sectors and meeting the needs of existing centres. There are low levels of existing enterprise. Also, a need to link new employment coming into the area with supply-side employability schemes.
- Have set up Aspire – not for profit recruitment centre.
- New retail investment has been linked to employability strategies e.g. ASDA/Walmart

Questions
The Ancoats has had false-starts why is it working now?
Response
False starts were the result of too little investment and no clear plan to go with it. Also town centre attracted a lot of investment. Trigger was to declare CPOs on key buildings through working in partnership with the NWDA which brought owners to the table.

Question
Large retail stores are not the way to regenerate deprived areas as they displace investment, are often badly integrated (e.g. Hulme in Manchester). Good example

was the Gorballs in Glasgow which had smaller store plus a variety of independent traders, not laid out in a precinct form but as a street. Do we need to re-think our approach spatially?

Response

In terms of Hulme ASDA has not worked as well as it could have but it hasn't killed off existing centre but rather helped it as they serve different markets. Context is important –what serves one area won't serve another. Linear high streets have failed in NEM so to keen to reuse this format.

Key reasons for failure of local shopping are changing shopping patterns and a reduction of density of spend. New larger shops do not well serve non-car-borne shoppers.

Question

How successful has been the aim to increase local population?

Response

NEM was losing pop but is now on an upward trend. Will take 20-25 years to reach target of 90k population.

Question

How to make PPS6 more central to the regeneration professionals?

Response

Bring out a summary version as it is too complex and long to be read by non-planners.

Planning for retail-led regeneration
Nigel Lee, Liverpool CC

Background

- 40 years ago L'pool was in top ten shopping areas in the country.
- The population of Liverpool in 1931 was 850k
- Liverpool has fared bacly in the face of competition from Chester, Trafford Shopping Centre, etc.
- Liverpool characterised by outer Council estates- e.g. Speke which have struggled. Lack of sufficient spending power/pop in these areas to support a large store.
- Existence of shopping deserts, large levels of vacancies
- PPS 6 doesn't work on its own. The market will not solve the problems of such deprived areas on its own and requires public intervention.
- In the 1990s Liverpool's UDP supported the policy of district centres – but investment wasn't following despite restricting out-of –town developments.
- The City Council commissioned Hillier Parker do a retail review.
- There is demand in some parts of the city but not deprived areas.
- National planning policy is based on London examples and less applicable in areas such as Liverpool.

Since 2000 there have been big improvements in Speke:

- Revival of supermarket interest through the Speke-Garston initiative use of funded using European Objective 1 funds
- The district shopping centre was moved to the main road. This involved building a new school, moving playing fields, consulting local people.
- Need to get the retail mix right e.g. getting small and independent retailers, some of which were re-located. This was promoted by the study and will feature in the LDF.

Project Jennifer

- Joint scheme with St Modwin with Tescos as anchor store.
- Involves re-locating housing, market traders, business park – required large amount of buy-in by local people.
- Will include a very large Tesco store (110k sq ft – an issue has been how to reduce the initial floorspace demands of the retailer).
- Will include new housing, community facilities also

Conclusions

- These schemes have been driven by the public sector.
- However, many of the district centres are now attracting investment including new 'back of pavement' stores. No need to refuse many schemes now. Perhaps retailers are more aware of the PPS6 agenda?
- Shops close to new stores are thriving but others not near are failing.

Trends

- L'pool becoming 'Tesco town'. Concerns of Cllrs that these new stores will impact negatively on existing retailers.
- Retailers are too prone to seek visible car parking adjoining the street. There is a problem of improving the design of stores not located close to streets.
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Paradise Street city centre scheme

- City centre retail scheme is the largest in Europe.
- The scheme totals 1.3m sq ft additional floorspace.
- The city council amended the UDP to make scheme happen.
- BDP did master –planning and 20 different architects worked on the scheme. The scheme will be open ahead of schedule
- Scheme is based on PPS6 principles.

Issues

- Few independent shops are coming through – tends to be multiples
- Also independents being replaced by supermarkets – better quality but no variation
- Ribbon shopping is not happening anymore. Shop from improvements are not enough if people aren't using them. Need to get residential use into the upper floors etc.
- Lack of ethnic shops in L'pool – could be reason for decline of district centres. A Polish food shop has appeared.
- Still issue of how to sort out declining district centres?

Questions
Will take up in paradise Street development be sufficient?
Response
The market will determine how successful schemes. In demark conditions allow for temporay residential use on the ground floor.

Questions
Is economic regeneration based on retail sufficient? When will it start drawing spending from Manchester etc?
Response
There is a regional issue in that L'pool would welcome shoppers back that it lost to rival schemes. Large scale of Paradise St may indicate that there is a minimum critical mass needed.

Question
Will there be an impact study on new development? The development may impact on adjoining markets. There is a finite amount of spending available.
Response
Yes it could well do and an impact study will be carried out

Question
How to promote the sustainability of retail and what is the role of BIDs, town centre management etc.?
Response
Condition of public realm is crucial –and maintaining it in the long-term. There is a need for revenue spending as well as capital.
Town centre management etc. depends on the quality of the person performing this role. Jury still out on BIDs – maybe not possible to |successfully introduce a BID when an area is already in big decline. Also there is a need to be clear on the expectations of what the BID can
deliver.
Point
There is a lot of shopping that is beyond its life and needs replacing. But is there consumer demand to support the growth in shopping? Impact of the internet is currently unknown. A BCSC study has been carried out on this and is available on the NRPF website (www.nrpf.org).

