UNIVERSITY OF STRATHCLYDE

CENTRE FOR PLANNING

OUT OF TOWN RETAILING:

PROGRESS, IMPACT & POLICY IMPLICATIONS

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LIST OF ABBREVIATIONS

DIY	Do it Yourself
DoE	Department of the Environment
IPD	Investment Property Databank
MBC	Metropolitan Borough Council
NEDC	National Economic Development Committee
NEDO	National Economic Development Office
NPG	National Planning Guideline
OXIRM	Oxford Institute of Retail Management
PPG	Planning Policy Guideline
SDD	Scottish Development Department
SRC	Strathclyde Regional Council
UK	United Kingdom
US	United States

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ABSTRACT

Over the last 15-20 years retailing has been subject to considerable pressure for change in Britain. The result has been an increase in out of town shopping, a trend instigated by a number of factors including:

* Public dissatisfaction with traditional town centre shopping.
* Increasing congestion brought about by rising car ownership.
* Comparison with other countries which provided out of town shopping.
* New forms of shopping which require extensive sites.

Initially these developments comprised supermarket and retail warehouse stores but more recently attention has swung toward large scale shopping centres.

Planning authorities originally resisted these pressures thinking that such developments could not be sustained without adverse implications for the "High Street" and the "hierarchy". However, during the 1980's retail demand increased to such an extent that it seemed the new developments could be supported and that the concerns of town planning were unfounded. Supermarket and retail warehouse development flourished, but proposals for out of town regional centres met with sterner resistance. Perceived competition with traditional High Streets has given rise to fears that the "health" of town centres is at risk. The advent of the mega centre and the onset of economic recession in 1989 forced the retail industry to seriously consider the question of "impact". No longer will increased consumer expenditure absorb every retail development. Thus the potential impact of out of town regional development must be investigated and understood if planning is to rely on this argument as a defence against new modes of shopping following "acceptance" of out of town retail.

This thesis, will through the analysis of changing shopping patterns and the retail development system, investigate the relative strengths and weaknesses of out of town shopping and review the position adopted by the planning system. The pressure for mega centre development in Scotland will be examined. The fate of the High Street shall also be considered against the seemingly irreversible trend toward such schemes. Four such centres have been constructed in England and their performance and effects on neighbouring towns shall be explored with a view to drawing conclusions for Scotland.

CHAPTER 1: INTRODUCTION

Throughout this thesis reference will be made to the "High Street" which is a term used to define retailing which is not "out of centre" or which is not designed as a comprehensively developed scheme. Firstly, it is necessary to briefly set out the aims of the thesis and then review the pressures which instigated out of town shopping applications.

1.1 Aims of Thesis

The radical change in British shopping patterns has been well documented in the national press and a variety of professional journals throughout the 1980's and early 1990's. The extent of this change is widely believed to threaten the existence of "High Street" shopping. Would the introduction of an out of town "mega centre" such as the Metro Centre at Gateshead be the final death knell for traditional town centres in Scotland? Even if this is the case is the construction of a mega centre inevitable on account of both public and property market pressure? This thesis aims to explore the changing nature of shopping patterns which will enable these questions to be addressed. Through examination of three applications for out of town schemes and national planning policy the attitude of the planning system will be charted throughout the history of Britain's out of town shopping era.

This thesis shall examine the evolution and progress of out of town shopping in the UK. The forces which generated the out of town movement will be reviewed to gain a better understanding of the topic. The continually evolving retail system has produced different types of out of town shopping since its inception. Town planning's stance throughout this period will be noted and its reliance on "impact" as a defence against future developments explored.

The term "retail impact" is commonly perceived to represent the diversion of trade from existing centres as a result of the construction of new shopping facilities. However, new development has social and environmental impacts, as well as economic. The intention is to illustrate that even after three decades of out of town development proposals the retail industry still knows relatively little about the real meaning and calculation of impact. Considerable further research is urgently required on this subject and suggestions will be made in respect of the areas most in need of investigation.

Comment on the attitudes of other groups with vested interest in retail development: traders, shoppers, developers and investors, shall be offered. This will expose both parallels to and discrepancies with the view of the planning system.

The importance of retailing on the national economy must not be overlooked. As such, planning would be advised to take cognisance of retailers' opinions on out of town shopping. The thesis will attempt to unearth the views of national multiple traders, relate these views to the planning system and determine what lessons planning can learn from these insights.

By examination of national and regional policy relating to out of town shopping, dating back to the 1970's, the evolving attitude of town planning toward this form of development will be charted. The application of these policies in relation to the out of town "mega centre" concept will be explored. Four such centres have already been built in England and applications for three sites emerged in Scotland. An attempt will be made to highlight the significance of the mega centre planning decisions in Scotland and their implications for strategic planning and policy making. Integral to these discussions is the question of whether the mega centre concept is realistic in Scotland. Whilst this thesis does not presume to answer this question conclusively the matter will be considered. These issues will then be drawn together to assess the current state of affairs in both the retail industry and planning profession. From this base, conclusions will then be made regarding the implications of the retailer research and planning policy/appeal decisions review. Advise can then be offered for the future planning of out of town shopping development.

1.2 Pressures Leading to Out of Town Development

Influences From Abroad

One reason behind the emergence of out of town retailing in Britain has been the general trend towards such schemes in other developed countries. This can be seen in many of our European counterparts, perhaps none more so than France. By the early 1980's France already had several out of town developments mostly situated around Paris and often comprising a single large food store known as a hypermarket. These stores were usually upward of 10,000 sq.m. and would require a site of around 5 hectares * with good communication links, particularly a good road network. Initially these hypermarkets concentrated on discount foods and household items but as the decade progressed more sophisticated and higher quality schemes emerged. More and more traditional unit shops became associated with the hypermarkets because of their ability to generate pedestrian flow, until out of town shopping malls were created. The malls contained a wide variety of unit shops:- fashion, electrical, music, books, shoes, cards, sports goods etc. (Dagnaud 1988).

- Note:- whenever floor areas or land sizes are mentioned in this thesis the metric scale is used unless the relevant information source quoted such figures in imperial terms. Such statistics can be converted using the following rates: 1 sq.m. = 10.763 sq.ft.; 1 hectare = 2.47 acres

Although the planning control system operating in France in the 1980's and 1990's has enjoyed considerable success in strategic terms, often with regard to smaller scale projects such as those described above the system has been relatively weak. The Mayor of each Commune in the French governmental system has a strong influence over the nature and extent of development which takes place within his geographical area. Frequently planning decisions are taken by the Mayor for reasons other than purely planning grounds. For example, on the basis that he/she wishes the voters within their Commune to enjoy access to facilities equal to those provided elsewhere. As such planning control can at times be considered laissez-faire (Dagnaud 1988).

North America is another influence on the UK in terms of out of town retailing and especially for shopping centres. The US has long been famed for its shopping malls many of which combined retailing and leisure facilities. The emphasis was on the creation of "one stop" shopping, where people would be able to obtain both consumer and durable goods. The "shopping experience" was enhanced by the provision of a wide variety of services such as restaurants, mall cafes, foodcourts and leisure facilities. As shopping centre developments became more sophisticated in the US the leisure component evolved dramatically to include facilities as varied as multi-screen cinemas, fun parks with roller coaster type rides, bathing complexes, ten pin bowling, ice rinks etc. In the early 1980's Britain had no shopping facilities which compared with the American developments. As the property profession, developers and general public became more aware of events on the other side of the Atlantic pressure mounted for

Britain to have shopping malls which could compare favourably with their foreign counterparts (Lord & Guy 1991).

Foreign Travel

The level of awareness about these developments in other countries stemmed from a growing level of affluence amongst British citizens which enabled foreign travel. Accordingly, British citizens had their eyes opened to a whole new quality of shopping facility. Why should Europeans and North Americans enjoy such a high standard of modern shopping centre when they had to make do with traditional "High Streets"?

Although the UK has a number of recessionary periods in its post war economic history there has been a general increase in disposable income. As a result, shopping for many has become more of a pastime than a necessity and the ability to buy larger quantities of goods at one visit led to the "one stop shopping" concept. As the 20th century draws to a close more and more consumers prefer to visit food stores on a weekly or even monthly basis rather than the a day to day existence which typified the immediate post war period.

Car Ownership

The growing level of affluence also fuelled increased car ownership in Britain. Whereas previously shopping centre development had been confined to town centres because of public sector transport networks this constraint has been lifted. Increased mobility means that out of town locations are accessible to a large proportion of the population. Town centres have consistently proven that they are now unable to cope with the level of traffic generated as a result of increased car ownership. Most towns and cities now operate parking policies designed to deter car users from visiting the town centre. Congestion is a nationwide problem and serves to reduce the quality of the high street shopping experience. Bearing in mind the criteria laid down by public authorities on car parking provision for new shopping developments, town centre sites became increasingly constrained marginalising the feasibility of modern retail concepts on such sites.

Leisure Time

Another change which favours out of town shopping is increased leisure time. Different employment patterns and shorter working hours have given the average individual and family more free time. As already mentioned, shopping itself has become more of a pastime than a chore and developers saw the opportunity to greatly enhance the overall shopping experience by combining retailing with leisure. Perhaps the most notable example of this in Britain is the Metro Centre at Gateshead. Metroland is a permanent leisure attraction within the scheme providing funfair type facilities, such as a roller coaster and various other rides. Leisure represents another demand on land which could not be accommodated in restricted town centre locations.

Land Values

Traditionally land values tend to be highest at the town centre, being the most readily accessible location. Accordingly, the cost of assembling a site of suitable size to construct a modern shopping complex is exorbitant. Also the physical layout and road network in many Scottish towns is restrictive for large scale development. Certainly the possibility of developing a complex on the scale of a mega centre is remote since there are few if any town centre sites large enough nor would the existing infrastructure be able to cope with such a scheme.

Accordingly, developers often prefer to pursue out of town sites which can generally be acquired at a fraction of the cost. Values outwith urban areas usually reflect agricultural land prices which would usually be affordable to property developers with permission to carry out a commercial development.

The combined result of these pressures was an overwhelming demand, certainly from developers and arguably from the general public, to move the emphasis for shopping centre development to out of town locations. Town planning was, however, concerned that such development would threaten the hierarchical structure of shopping in Britain.

1.3 The Hierarchy Concept

Shopping has traditionally been the component which has held together central areas, with the city centre being the focal point for social interaction and consumer spending

(RTPI 1988). Shopping areas developed in the most accessible locations, reflecting the relative immobility of the population. High streets had a particular function and tended to be located at the axis of a town's main arterial routes, making them attractive to dispersed populations. The concentration of public transport links increased accessibility which inflated land values and encouraged retailers to pay high rents for such locations. Shopping centres varied in size in proportion to their catchment populations. Thus a hierarchical pattern emerged whereby one particular shopping centre would dominate an area and be surrounded by a number of smaller centres offering an inferior range of goods. The larger shopping centres contain department stores, variety stores and non-food specialist outlets, whilst the smaller centres contain fewer and smaller shops offering less choice to the shopper and the smallest centres would tend only to sell goods essential for daily living. The attraction of the largest centre lies in the variety and quality of merchandise available whilst the smallest benefit from locational convenience. These different functions are supposed to complement rather than duplicate each other (NEDC 1988).

The classification of shopping into a hierarchy attempts to relate the size of shopping area with particular forms of retailing. Irrespective, the rational ordering of economical activity within town and city centres has been used to regulate retail activity as a land use. "The notion of centrality linked to function has formed the basis of policies generated to establish and defend the retail role of town and city centres. It was the defence of the traditional hierarchy which formed the basis of many local authorities' attitudes towards edge and out of town retail development during the 1970's and the early part of the 1980's." (DoE 1992). Although it has been suggested that classifying centres in this way is a short step from "claiming that this state of affairs is entirely proper and should be maintained throughout planning policy". (Guy 1980)

It is maintained that justification exists for classifying centres in relation to their size and function: "Differences in types of shop, and goods sold in them, give high streets a particular purpose. They help retailers to decide their shop location and benefit the consumers by providing a high degree of certainty about the shopping provision they can expect in particular areas." (NEDO 1988)

Whether the use of hierarchical models in town planning is justifiable or not there is no doubt that many planning authorities use them as an integral part of retail policy making in Scotland.

CHAPTER 2: RETAIL CHANGE

2.1 Introduction to Retail Change

The rise in the number of retail development applications in Britain during the mid to late 1980's, is the result of a number of inter-related processes which interact and cause pressure for development. These development pressures are not specific to Britain and have occurred throughout the developed world. Some of the pressures have caused structural changes in the retailing process and some are a result of consumer behaviour. Dawson & Broadbridge (1988) attempted to classify the types of change which have influenced retailing throughout Britain. They classified change into the following categories:

* Top Down Change - change which is planned by the retailer or caused by external influences.

* Bottom Up Change - consumer led change caused by evolving attitudes to particular products or places.

There is substantial interaction between these processes which influence consumer expenditure patterns. This chapter will examine aspects of these processes, chart the history of retail change in relation to out of town shopping and assess the reasons behind change, which include.

2.2 Population Change

Although changes in population directly influence retail demand the nature of such changes must be examined in detail if the likely impact is to be assessed. Population change is not simply gauged on a strict numerical basis but can be analysed on various levels: regional shifts, age structure changes and household changes, are amongst the most significant determinants of impact.

Regional Changes in Population

Britain has witnessed considerable redistribution of population throughout the 1970's and 1980's. Overall the population of Britain increased by 1% between 1971 and 1981, and by 0.7% between 1981 and 1991 (Census Data 1991). However this aggregate figure conceals regional discrepancies; traditional conurbations such as Liverpool, Glasgow and Manchester have lost population in favour of new towns and other forms of planned urban expansion. Regional variations have implications for levels of demand, expenditure and as a result levels of development pressure within different areas. According to URPI (1990a) Strathclyde region will lose 8% of its population between 1989 and 2006, the highest projected population loss within the major British conurbations.

Changes have also been occurring within regions due to decentralisation and overspill pressures since the 1950's. Free standing towns have grown fastest and Scotland's five new towns would fall into this category. However OXIRM (1988) indicated that the trends of population decline in conurbations was slowing. Such fluctuations in population within regions directly affect expenditure levels, since consumer expenditure is the product of per capita expenditure and population. Thus it would be expected that in areas such as Clydeside where population is in decline that expenditure would fall. Retail analysts know, however, that population change is not the only determinant of retail spending because a high quality shopping provision can draw trade from other areas.

Age Structure

Changes in the age structure of a population also have significant implications for expenditure levels and patterns within an area. Particular groups tend to have different tastes and preferences which shifts demand towards different consumer markets. For example, Britain has generally seen a drop in the 0-14 year age group whilst the middle aged and older age groups have grown. Accordingly, Britain now has an ageing population which has implications for certain retailing markets. Retailers and manufacturers who target this section of the population should be aware that increased opportunities for sales exist. Expenditure by this section of the population tends to be high because of higher level of disposable income.

Household Size

As a result of social changes relating to marriage rates, divorce, single families etc the average household size has been declining since 1961. As a result the number of households has been increasing which has implications for expenditure patterns. The demand for particular goods, such as furniture, has risen and since the number of households is still expected to increase this trend is likely to continue (OXIRM 1988).

2.3 Government Policy

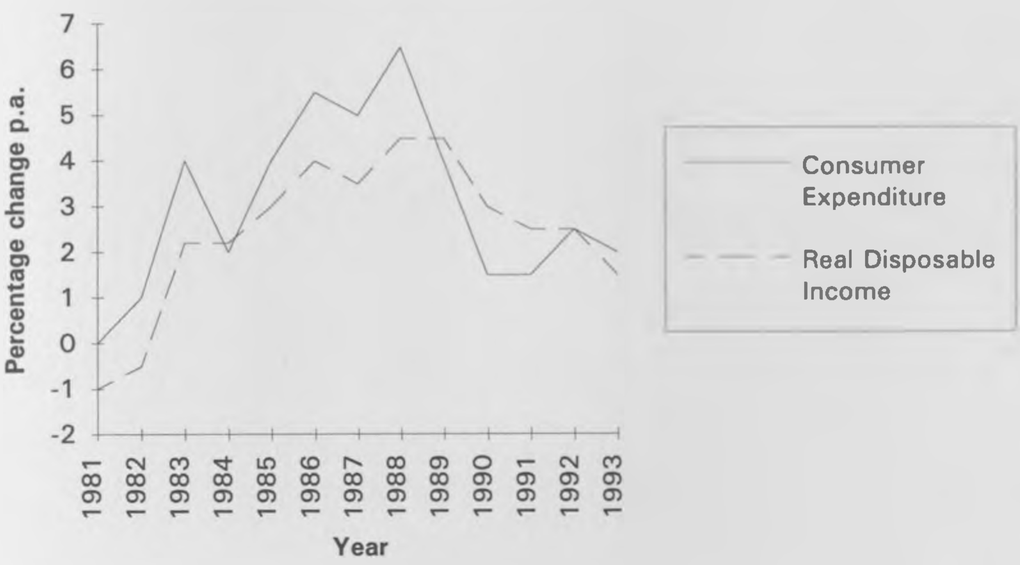
Since 1979 central government policy has followed the free market approach. Such policies endeavour to improve the economic performance in the UK. Indeed the economic recovery of the late 1980's has now been attributed to an increase in consumer spending acting through the multiplier effect to create demand, manufacturing and employment. The increase in consumer spending can be traced to the relaxation of credit control in 1982 by Mrs Thatcher. This had particular implications for the increase in demand for comparison goods during the 1980's. However, when interest rates rose in 1988 demand was severely curtailed and recession followed in 1989. This led to criticism of the consumer boom, now seen as a false recovery and economists believe that economic growth should be founded upon industrial performance (preferably modern industry), occupational demand in the property sector (not consumer sector), exporting and service sector growth. Such a situation is to be created through the manipulation of a number of key economic indices, such as interest rates.

Interest Rates

Interest rates can be used both to stimulate and depress demand. Lowering interest rates tends to fuel demand since people are more willing to borrow money in order to pay for goods and services. Whereas increased interest rates tends to reduce levels of disposal income by increasing financial burdens associated with mortgage/credit/loan repayments. Reducing the level of disposable income generally depresses retail expenditure which is reflected on spending on all goods but in particular discretionary spending on speciality goods, comparison goods and leisure products. (NEDC 1988)

Government policy can have profound impact on retailing, being designed to influence the state of the economy. The high levels of economic growth experienced in the mid-late 1980's had the affect of raising average levels of income. Figure 1 illustrates the fluctuations in consumer affluence from 1981-1993.

Figure 1: Rise and Fall of Consumer Affluence (1985 Prices)



Source: Debenham Tewson Research 1994

This clearly shows that both consumer expenditure and real disposable income reached their peak in 1988 and have been falling consistently since. The Government were attempting to lead the country out of recession through the consumer boom and had extended credit facilities. This policy increased spending and encouraged traders to expand by taking additional outlets. Government policy had been effective because the development industry was stimulated, creating employment for the building trade and orders were increased for many manufacturers, which boosted the national economy.

During the boom period in the mid-late 1980's changes in levels of spending had varying impacts on different products. Spending on food products was relatively stable whereas spending on consumer goods was much more volatile. Basically,spending on essential goods is in inelastic and spending on discretionary goods is highly elastic.

2.4 Car Ownership

There has been a rapid expansion in levels of car ownership throughout the post-war period and indeed these are projected to increase further. However, there are significant regional variations in ownership levels eg. in 1987 Strathclyde had 215 cars per 1,000 population compared to a national average of 324 cars per 1,000. (Department of Transport 1988)

The increase in car ownership and the desire to use this mode of transport for shopping creates particular demand and the ability to take shopping out of town, which is not so dependent on public transport. Such facilities now attract high levels of car borne shoppers. The use of car increases leisure shopping and adds to the total "shopping experience". Increases in car ownership have allowed people to travel further for their shopping needs.

The consumer, social and economic changes outlined above all influence demand on a continuous basis and conspire to produce an ever evolving retail structure. Furthermore, given that many of these processes have accelerated over the past 10-15 years the retail sector has had extreme difficulty keeping up with the needs of shoppers, traders, developers, and planners alike.

2.5 Consumer Perspectives

The advent of out of town shopping has challenged hierarchical systems of shopping centres, although the processes which give rise to the differentiation of shopping centres still exist. Consumer behaviour has become more complex because of new choices in new locations available to the mobile household. Such are the "changing dynamics of localities" (Champion & Townsend 1990) brought about by population decentralisation over the last 20 years, chiefly driven by the rising income levels of the UK household, greater car availability and increasing congestion within urban areas. The effect of these changing market conditions on retailing is that the resident population of a town or city fails to accurately determine its retail potential. Retailers, planners and developers must therefore begin to comprehend much more complex retail spatial systems (Davies 1984).

2.6 Retail Industry Perspectives

In addition to the geographical pattern of demand becoming more complex, so too has the behaviour of retailers, developers and investors.

Retailers

Retail growth and the resultant restructuring of the sector has been an important aspect of the UK economy over the last 20 years. These changes have come about through internal changes in the way retailers operate as well as through a series of external pressures. The internal pressures for change include a significant increase in merger and acquisition activity:

- The top five retail businesses in 1987 accounted for 19.1% of all retail trades (an increase of over 32% since 1980).

- In grocery retailing, 8.3% of the outlets accounted for 66.7% of the turnover in 1983. By 1987, 8.5% accounted for 73%.

- Between 1980 and 1988 it is estimated that almost a quarter ~~of~~ of all multiple business (by value) had changed hands. (Gardner & Shepherd 1989)

A high level of consumer spending in the late 1980's encouraged individual companies to expand to achieve a greater market share, giving rise to the acquisition strategies of the major grocery retailers. Others sought the development of new markets for goods and services eg. the major fashion, electrical, and household goods retailers. "Some 25 companies dominated retail representation within town and city centre through over 200 individual facias." (Davies & Jones 1990)

Developers and Investors

The external pressures for change included expenditure by property developers and investors. These companies found that returns on property investment out performed returns on both equities and gilts in the late 1980's (Healey & Baker 1989). Within property as an investment sector, retail became extremely popular. The Investment Property Databank estimated that average annual return on investment grew at 11.5% between 1980 and 1990 for the retail sector (higher than offices and industrial). Thus at the peak of retail development activity between 1986-1989 total return on retail investments increased by 60% (IPD 1991).

As a consequence of these returns and the investment and expansion strategies adopted by retailers (on the back of buoyant consumer spending) strong pressure for the development of new space arose. However, this situation does not appear to have been maintained since economic recession hit in 1989. Institutions have been more cautious in their selection of retail investments because of the quantity of retail floorspace being developed. It is important to note that the long term change in the importance of individual town centres is not only linked to the extent of investment or development there. Change may result from an evolving competitive environment influenced by other factors such as demographic shifts and local economic conditions.

Property investment in retailing gravitates towards the more profitable locations and to an extent is self perpetuating. Investment is attracted to thriving shopping streets which guarantee the developer a tenant for their property and the potential for high rates of growth, both in rental and capital values. As a result most investment occurs where there is already substantial successful shopping development. The success of such streets will therefore be re-enforced and serve to marginalise secondary and tertiary shopping areas.

When investment in retailing creates sufficient product that the system is approaching saturation point in terms of supply, additional investment only secures diminishing marginal returns. "Saturation" is reached when retailers demand for floorspace is fulfilled and it is considered that there is no economic advantage or occupational demand for further expansion. Evidence of this saturation comes from the number of development proposals shelved, if not cancelled, due to the inability to attract tenant demand. Scottish examples include:

Wishaw	Scotmid and Guinea Properties shelved plans to build a town centre shopping mall of 170,000 sq.ft. in 1990.
Livingston (Phase 2)	The Heron Corporation pulled out of a 250,000 sq.ft. planned expansion of this new towns shopping complex.
Dundee	Palmerston Holdings refused to proceed with a refurbishment and extension of the Overgate Centre.
Dumfries	Grosvenor Developments abandoned plans to develop the 300,000 sq.ft. Dumfries Shopping Centre on a prime town centre site.
Kilmarnock	McAlpine have delayed the development of Portland Mall, a proposed new shopping centre within the northern part of the town centre.

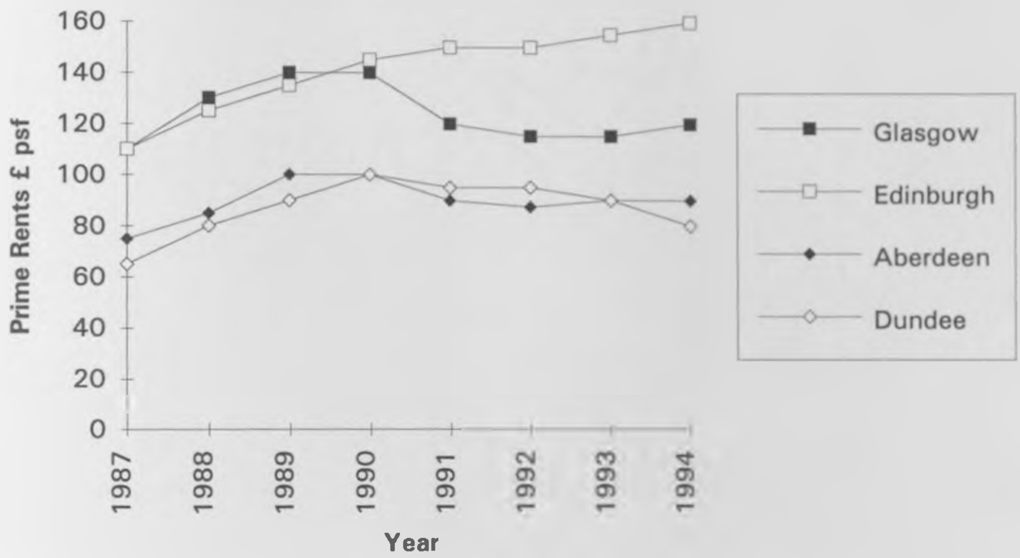
In many respects these developers made the right choice to postpone their development proposals but those who had already started on site, such as Rush & Tomkins with the Callendar Square Centre in Falkirk were not in such a fortunate position. They paid the ultimate price for their speculative ventures by going bankrupt. Many other developers have had to sustain considerable losses in the 1989-92 period when due to the time lag between the initiation of property developments and completion, schemes were coming on stream when demand was declining.

Due to the long term nature of the development industry it is not able to react as quickly as consumers or retailers to economic fluctuations. If, for example, a developer began construction of a retail scheme in 1988 with a two or three year build period they would be unlikely to pull out of the project in 1989 when the economic climate changed because of their existing level of investment in the project. Hence the retail facilities would become available for letting in 1990 or 1991 when retailers' occupational demand had diminished. The result is the creation of vacant retail space which immediately becomes "over-supply". This is one problem which has called in to question the need for out of town shopping and the free market's ability to accurately determine the appropriate level of retail floorspace required.

2.7 Rental Growth

Figure 2 illustrates the fluctuations in prime rentals for the four Scottish cities in the 1987-94 period: Glasgow, Edinburgh, Aberdeen and Dundee.

Figure 2: Rental Growth of Scottish Cities 1987-94



Source: Colliers Erdman Lewis Research 1995.

In each location rental levels were rising between 1987 and 1990 but since then moderate declines have been experienced in each city with the exception of Edinburgh. Using this information developers and investors were keen to become involved in retail projects in the late 1980's. With the increasing maturity of shopping centre development in the UK few towns and cities were without a central shopping mall by the mid 1980's. This limited scope for town centre development. Such a lack of suitable sites for developers and lack of product for investors forced both to look out of town for new ventures which could provide the levels of rental and growth prospects required. Retail rental values, therefore, contributed toward the pressure for out of town development in the late 1980's. However, the shift in emphasis had commenced in the early 1970's. It is necessary to examine the sequence of events from that period in order to gain a better understanding of the evolution of the out of town movement. Schiller (1986) commented that out of town retail development had manifested itself in three "waves" as follows:

2.8 The Three Waves of Out of Town Shopping

Food Retailing

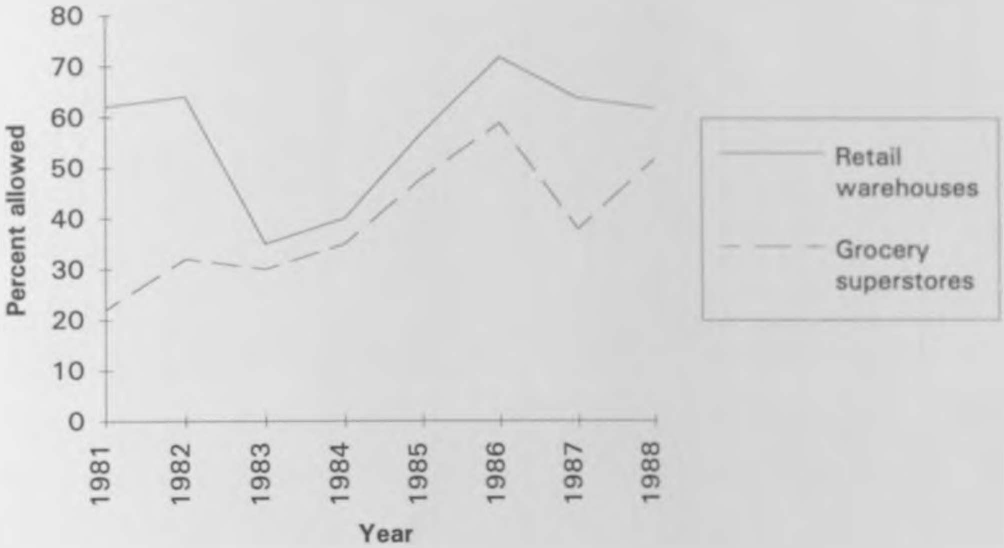
Grocery superstores are defined as single level self-service stores selling a wide range of food goods, with at least 25,000 sq.ft. of trading floorspace, supported by car parking.

Applications for this type of store provided the first challenge to the UK planning system and were met with scepticism. Indeed Lee Donaldson Associates in 1991 regarded the superstore as contrary to the three main objectives of town planning at the time of their first appearance:

* urban containment
* protection of the countryside
* creation of self-contained balanced communities

The acceptability of this form of development can be measured by its success at appeal. Lee Donaldson have recorded appeal decisions for this and other forms of out of town development. Figure 3 shows that since 1983 the number of appeals where consent has been granted has generally been on an upward trend.

Figure 3: Retail Planning Inquiry Decisions, Appeals Allowed, 1981-88



Source: URPI, 1988

Pressure mounted to build such facilities in out of town locations to cater for the increasingly mobile population. The arguments against out of town superstores have been countered by worsening conditions within town centres, in terms of traffic congestion and lack of parking space. The addition of superstore activity to town centres would add to the problem. Thus prospects for grocery superstore retailing seem healthy. Food retailing expenditure is relatively inelastic during recessionary times which undoubtedly underpinned the expansion plans of major superstore companies announced in the early 1990's. These included Tescos £952 million rights issue to help fund an additional 40 superstores announced in January 1991. Indeed, it is estimated that the capital cost of the combined store building programmes of J Sainsbury, Tesco and Asda amounted to some £5 billion between 1988-90 (Financial Times 1991). Thus, food retailing represents the first wave and arguably has already won the "battle for acceptability" (Howard & Davies 1988) although individual applications can still be rejected due to environmental or site related issues.

Looking ahead, the first wave of out of town retailing shows no immediate signs of slowing, "retailers themselves claim to be able to trade profitably at densities as low as one superstore per 50,000 persons, representing twice the number trading in 1990 (Brown 1990).

Non-Food Retailing

The second development boom was fuelled by the decentralisation of outlets selling "bulky goods". Their larger space requirements meant that town centre premises would incur high occupational costs and moving out of town allowed such traders to benefit from cheaper locations. The second wave of decentralised retailing is, therefore, the retail warehouse, which first appeared in the 1970's frequently occupying former industrial premises. Hillier Parker devised a definition of the retail warehouse which has attained common acceptance: a single storey retail unit of at least 10,000 sq.ft. outside the town centre (Hillier Parker 1990). A retail warehouse park generally contains three or more units of this size. There are estimated to be over 2,000 retail warehouses in Britain. The number of retail parks rose from 1 in 1982 to 90 in 1988 and at least another 60 were expected to open in 1990. It has been estimated that retail warehouses account for 14% of retail spending (Economist 1991). The evolution of this form of retailing from dis-used sheds to parks of 12 or more purpose built units, over the last 15 years has been categorised into four distinct generations:

* First generation: the DIY and furniture pioneers, operating from unwanted industrial buildings, car show rooms and disused cinemas.

* Second generation: purpose built single buildings on prominent accessible sites.

* Third generation: unplanned clustering of single comparison goods outlets; or location adjacent to existing food superstores

* Fourth generation: planned clustering of retail warehouses with high design and environmental standards (Breheny & Dyke-Price 1987).

Much of the success of retail warehouses in obtaining planning permission is attributable to the fact that they represented a new form of retailing, not previously present within traditional centres and given their space requirements were not desirable in those centres.

Merchandise sold from retail warehouses is no longer confined to bulky goods. Toys, sports goods and shoe warehouses are now common in modern parks. The development in 1989 at Fosse Park comprised non-bulky comparison goods outlets (such as Next, Marks & Spencer and Olympus Sports) alongside more conventional retail warehouse operators such as Comet, Toys R Us and Do-It-All. This scheme would not conform to the definition of acceptable retail warehouse park development in the 1980's. Indeed, Fosse Park has now evolved and is almost exclusively occupied by traditional high street traders. In addition to those mentioned above lettings have been secured with Habitat, Shoe City, Wallis, Dorothy Perkins, Burtons and Champion Sports.

<u>High Streets Out of Town</u>

The third development wave differs from the previous two because it involves the provision of goods which were traditionally found only in the high street. The vehicle for selling these goods is large fully planned shopping centres, often on sufficient scale to be referred to as regional or mega centres. Thus, the third wave is more likely to provide competition for the high street.

Until the mid 1980's applications for out of town trading of non-bulky comparison goods in the form of modern shopping centres, were almost entirely unsuccessful. In this respect, peripheral retail development in the UK lagged behind trends in European countries and in the US. In France, by 1980 there were 15 suburban or out of town regional centres of greater than 524,000 sq.ft. selling comparison goods (Points de Vente 1991). In the UK the only permitted decentralisation of comparison retailing had been part of a co-ordinated planned expansion of existing residential settlements or the creation of new towns. In Scotland this includes Irvine, Glenrothes, East Kilbride, Cumbernauld and Livingston.

In the UK, proposals for out of town centres date back to the mid 1960's when an application was made at Haydock Park near Liverpool. The scheme was ultimately refused because of the perception of the effect such centres had upon US downtowns. This decision may have set a trend for subsequent proposals in the 1960's and 1970's. Table 1 illustrates that all but one of these early applications were refused.

Table 1: Proposals for Out of Town Regional Centres 1960's & 70's

Centre	Date	Gross Floorspace (sq.ft.)	Result
Haydock Park	1964	1,000,000	Dismissed
Brent Cross	1968	790,000	Approved
Wolvercote	1971	263,000	Refused
Severndale	1972	906,000	Refused
Roselands	1973	421,000	Dismissed
Stonebridge	1973	800,000	Refused

Note: Proposals refused were called-in by the Minister/Secretary of State. Those dismissed were lost at appeal.

Source: Lee Donaldson Associates 1986

Brent Cross was the only one of these applications which was situated in an urban area. Thus the strength of the opposition against out of town development during this period cannot be doubted. In granting permission for Brent Cross the Inspector commented on the need for this shopping centre and maintained that it was not of strategic significance to London as a whole.

Developments such as Brent Cross encouraged a growth in size, quality and complexity of central shopping schemes throughout the 1970's. Beginning with the opening of Nottingham's 622,000 sq.ft. Victoria Centre in 1972 a succession of large scale developments convinced developers and investors that "mega centres" were a viable commercial entity e.g. Eldon Square in Newcastle (780,000 sq.ft., Arndale Centre, Luton (800,000 sq.ft.) and the Arndale Centre, Manchester (1,187,000 sq.ft.). Following these successful developments and the precedents set by supermarkets and retail warehouses the "third wave" broke in the mid 1980's. At this point out of town shopping was being absorbed into the retail system and the planning regime may have been softened by the track record of successful out of town developments and the argument that such uses were complementary to town centres.

Between 1986 and 1988 over 50 regional scale centres were proposed amounting to over 50,000,000 sq.ft. of shopping space (Howard & Davies 1990). The main proposals listed in Table 2 amounted to over 45,000,000 sq.ft. alone.

Table 2: Proposals for Out of Town Regional Shopping Centres 1982-1991

Centre	County	Gross Floorspace (sq.ft.)	Status	
Metro Centre	Tyne & Wear	1,360,000	Open	1986
Merry Hill	W Midlands	1,000,000	Open	1989
Lakeside	Essex	1,310,000	Open	1990
Meadowhall	S Yorks	1,031,000	Open	1990
Exe Vale	Devon	370,000	Allowed	1989
White Rose	W Yorks	650,000	Allowed	1989
Cribbs Causeway	Avon	700,000	Allowed	1991
Sandwell Mall	W Midlands	1,400,000	Approved	1987
Blue Water Park	Kent	1,500,000	Approved	1990
Cheshire Oaks	Cheshire	623,000	Approved	1990
Emmersons Green	Avon	500,000	Pending	1991
Duxford	Cambridge	624,000	Pending	1991
Slate Hall Farm	Cambridge	500,000	Pending	1991
Four Westways	Cambridge	570,000	Pending	1991

Barton Dock	G Manchester	667,000	Postponed	1990
Regatta Centre	G Manchester	700,000	Postponed	1990
Monkspath	W Midlands	400,000	Dismissed	1988
Centre 21	Leicester	700,000	Dismissed	1988
Hewitts Farm	Kent	900,000	Dismissed	1989
Runnymede Centre	Bucks	1,000,000	Dismissed	1989
Waterdale Park	Herts	1,250,000	Dismissed	1989
Arcadia Park	Devon	400,000	Dismissed	1989
Metro West	Devon	350,000	Dismissed	1989
Sky Park	Devon	650,000	Dismissed	1989
Monkerton	Devon	350,000	Dismissed	1989
Centre West	Devon	400,000	Dismissed	1989
Adanac Park	Hampshire	850,000	Dismissed	1989
Pudsey	W Yorks	450,000	Dismissed	1989
Lawnswood	W Yorks	500,000	Dismissed	1989
Oakes Centre	S Yorks	1,000,000	Dismissed	1989
National Centre	Lothian	1,500,000	Dismissed	1989
Highpoint Mall	Strathclyde	750,000	Dismissed	1989
Great Lea	Berks	720,000	Dismissed	1990
Westside Park	G Manchester	600,000	Dismissed	1990
Prestwich Hospital	G Manchester		Dismissed	1990
Kingsway	G manchester	800,000	Dismissed	1990
Sundon Springs	Bedfordshire	580,000	Refused	1989
Tannochside	Strathclyde	800,000	Refused	1990
Donnington Park	Leicestershire	750,000	Refused	1990
Dolphin Park	Essex	1,000,000	Withdrawn	1986
Leybourne Grange	Kent	800,000	Withdrawn	1988
Retail 2000	Avon	900,000	Withdrawn	1988
Parkgate Centre	S Yorks	1,500,000	Withdrawn	1988
Metro Tees	Cleveland	1,100,000	Withdrawn	1988
Richings Place	Bucks	1,000,000	Withdrawn	1989
Fort Dunlop	W Midlands	830,000	Withdrawn	1989
Braehead	Strathclyde	1,000,000	Withdrawn	-
Hackney Stadium	London	750,000	Withdrawn	-
Netherton	Merseyside	1,500,000	Withdrawn	-
The Racecourse	W Midlands	1,000,000	Withdrawn	1989
Waterfront	Cheshire	750,000	Withdrawn	1989
Metro Scotland	Lothian	1,000,000	Withdrawn	1989
Landmark Centre	Lothian	1,000,000	Withdrawn	1989
Elmbridge Mall	Surrey	1,000,000	Withdrawn	1990
The Royals	London	872,000	Withdrawn	1990
Cedar Park Plaza	Herts	750,000	Withdrawn	-
Speke Enterprise Zone	Merseyside	790,000	Withdrawn	-

Source: OXIRM

Notes: Schemes longer than 350,000 sq.ft. Authorities suggest that 500,000 sq.ft. is an appropriate cut-off point for the definition of a regional shopping centre.

New Forms of Retail

Recently the industry has witnessed the sub-division of food retailing into conventional supermarkets and discount operators. However, for planning there is no material difference in these operations. The same cannot be said for another new retail concept: factory outlets. These are not yet fully catered for in the policy framework.

This form of retailing involves selling of brand name products at discount prices. The crucial difference from conventional shopping facilities is that the sales floorspace normally adjoins the clothing production facility. Originally, the concept was introduced as a means of disposing of end of season surplus stock. The intention is now to maintain the retail element permanently to sell current products direct to the customer. Accordingly. Planning policy has resolved to treat factory outlets as a conventional retail use: "Unless the sale of goods can be regarded as incidental to the manufacturing process, such outlets should be regarded as normal retail developments". (Scottish Office 1995). Applications for these schemes will have to comply with standard retail development policy.