Question
Any work done on amount of shopping floorspace that a region can support using levels of population?
Response
Measuring population is not enough as depends on spending levels but there is a need to measure this in order to make regional decisions. There is research available. Also there is a need to meet the retail demands of people yet to move into an area. Retailers may be best placed to determine this as they are tracking spending trends. Problem is that it will depend on who occupies the space e.g. Tescos will turnover more in the same amount of space as ASDA.
Hard to predict trends – the market will have a massive impact e.g. loss of name retailers. Also there are no national retail data sets as these were last collected in 1951.

The gateway to building sustainable retail
Philip Bartram - ASDA

- ASDA take a flexible approach to regeneration and have a range of store formats to match the context.
- Their policy is to try to be based in centres and also to try to recruit locally.
- A person working in their stores will take the lead in supporting local initiatives.
- ASDA has 61 stores in NW employing 26000 people, many part-time.
- The company has a flat structure and last year many staff were able to move into management positions.
- All employees can benefit from share scheme. Have a flat salary structure.
- Sourcing local products is important. Each ASDA has local lines.
- 90% of meat comes from UK and the company wants to work with smaller suppliers.
- ASDA uses a ‘hub’ system which enables them to work with smaller suppliers as they allow individual stores more discretion.

Sustainability

- From 2010 they will be sending no waste to land fill.
- Also aim to eliminate the issue of carrier bags by 2008.
- Policy is to reduce energy use by 30% by 2010.
- ASDA is putting in applications to put in 6 wind turbines allied to stores creating enough to power 1,100 homes.
- Also building ‘sustainable stores’ with lower energy use.

Discussion

Concern with lack of local goods (ASDA has 5% in Scottish stores)

Concern with the amount of non-food retail which is driving profits and making it very difficult for independents to compete

Response

ASDA supports PPS6 – most of stores are in town centres. The market is highly competitive and ASDA tries to meet the needs of its consumers.
Aim is keeping cost of goods low as the amount of disposal income is deprived areas is low.

How much of policy is really based on PPS6 and how much influence of parent company Walmart?

Response

PPS6 is focus. Walmart is funding the work on sustainability and is committed to this agenda.

Larger and larger out of town super stores can take life from town centres here but they work in France. How come? Some debate as to whether they work in France anyway.

Response

Town centre focus of policy here seems to be working well given the amount of development moving to town centres. The answer could be to do with the lifestyle changes here.

IKEA operates in 30 countries. Only two with a national planning regime are UK and Russia

Has the situation improved in terms of deprived area as a result of re PPS6?

Response

Local authorities do interpret PPS6 as ‘town centres first’

Issue of impact will be more important in the review of PPS6. While the question of linking local unemployed people with new jobs and local sourcing are generally covered, the key issue for the USM project is if a major retailer goes into a deprived area how to make sure that this investment also helps existing businesses –e.g. use of loyalty cards?

Response

ASDA had scheme turned down because of potential damage to existing town centre in Calderdale. However, the existing centre appeared dead already. ASDA feels the need for further research on whether new stores cause real impacts on existing businesses as it feels that in some cases there is not much of a real retail base in the area to support anyway.

An example from Scotland was quoted (Muscleborough?). Large Tesco moved in and other supermarkets have closed. Impact of large Tescos and the excessive power that they can wield.

Response

Other stores need to be able to compete with Tescos- is there a need for a competition test?

Example quoted of Bracknell where Tesco has three stores and has taken up all the available retail space until 2020.

CLES has carried out work with independent retailing and markets in the NW which showed that a new ASDA improved footfall. Supermarkets are here to stay - how to use the power to generate positive impacts on existing retailers.
This is the rational behind PPS6 in the beginning.

Some large superstores have diminished the retail offer in some areas. Jobs created through superstores are not new as jobs will be lost from other areas as there is a limit to spend available.

Response

There is a need to look at a **net** change in jobs

Does this go back to what amount of spend can support a certain amount of population. In deprived areas it may be possible to create net levels of new jobs. One issue is the **type** of job created too as these could serve as a stepping stone for local people.

Failsworth Tesco scheme in Oldham. Most of those who have obtained jobs in the new Tescos have come from older manufacturing jobs and this has given them a new outlook.

Feedback session to cover two questions:

- **A) Are messages in PPS6 re deprived areas clear?**
- **B) If the planning system going to be changed and a new focus on measuring impact -how should deprived areas be treated?**

Feedback points

A) PPS 6 and deprived areas

- PPS 6 is inadequate vis a vis deprived areas
- Needs to be more explicit in how to tackle deprived areas
- Possible to have separate chapter on how to help deprived areas
- Planning may not be an answer to delivery – may need to use the market
- Should deprived areas be a cross-cutting theme in planning policy
- No mention of NSNR in PPS6 even though there was a strand on local shopping and local services – is this an omission?

B) Impact test

- Impact test must cover positive as well as negative impacts
- In terms of impact, need for a holistic interpretation (social, economic and environmental) broader than now. Will be negative as well as positive impacts.

- In a deprived area of Blackpool the opening of Tescos was seen as a positive ‘result’.
- GHK will be looking at developing an impact test as part of its evaluation of the USM project. Issue of ‘catchment’ analysis. Should this be done at a city regional rather than local scale to avoid double-counting?
- Need to also use qualitative data when measuring impacts. Should there be more guidance on this?
- On impact there is a need to involve retailers in LDF process to define what the local communities need and then address these.

Next steps

Revisions of PPS6 and 4 due out in the New Year. Also the final report of the Competition Commission report.