There are already a number of factory outlets in Scotland, the traditional woollen and mill trades being good examples. Thus, it is recognised that individual retail outlets adjacent to factories are an established part of the retail scene.

Based on US factory outlet schemes, a recent development in this type of retailing has emerged. Various developers are seeking sites in Scotland for free-standing developments of several factory outlets, usually focussing on fashion clothing and other specialist shopping. These proposals generally require extensive sites to accommodate a number of joint manufacturing/retailing buildings and the necessary car parking. Usually sites of 5-8 hectares are required, which are impossible to find in town centres and extremely scarce even at edge of town locations. Hence, developers have pursued out of town opportunities.

If permitted by the planning system, factory outlets could provide a fourth out of town shopping "wave" albeit on a smaller scale than the other three. However, the recent 1995 Draft NPPG on Retailing (referred to in Chapter 4) disapproves of factory outlets stating that "such proposals are unlikely to be consistent with this Guideline". This guidance may well be challenged in the future, prospective developers likely to stress the benefits of such facilities in terms of allowing the public access to new forms of shopping. More weight may, however, be attached to the manufacturing side of the operation in terms of investment, job creation and other economic benefits.

Retail Warehouse Clubs can be considered a derivative of the cash and carry wholesale business. They tend to comprise "retailers specialising in bulk sales of reduced price, quality goods in unsophisticated buildings with dedicated car parks". (Scottish Office 1995). The operator usually restricts the clientele through issuing membership cards without which a purchase cannot be made. Membership is normally limited to businesses, organisations or specific classes of individual. The 1995 Draft NPPG maintains that "these outlets have many of the characteristics and effects of normal retail outlets and, therefore, should be treated for planning purposes as a retail use". As such, development of retail warehouse clubs in out of town locations is likely to be resisted.

2.9 Consequence of Out of Town Proposals

Between 1983 and 1988 some 60% of proposed shopping floorspace in the UK has been out of centre development (NEDC 1988). This raises questions as to whether consumer spending has grown sufficiently to justify both the traditional and new forms of shopping. At this point it is worth noting that research carried out by TEST in 1989 showed that although growth has occurred in traditional high streets this has tended to be focussed on a small proportion of the main shopping streets. Increased competition for "prime" sites has led to a compacting of traditional retail areas. "Prime" is used to refer to streets where the best rents can be achieved. On the other hand secondary and tertiary centres have witnessed little activity by way of private investment and infill redevelopment schemes. Such areas are now increasingly characterised by a mix of land uses such as services, public houses and in times of recession a high level of occupational vacancies. OXIRM claimed in 1988 that these characteristics collectively add to the functional weakness of such areas. This feature will be explored more fully in Chapter 3.

Belief that the development of retail outwith the hierarchy threatens the very operation of high streets is based upon the premise that such proposals have negative impacts upon the vitality and viability of town centre shopping. Vitality refers to the attractiveness of a centre whilst viability refers to the loss of trade the centre suffers as a result of out of town development. Such impacts are difficult to quantify but the simplistic case to support these assumptions is based upon the fact that consumers have limited spending power. Therefore, unless the disposable income of the consumer population rises then the construction of additional retail floorspace will result in trade being diverted from existing outlets. The magnitude of diversion depends upon the level of "drawing power" of the proposal.

In 1986 Schiller suggested that the impacts of out of town shopping have been neither as immediate or as dramatic as had been expected. However, Schiller was commenting against a background of increasing consumer spending. Since recession struck in 1989 there is no guarantee that future impacts will follow a similar pattern and indeed, are likely to be more difficult to predict.

The majority of retail market reports and indicators showed that from 1984 - 1989 demand for retail space oustripped supply. However, since 1989 this position has been reversed to such an extent that there is now undoubtedly a severe over supply of retail space. This is reflected in a high level of high street vacancies, a dramatic slow down in development activity and declining rents (see Figure 2). Given such a situation there will be a rationalisation of retail floorspace with certain locations performing better than others.

CHAPTER 3: RETAIL IMPACT

3.1 The Meaning of Impact

Retail development is naturally of concern to the planning system, as are other forms of land use and development. However, as concepts of the purpose and scope of planning have varied, so perhaps has the significance of retail development within the planning process. Here may be the source of the difficulty in allowing discussion on the impact of retail development upon existing retail businesses. These are issues considered of concern by local politicians (OXIRM, 1988) but at other times ruled ultra vires by Reporters and government advice.

Impact is of legitimate concern for five principal reasons:

* Understanding the effects of change in an economy or physical environment

* Control of public costs: unregulated private actions may give rise to undesirable public or environmental costs (e.g. transport infrastructure)

* The efficiency argument: planning is concerned with the efficient use and allocation of land

* The equity argument: the degree of accessibility of different types of retail outlet and shopping centre directly affects the standard of living of consumers

* The quality of life argument: the degree of accessibility of different types of retail outlet and of shopping centres indirectly affects the quality of life of individuals and groups in society

These concerns noted above convey the very wide range of interpretations of the term "retail impact" which all too often holds a very limited meaning: retail impact assessment has concerned itself with the calculation of diversion of trade from existing centres to new developments. Impact should be assessed in its fuller sense, rather than merely trade diversion. Indeed, the most recent English national policy guidance, (PPG6) makes it quite clear that retail competition and trade diversion are irrelevant.

Impact and the "Health of the High Street"

A phrase which has achieved popularity following the work done by the National Economic Development Office (NEDO) in 1988 is the "health of the High Street" (NEDO 1988). In 1990 Thorpe discussed health in terms of the growth of sales, the level of investor interest and the climate of business confidence. Conversely, the Public Inquiry debate has focussed upon investment in terms of the continued viability of new developments within a town or city centre as a result of development elsewhere.

The phrase "vitality and viability" has also been widely adopted following its use throughout PPG6. It concerns issues such as decline in services provided by the town centre or a significant increase in vacancies. The degree to which such events might threaten viability, however, are influenced by the size and resilience of a particular centre.

The NEDO report did propose six conditions which might provide a link between the notion of retail impact and the loss of vitality and viability in a town centre. The report suggests that:

* the proposed development will first need to have an impact upon some retail businesses
* impact damages businesses
* damage will cause lasting harm
* harm will be on a sufficient scale to cause extensive closure of shops
* closure of shops will not lead to redevelopment
* the absence of major redevelopment will lead to a loss of viability and vitality of a town centre as a whole (NEDO 1988)

Tests of Impact

It has been established that the scope of retail impact is a much wider than many originally thought. It includes the consideration of the economic, social and environmental effects of major new retail development upon town centres.

(a) Economic Tests

Such tests will include trade or sales changes in centres as a result of new development. Levels of investment in different centres are also relevant. Investment may be made by public organisations (e.g. pedestrianisation or development partnerships) or exclusively by the private sector. Questions of the effects of new development upon the scale, structure and diversity of traditional centres are also relevant, as are the effects of such developments upon employment within town centres.

(b) Social Tests

Social tests consider the equity of different forms of major new retail development. This may involve the consideration of shopper profiles for different forms of retail development.

(c) Environmental Tests

These consider effects upon the environment as a result of new development eg. quality of urban design and architecture. Such effects need not be negative; modern retail development may assist in conserving townscape. The most obvious environmental impacts relate to traffic. Whilst traffic may seem to be a critical test, because it is tangible, its importance varies depending upon the centre in question. Nevertheless, relief from congestion within traditional centres - or the creation of new centres of congestion -is a measurable consequence of retail development. Shifts in transport mode and the associated costs of infrastructure investment must also be considered. Finally, planning interventions may be prompted in response to perceived environmental effects which have implications for the management of the town centre environment.

History of Impact Studies

Concern with the impact of new retail development upon existing retail investment and the environment is not new. The DoE categorised the resultant impact assessment studies into three broad periods, characterised by different emphases in terms of research, reflecting changing political, social and economic pressures (DoE 1992).

1960's - decade of **model development**, typified by extensive use of US modelling techniques. Such studies were often incorporated into local authority planning. Trading deflections forecast by such models caused the rejection of all proposed out of town regional shopping centres during the 1960's. Subsequently such high degree of quantification in impact studies was questioned although a legacy of opposition amongst planners to all new forms of outlying retail development remained.

1970's - a decade of **debate**, during which the nature of impact and the pros and cons of new stores were discussed in the context of an increasing number of proposals for outlying food and non-food stores. The majority of impact studies conducted tended to show little adverse impact on existing shopping facilities. Subsequently the 1978 NPG was issued and encouraged a more flexible stance toward such developments. Nevertheless, defending the traditional hierarchy of centres remained a firm objective of local planning policy.

1980's - a decade of **uncertainty** - this decade witnessed a significant increase in out of town retail development. Despite extensive policy documentation produced by local authorities and research produced by other bodies uncertainty prevailed for three reasons: a lack of comprehensive knowledge of retail change; a lag effect in the appreciation of impact; and the difficulty experienced in relating events and trends measured on the ground directly to the effects of new development.

Given that retail impact is frequently cited as a reason for refusing planning consent it is necessary to examine is some detail the individual components; economic impact, social impact and environmental impact.

3.2 Economic Impact

The economic impact of major new retail development can best be understood in relation to the different types of such development. Consequently it is necessary to address in turn the economic effect of grocery superstores, retail warehouses and regional shopping centres, together with other town and city centre schemes.

Economic Effects of Superstores

Whilst discussion over the economic effects of superstores on traditional centres was common in the 1970's, by the early 1980's concerns centred on environmental and traffic issues. Some studies regarded the matter effectively resolved; the national guidelines issued as PPG6 in 1988 regarded such large stores as "a well established form of retail development".

Nevertheless, shopping issues arising from superstore applications were still considered important at Inquiries, whether in terms of the competitive impact or through conflict with established policies. It has been estimated that shopping issues of this kind accounted for just under 40% of refusals of planning permission for superstore development between 1971 and 1991 (Lee Donaldson Associates 1991). However, are the economic effects of superstores understood? What new contributions to the debate have been made recently?

(a) Trade Diversion - Effect on Town Centres

Lee Donaldson Associates asserted in 1991 that:

"In no instance, despite the growth of superstores throughout the country, has an authority been able to .... demonstrate that any particular superstore has resulted in severe adverse impact". Perhaps the planning system had prevented stores which might have had adverse impact. Was the first generation of superstores unattractive? In concentrating upon large markets, did such stores generate wide spread effects?

There was a range of studies from which such conclusions might be drawn. An extensive study to be conducted on the subject was undertaken by Donaldsons at the Carrefour hypermarket in Caerphilly. Although Carrefour drew from a regional catchment its offering was more appropriate to that of a district shopping centre. It was concluded that these "common and contrasting features of the hypermarket's trading pattern combined to mitigate its impact upon the hierarchy" (Donaldsons 1979).

Work done by NEDO in 1981 suggests that the insertion of modern food retailing within established centres can benefit inner city areas. Based upon three detailed case studies its most important conclusions are:

* old shopping areas in inner city districts were rarely capable of regenerating themselves without introduction of a new dimension of modern retailing.

* such developments on balance bring benefits (e.g. efficient use of infrastructural investment)

* after initial impact, do little harm to existing traders

* generate significant new employment

* are better as part of an overall strategy of renewal (NEDO 1981).

(b) Employment

The generation of employment through new development was seen in the 1970's as a beneficial effect of superstore development. Studies conducted in the 1980's questioned the net employment effect of such developments. Howard suggested five reasons why this may be so:

* the general difficulty experienced in collecting evidence

* the tendency for employment impact to be spread widely

* the delayed effect of poorer trading upon employment levels in established centres

* the substitution of changes in working hours for job losses

* the masking of employment impact by buoyant trading conditions (Howard 1989)

Consequently, studies of employment impact of major new retail development upon town centres, as opposed to trading impact, are much less prevalent. Their results are much more dependant upon local circumstances than is the case for trading impact.

This can be illustrated by evidence which exists in Scotland. The 1982 Scottish Office study of retail employment change in Scotland focused on the experience of Dunfermline and Kilmarnock and argued that the evidence pointed to the "development of superstores giving rise to a net increase in total retail employment locally" (Scottish Office 1982). Conversely, a follow up study on the effects of a Fine Fare superstore in Elgin, reported that the employment impact was one "of substitution of jobs rather than the creation of major net gains or losses" (Scottish Office 1984). This indicates that there is conflicting evidence in relation to the job creation potential of out of town superstores.

Economic Effects of Retail Warehousing

The evolution of the retail warehouse may offer a greater potential threat to traditional town centres. Early forms of retail warehousing restricted trading to bulky goods items which were "obviously" inappropriate for sale through town centre outlets. DIY and garden centres fell into this category. The extension of product ranges beyond bulky goods both into lower bulk home furnishing and ironmongery, as well as new product ranges (brown and white goods, toys, car assessories) offers more of an overlap with conventional town centre goods.

Jones identifies the potential benefits which individual retail warehouse and park developments have in both planning and consumer terms (Jones 1990).

* retail provision complementary alongside town centres
* enhanced consumer choice
* reduced congestion in town centres
* economic regeneration
* reclamation of derelict land
* environmental improvements (Jones 1990)

Lee Donaldson Associates suggest that one of the reasons why discussions of retail warehouse impact rarely figured even at appeal is because the sales growth of this sector during the 1980's served to mask any effect. Sales growth was attributable to market expansion and the creation of consumer demand which did not previously exist.

(a) Trade Diversion - Effect on Town Centres

There have been a wide range of studies dealing with the trading characteristics of retail warehouses and warehouse parks since 1980. Few have made meaningful statements about impact on existing town centres, being more concerned with identifying initial customer profiles and traffic flows from the perspective of the new development itself.

Much of the work in relation to the economic impact of these schemes has been undertaken in connection with the development of retail warehouses within metropolitan areas. In 1981 the Tyne and Wear Bulky Goods study attempted to set objectives for policy towards this form of development (Tyne and Wear County Council 1981).

The study showed that a degree of trade diversion was apparent even for bulky goods outlets: on average 27% of shoppers interviewed at six Tyne & Wear DIY or garden centre retail warehouses observed that they would have been shopping in Newcastle or Sunderland for the products, if not at the outlet; a further 25% named another town centre or local centre. "In other words, over half of visitors said they would have shopped at a main or local centre if the store they were using had not been available". However, none of the authorities within Tyne & Wear were able to provide quantitative data on loss of trade, changes in rental levels, increased vacancies or shop closures within established centres as a result of new out of town development.

The cumulative effect of a number of retail warehouse outlets may be of greater concern for traditional town centres, whereas piecemeal additions to out of town retail warehouse floorspace can take place with gradual adjustment by existing centres. Indeed, inter-warehouse competition may be more likely in such circumstances. This again tends to suggest that retail warehousing is complementary to town centre shopping. However, there must be a threshhold above which the viability of established centres is endangered. Park developments can under certain circumstances function in much the same way as sub-regional shopping centres (Brown 1990). In the case of an appeal by Texas Homecare in Merton in 1984, the Inspector commented in dismissing the appeal: "it is clear that although the effect of a single store may be small, the cumulative effects of several stores will sap the strength of existing shopping centres", (DoE 1984). One of the most convincing examples of this to date is the Fosse Park development outside Leicester. Such parks "closely mimic the attractiveness of town centres in providing comparison goods outlets at one location" (Leicestershire County Council 1991).

(b) Employment

Once again, net gains in employment has been mooted as a major benefit to such developments. This a claim was used by prospective traders to offset the employment potential of alternative industrial uses. The validity of their assertions have been questioned because jobs lost in existing centres as a result of the new development reduces net gain. Also, because of higher productivity within the new development it is possible for the increase in jobs to be more than offset by a loss in affected town or district centres.

Economic Effects of Regional Shopping Centres

The greatest degree of interest and concern in out of town retailing since 1986 has focussed upon proposals to develop regional scale shopping centres in outlying locations. In practice, only four such centres currently exist: Metro Centre near Gateshead, Merry Hill in Dudley, Meadowhall near Sheffield and Lakeside near Thurrock (see Figure 4).

Figure 4 : UK Map of Out of Town Regional Centres

Source: Colliers Erdman Lewis

Studies have been undertaken on the potential effects of centres of this magnitude in virtually all the locations where proposals have arisen. However, most retail impact assessments are not directly relevant to uncovering the practical effects of these schemes upon traditional centres. The bulk of material prepared for Public Inquiry is presented to argue for the interest of particular groups of participants. Further, much of the research done into the potential impact of regional shopping centre proposals upon traditional high streets draws, many of its concepts from the work done on the impact of superstores. However, these new centres might not behave in similar ways to traditional centres. Nor should there be the expectation that consumers will treat them in similar ways to traditional centres in undertaking shopping trips.

(a) Trade Diversions - Effect on Town Centres

With only four centres trading - the earliest of which only dating back to 1986 - there has been relatively little time for the economic effects of the centres to be assessed. Most published work relates to Metro Centre in Gateshead and Meadowhall in Sheffield. However, Wolverhampton MBC have commenced a study of the effects of the Merry Hill Centre in response to concerns about the decline of Dudley town centre, expressed in terms of an increase in shop closures and withdrawal of key multiple traders. The Oxford Institute of Retail Management (OXIRM), is involved in long term monitoring of both the Metro Centre and Meadowhall developments.

The Metro Centre commenced trading in phases from late 1986, becoming fully operational in 1988. Steer, Davies & Gleave Limited undertook an impact study which looked at shopping and employment patterns but concentrated on transport planning. It covered only the first few months of the centre's life, until May 1987. It included visitor surveys, household interviews and interviews with centre employees. It concluded that the Metro Centre:

"has had an uneven impact in respect of the displacement of shopping habits in the Tyne and Wear region. It has possibly attracted shopping into the region ...... the majority of Tyne & Wear citizens have visited it ... Relatively small proportions .... have transferred their regular buying to the Centre ..... The most severe impact and changes in shopping habits have occurred in the communities closest to the Metro Centre" (Steer, Davies & Gleave 1987).

Newcastle City Council carried out a survey of shoppers in the city centre in November 1987. It was designed to increase understanding of the city centre catchment and role, and was not an impact study. It did contain comment that trade in the city centre might have fallen by between 3% and 8%, this information supplied by a few major retailers in the prime area of the city. A later paper drew together data on floorspace changes, vacancies, pedestrian flows, rental levels and car park usage (Newcastle City Council 1989). It concluded that "confidence in the city centre is being maintained ..... the popularity of the city centre with both retailers and shoppers alike has continued even with the additional competition of the Metro Centre". It did note that car park usage fell between 2% and 4% following Metro Centre's opening.

Gateshead MBC has monitored land use and aspects of employment change in shopping within the Borough. It has published Metro Centre Information Notes assessing the role of this new centre which stated that:

"Metro Centre has not directly led to the closure of any major store ..... The major impact that Metro Centre had on Gateshead Borough has been to reverse expenditure trends. Prior to the opening of the centre the residents of Gateshead carried out a large proportion of their spending outside the Borough. Although some is still exported, the import of spending from residents outside the Borough more than compensates for this loss. Gateshead Metro Centre has therefore had little detrimental impact on shopping in the Borough. However it has created jobs, brought expenditure in to the Borough and may act as a catalyst for further developments" (Gateshead MBC 1989).

Evaluative work on the Metro Centre by OXIRM comprises studies of the early phase of impact (associated with the first two years of trading); and a second stage considering the maturing effects of the development. The early evaluation did not show any kind of disaster in trade elsewhere. It is important to remember the context of generally increasing consumer spending over the period in question. "Some reasonable assumptions ..... point to the Metro Centre absorbing under 8% of the available retail expenditure from households within 30 minutes drive, by the middle of 1988, and less in the previous year" (Howard 1991).

Growth of consumer spending in the region overall, Howard argues, provided a cushion to allow other centres to adjust to the early effects of the centre, but the centre overall was beginning to attract higher spending trips than all other centres in the north east - even including Newcastle. Such changes in shopping patterns slowly affected traditional north east centres from 1987. OXIRM retailer surveys in Newcastle revealed a drop in trade - even from the city's core. Gateshead and Durham traders appeared most severely affected.

The evidence from retailer surveys in the early period was reinforced by the use of pedestrian counts. Howard & Davies (1990) observed a drop in activity in Newcastle from 1988. Also, the changes in activity within the city centre were found to be variable: in particular decreases in the 1988 pedestrian flow survey were most pronounced in the more secondary streets of the city centre. However, the 1988 - 1990 period showed a distinct recovery amongst traditional centres in the north east. Nearly two thirds of outlets reported sales increases for the period after January 1988, with more large multiples than independents benefiting from this recovery. The reasons for these changing sales levels may have been the effect of the economy on spending.

In the West Midlands, the phased development of the Merry Hill Centre from 1986 was accompanied by a spate of proposals for similar centres in the region. Only one of these, Sandwell 2000 mall, gained outline consent (although it remains unimplemented). A consortium of seven West Midlands district authorities commissioned a forecast impact study of the series of outlying regional centre proposals within the region (Drivers Jonas 1987). The study considered issues of qualitative impact, in terms of economic activity, consumer behaviour, environmental effects, retailer reaction and development of existing retail centres. However, no impact studies of significance have been carried out since Merry Hill opened. Nevertheless local shopping policy has included consideration of what might be the significance of Merry Hill in limiting new investment in existing centres.

The Meadowhall Centre in Sheffield commenced trading in late 1989. Since then the emphasis of retail planning policy has changed from controlling floorspace in the city centre, in order to protect the role of district centres, to protecting the role of the city centre itself. The previous policy may have been unsuccessful: Sheffield city centre probably declined in significance in the 1980's, while many district centres suffered environmental problems, and from competition from superstores or retail warehouses out of centre.

(b) Land Use Changes and Vacancy Levels

The evidence from the north-east on vacancies did not demonstrate that Metro Centre "affected the vitality and viability of Newcastle centre as a whole". However, surveys conducted by OXIRM showed that vacancy levels were a poor measure in trading impact. This was for four reasons:

* The economic impact of Metro Centre was felt across centres as a whole in trading terms, but vacancies did not necessarily follow pro-rata. In Durham, where retailer surveys revealed a trading impact from Metro Centre second only to Gateshead, vacancies remained low. The central shopping area in Durham is constrained and was still sought after by traders not then represented. The vitality and viability of the centre remained good despite trade diversion.

* More vacancies appeared in peripheral streets than in core or prime areas. In the case of Newcastle, change of use to non-retail was more common than long term vacancies.

* Such trends are part of a longer term compaction process in larger traditional centres. In-town shopping development also prompts relocations and tenancy changes

* Finally, vacancies increased in most centres in the early 1990's as retail sales growth halted.

(c) Employment

The limited trading lives of existing regional centres makes the assessment of employment impact somewhat premature. However, Howard did analyse Metro Centre in 1991. Using official Census of Employment data and retailer surveys she concluded that "the gain in jobs in the catchment area from the new development was sufficient to off-set the general declining trend in the region" (Howard 1991). Thus the development of Metro Centre led to a net increase in jobs estimated at 696 jobs in retailing as a whole, in the context of the creation of 2,500 jobs at Metro itself.

(d) Confidence

The pressure for development and the high level of public concern over the 50 or more applications for outlying regional centres lodged between 1986 and 1989 is likely to have had significant effects upon levels of both investor and community confidence within traditional town and city centres. Whilst relatively little is known about the precise effects of regional shopping centres, a substantial amount has been written in anticipation of such effects. NEDO remark that such studies can be no more than "highly educated guesses .... The question arises whether such studies, with all their difficulties cease to have a useful purpose and may become harmful" (NEDO 1988). Such studies can cause uncertainty for property investors. Uncertainty is generally reflected in the way in which investors appraise development situations, ultimately by pushing yields upward which holds land values at a low level. If the development site in question is publicly owned uncertainty might then affect the amount of money available for regenerating town centres. The University of Stirling carried out a survey of pension fund advisers relating to the prospective effects of any new development upon investment and trading confidence in Birmingham city centre. They found an even division of views between those who felt that there would be no effect and those who felt that short-lived effects would be likely (Institute for Retail Studies 1989) i.e. an interesting lack of certainty amongst investors.

Conclusions on Economic Impact

The assessment of economic impact for major shopping proposals has evolved significantly over the past 30 years. In the 1960's spatial interaction models were used, the 1970's saw the use of large scale surveys and particular attention was paid to the potential impact of major city centre developments. The 1980's were epitomised by a lack of comprehensive local knowledge on retail change, a waning interest in the impact of previously developed centres, and the inability to attribute impact to retail development in peripheral locations. The economic impact of food superstores was carefully studied and has retained considerable importance. However, there is little hard evidence based on survey data to demonstrate adverse impact. (DoE 1992).

The employment effects of superstore development have been just as hard to determine. This was probably due to general difficulties in collecting evidence, employment impact being spread over a wide area, the effect of poorer trading in established centres, the shifts in working hours, and the masking of employment impact by buoyant trading conditions.

Howard's findings in relation to the effects of Metro Centre are also appropriate for the consideration of economic effects of other kinds of out of town development: "Impact was experienced through trends already working in retailing and shopping centres in the region: trends for consumers to prefer larger or more specialised, or more convenient shopping centres, trends to greater productivity in retail businesses, and shifts to new working patterns within them. Impact has been most adverse not in the larger centres, or even in the centres nearest to the Metro Centre, but in the weaker centres or the weaker parts of centres. Finally, impact has been cushioned by retail sales growth throughout the development period ...... If results from this research are to be extrapolated for planning in other areas, we consider similar processes should be taken into account, but that it should be recognised that the effects of these processes will depend heavily upon the general and local economic circumstances." (Howard 1991).

Thus research has shown that the core part of Newcastle's city centre has remained relatively healthy despite the introduction of Metro Centre. Such studies, however, are firmly set in the context of a buoyant, prosperous and expanding retail sector. Studies undertaken in the 1990's are likely to see outlets and centres competing for smaller overall levels of expenditure increases, with the cushioning effect to which Howard refers removed.

3.3 Social Impact

In 1984 Davies identified a series of positive and negative social impacts of out of town retailing. The positive impacts were a promotion of convenience, improvement in consumer efficiency, expansion of choices for shopping and a perceived public popularity. The negative impacts were thought to be: out of town retailing favours the car borne shopper, it lacks the social role of small shops, leads to retailer monopolies and can isolate the elderly and immobile.

OXIRM (1988) reported that many conflicting views about the benefits and desirability of major new retail development have been expressed; and that it is not clear what the effect of new development in outlying locations may be on inner cities and town centres. Thus it is extremely difficult to measure social impact costs in connection with development proposals.

The Purpose of Shopping

There is international recognition that shopping is no longer simply an exercise in gathering provisions: food, clothes, shoes etc. The largest shopping centre in he world at West Edmonton Mall in Canada attracts consumers from as far away as California to undertake a combined shopping and leisure trip. (Hallsworth 1988). Gardener & Shepherd (1989) suggested one possible reason why we go shopping.

"People have increasingly turned to commodities to differentiate between themselves as individuals, to imbue themselves with a distinctive style and create for themselves and identity perceived as lacking elsewhere. Products of all kinds - particularly clothes, but also electrical appliances, cars, beverages and food - have come to signify who their wearers are. Consumption has ceased to be purely material or narrowly functional - consumption is both symbolic and material."

The social town centre

In order to identify the ingredients required by town centres and regional centres to function as a social organism it is worthwhile reviewing the rhetoric which accompanies one regional centre in Britain - Lakeside. A number of extracts from a variety of published leaflets have been reproduced below.

(a) "Perception" of the high street

> "The overall effect is to recreate the feeling of a traditional high street, only protected from traffic and the elements and with much, much more space... Lakeside Shopping Centre turns shopping into an art-form."

(b) The shopping "experience"

"Shopping has become a form of entertainment, a major social event".
"It is a major attraction to visitors - heralding a new era in exciting leisure shopping.... Ease and convenience are the key words to describe Lakeside. Every aspect has been designed to provide customers with a shopping experience second to none."

(c) "Friendly"

"The centre will be built with a warm and traditional style, interspersed with a rich variety of trees and elegant water features to create a friendly and inviting environment.... Lakeside will be attractive to all age groups, there to encourage people especially families to turn shopping into a family outing."

Such statements are obviously marketing tools to sell the centre to interested parties, but it is worth noticing how they stress the schemes' social qualities.

In 1990 Courtney Research completed a survey of retailers in major new shopping centres to determine which was their favourite. The report concluded that there were 12 successful factors for shopping centres ranked below in order of importance.

1. Quality of catchment
2. Service charges
3. Parking
4. Customer circulation
5. Tenant mix
6. Security
7. Anchor tenants
8. Design
9. Centre manager
10. Promotion
11. Public transport
12. Special amenities

The report also listed the top 5 shopping centres based on the results of the survey. Meadowhall outstripped all others on 11 of 13 categories. Fourth place was Lakeside, Thurrock.

Property Market Analysis (1990) asked members of the general public to assess the importance of a variety of factors when making their choice of where to shop. Factors perceived to be important included cleanliness (73%), pleasant environment (58%) and convenience from home (51%).

Howard & Davies described consumer perceptions at Meadowhall and other regional centres. Whilst Meadowhall ranked highly in terms of being big, clean, spacious, choice of shops, good parking and stylish, it scored poorly on value for money and on the "excitement" factor. Traditional centres scored higher on the "value for money" factor, but ratings fell considerably for factors such as parking, style, cleanliness, individuality. (Howard & Davies 1990).

Gordon Simmons Research (1991) produced a report of consumers attitudes towards shopping centres. They concluded that "shopping centres are held in higher esteem than our department stores or high street shops; they benefit the community whilst providing a safe and varied shopping environment for all ages and walks of life." The report found that the main appeal of shopping centres included ease of visiting a large selection of shops within one area, ease of access, ease of mind in safety issues and convenient opening times. On average 49% of all respondents stated that they would rather shop at a shopping centre than the high street shop. Surprisingly high given the resistance to further shopping centre development, particularly in out of town locations.

So if out of town shopping has such perceived attractions, what is the likely impact on the social function of existing town centres? If expenditure is transferred from the high street to a regional shopping centre then a question arises over the economic survival of retailers in the town centre and therefore the ability of the town centre to offer a desirable shopping environment.

A poll commissioned by Argos and published in Shop Property in 1989 revealed that British shoppers still preferred High Street shopping to out of town precincts. The editorial in the same journal argues that given the choice American customers prefer out of town malls rather than downtown shopping centres. It was suggested that Britain's shoppers preferred the High Street because they had nothing to compare it with. At the time of writing only Brent Cross and Metro Centre were trading. In terms of recent shopping centre development Merry Hill, Meadowhall and Thurrock, let up far better than the majority of high street schemes opening at the same time. It may be that retailers "know which of the two alternatives shoppers really prefer when given the choice." (Shop Property 1989). Thus, it can be seen that similar to economic impact conflicting opinions exist over the social qualities of town centres compared to outlying schemes. If town centres are being challenged by such developments they must respond by creating an adequate social environment by offering a mix of complementary uses which generate pedestrian activity. Hence, popularity will be maintained.

Method of Shopping

Property Market Analysis comment "very little is actually known precisely about how people go shopping on a national basis. While we have details of shopping patterns in particular towns, this cannot easily be applied on a general basis".

Howard acknowledges that there is great deal of data available in the North East region relating to both Eldon Square and Metro Centre, but little comprehensive works exists elsewhere. In Sheffield the last major survey was undertaken by the then South Yorkshire County Council in 1981. (Howard 1989). Two techniques were used to try and assess the social impact of out of town shopping on the general public and the town centre. Firstly, descriptive shopper surveys usually undertaken by local authorities to determine shopping patterns and attitudes. Secondly, analytical consumer behaviour exercises which use spatial models to define relationships between the physical attributes of the retailing system, consumer decision making and overt behaviour. (Timmermans 1981).

Descriptive shopper surveys

Few authorities have undertaken surveys which address the social impact of out of town retailing on the town centre. Studies which have taken place tend to be preoccupied with economic impact even though they are presented under the guise of shopper surveys. Most recent work focuses on the shopper's perception. Furthermore, few comparative in town and out of town surveys have been undertaken. However, four examples which do consider a social impact include the Chichester Shopping Study (1990), Derbyshire

County Council, London Borough of Brent (1988) and Broxbourne Borough Council (1985). The frustration of these surveys is that whilst they draw speculative conclusions about loss or diversion of trade from town centres, they do not go on to consider how that loss or diversion has become evident in the town centre or the social impact on the town centre (DoE 1992).

Analytical Consumer Behaviour Exercises

Unfortunately the only available research of this nature concerns "special needs shoppers". Very little research deals principally with the issue of out of town retailing and its social impact. Analytical consumer behaviour exercises have not resolved the gap in knowledge between the shoppers' perception of the social function of the town centre and the changes which may be occurring as a consequence of out of town retail developments. Consequently such literature has not been reviewed. ?

Social Criticisms of Out Of Town Shopping

In 1988 Birchall debated the pros and cons of out of town shopping. He argued that there were two key questions that needed to be answered:

1) "Have changes led to freer and more efficient market which benefits the consumer, or to monopolies which disadvantage the consumer?

2) Have they led to externalities? There are three in particular which have been cited:

   (a) The opening of superstores has entailed significant job losses.

   (b) That the loss of the small food shop has disadvantaged the less mobile customer; the elderly, disabled, women with young children, or the poor.

   (c) More generally, that it has led to a weakening of a sense of neighbourhood community." (Birchall 1988).

Conclusions on Social Impact

Most people have a feeling or a perception of what their town centre is and the part it plays as a social focus for the community as a whole. Individuals have views about whether or not they prefer to shop in or out of town and the reasons why. However, there is very little published evidence about the importance of the social role that town centres play. Where evidence does exist, usually it has not been collated in an appropriate form to examine precisely the social impact of out of town retailing on the town centre. (DoE 1992)

A number of consumer perception surveys indicate how shoppers' choice is determined by such aspects as value for money, the attractiveness of an environment and convenience. It has been stated that the overall effect of the regional shopping centres throughout the UK is to "recreate the feeling of a traditional high street". Shopper surveys undertaken by local authorities at these centres examined factors affecting catchment areas and shopping centre usage such as type of goods bought, the amount and frequency of spending and mode of transport. Whilst these surveys have drawn conclusions about the loss or deflection of trade from town centres they have not indicated how such trade impacts manifest themselves in the social role of town centres. Thus there is no real link between consumer surveys on the ground and retail development strategies of companies and local authority planners. If significant changes in retail patterns and provisions are to be effective, then the consumer's attitudes to and acceptance of these must be tested.

The common belief is that social impacts are reflected in changes to the diversity and variety of shopping opportunities in town centres, e.g. the threat to the small shop, changes in the importance of non-retail functions and increases in social malaise such as crime and vandalism. (Dawson & Kirkby 1979).

There is a degree of research into the needs of special groups of people such as the elderly, ethnic minorities, the disabled and low income earners. (TEST - 1989, Rees 1988) This research indicates how out of town shopping can disadvantage particular groups by lack of proximity and mobility. However, the research falls short of identifying the wider social impacts within town centres for these particular groups of consumers. Dawson & Shaw (1987) agreed with this conclusion that there is little hard evidence on how the consumer sees the high street or out of town shopping environment in comparative terms. The next step is to ask what are the expectations, and needs and level of satisfaction experienced by various groups in relation to different retail provision. Not only is it necessary to understand whether some social needs are not being met but also why they are not met and what can be done about the problem.

3.4 Environmental Impact

The environmental effects of new development are the most obvious of the three impacts (economic, social and environmental), because they are physically apparent. The evidence can be detected by walking through a town centre which is in decline. Positive impact such as reduced road congestion, improvements in parking or environmental improvements (eg pedestrianisation) are easily detected.

Parker (1987) stated that "There are three arguments to the environmental dimension of out of town development - the environment achieved within the new development, the environment usually lost in the vicinity of the new development, and the environmental consequences in the places from which activity has transferred as a result of the development". It is the final argument which is of most concern.

Ironically, it is partly because decline is so visually evident that the environmental effects of out of town development on town centres have attracted little research. Whilst many local authorities believe their town centres are in decline, the evidence to support these claims is based on comments such as "you only have to walk down the street", rather than detailed empirical research.

In approaching this topic two specific points of focus have been selected. Firstly, the question of the environmental effects in relation to traffic e.g. changes in volume, impacts on car parking, provision of pedestrian areas, park and ride facilities, and the impact of out of town shopping development on public transport. The second focal point relates to specific impacts on the built environment and land use. Such effects include changes in land use within centres, the condition of buildings, architectural denigration redevelopment strategies, enhancement strategies and level of care and maintenance.

Transport Issues

Maguire (1990) picks up the theme of transport and congestion in town centres and suggests that being able to shop by car is an important way of exercising choice and freedom, "without being at the mercy of declining public transport". She continues:

"there needs to be a radical change in transport infrastructure to take account of the hellish vision of worsening traffic jams. Even now, 40% of drive time in town centres is spent finding a parking space. If town centres do not create pleasant environments, ease of access and adequate parking, they may find themselves in a bargain basement situation where the high street is dominated by price-led offers and only appeals to the have nots who rely on public transport".

Measurement of Traffic Effects

Traffic effects are measured within the planning system by trip generation research and by an analysis of transport strategies. The planning system has been criticised because regions are responsible for highway planning and the district councils for detailed land use planning.

"In general neither appear to be jointly monitoring the state of the highway system in all its aspects over time. If the public debate about this issue of town centres versus out of town centres is to be soundly based, then the environmental capacity of existing town centres and of the wider network (relevant in considering out of town proposals) must be properly assessed with the resultant appropriate land use and transport policies and then closely monitored." (RTPI 1988).

The result of this confusion is that new roads can attract development to the wrong places and not create development where it is required.

(a) Trip Generation Research

Impacts relating to traffic generation and pollution are gaining a much higher status on the political agenda. Hence, these issues have been widely tested. However, the methodology used to calculate the number of trips generated by new development and their impact is now being challenged. Hazel produced a series of papers in 1988 which concerned the development of a disaggregated trip generation model for the strategic planning control of large food stores. He stated that:

"within the existing framework of foodstores, the introduction of a new store will generate few new trips. It causes the re-distribution of existing trips which will be either drop-in or diverted trips.

This calls into question the basic methodology of current traffic impact analysis which relates predominantly to the local impact of a development. If most of the generated trips already exist on the network there must be a reduced impact elsewhere in the network. Therefore, because of its location, a new development may reduce average journey time and/or frequency of use to such an extent that the net traffic impact is beneficial".

He goes on to propose that most traffic assessments focus on the local impact of a development. However, the reductions in delay due to a new development are very likely to be widely distributed so that "an area wide approach to traffic impact analysis is necessitated". (Hazel 1988).

Three database sources exist which are generally available to calculate traffic impact generated by major retail developments:

* TRAIDS - Traffic Impact of Developments in Scotland - a national trip generation database.

* TRICS - Trip Rate Information Computer System - A similar database operated by a consortium of counties in the south east of England.

* GENERATE - Holds approximately 400 traffic generation surveys and is operated by the West Midlands Joint Data Team

French (1988) stated that one of the major problems with planning large retail centres is the lack of comparative data based on UK experience. He draws a distinction between superstores, hypermarkets and regional shopping centres because the traffic generation and patterns of movement are different in each case. French concludes that:

"Whatever changes take place in these developments and their trading hours, it must be remembered that the prime purpose of free-standing developments is to cater for the car borne shopper. It is therefore essential that the traffic aspects are considered from the earliest planning stages to ensure the motorist is provided with adequate facilities."

Responses in traffic terms to new forms of retail development often take place indirectly. For example, changes in public transport, traffic calming and pedestrianisation. These indicators are collectively termed transport strategies.

(b) Transport Strategies

The building of new roads is one of the most popular responses to the increasing use of motor vehicles in Britain. Two particular types, motorways and ring road/bypass developments have specific consequences for retailers. The positive impact is to increase the catchment area of the shopping centre by reducing travel times. The negative impact is that it becomes easier for shoppers to travel to other centres. One response to this dilemma is for towns to improve their shopping facilities by developing additional floorspace or implementation of transport strategies such as:

* Public transport
* Traffic calming
* Pedestrianisation
* Car parking
* Park and ride schemes
* Light rail systems

<u>Evidence of Traffic Generation</u>

Estimates of likely levels of traffic generation are now required as a matter of routine by planning authorities when applications for large retail schemes are lodged. The four main categories of traffic surveys available are: firstly, surveys using traffic generation models and calculations based on a ratio of floor area to number of vehicles. Secondly, surveys undertaken often on behalf of local authorities to determine the catchment area of out of town shopping centres. This is normally implemented by gathering information on perceived travel times, trip origin, home address and mode of travel. Customer surveys undertaken by Howard in 1986 at the Metro Centre demonstrated that 38.5% of shoppers had travelled between 5-15 km to the centre, while over 15% had travelled 30 km.

Thirdly, there have been comparative studies of traffic flows between town and out of town shopping facilities. Mostly it has been found that the larger free-standing stores draw greater numbers of cars during the day and tend to alter the pattern of traffic flow on adjacent main roads.

Fourthly, there have been surveys of traffic patterns relating to specific problems. For example, preservation of the character of historic towns often requires minimising traffic attraction. This can be achieved through restrictive land use policies or the decentralisation of major traffic attractors, thereby deterring the private car from using town centre roads.

Land Use and Built Environment Change

The environmental impact of out of town retailing on the built environment and the land use in town centres is the most difficult form of impact to measure for three reasons. Firstly, such changes do not occur overnight. A long term commitment to monitoring is needed. Secondly, such changes may be piecemeal and manifest themselves in a variety of different ways, often in a localised fashion. Thirdly, changes in town centres cannot be attributed to one particular form of land use such a retailing. Changes result as a consequence of a variety of different factors. Recognising these difficulties a number of topics for consideration have been selected.

1 Recognition and assessment of the environmental effects which local authorities perceive to be occurring.

2 Changes in land use distribution in town centres.

3 Changes in the physical condition of buildings in town centres.

4 Redevelopment and enhancement strategies introduced to improve the environment or halt a perceived decline.

Recognising Town Centre Decline

Physical factors which indicate a decline or a threat to the vitality and viability of the town centre include: poor environment, lack of retail development, a lack of maintenance expenditure, shortage of sites for redevelopment, traffic congestion and insufficient parking facilities.

Davies in 1984 stated that the main environmental impacts of out of town shopping were

Positive effects:	can improve run-down areas, reduce existing centre congestion, provide safe, comfortable environment, meets demand in growth areas.
Negative effects:	visually intrusive, creates new points of congestion, lacks character of old centres, inhibits development elsewhere.

Unfortunately, to date there are no significant reports which specifically address these issues in the context of the impact of out of town retailing on the centre. (DoE 1992).

Land Use Distribution in Town Centres

The popular assumption is that retail developments in Britain are likely to follow those in America. However, Hall & Breheny compared the decentralisation process in Britain and America and suggested that the detrimental effects on downtown USA due to out of town retailing may not necessarily be repeated in Britain's town centres. Lord and Guy (1991) also compared the retail structure of British and American cities in two case studies: Cardiff (UK) and Charlotte (USA). The cities were chosen because of a number of common factors (size, ranking in hierarchy etc). They concluded that: "the question of whether Britain is on the road towards the American situation of city centre decline and suburban sprawl in retailing: the so-called "doughnut" effect.... evidence suggests that this is unlikely: the importance of planning control in Britain as already noted, and the strong support by many British retailers and financial institutions to city centre development suggests that city centres will not be allowed to go into the rate of decline seen in the USA."

Gilham (1986) suggested that "if a regional shopping centre needs a population of 400,000 to support it, Britain could in theory have as many as 140 out of town shopping centres." Such a statement overlooks the catchment needs of existing town centres and suggests that the planning system, retailers, developers and the general public are all strongly committed to the out of town shopping movement.

The RTPI (1988) warn that retailing "provides the financial base on which town centres rest. Without the shopping function town centres would, undoubtedly, fall into decay - at least in part - to the detriment of the environment. Indeed in towns where there has been a profound shift in the prime shopping position such as Swansea, decay is evident in the older parts of the town from which the national multiples have gone."

The main point to note is that some form of change of land use will occur in response to out of town retailing. The change may be positive in the sense that new uses have been introduced to either compliment or replace shops, or negative in that buildings may have fallen into disuse caused by a relocation of retail uses out of town.

Physical Condition of Buildings in Town Centres

Concern over the physical structure and appearance of buildings is not new. Government initiatives in the 1970's were introduced to relieve decay problems in inner-cities. More recently interest has been revived in this area prompted partly by comments made by Prince Charles in his book, A Vision of Britain (HRH 1989). Shoppers expect higher standards, better design, quality finishes, weather protection, improved and cheaper car parking; constituting the main reasons behind the need to improve the town centre environment. However, very few qualitative assessments of buildings in Britain's town centres have been made in relation to out of town shopping. Hence, it is impossible to pin-point the contribution which the out of town movement has made to the physical condition of the UKs town centres.

The RTPI has hinted at the problems proposed by out of town retailing on town centres through the Retail Planning Working Party: "It is not difficult to understand why out of town shopping with its free and adequate parking, excellent service arrangements and good access is attractive to many retailers and shoppers. They add weight to the Working Party's view that environmental improvements will be necessary in town centres if they are to secure continuing commercial investment in their retail facilities."

Another aspect of the physical condition of buildings is the impact of which vacant and derelict buildings have on the town centre. Unfortunately, studies which deal with vacancy tend to refer to economic demise rather than environmental decline.

Town centre strategies are the principal technique employed to resolve problems and are briefly examined below.

Town Centre Strategies as a Result of Out of Town Shopping

Bianchini, Fisher, Montgomery & Worpole (1988) commented that: "One of the advantages that the out of town appears to have over traditional town centres and high streets is that developments are designed from scratch to maximise efficiency in distribution and stock control, and to provide more attractive environments for shoppers. Against this sort of competition and the emphasis on design, many town centres and high streets appear badly co-ordinated, windswept, congested, dirty, drab, noisy, cluttered and visually muddled.

What it lacks, however, is a clear analysis of why so many town centres are under threat, or fail to achieve their potential as social and cultural entities. In their view, town centres must be revived as cultural, artistic and civic centres - as well as simply shopping and commercial centres. Good design will be an important feature of this."

Accordingly, in some instances redevelopment of town centres or town centre strategies have occurred as a direct consequence of the threat of out of town retailing. In the 1980's, fears for the future of Newcastle city centre following redevelopment of the Metro Centre promoted a second phase and refurbishment of Eldon Square. There was a desire on the part of Newcastle's City Council to improve parking, traffic circulation and grant new schemes which promoted Newcastle as the regional shopping centre.

Another such example exists at Manchester, where the threat of out of town shopping proposals in and around Manchester prompted P & O to refurbish the Arndale Centre. This was designed to negate any damaging effects on the city centre of the mega centre in

Manchester when it arrived. It was hoped that it could succeed as a Centre for the south conurbation of Manchester and draw people into the edge of the inner zone and to the city centre, similar to the Metro Centre and Newcastle.

Wolverhampton Borough Council are pursuing an ongoing programme of town centre improvements including traffic management, street improvements, creation of a leisure and entertainment area, development of an arts and media centre and improvement in conservation areas. This action is being undertaken within the context of the Draft Town Centre Local Plan, partly as a response to out of town retailing at Merry Hill and of the further proposal for Sandwell 2000.

Environmental Assessment of Shopping Centres

It has been stated that whilst barristers and planning consultants argue over trade diversion, little thought is given to local people who "have to live with the consequences of the decisions made" (Bianchini, Fisher, Montgomery & Worpole 1988). Recent evidence suggests, however, that greater emphasis is now being put on environmental impact in addition to economic impact. "The age of mass consumption has a profound impact on the spatial organisation of the city. One such phenomenon is the large shopping mall at the far periphery accessible only by car, - similarly, the access routes to the city are lined with speciality shops". (EC 1990)

Thus major retail development proposals may require justification under the Town and Country Planning (Assessment of Environmental Effects) (Amendment) Regulations 1990. In deciding whether such environmental assessment is required for retail development, the sensitivity of a particular location is the principal consideration. Also it must not be forgotten that regional centre development can have environmental benefits eg. Merry Hill was built on the site of the Round Oak Steelworks at Netherton and the Metro Centre occupies a former wasteland.

Conclusion on Environmental Impact

Environmental impacts should be the most tangible of the three different forms of impact because they have physical consequences and therefore can be easily detected by the casual observer. However, similar to social impact, few researchers have documented the environmental impact of out of town retailing on the town centres. The problem is the long term nature of the impacts which require a long term commitment to measure them. Also, they may be piecemeal and emerge in a variety of different ways. Changes occur because of a variety of factors and cannot always be attributed to a single form of land use such as retailing.

Initiatives which seek to limit the use of the car are being promoted despite rising car ownership. These include park and ride schemes, traffic calming and pedestrianisation. Most available literature is concerned with testing the effectiveness of these initiatives and not their relationship with strategic traffic planning or proposals for out of town shopping developments. However, out of town retailing is often regarded as a positive way or reducing town centre congestion.

Concern over the physical condition of buildings is not new, but few qualitative assessments of buildings in Britain's town centres have been made. One of the responses to out of town retailing which has emerged is "the town centre strategy" including redevelopment and promotion of environmental enhancement schemes.

New initiatives to influence the physical appearance of retail development have been focused on design guidelines and the use of environmental assessment procedures. This trend will continue in the future. A new starting point to measuring environmental impacts might be to ask, what would be the environmental impact of an out of town shopping centre development if it was located in a comparable configuration in an existing town centre? (DoE 1992). At present there is a lack of such written evidence. If it were carried out it may be possible to form a link between the environmental impact of out of town retailing on the town centre.

Bennison & Davies, as early as 1980, reviewed the impact of a number of town centre shopping schemes on traditional retail environments: in particular Eldon Square in Newcastle. The potential affect of the opening of Eldon Square on the city centre was enormous yet after the "initial shocks of the new intrusion", the scale of impact was relatively short lived.

The same seems to be true with the nature of the subsequent impact of the Metro Centre on Newcastle's city centre (Howard 1991). Further comparisons between in town and out of town developments might add significantly to the sum of knowledge of town centre environmental effects. It may be that, with the increase in environmental awareness and the new attention being given to environmental assessment procedures in retailing the subject of environmental impact will be accorded higher status in the future.

CHAPTER 4: THE RESPONSE OF TOWN PLANNING

4.1 Effect of Land Use Planning on Shopping Location

One of the most prominent aspects of post war planning has been the greenbelt movement. Planning has been accused of being pre-occupied by the utopian notion of setting towns in countryside locations. The countryside was to be accessible to all and the integrity of town centres protected. Accordingly, greenbelts were drawn up around most of the larger settlements in Scotland including Glasgow and Edinburgh at the west and east coasts of the central belt respectively.

This policy conflicted with the out of town movement and placed a general presumption against retailing outwith traditional town centres. Furthermore, the type of sites sought by developers (the most prominent, well located, easily accessible, served by good communication links) were precisely the sites which greenbelt policy was most keen to protect.

As such the influence town planning is able to exert over out of town shopping would appear considerable. Land use controls mediated through the planning system served to guide development pressures. When it is considered that land use planning itself is based on the premise that the free market operates on a short term basis, totally driven by the profit making ethos, the likelihood of devience from greenbelt policy would appear slight. (OXIRM 1988).

Town planning functions in the belief that an uncontrolled market is an inadequate mechanism for the distribution of retail development, in both social and economic terms. Its intervention is designed to mitigate some of the social costs associated with private development. Thus land use planning seeks to maximise community benefits by manipulating market forces in favour of the public interest. With such deep rooted views on commercial development town and country planning has exerted great influence over the pattern of shopping development (OXIRM - 1988). Scotland currently operates a two tier planning system which is different to that which operates in the rest of the UK. Since this thesis is primarily concerned with the operation of planning in Scotland it is necessary to examine its role at national and regional levels (district level policy is of less importance in determining major issues such as the location of new forms of retail). The changing relationship between central government and regional councils has also influenced retail planning and merits consideration in this Chapter. Before this the structure of development control and retail planning in Scotland will be outlined.

4.2 Planning in Scotland

The Scottish planning structure is set out in 1973 Local Government (Scotland) Act which created two tiers of local government. The Act identified 8 regions responsible for strategic planning, and 53 districts responsible for local planning. In Scotland there is a clearer distinction between the planning functions of regions and districts than exists in England and Wales (Cullingworth 1985). Development control is both a regional and district planning function but ultimately the region has a more powerful planning position as it has the ability to call-in applications where:

a) The proposed development does not conform with the Structure Plan, approved by the Secretary of State (an Article 12).

b) The proposed development raises a new planning issue of significance to district and region alike.

Additionally, district councils have the right of appeal to the Secretary of State should they object to a call-in by the regional council. The Secretary of State can also exert influence over local authorities by calling-in applications, National Planning Guidance and through the appeals procedure.

4.3 Development Control

With few exceptions, any form of development requires the prior approval of the local planning authority. Detailed planning consent and change of use controls are the two most important instruments of land use control. Retail developers normally apply for outline consent before detailed consent. They also have to satisfy building control and other statutory regulations. The deciding authority must "have regard to the provision of the development plan" though they may also take " any other material considerations into account". Since 88% of United Kingdom shopping developments are developed by the private sector (Schiller, 1985) local authorities must assess most applications as independent and non-participatory decision makers.

Changes of use also generally require planning permission. The 1989 Use Class Order prescribes certain changes of use which can take place without constituting development and thus do not require consent. A local authority can either grant or refuse permission or grant subject to conditions. On granting permission for a development which is likely to prove lucrative to a developer conditions can be imposed through a Section 50 Agreement, often referred to as planning gain.

Local authorities can refuse planning permission on any number of grounds: development contrary to structure or local plan or on other matters of "material consideration". Retail development can be refused if it is considered that there is likely to be an adverse impact on existing shopping facilities. Consequently decisions on retail applications often rest on predicting probable levels of impact. The issue of impact and its methods of assessment were explored in Chapter 3.

4.4 Secretary of State Call-in Powers

The Secretary of State has the ability to call-in any application which raises issues of national importance or are of scientific interest. In call-in decisions the applicant and the relevant councils have a right of appeal to the Court of Session. The Secretary of State only calls-in applications, where the proposed development would have an impact across regional boundaries. e.g. The mega centre applications submitted for Newhouse and Bathgate in 1989 in Strathclyde and Lothian regions.

4.5 The Role of the Scottish Office

Central Government uses national planning guidance to set out a broad policy framework for local authorities to follow. In Scotland they are published by the Scottish Office. Planning guidance is designed "to help people plan to use the land confidently and sensibly, and to help planning authorities to interpret the public interest wisely and consistently" (This Common Inheritance 1990).

There are three forms of guidance used at present.

1 National Planning Guidelines (NPGs):- to provide broad locational guidance for developments requiring specialised site conditions.

2 Department Circulars:- provide statements of ministerial policy and provide advice on legislative changes following reviews in government policy.

3 Planning Advice Notes:- advise on good practice on specific issues.

In the event that local authorities ignore government policy guidelines their local and structure plans may be altered or rejected by the Secretary of State and their planning decisions could be susceptible to reversal at appeal. Although there are no Advice Notes relating to retailing as yet there are Circulars and NPGs which have implications for retail planning particularly at the regional level.

S D D Circulars

Circular 29/88 is the only circular to date involving retail development and requires local authorities to notify the Secretary of State on applications for retail development of 40,000 sq.m. net or over. This Circular replaces Circular 30/77, which required the Secretary of State to be notified on retail developments of 2,000 sq.m. net or over. Developments of over 40,000 sq. m. are considered large enough to attract customers from a region wide area and are referred to as "regional" shopping centres.

National Planning Guidelines

NPG's inform both developers and local authorities about national planning issues in which the Secretary of State is likely to take an interest. They set out Central Government's view on topical issues affecting land use and town planning and are an effective method of communication between Scottish Office, regional and district councils. The relevant NPG's on retailing use are summarised below:-

(a) 1978 NPG on the Location of Major Retail Developments

The above NPG indicated that there would be " a general presumption against new superstores and hypermarkets on greenfield out of town sites". This guideline was justified against the background of extremely low population growth and stagnation of personal purchasing power. Accordingly, it was anticipated that there would be little need for an increase in retail floorspace.

Local authorities were urged to review existing provision of shopping and prepare policies for retail development. The guidelines virtually instructed planning authorities to direct proposals toward brownfield sites, particularly "deprived inner urban areas and peripheral estates". It was hoped that private sector investment in the construction of new forms of retailing in these areas would contribute to the urban process of renewal and modernisation. However, what the guideline naively failed to recognise was that although sufficient urban land in need of redevelopment existed within the towns and cities very little of it was suitable for modern retail development (Shop Property 1989).

National planning sought methods of tackling the inner city decay problem but did it really think that supermarket development was the answer? Retailers have become increasingly sophisticated in the face of mounting competition. They have undertaken market research to understand their customers need and desires. They knew that restricted inner city sites with problems of poor access, congested roadways, confined sites, servicing headaches etc were no longer adequate, yet planning attempted to shoehorn new stores into such sites. Even more surprising when it is considered that the population of such areas was in rapid decline. So, a dichotomy of policy emerges: the guidelines stated that static population and limited rises in income would not support further major retail developments and on the other hand were directing proposals to the areas worst hit by population decline. Hardly consistent.

At the same time planning authorities were advised that "allowance should be made for the possible benefits of new types of shopping". In light of the remit given to local authorities such statements must, in reality, be viewed as token gestures since the scope for delivering such developments had been excluded to all but the most affluent local authority areas where population figures were growing.

(b) <u>1986 NPG on Location of Major Retail Developments</u>

Not until 1986 did new guidelines replace those issued in 1978. They stressed that local authorities were to ensure that consumers had access to new forms and methods of retailing and benefit from competition between retailers. The NPG recognised that retailing had evolved since 1978. This is implicit even in the definition section at the start of the document where the meaning of such terms as retail warehouse, retail park, superstore and (more importantly for this thesis) shopping complex were depicted. Broadly speaking the term referred to out of town shopping centres.

The Secretary of State realised that there were fewer opportunities for town centre redevelopment and that with increasing car ownership consumers had a wider choice of shopping destination and were placing increasing importance on the attractiveness of centres. New evidence also existed intimating that major developments on off centre locations could be accommodated without necessarily affecting the vitality of existing facilities (SDD 1986). The Secretary of State considered that restricting all new development to existing centres could prevent towns and cities enjoying the benefits of new investment in shopping and deprive consumers of choice and convenience. This helped justify support for out of town developments. The NPG contained positive statements for out of town shopping such as:-

* "some types of retail development are unlikely to be capable of being accommodated in existing centres"

* "off centre locations need not be inaccessible to those who do not have cars"

* "the protection of the commercial interest of existing retailers is not a land use planning consideration"

* "it is not sufficient, when considering the scope of new retail development, to measure new proposals against ....local demand for such goods"

The NPG required regional councils to identify opportunities for new forms of shopping, including shopping complexes in excess of 10,000 sq.m. gross and retail warehouses in off centre locations. District councils were requested to produce local plans detailing sites for the new opportunities identified in structure plans. The NPG did not specify the locational requirements for "mega centres". NPG's have been replaced by a new series of guidance which combine policy and locational guidance:- National Planning Policy Guidelines. (NPPG's).

(c) Draft NPPG February 1995 on Retailing

In February 1995 a Draft NPPG on Retailing was issued by the Scottish Office. If approved, this will replace the 1986 NPG. It is a much more comprehensive document covering a wide range of issues including policy for town centres, out of centre development and specific forms for retail development. In many respects the document reverts back to planning principles as set out in the 1978 NPG: stating that "the Government wishes to limit unnecessary or inappropriate development in the greenbelt or countryside, and to promote urban regeneration". Effectively the document favours town centre retail development over outlying locations.

The NPPG sets out three broad retail policy objectives, the second of which is: "to sustain and enhance the vitality, viability and design quality of town centres, the most appropriate location for much of that activity".

The document continues "Accordingly, wherever suitable opportunities exit planning authorities should support the provision of sites for major new retail development in or adjacent to existing town centres".

The NPPG is committed to sustainable development. It seeks to minimise the transport implications of retail development. It requires local authorities to "ensure that new developments are sited where they can be reached by public transport as well as by private car". Again this prefers the town centre for retailing.

In relation to out of town shopping it is stated that "the scale, type and location of out of centre developments should not be such as to undermine the vitality and viability of those town centres that would otherwise serve the community well". Paragraphs 48 & 49 of the document deal with the guidelines for out of centre development. Specific criteria which out of centre development must fulfil before consent can be granted are detailed. To demonstrate the onerous nature of these criteria they are stated in full below:-

"There may be scope for new, or expanded out of centre development in the following circumstances:-

* where development can co-exist with town centres without individually or cumulatively undermining their vitality and viability; if necessary supported by limitations on floorspace and/or restrictions on the range of goods sold at the development.

* where the development would not threaten or conflict with other important policy objectives (eg. greenbelt, urban regeneration).

* where no site is available in or adjacent to the town centre.

* where the development would not lead to significant increase in travel by private car.

* where the site is well located in relation to existing regular and frequent bus services.

* where the standard of design, including its scale and relationship to its surroundings, would provide lasting benefits and contribute positively to the overall environmental quality of the urban area.

* where priority is given to the re-use of vacant or derelict land and where the development would not lead to the loss of good quality industrial or business sites. (Scottish Office 1995).

Paragraph 55 deals specifically with New Regional Shopping Centres. Comment is made that experience outwith Scotland proves that such centres have established impact over a wide area, investment in town centres could be jeopordised and that traffic growth is encouraged. "For these reasons, the development of new regional centres in Scotland would not be consistent with this Guideline". This guideline is of particular interest since the possibility of developing such a complex in Scotland is one of the main deliberations of this thesis, and will be referred to throughout. Also, it should be noted that the contents of this NPPG follow the guidance set out in PPG6, on English national policy document produced in 1988.

4.6 National Planning's Relationship with Local Authorities

Local authorities operate within the context of the national planning system as outlined above. However, at times local authorities endeavour to maintain autonomy arguing that retail planning is not simply reactionary, either to development pressures or to central government. Structure planning can facilitate development as part of a wider strategy and local planning can enhance and improve the management of town centres. Thus it is possible that despite the introduction of new guidelines local authorities may choose to ignore Central Government directives. Some authorities welcome new developments, aiming to gain from additional retail investment whilst others seek to protect existing centres. In England and Wales, where regional planning authorities do not exist, competition between districts is fierce, thereby lessening the role of planning (RTPI 1988). Furthermore, such authorities are making decisions about development which have strategic implications which they are unable to address (NEDC 1988). This situation is currently different in Scotland where regional councils are charged with the task of planning strategically for retail developments. There is little doubt that the attitude of planning authorities in relation to out of town shopping was changing. In the 1960's there was opposition by local authorities to off centre superstores, justified on the basis of impact, whilst they incorporated such possibilities into the retail hierarchy during the 1980's. Authorities such as Strathclyde Regional Council (SRC) whilst they have not abandoned their commitment to existing centres have supported opportunities for development in certain off centre sites. This was undoubtedly in response to Central Government policy following the 1986 NPG. Other authorities have recognised that retail developments can provide employment and can help regenerate vacant land. The planning outlook was certainly becoming more supportive of out of town shopping. Strategic authorities in Tayside, Lothian and Central regions has all accepted the need for new forms of retailing. Central Regional Council commenting that "constraints on existing centres and the operational requirements of some modern forms of retailing require the development of a limited number of complimentary, new, specialised centres". (Central Regional Council, 1993).

The policies contained within the structure plans of these authorities will have to be reviewed if the 1995 Draft NPPG is approved. The reversal of Central Government policy is likely to cause a period of change in the planning system while local authorities revise their planning policies. The period of change is likely to lead to a degree of uncertainty whereupon planning system is open to challenge. Developers are likely to explore the possibility of out of town projects given the improving economic conditions and transitional period in policy.

Whilst these authorities will have to confirm to national guidance SRC will be able, more or less, to continue existing policy. They have been criticised for failing to adopt the 1986 NPG in their structure plan and continuing to support town centres as the most appropriate retail location. Ironically, the planning emphasis has now turned full circle in line with SRC's policy. However, the appeals upheld in the 1986-95 period in Strathclyde region will remain testament to that particular period of uncertainty in the planning system.

4.7 Appeals Procedure

As with other planning matters, the applicant for retail development can appeal against refusal to the Secretary of State who can quash, modify or support a local authority's planning decision. In Strathclyde region the appeal success rate has changed significantly over the past two decades. SRC's official statistics indicate that prior to the 1978 guidelines the level of unsuccessful appeals was around 71%. However, following the 1986 NPG, but before approval of the 1988 structure plan, the level of appeals dismissed fell sharply to 35% indicating the power of the right of the appeal. After approval of the 1988 structure plan (which included policies influenced by the 1986 NPG), the level of appeals dismissed rose slightly to 42%. (SRC 1990). It is concluded that between 1986 and 1988 that SRCs structure plan did not concur with the 1986 NPG which was reflected in the success of developer's appeals. The fact that the level of appeals dismissed since approval of the 1988 structure plan has not risen to the level before the 1986 NPG maybe due to a difference in interpretation of policy between Scottish Office and SRC.

A high appeal success rate suggests differences in opinion between central government and an authority. Although central government approves structure plans, it is possible that differences in interpretation of plans can occur. Such is the apparent "policy vacuum" that Davies suggested in 1987: "it is difficult to see such a consensus planning attitude towards the high street being sustained in the future, given the inherent contradictions with central governments present thinking".

More over, the combined effect of appeal decisions can be extremely significant; although each planning appeal should be determined on its merits, the cumulative effect of a number of appeals illustrates a planning departments thinking on a particular issue and does tend to set a precedent which is acknowledged in the property market even if precedent itself does not constitute grounds for a planning decision.

In 1988 URPI produced figures for appeal decisions regarding retail warehouses in Strathclyde between 1981 and 1988. They found that 69% of appeals were dismissed prior to 1986 and from 1986-88 this figure fell to 53%. Again it appears that between 1986 and 1988 SRC had a higher level of appeals sustained than the Scottish average. This suggests that the difference in policy objectives between Scottish Office and SRC during the 1986-88 period was of a greater magnitude than elsewhere in Scotland.

4.8 Scottish Office - Regional Council Relationship Summary

This Chapter has illustrated the method of determining shopping applications and that despite the changing view towards shopping developments at the Scottish Office, since 1978 regional councils such as Strathclyde have remained in favour of supporting existing shopping centres and not out of town development. Accordingly, after 1986 consents were granted for sites not approved by the regional councils. It could be argued that until the 1995 NPPG becomes effective market forces will continue to have the upper hand over planning intervention in determining the location of new shopping developments. The impact of these approvals may adversely affect existing centres. Chapter 3 concerns the levels of "impact" of shopping developments.

CHAPTER 5: THE RESPONSE OF THE RETAILER

5.1 Introduction

Retailer responses to out of town retailing issues can be split into two categories:

1. Those which address the impact of such developments (often based on commissioned research).

2. General contributions of opinion regarding the competitive or complementary role of out of town trading to town centres. Theses broader contributions have often sought to make a case for positive planning guidance by central and local government, and generally express the desire for closer collaboration between private and public sector organisations in the meeting of consumer needs.

This Chapter will investigate the response of the retailer firstly, through an analysis of the limited literature available on this topic and secondly, through examination of retailers' responses to a questionnaire specifically designed and circulated for inclusion within this thesis.

5.2 Analysis of Literature

Economic & Environmental Benefits of Out of Town Location

During the 1980's many retailers saw themselves as major economic forces given that the economic upturn in the latter half of the decade was largely consumer driven. Not surprisingly, traders were quick to point out the benefits of new retail development. Tesco, for example, highlighted the positive effects of their superstore developments:

"In inner city areas, Tesco developments can help to revitalise flagging economic activity. Often a new Tesco store replaces obsolete industrial premises ... the Tesco store at Lewisham is on the site of a dis-used bottling plant ..... At Surrey Quays in London's Docklands, Tesco developed an entire shopping centre, including a new Tesco superstore" (Tesco PLC 1990).

One of the fundamental arguments of major food retailers has been that grocery shopping in non-central locations has significant environmental benefits for town centres in terms of relieving congestion. Retailers such as J. Sainsbury note that the level of provision of retail floorspace per head of population in Britain was significantly below the US. This company's Peter Davis commented in 1986 "I don't think that a gradual change in food locations will much affect the high street. It will in fact relieve some traffic congestion and allow easier comparison non-food shopping".

Despite such statements retailers do not take their locational decisions on planning grounds such as inner city regeneration or relief of traffic congestion. Commercial criteria are the dominant factors:

Commercial Criteria for Retail Location

"One of the lessons of Fosse Park is that if the town centre environment is not right in terms of access, parking and other amenities, then retailers will look for alternatives out of town to improve their trading performance. Fosse Park may have been a unique concept but its success will undoubtedly encourage similar developments in other areas where the town centre environment is lacking. Retailers who declined an opportunity of representation at Fosse Park, including ourselves, will look at what has happened and be less reluctant when the next opportunity presents itself!" (Stathers, Boots the Chemist Limited 1991).

Such comments by Boots generate grave concerns for the future of town centres where trading performance is weak. It suggests that retailers have little loyalty to town centres and will be increasingly willing to consider out of town locations, even such as Fosse Park which is an experimental retail park occupied almost entirely by traditional high street traders. The attitude of Boots is indicative of retailers' concerns with the lack of strategic guidance in retail planning. In the absence of such guidance commercial considerations determine choice of location i.e. maximisation of sales and returns. Retailers cannot be blamed for operating along these lines, after all that is why they are in business. However, the government must guide retail location in order to capitalise upon the important contribution which retailing and distribution can make to the economy, environment and society.

Retailers Comments on Retail Planning Policy

This limited understanding of retailing, it was suggested, extended to local government. Despite stating that it was not their intention to "enter into a debate on the merits of government policy". Sainsbury commissioned a major survey of local authority use of central government planning policy guidance (Insight Social Research 1989). Three of the main conclusions were:

1. Councillors appear to have only a partial appreciation of planning policy issues.

2. Government policy statements encouraging new forms of retailing were given little weight by members.

3. Many saw planning as "an opportunity to achieve things well in excess of that which the government has said is acceptable".

As a result of this research Sainsbury have been, at times, particularly vocal on the issue of impact:

"Retail impact is not well understood by planners or planning inspectors. If most local authority planners do not understand the concept and have to use consultants who in turn cannot agree between themselves, what hope is there for the elected members of even the planning inspector to understand the situation and make a reasoned decision on retail impact? It clearly comes back to the need for those managing our planning system to have a better understanding of the economics and mechanics of the particular land uses under investigation". (Sainsbury 1989).

Such comments may not be surprising from a retailer which undoubtedly profits from and is committed to out of town trading. However, companies with the bulk of their outlets in town centres have been somewhat more cautious. Marks & Spencer announced in May 1991 that their own store managers would be more active in seeking to safeguard the quality and health of traditional town centres. They were to identify factors which deter people from shopping in town centres and become involved in forming action groups with other retailers and local authorities to address day-to-day problems with their centres. In an advice pack issued to each store manager, the company comments:

"With the attraction of edge of town shopping centres, the provision of sufficient facilities in town centres has never been so important. By being involved in the decision making process, you will be ensuring the best facilities are provided and, therefore, encourage more customers to come into your town". (Times 1991).

Action Taken by Retailers on the Location Debate

Retailers have become involved with other organisations such as pension funds, assurance companies, property companies, banks and building societies in jointly investigating out of town shopping issues. In the rare event where such organisations mobilise themselves to form a collective view the issue at hand must be of over-riding concern. The resultant bodies, such as the British Property Federation and the Retail Consortium pressed for better information to be collected by means of a revised national shops inquiry, to assist in the planning process (Reynolds 1987). In addition the British Multiple Retailers Association made a strong plea for local authorities to better understand and cater for the needs of the retail trade within traditional centres. Pointing out that many retailers had made central area investments on the basis of local authority plans to provide effective supporting infrastructure which subsequently failed to materialise. Weir also observed that,

"What is surprising is that local authorities do not appear to acknowledge that retailers, who are currently remaining loyal to the town centres, have precisely the same requirements for successful trading as those who have tried and experienced the success of new locations" (Weir 1987).

The National Chamber of Trade was particularly vocal during the late 1980's, the Chairman of the Board of Management suggested that PPG6 offered little change in policy, other than emphasising the preservation of the greenbelt. He suggested that it was "impossible to comprehend a Secretary of State who says that the issue is one of competition between retailers in which he cannot or will not intervene. It is absolutely a matter of land use and requires political direction" (Davidson 1987).

Various research bodies held seminars and conferences during the 1980's to debate out of town retailing, these included major contributions by retail companies. OXIRM and NEDO held joint seminars on the Health of the High Street (1986) and the New Regional Shopping Centre Phenomenon (1988). CBI held a conference on The Future of Shopping (jointly with Edward Erdman in 1986). Formation of the Oxford Retail Group in 1987 led to more formal lobbying of central government by the private sector on the specific issue of retail development. The principal preoccupations of the group still are:

1. The need for strategic guidance in planning towards large-scale out of town development.

2. The need for investment in town and city centres to make them more attractive and vibrant.

3. The need for a stronger dialogue between the business community and government on retail planning issues.

This group were instrumental in the production of a paper developing these issues, which was sent to the Prime Minister and to the Secretaries of State for the Environment and Trade & Industry in 1987. Dissatisfied with the responses achieved the Group undertook several exercises to raise their public profile which culminated in the preparation in 1989 of a "Blue Paper", Planning for Major Retail Development, which sought to build upon PPG6 produced in 1988. Significant support for its recommendations on policy was received from both public and private sector interests.

Implications for Policy

The Oxford Group more recently produced a Red Paper (Retailing issues for Development Plans) suggesting that the 1990's offered an opportunity to provide "fresh strategies and policies to address both long-standing problems of the retail environment and new problems that are emerging for the 1990's" (Oxford Retail Group 1990). Particular attention was given to the question of balance between out of town and town centre retail development, in response to a request for advice and guidance by local authorities and representative associations during 1989. The group proposed that development plans might guide future activity in four ways:

1. by determining priorities on the direction of scarce investment.

2. through the co-ordination of strategies for the improvement of the environment and of the accessibility of traditional town centres.

3. through the more detailed control of planning consent for retail parks which seeks to maintain a complementary balance between the new development and existing shopping facilities.

4. in contributing to the formulation of more strategic regional planning guidance, to help restore investment confidence in the retail market place (Oxford Retail Group 1990).

Developer & Investor Stance

These concerns relate to the private developers and investors doubt over the future of town centres. The prolific number of planning applications for out of town retail complexes in the last decade illustrates that these companies are undoubtedly willing to pursue such development opportunities just as soon as they arise. However, there is concern over the possible consequences for investment values in traditional town centres, where the majority of their existing retail property assets are held.

Developers have realised that retailers are increasingly prepared to consider out of town locations, not only in the grocery and retail warehousing sectors but also for traditional high street traders who have accepted that profits can be made in regional centres. With the difficult economic conditions experienced throughout the 1990's developers are, not surprisingly, actively chasing suitable sites.

In most cases developers sell on these schemes, once they are constructed and let, to investors. It is this group who have most reason for concern. Their interest in regional centre properties is not as short lived as the developer, being more concerned with long term rental growth prospects and security of income. The recent decision of Church Commissioners of England to place Metro Centre on the market has shown that there is no shortage of potential purchasers for this new category of investment. With a total rent role of circa £25 million the selling agents, Chesterton, expect to realise a sum around £400 million representing an initial yield of 6.25%, undoubtedly low for a property with such a large lot size (Colliers Erdman Lewis 1995). However, it is not the potential interest in new schemes which is causing concern but the possible damaging effects the schemes will have on future rental growth prospects and occupancy rates in town centres.

Accordingly, such groups are likely to continue their investigations into out of town retailing in conjunction with retailers, professional bodies and public authorities.

5.3 Retailer Survey

A questionnaire was prepared and circulated to retailers to gauge their response to and opinion of out of town shopping. A copy of the questionnaire is enclosed within Appendix 1. This was circulated to the head offices of 70 retailers which in total represented approximately 130 trading names. 36 forms were returned representing 74 trading companies. A list of the trading names of the retailers which returned their questionnaire forms are shown in Table 3.

Table 3: Retailers Completing Thesis Questionnaire

Argos	Evans	Munro Cleaners
Argos Superstore	Fads	Our Price
Army & Navy	Frasers	PC World
Arnotts	Future Zone	Perfect Pizza
Bargain Books	Ginos	Pitlochry Knitwear
Bankrupt Clothing	Granada	Pronta Pizza
Barkers	Greenwoods	Rackhams
Binns	Gullivers	Saddlers
BHS	Hammonds	Schofields
Bookworld	Hoi Polloi	Schuh
Boyz 2	House of Fraser	Scottish Power
Cardcraft	Howells	Sentiments
Cardmart	In Touch	Snob
Carlton Cards	Jollys	Sock Shop
Cavendish Woodhouse	Kendals	Someone Somewhere
Country Trader	Klick Photo Point	Sound & Vision
Currys	Knox Cleaners	Specsavers
David Evans	Laura Ashley	Sports Connection
Dickins & Jones	The Link	Stead & Simpson
Dingles	Lomond Books	Superdrug
Dixons	Marks & Spencer	Tammy
Edinburgh Woollen Mill	McDonalds	Thoughts

Electricity Plus Superstore	Memory Lane	Total Sound & Vision
Etam Plus	Millshop	Virgin
	Mister Minit	Wimpy

The list contains names from a broad spectrum of retail trades including clothing, footwear, electrical, books, variety stores, department stores, music outlets, catalogue shopping, chemists, furniture, greeting cards, sportswear, household goods, restaurants, toys, computer goods and dry cleaning.

What should be noted from the list is that company's whose normal business operation is out of town shopping have been excluded i.e. all supermarket chains and conventional retail warehouse traders (e.g. B & Q, Texas, Focus, Allied Carpets, Comet, MFI, Texstyle World etc.). The intention is to examine the extent to which conventional high street retailers are considering out of town locations as viable trading opportunities. Accordingly, only such organisations were invited to respond. A summary of the main points arising from those retailers which returned forms is included in Table 4 below:

Table 4: Retailers' Responses to Questionnaire

1.	Proportion of forms returned	51.4%
2.	Number of retailers represented	74
3.	Total no. of outlets occupied by these retailers	7,435
4.	Total no. of out of town stores currently occupied by these retailers	1,290 (17.4%)
5.	Proportion already with out of town stores	71.8%
6.	Proportion intending occupying new or additional out of town stores	74.6%
7.	Proportion which would consider occupying a store in Scottish regional/mega centre	98.6%
8.	Proportion of those with out of town stores stating that they trade noticeably better than their in town stores	72.5%
9.	Proportion envisaging continued growth of out of town shopping	66.2%
10.	Proportion content with existing planning policy on out of town shopping	15.4%

If these figures are assumed to be representative of the views of the retail trade in general, they clearly show that out of town shopping has already been accepted by traders. Perhaps one of the most surprising statistics produced is that 71.8% of respondents already have what they consider out of town stores. Although the actual proportion of the 7,435 outlets occupied by respondents which are currently located out of town is relatively low (17.4%). This does illustrate that the majority of retailers have taken the decision that they are prepared to trade from out of town locations. Indeed, 74.6% stated that they definitely intend occupying new or additional out of town stores in the future. 98.6% are willing to consider premises in an out of town regional or mega centre if one were to be developed in Scotland. In fact, only one trader stated that such a proposition was not of interest: Fads Homestyle.

The willingness to occupy out of town stores is undoubtedly related to the fact that 72.5% of respondent retailers who already have out of town stores find that these stores trade better than their traditional town centre counterparts. Unfortunately the survey did not unearth the retailers'considered opinions as to the reasons for this better performance. However, from the retailers point of view the reasons may be largely irrelevant. If out of town stores perform better whether in terms of turnover or profit margins they are likely to continue their expansion programmes for this type of property. As a result, almost two thirds (66.2%) of the retailers concerned envisage continued growth of out of town shopping.

Retailers Comments

Only 9 of the 36 forms returned by retailers offered additional comments on the subject of out town shopping. Analysis of these comments shows that they can be divided into three categories: those which speak positively of out of town shopping, those which are neutral and those which are negative. Only one of the retailers returned a negative response, Greenwoods Menswear stated that:

"Out of town retailing is contributing to the decline of our towns and cities. Action must be taken!" (Greenwoods Menswear 1995)

Greenwoods Menswear are a traditional gents outfitter and have 198 branches, all but one of which are located in high street sites throughout the UK, testimony to this retailers strong commitment to traditional town centre shopping locations. Their merchandise is aimed at the male population of age group 35 years and over.

Argos, a more modern retail business, whilst ultimately expressing their willingness to occupy out of town stores preferred a more balanced or neutral view. "Argos only normally considers out of town locations for its superstore concept ie. stores of 25,000 sq.ft. In these cases out of town would be required to complement an existing store in the town or city centre." (Argos 1995)

Argos go on to state that only the larger catchments would be appropriate for their out of town shopping format. Ultimately they are happy to take units outwith traditional high streets where they perceive profits can be made.

The Dixons Stores Group provide comment which illustrates that, in their opinion, retail warehousing development is complementary to high street shopping. "Out of town retailing of bulky goods has no effect on town centres hence Dixons Stores Group investment in both high streets and out of town." (Dixons Stores Group 1995)

However, the strongest advocate of out of town shopping was McDonald's Restaurants Ltd. They have embarked upon an aggressive out of town acquisition programme and will take outlets as stand-alone entities on retail parks (often referred to as drive-thru operations) and within the malls of out of town mega/regional centres. They go on to suggest that adverse impact only occurs in existing centres which are weak in some respect, as suggested in Chapter 3.

"The claim that out of town developments are killing town centres appears to have limited legitimacy. For example, it is argued Dudley has been severely impacted by the Merry Hill Centre. Some users such as J. Sainsbury have moved, but others including McDonalds's have stayed (and added 3 new units at Merry Hill). This particular local centre was always out moded and dying/changing its role in the shopping hierarchy before Merry Hill was developed." (McDonald's 1995)

This retailer believes that the advent and continued development of new forms of shopping necessitates a coherent retail strategy is needed for the UK. "Planning restrictions on out of town development should be only one element of an integrated strategy. Town centres could be reinforced by improved public transport facilities/investment, for example." (McDonald's 1995)

Thus McDonald's are by no means advocating that out of town shopping is the nationwide answer to shopping problems. They recognise that town centres are an integral part of the UK's shopping provision but are suggesting that improvements need to be carried out to provide a balanced range of complementary facilities in the interest of the shopper.

Interview - Virgin Our Price Music

Another retailer with strong views in favour of out of town shopping is Our Price Music Ltd which has recently merged with Virgin to form arguably the country's leading music store operator. Mr G. Thursby of this organisation was interviewed on 16th February 1995 on the subject of out of town retailing and was forthcoming with some very candid comments.

Virgin Our Price have stores in all four out of town mega centres in England (Metro Centre, Meadowhall, Merry Hill and Lakeside). These all trade extremely well and indeed, in terms of turnover are all within the top 5% of the groups outlets. It was noted that trading levels compared with "a good high street unit in an average week but during holiday periods: bank holidays, Easter, the Christmas season etc, the performance is dramatically better."

Established and successful retailers such as Our Price/Virgin already have suitable premises in high street locations throughout the country. Therefore, they are unable to improve market share through this forum. To improve their turnover and trading performance retailers have to move into new areas and forms of shopping. They see out of town shopping, mega centres and retail parks, as a means of progress. Mr Thursby made specific mention of the Fosse Park retail warehouse development in Leicester which is soley occupied by conventional high street traders and foresees further developments of this nature throughout Britain. Our Price/Virgin consider that retailing is likely to continue moving out of town and believe that both the general public and retailers will welcome these changes.

Given the successful performance of this group's existing out of town stores and their requirement to create returns on behalf of their shareholders they fully intend to take space within schemes of this nature when they are developed. Our Price trade from The Gyle Centre, located five miles to the west of Edinburgh city centre. Although at only 300,000 sq.ft. the Gyle does not qualify as a regional or mega centre it is not in the city centre. Our Price report that they trade well from this location and are considering expanding the size of their store. They await meaningful progress with the proposed Braehead development and propose to take space there when the development comes to fruition. This company considered that the existence of strong anchor tenants such as Marks & Spencer and Sainsbury will create a successful scheme. The retailer questionnaire discussed previously in this chapter also backed up the perceived importance of anchor tenants by unit shop operators, however, it is worth noting that they do not consider Braehead to represent a true regional centre and believe that at some point in the future Scotland will have a "true" mega centre. When this happens Our Price/Virgin will be one of the first names to appear on the tenancy schedule.

CHAPTER 6: SCOTTISH REGIONAL CENTRE APPLICATIONS

6.1 Introduction

This chapter shall examine the applications which were submitted for regional shopping centres at Bathgate, Newhouse and Braehead: three sites within Scotland's central belt which were all previously subject to applications for mega centre development. The sites are all adjacent to the M8 motorway, the principal east-west road link between Glasgow and Edinburgh. If any of these schemes were to be constructed the M8 would provide the principal source of transportation for shoppers, such schemes relying on car borne custom.

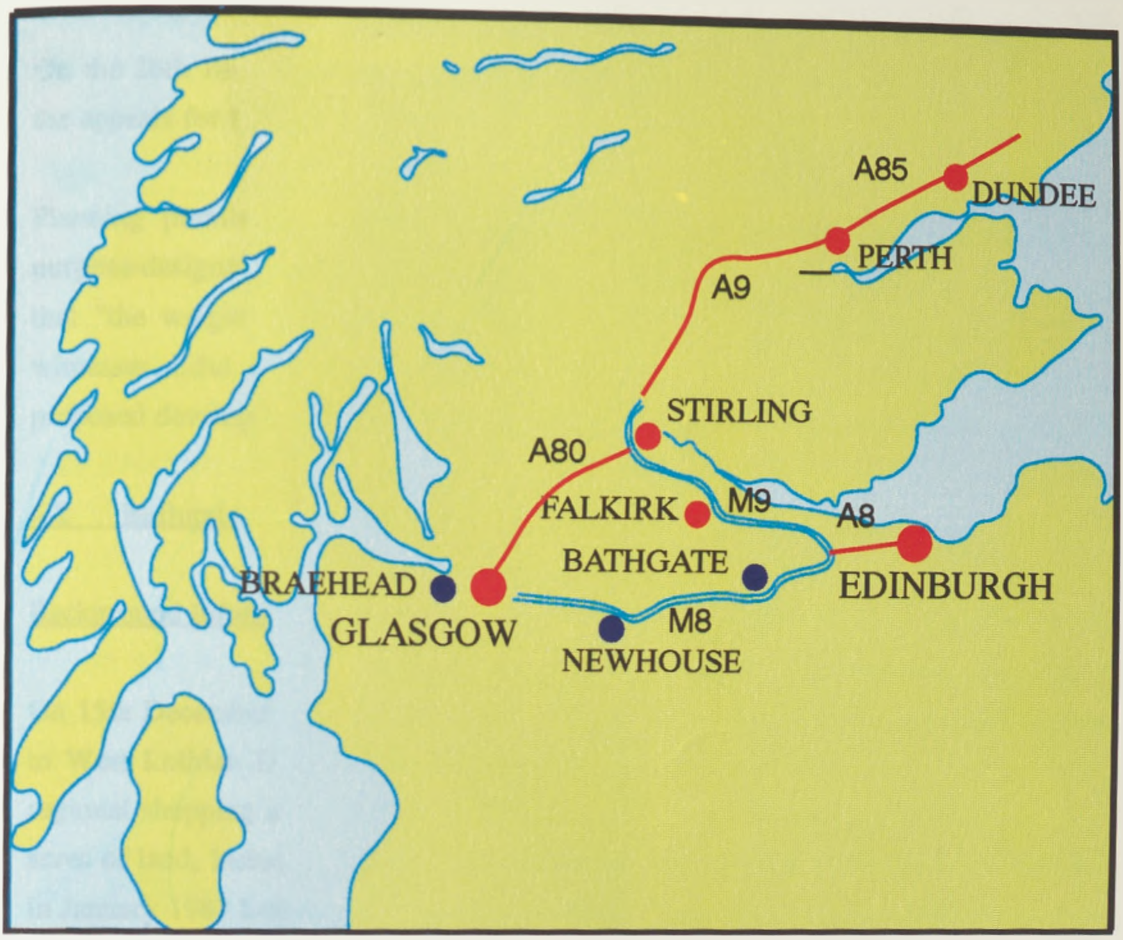
The Bathgate and Newhouse applications were submitted in 1986, at which point the out of town shopping policy adopted by regional councils throughout Scotland were based upon the 1978 NPG which favoured town centres as the appropriate retail location. Conversely, consent had been granted for four comparable schemes in England, indeed the first phase of Metro Centre had opened.

Also during 1986, a revised NPG on retailing was produced which was much more sympathetic toward out of town shopping development (as stated in Chapter 4). As a result the planning position was unclear. Furthermore, developers and retailers were aware of the buoyant and improving economic conditions. These factors culminated in applications for two out of town regional centres: Bathgate and Newhouse. This was the first time that the mega centre concept had been tested in Scotland.

The Braehead application was not submitted until 1987 at which point the 1986 NPG had become more established as a policy guideline. Braehead and Newhouse are both situated in Strathclyde region and Bathgate is in Lothian (see Figure 5).

This Chapter will scrutinise the reasons behind the decisions for each of these applications against the relevant planning policies and NPG's, drawing on information contained in Chapter 4.

Figure 5: Map of Regional Centre Applications in Scotlands Central Belt



Scottish Towns

Regional Centre Applications

Source: Colliers Erdman Lewis 1995

Bathgate & Newhouse - Decision of the Secretary of State

Due to the significance of the proposals for shopping throughout Scotland the Secretary of State decided to determine these two appeals himself rather than allow the Reporter to settle the outcome. He also determined the applications simultaneously following a conjoined Public Local Inquiry held for 48 days between 19th January and 28th April 1988. Also of considerable importance, in the Newhouse case, was that granting permission would represent a significant development within the greenbelt.

On the 26th June 1989 the Secretary of State issued his decision letter which dismissed the appeals for both sites.

Planning permission was refused despite the Reporter's comments that "in general purpose-designed regional shopping centres were liked by shoppers" and his contention that "the weight to be placed on the impact studies put before the inquiry by expert witnesses....did not provide more than an informed guess about the outcome of the proposed developments." The Secretary of State agreed with these comments.

6.2 Bathgate

Background Information - Bathgate

On 15th December 1986 an application on behalf of the Rover Group Plc was submitted to West Lothian District Council for outline planning permission for the erection of a regional shopping and leisure centre with associated car parking and landscaping on 155 acres of land, including the 132 acres of the former Leyland vehicle plant near Bathgate. In January 1987 Lothian Regional Council directed that the application should be referred to them for determination and in June 1987 an appeal was lodged on behalf of Rover Group Plc against the failure of the regional council to give a decision on the application within the prescribed period of two months.

To complicate matters, in July 1987 a revised application on behalf of Rover Group Plc and Clayform Properties Plc was submitted to West Lothian District Council for outline planning permission for the erection of a similar scheme on a slightly larger site, on 191 acres of land, again including the Leyland site but this time including 59 acres of the adjacent Mosside Farm. In September 1987 an appeal was lodged on behalf of the Rover

Group Plc and Clayform Properties Plc again for the district council's failure to give a decision within two months.

The Bathgate shopping centre was proposed to be 1,000,000 sq.ft. of gross floorspace. The leisure facilities would cover 100 acres and there would be parking for 8000 cars.

Justification for Refusal

With this application the Reporter and Secretary of State recognised that the proposals "would offer shopping and leisure facilities of high quality and a unique type in an accessible location. It would bring employment to the area on a large scale....It would bring into use an area of derelict industrial land, improve the landscape....in addition there would be a stimulus to the local economy". However, such benefits were not deemed sufficient to grant permission.

The main area of concern was the impact that development of a regional shopping centre would have on Livingston town centre. Livingston was developed as a new town and the long standing policy was to encourage the establishment of Livingston as West Lothian's shopping, administrative, business, social and cultural centre.

There was little doubt that the proposed development would offer a wider choice of high quality comparison goods than was available in Livingston, as it existed. This would almost certainly frustrate proposals for development for Phase 2 of the Almondvale Centre within Livingston and threaten the existing traders. From his analysis of imperical evidence submitted at the inquiry "the Reporter was satisfied that the development would have a substantial impact on the existing shopping centre in Livingston." This suggested that the viability and vitality of the centre would be at risk. The resulting probable down grading of the status of the centre was not acceptable in the face of the objectives of the new town. Also the Reporter noted that the development would have adverse implications for retailing in Bathgate town centre itself and Falkirk.

The forecast level of diversion of comparison goods trade from Edinburgh city centre did not give cause for great concern because Edinburgh was considered self sufficient and a shortage of comparison goods floorspace was anticipated. In summary, the principal reason for refusal of the Bathgate application was that, although the scheme had various positive benefits, these benefits would be enjoyed by the population of the sub-regional catchment area, while the costs would be borne by the inhabitants of Livingston. Furthermore, it was anticipated that the proposed development, if approved, would frustrate the "prospect of implementing the long standing policy of providing a shopping centre of sub-regional standard in Livingston." The Secretary of State therefore, accepted the Reporter's recommendation to dispose of the Bathgte appeal.

6.3 Newhouse

Highpoint Mall, Newhouse - Background Information

Just prior to the Bathgate application, in July 1986 an application on behalf of Highland Developments Ltd was submitted to Motherwell District Council for outline planning permission for the erection of a regional shopping centre, car parking and a leisure centre on 70 acres of land adjacent to Junction 6 of the M8 Motorway at Newhouse. Within 15 days of receipt of this application Strathclyde Regional Council directed that the application should be referred to them for determination and planning permission was subsequently refused in November 1986. One month later an appeal was lodged by Highland Developments Ltd.

Justification for Refusal

The Reporter noted that the development would be contrary to the approved Strathclyde Structure Plan's shopping and greenbelt policies. Thus, there was a presumption against granting planning permission and the issue was whether the merits of the proposal justified departure from policy. These policies were designed to promote urban renewal in the Strathclyde conurbation. The decision, therefore, hinged on two key issues:

1. Likely impact on existing town centres.
2. Justifiable departure from greenbelt policy.

Both the Reporter and Secretary of State agreed that "the proposal presented no long term threat to Glasgow's commercial progress "also" East Kilbride and Hamilton would be likely to respond successfully to the challenge of the development". However, they considered that the development would have a seriously adverse effect on the four third tier centres in Motherwell and Monklands Districts: Motherwell, Wishaw, Coatbridge and Airdrie. The close proximity of the development to these towns and its wider choice of comparison goods led the Reporter to conclude that the proposed scheme would draw shoppers from these towns thus diverting trade. The Reporter and Secretary of State agreed that the level of diversion would be between 11% and 20% as advocated by the consultant to the district councils. It was anticipated that this level of trade diversion would result in pressure on the better quality traders within these towns to move into the development. As such, the "vitality which ensures maintenance, renewal and growth would be lacking."

Turning to the greenbelt issue, two thirds of the site was designated greenbelt. The proposed development would represent a notable extension to the built up area affecting the setting of the towns of Airdrie and Chapelhall. However, there were advantages of permitting the development in that the site was particularly accessible for shoppers and would offer large scale employment. On balance the Secretary of State concluded "that in this case the advantages of the proposed development do not justify a departure from greenbelt policy." Accordingly, the Secretary of State accepted the Reporter's recommendation and dismissed the appeal.

6.4 Braehead

In 1987, Clyde Port Authority Ltd submitted an application for a substantial mixed use development scheme on land at Braehead on the western outskirts of Glasgow. The site in question straddled the boundary of two local authority areas: Glasgow District Council and Renfrew District Council. The site was zoned for industrial use within the relevant local plans and contained a derelict power station. It was definitely considered "brownfield" in nature. The project comprised the following components:

Regional Shopping Centre	600,000 sq.ft.
Retail Warehousing	375,000 sq.ft.
Hi-tech Business Park	90,000 sq.ft.
Managed Workshops	100,000 sq.ft.
Distribution Warehousing	300,000 sq.ft.
Hotel	200 bedrooms with 2 bars, restaurant, function suite and leisure club
Leisure Facilities	170,000 sq.ft. in total, comprising ice complex and maritime heritage centre

Other Land	34 acres proposed for residential development

Petrol Filling Station

Outline planning permission was refused by Strathclyde Regional Council (SRC) and when the applicants appealed it became of considerable interest to both the property market and planning process throughout Scotland. The importance of the decision was underlined when on 30th June 1988 the Secretary of Sate directed that he would determine the appeal himself: "because of the scale of the proposal and its potential impact on an extensive area surrounding the site" (SDD June 1990). The Public Local Inquiry took 20 days to hear between 28th February 1989 and 12th April 1989. The decision letter finally issued on 12th June 1990 (14 months after conclusion of the Inquiry) highlighted the following points:

(a) <u>Shopping Issues</u>

The Reporter acknowledged that the proposed development would provide a new shopping facility as envisaged by the 1986 NPG, that could not be accommodated in existing shopping centres. He was also fully aware that the application was in clear breach of structure plan shopping policies. The key policy (COM1) maintained a "preference for locating major new shopping proposals in or adjoining existing centres" however, this did not stop the Reporter recommending that the appeal should be sustained (with the exception of the housing element). The Reporter decided that the structure plan did not comply with national guidelines applicable at that time and was happy to contradict the structure plan (this relates to the contention in Chapter 4 that SRC were out of line with planning principles prevalent in Scotland in the late 1980's).

Turning to impact, the Reporter considered the vitality and viability of neighbouring shopping facilities: Govan, Renfrew and Paisley. Although, he conceded that some trade diversion would be likely he was satisfied that the effects on the viability and vitality of most existing centres would not be significant. Renfrew was thought to be a local "walk-in" centre, Paisley was large enough to sustain the impact and Govan's future as a shopping entity was already in doubt. As such, the perceived impact of the Braehead scheme on adjoining retail centres was not considered to represent a problem.

Other reasons given for the approval of the application included the expectation that such a mixed use development "would result in an attractive development which would bring visitors from a wide catchment area" which complied with structure plan regeneration strategies. The fact that the site was brownfield in nature was a major factor in gaining approval, the Reporter mentioning that "the restoration and positive use of a large underused site at little or no cost to the public sector" contributed to structure plan policy STRAT1. In addition it was estimated that the development would generate a net gain of 1,000 jobs.

In relation to the retail warehousing element, reservations were expressed because the proposed goods range overlapped with high street shops. The resultant "direct competition" would, therefore, undermine the strength of existing centres. However, rather than refuse the retail warehouse development, the Reporter merely imposed conditions restricting the range of goods which could be sold (to DIY, gardening goods, electrical, furniture and carpets).

(b) Housing Land

The housing part of the application was the only element to be refused. The proposed location was seen as being part of a semi-industrial area isolated from the proposed shopping, services etc. Also the site did not comply with the local plan noise standards for housing locations. The Reporter concluded that the residential component should be omitted from the development.

(c) Secretary of State Considerations

The Secretary of State agreed with virtually all comments made by the Reporter and on the 12th June 1990 sustained the appeal by Clyde Port Authority. Therefore, Braehead has had approval for an out of town regional shopping centre for almost five years, with no development taking place on site.

"Developmentability" of Braehead

Given that planning permission has existed since June 1990 for a regional shopping centre at Braehead the question must be asked, why has no development activity taken place? There are at least four likely contributory factors:

1. Economic Downturn

   It has been commented that the UK economy went into serious decline in 1989. Consumer expenditure dropped significantly as businesses repeatedly cut costs by shedding labour or in the most extreme cases, went out of business altogether. Against this background retailers found their level of sales falling and ceased their expansion programmes. Many were forced to contract by closing the poorer performing branches. With little occupational demand existing in the market place developers have not been prepared to build out the shopping centre at Braehead on a speculative basis.

2. Land Assembly Problems

   Clyde Port Authority do not own the entire site required to implement the scheme. The plan submitted as part of the planning application showed that two new slip roads were to be created: one providing direct access from the westbound carriageway of the M8 Motorway to the site, the other providing egress from the site to the eastbound carriageway of the M8 Motorway. The strips of land needed to form these slip roads are still held in the ownership of British Rail and currently form railway lines, one of which is used infrequently for industrial purposes, the other is dis-used. British Rail have not yet agreed to sell the land in question although it is expected that a sale could be agreed if the developers pursued the acquisition seriously. Traffic studies of trip generation levels also cast doubts over the capability of the proposed road layout to cope with the anticipated level of vehicles.

3. Identify of Developer

   Although Clyde Port Authority obtained consent to implement the development they never actually intended building the project themselves. Their intention was always to sell the site to a property developer and indeed they have now disposed of their land holding to a company by the name of Braehead Park Ltd, a joint venture vehicle set up between Marks & Spencer Plc and J. Sainsbury Plc. These companies intend implementing a development scheme, albeit on a smaller scale to that which gained planning permission in June 1990, and will themselves form the principal anchor tenants for the regional shopping centre. They still have to complete the site assembly negotiations.

4. Wrong Location

When first proposed Braehead was seen as a true regional shopping centre, comparable with Metro Centre, Merry Hill, Meadowhall or Lakeside. However, the lack of development activity has illustrated that there is insufficient confidence in the market place of the site's ability to draw on a sufficiently wide catchment population to support a scheme of this magnitude. Erdman Lewis reported that "given the demographic profile of the area, which embraces on average the lower working groups, it is our opinion that the proposed shopping centre will have a profile for the mass markets and will trade more as a utility centre with a mid-range fashion bias rather than having an upmarket image." (Erdman Lewis 1994). This statement implies a recognition that Braehead will draw customers from a localised area and suggests that the letting of units within the scheme should be designed to cater for the needs of that particular catchment population.

It must be remembered that Braehead is situated four miles to the west of Glasgow city centre on the south side of the River Clyde. As such, it is only readily accessible to those who live in the south western suburbs of Glasgow and the neighbouring districts of Renfrew and Inverclyde. Planning consultants, Management Horizons Europe, commented that although Glasgow city centre had a "regional catchment of 2.25 million residents of which 1.4 million are captive to Glasgow....Braehead has a realistic core catchment of 481,000 residents of which 328,000 residents live south of the Clyde". (Management Horizons Europe 1994).

With the already serious congestion problems associated with the M8 Motorway it is anticipated that Braehead will not be able to consistently attract shoppers from east of Glasgow. Although the M8 is one of the main transport arteries serving Scotland's central belt those familiar with the area are all too well aware of the frequent traffic congestion problems experienced at the Kingston Bridge/Charing Cross section of the M8 in Glasgow's city centre. At this location the M8 has a two lane "pinch point" which acts as a bottle neck and tends to generate considerable delays. For these reasons the proposed developers have acknowledged the localised nature of the catchment population and have revised the scheme design accordingly.

Revised Braehead Application

In August 1994 an application was submitted for a smaller mixed use development with the following components:

Shopping Centre	478,500	sqft
Cinema	40,000	sqft
Foodcourt	25,000	sqft
Leisure Complex	40,000	sqft
Retail Warehousing	150,000	sqft
Ice-rink (with 4,000 seats)	43,000	sqft
Business Park	194,000	sqft
Managed Workshops	32,000	sqft
Distribution Warehousing	247,000	sqft

Hotel	200 bedrooms
Two Petrol Filling Stations	
Free-Standing Restaurant	2.35 acre site
Car Parking	6,000 spaces

The most significant alterations between the two applications, for the purpose of this thesis, are:

	1990 Application	1994 Application
Shopping Centre	600,000 sqft	478,500 sqft
Retail Warehousing	375,000 sqft	150,000 sqft

Of the 478,500 sq.ft. shopping centre Marks & Spencer and Sainsbury intend to occupy 265,000 sq.ft. themselves leaving only 213,500 sq.ft. for unit shopping and other smaller store operators. The main mall, as currently designed, comprises 71 shop units, 2 restaurants and 6 large space units.

Part of the shrinkage of the retail warehousing component is undoubtedly attributable to the limitations imposed by the Secretary of State in terms of the goods which were suitable for retailing ie. DIY, furniture, carpets, electrical and gardening (main exclusions: clothes, fabrics, textiles, footwear, sports goods and toys). This is certainly not true for the shopping centre. The proposals have been revised because it is questionable whether the Braehead site is truly of sufficient strategic quality to deserve regional status.

6.5 Summary of Appeal Decisions

The policy context of each of these decisions will be examined more closely in Chapter 7. However, in reality the three mega centre applications reviewed produced the following results:

Bathgate - Refusal of permission because of the perceived impact on Livingston town centre. This was set against the background of a relatively recent (1986) NPG which was relaxed about development of new forms of out of town shopping. Thus, national policy did not prevent consent being granted. Structure plan policies were based on the 1978 NPG, which had been superseded, and did not encourage out of town shopping, However, the structure plan did strongly encourage the re-development of brownfield industrial sites for economic and environmental reasons. In the end, the decision went with the regional council policy despite the fact that the Inquiry only considered impact in its narrowest sense - trade diversion.

Newhouse - Refusal of permission of what is considered the most strategically positioned of the three mega centre sites reviewed (see Figure 5). This was set against a similar policy background to Bathgate: national policy pro-out of centre shopping and regional policy anti-out of centre shopping. Regional policy won the day on two grounds: firstly, anticipated impact and secondly, the use of greenbelt land. Both of these grounds could now be challenged. Impact is not fully understood even now and is certainly not just confined to economic issues as discussed in the Inquiry. If a mega centre was to be developed in Scotland it is essential that the optimum strategic location is selected. Although the use of greenbelt land should be avoided if possible, the mega centre issue is of such over riding national importance that departure from regional policy may be justified in this case. These points are considered more fully in Chapter 7.

Braehead - Consent was granted for regional centre development at a time when structure plan policy discouraged out of centre development and national policy was more relaxed about this topic, exactly the same circumstances as Bathgate and Newhouse. The site in question is located to the west of Glasgow city centre, and the property market has since recognised the limited strategic importance of this locale. The possibility that Braehead is in the wrong location for such development is demonstrated by the hesitation of the developers to proceed. It could be argued, therefore, that the planning process failed in its responsibility to refuse consent simply on the site's lack of strategic importance, in favour of lesser issues such as the re-use of vacant industrial land.

CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

By examination of the pressures leading to out of town shopping, change within the retail industry and the planning profession's handling of the subsequent development pressures: an understanding of the future needs of retailing in Scotland should have been formed. However, as with most exercises in the accumulation of knowledge, one of the frustrating conclusions is: the more that is learned, the more it understood how little is actually known. The inadequacies of existing research on the subject of out of town shopping were pointed out in Chapter 3. The following section seeks to address this problem, and suggest how future research could assist retail decision making.

7.1 Necessary Future Retail Research

Research Deficiencies

Chapter 3 intimated that significant gaps exist in the retail industry's collective knowledge and understanding of the complex nature of modern shopping. In particular, there is a complete lack of "on the ground" evidence of the effects of new retail development. The most urgent shortfalls in research relate to:

1. Town Centre Vitality & Viability

    Local authorities and the private sector are both committed to maintaining healthy town centres. However, due to a lack of understanding of the factors which make up a vital and viable town centre no clear formula has emerged to ensure their creation. There is a vague notion that vitality and viability is about economic indicators such as level of rent, vacancies and the failure to implement major retail proposals in town centres. Physical deterioration is also thought to be important ie. poor environment, congestion, and lack of sites to compete with out of town development.

    In order to define vitality more accurately a number of studies are needed; firstly, examination of the extent to which town and city centres rely upon retail land use to underpin their overall well-being. Secondly, analysis of factors effecting levels of confidence of groups with vested interests in traditional town centres, focusing upon the image and perception needed to satisfy the expectations of their users and occupiers. Thirdly, studies of the incidence and nature of vacancies and re-lettings in town centres. There is little point in concluding that all vacancies are damaging when certain vacancy levels demonstrate a sign of healthy turnover and diversity in tenant mix.

2. Consumer Behaviour Studies

Within the modern commercial environment little is known of the extent to which out of town development competes with or is complementary to town centres. Potentially this could be revealed through examination of locational attributes of consumer purchasing behaviour.

Concern over the repetitive nature of traditional high streets is thought to provoke consumers to seek diversity. Studies of the changing quality and diversity of the environment within town centres would help understand this issue.

3. The Examination of Effects of New Retail Development

There is a lack of evidence of the economic effects of cumulative developments of superstores and retail warehouses upon traditional centres. Studies are required which identify and measure economic, social and environmental effects of individual and cumulative retail developments. The studies should also involve empirical analysis of the private transport effects of major new outlying retail development upon shopping trips and the resultant levels of traffic generation.

Research Priorities

Three priorities of retail research to meet the shortfall in knowledge are suggested below:

1. A qualitative study identifying those town centres throughout Britain which are considered to be in decline. This is essential in order to better understand what makes a town centre healthy or "vital and viable".

2. The commissioning of a metropolitan case study broken down into a series of distinct but inter-related projects: for example grocery superstores, bulky goods retailing, high street retailing or into the different kinds of impact: economic (quantitative), social and environment (qualitative).

3. Mandatory obligations for retail companies to submit formal impact assessments with planning applications of a certain type and scale. The studies may identify a link between impact and vitality and viability by addressing two questions. Firstly, whether the proposal will impact upon existing and projected shopping patterns. Secondly, the degree of impact (economic, environmental and social), and the consequences for the existing centres. The advantages of development should not be ignored.

Only by carrying out such research will the gaps in the knowledge of the retail industry be filled. Then retailers, planning authorities and other interested groups will better understand what is happening on the ground, the dynamics of the retailing industry and most importantly, the consequences for land use and commercial planning. Filling the gap in knowledge will allow a planned approach to the accommodation of new out of town retailing pressures and ensure appropriate policies are formulated for the maintenance of the vitality and viability of town centres.

<u>Recommendations on Research</u>

Impact studies should be carried out both before and after development of a new project. Comparing the results with the predictions will allow meaningful assessment of existing impact analysis techniques. Research into consumer and resident attitudes towards and preferences for different forms of retail development will also provide pointers for the future handling of applications and guidance of development.

It will be difficult for planning authorities to impose post-hoc studies on developers, let alone enforce their production. The authorities themselves are the only bodies which could realistically perform this function. However, under the current local government regime the lack of resources may provide a hindrance.

To be of use on a regional and national basis the production of these studies has to be coordinated and standardised. Only then will planning authorities be able to make meaningful comparisons between local authority areas and thereafter metropolitan areas. The system for collecting this data has to have public sector influence but since the private sector stand to gain from the use of a comprehensive data source, they should contribute to its development. The results must be published on a regular and frequent basis to be of use.

The principle components of the data collection exercise will include establishment of turnover, trading floorspace and employment data aggregated to a suitable geographical level. This is one of the reasons why the boundaries of the new Scottish local authorities, following re-organisiation in 1996, must provide the basis for genuine regional scale economic government.

7.2 Significance of Retailer Survey

Retailers' Locational Preferences

The retailer survey carried out for this thesis and the results summarised in Chapter 5 clearly show that retailers, in general, welcome the trend towards out of town shopping. In particular, the finding that 72.5% of stores occupied by respondents in such locations trade better than their in town counterparts suggest that planning will have no support from traders in its policy to curb out of town development. This is backed up by the fact that all but one retailer stated that they would consider occupying space in a mega centre if one was developed in Scotland. The retailers' position is clear: they will locate where maximum profits are to be made. If this jeopardises the profitability of existing town centre outlets they may be forced to close these stores. Thus the continued expansion of out of town shopping, particularly development of a mega centre, in Scotland could pose a threat to existing town centres.

The Threat to Town Centres

Chapter 3 outlined in detail potential detrimental effects of out of town shopping for traditional high streets. The issue in this final chapter is how to avoid adverse impact. There is no simple formula for calculating impact, especially long term social and environmental effects. As stated in Section 7.1, research into potential impacts will eventually lead to better retail planning guidance since local authorities will be able to utilise their improved knowledge in preparing development plans and making application decisions.

In the current planning climate it may be expected that such research will encourage local authorities to afford town and city centres more attention and commitment than has been the case in recent years. They must be elevated in the planning agenda if they are to stand any chance of attracting meaningful investment in infrastructure, car parking and environmental improvements.

One practice introduced by PPG6 which has secured improvements for high street shopping is the use of town centre managers. Generally, these are local authority appointed personnel charged with the task of promoting and managing a particular town centre. There is debate over the funding of town centre management and the contribution to be made by the private sector. However, such issues are outwith the scope of this thesis. It is recommended that the concept of town centre management is supported and that the role is expanded from the narrow remit adopted to date. Town centre management should have a direct input into a dual approach retail planning strategy, these being:-

* promotion of existing centres by making them safer, cleaner and more attractive places to shop

* Policies to guide new development to appropriate locations

In this fashion town centres will be able to mount a defence against the threat of out of town development.

Vehicular Accessibility

Question 8 of the survey questionnaire sought to identify factors deemed important when traders make locational decisions. With a points system ranging from 1 - not important to 5 - very important, over 90% of respondents considered vehicular accessibility deserved a score of 3 points or more. Considering the growth in car ownership this is not surprising, but what are the implications for retailing?

Out of town shopping typically relies 90-95% on car borne trade (DoE 1995). This begs the question, with increased customer mobility could Scotland now support a mega centre? In making the decision whether to proceed with such a development project the developers would require to be satisfied that sufficient occupational demand exists to let the space created. Occupational demand is determined by, amongst other things, the level of catchment population. With a population of around 5 million people (some 4 million of which is located within the central belt - an area of only some 60 miles across) could it be argued that Scotland does have the strategic need for and catchment population to support a mega centre?

The starting point in answering this question is examination of the catchment populations of the four out of town mega centres in England. Table 5 details the number of people living within specific driving times of these centres.

Table 5: Regional Centre Catchment Populations

Drive Time	Metro Centre	Meadowhall	Merry Hill	Lakeside
15 minutes	2,750,000	3,520,000	2,570,000	22,700
30 minutes	6,060,000	9,570,000	10,400,000	4,400,000

Source: Morgan Stanley 1994

With the exception of Lakeside all of the centres have a catchment population within a 30 minute drive time, in excess of the entire population of Scotland. The figure for Lakeside is still in excess of the central belt's population. At first glance these statistics call into question the ability of Scotland to support this form of development.

Relating the vehicular accessibility issue (as identified in the retailer survey) to a specific site is the next logical step in assessing the prospects for mega centre development in Scotland. Newhouse, one of the sites previously subject to mega centre proposals (see Chapter 6) and situated in the heart of the central belt has been selected (see Figure 5, page 69). In 1993 CACI produced catchment population figures for the site, fortunately on a comparable basis to those given above for the four existing mega centres in England: 15 minutes - 325,0000 persons; 30 minutes - 1,355,000 persons (Source CACI 1993).

Thus even one of the most accessible locations in Scotland has less than one third of the catchment population living within 30 minutes drive than Lakeside in Thurrock, the mega centre with the smallest catchment of the four existing examples. However, even this evidence does not dismiss the case for mega centre development in Scotland entirely, for two reasons: firstly, little is known about the level of threshold population required to support such centres. Gilham (1986) suggested that as little as 400,000 people could support a regional centre. Secondly, the construction of new roadways or provision of public transport using other means of travel can greatly increase accessibility and therefore, the level of catchment population.

Thus with their current lack of knowledge and understanding neither the retail industry or planning profession can assess the precise level of population and infrastructural facilities needed to support such a scheme. Without this information it is impossible to determine whether a strategic need for this type of development exists. This is not to say that strategic need will never be proven: two decades ago Brent Cross was justified. However, the ongoing provision of large stores out of town and substantial investment/development in town centres, mostly by the private sector, means that careful consideration is essential before any strategic need for a regional scheme is identified.

Retailer Opinion on Planning Policy

The questionnaire sought to identify retailers' opinion of planning policy. Only 15.4% of the respondents were content with planning policy as it stands. This figure relates to the proportion of retailers stating that they wished to see planning policy on the subject of shopping left as existing. The remainder would like to see policy either relaxed, tightened, clarified or simplified (see Appendix 1, question 11).

Such a high level of dissatisfaction is perhaps surprising when planning has, in effect, not prevented any of the three waves of out of town retailing detailed in Chapter 2. It has merely served to guide these land uses to appropriate locations in a format that is complementary to existing facilities, rather than detrimental.

It is possible that this survey finding illustrates that a lack of communication exists between retailers, local authorities and central government. All of these groups as well as other private sector groups such as developers and investors would benefit from clear lines of contact between the private sector, local authorities, central government and their planners. Such dialogue would be useful in building confidences and enabling all parties to be more professional and responsible in their activities. The question is whether informal dialogue is sufficient or whether a formal contribution should be made by the private sector. Allowing the private sector to contribute in strategic plan preparation could restrict the need for so many planning decisions to be determined at appeal. If planners were aware of retailers' priorities and concerns the incidence of appeal generating conflicts would diminish. Thus it is recommended that local authorities and retail professionals work in partnership on retail planning and development. Local authorities could begin by utilising professional expertise in their retail planning function. The building of a dialogue between the two groups could be handled through local authority associations, local Chambers of Trade & Commerce and Retail Trade Associations.

7.3 Significance of Mega Centres Appeal Decisions

Threat to Cities

The Public Inquiry for the proposals at Bathgate and Newhouse considered the potential impact of a mega centre development in Scotland's central belt. The Inquiry illustrated that the planning system is relaxed about the possible adverse implications of a mega centre on the cities of Glasgow and Edinburgh. It is smaller towns which are thought to be most at risk and the need to safeguard the retail environment within these smaller settlements was emphasised. Whilst activity in the retail development market is currently low, the planning system can rest assured that with economic upturn, anticipated in the latter half of the 1990's, applications for mega centre development will re-emerge. Despite the recent Draft NPPG on Retailing which extols the virtues of traditional town centre shopping, the industry will not rest. It will continue to evolve and increase in complexity, perhaps at a pace that planning cannot match.

Looking at Braehead, SRC had not been able to adopt policies concurrent with the 1986 NPG and their decision to refuse consent was subsequently overturned at appeal ie. the decision went with national planning rather than regional planning. The opposite is true for Bathgate and Newhouse. The Inquiry was held in January 1988 during the transitional period between the 1978 and 1986 NPG's. As such, regional policy reflected the 1978 NPG which favoured town centres as the appropriate retail location and national policy (1986 NPG) recognised the need to locate certain new forms of shopping out of town. This time the decision went with regional policy and consent was refused. This demonstrates a lack of continuity in the Scottish planning system's treatment of such applications. Strategic planning is not encouraged in these circumstances.

<u>Strategic Planning</u>

Unfortunately, to date, the mega centre concept has not met with a strategic policy approach throughout the UK. The four existing out of town mega centres in England were all built in areas of limited population growth with generally depressed economic environments. Although research is underway it will be some time before their lasting impacts (economic, social and environmental) will be properly assessed and fully understood. Scotland may need a strategic policy before then.

The issue of out of town mega centre development for a country as small as Scotland is far too important to be decided at local authority level. The statistical information referred to in Section 7.2 demonstrates the difference in scale between the catchment population in Scotland and metropolitan areas in England. Therefore, if Scotland is to have an out of town mega centre it will certainly only have one. If this is the case then the matter is of national importance and must not be decided upon by regional authorities. It is recommended that the Secretary of State automatically calls-in applications for large retail developments which represent departure from the development plan and which the local planning authority has resolved to permit. The mega centre issue is also too important for locational decisions to be based upon factors such as securing the redevelopment of dis-used industrial land, one of the factors which influenced the approval of Braehead. If the case for mega centre development becomes overwhelming national strategic policy should determine the optimum strategic location. It would merely be a bonus if a derelict brownfield site were suitable.

It may be asked, how could the case for mega centre development become overwhelming? In the absence of comprehensive research, as referred to previously, existing studies of the four mega centres in England have shown conflicting and mixed results. Gateshead MBC following the construction of Metro Centre, maintain that inward investment has been generated and impact has not been as severe as first anticipated. Newcastle city centre may have lost as little as 3% of trade (Newcastle City Council 1987) and it has been suggested that only weak retail centres have suffered. Therefore, an argument could be made that the improvement of deficient town centres would further increase the scope for out of town regional/mega centre development on a site of strategic importance.

Optimum Strategic Location

In the Scottish context, there is little doubt that if the optimum strategical location were to be selected that the central belt would be chosen, in order to afford access to the highest proportion of population possible. Furthermore, sites such as Braehead to the west of Glasgow are unlikely to gain either political or sufficient market support to justify construction of a mega centre. As noted in Chapter 6, the market has already recognised the sub-regional status of Braehead and the size of the proposal has been scaled down. The main reason being the site's lack of accessibility for people living outwith the west of Scotland. The M8 motorway already suffers from severe congestion problems and gaining access to Braehead from east of Glasgow city centre will present difficulties. Thus the optimum strategic site would not be west of Glasgow, nor for similar reasons, east of Edinburgh. The site would be positioned between these two cities.

Bathgate and Newhouse both meet this locational requirement but both were refused consent in 1989. The limited catchment population of Newhouse (1,355,000 within 30 minutes drive time, CACI 1993) is unlikely to be significantly lower than Bathgate. Thus, designation of the optimum strategic location for mega centre development in Scotland may be dependant upon future road construction to increase the level of catchment. Improved access northward to include major settlement such as Falkirk and Stirling would certainly be required.

Therefore, in order to strategically designate sites for major retail development collaboration has to take place between local authorities' town planning and highways planning departments. Similarly, public transport investment should become a structured part of the planning process if local authorities are to strategically plan the improvement of these services. Thereafter, local authorities will be able to provide fuller regional guidance and retail plans. The removal of the current two tier system in 1996 will assist this process, whereupon every effort must be made to provide a clear regional framework for the development of retail policies.

"Balanced" Planning View

The lack of strategic planning relating to the mega centre concept (illustrated by the appeal decisions studied) and the doubts over whether Scotland could support such a scheme necessitate a coherent approach to retail policy making. Should applications arise in the future a clear policy for handling out of town regional shopping centre proposals must be adopted. Their scale and potential impact over wide areas have led to a general feeling amongst the private sector and local authorities that out of town regional shopping centres should only be permitted if it can be demonstrated that they will fulfil an important strategic need in areas of poor and inadequate shopping provision.

Such a balanced and strategic view was not taken in the late 1980's when the planning system had difficulty coping with the unprecedented quantity and diversity of retail planning applications submitted. The 1986 NPG adopted a positive stance to these proposals which seemed to suggest a "free for all" in the development industry. The subsequent refusal of Bathgate and Newhouse within this policy context provided further confusion. The result has been a serious questioning of the impact of new retail forms. This was also prompted by the onset of deep economic depression in 1989. Without increasing consumer expenditure could all such developments be effectively absorbed?

There followed a period of re-assessment by the planning profession where it attempted to take stock of the situation, the result being production of February's Draft NPPG on Retailing. This document re-affirms that planning standards and criteria still apply to out of town development in Scotland. As the planning pendulum has swung back towards support for town centre retailing the undoubted need for a more balanced approach to major retail development is apparent. "Balanced" means judging between what might be in the consumer's best interest today and for the community in the long term. It does not mean switching from pro-out of town policy to anti-out of town policy depending on the state of the economy. It does not mean sometimes siding with national guidelines and sometimes siding with regional policy. In the current context, the planning system must be careful not to treat the Draft NPPG as justification to refuse every out of town shopping application made in the future. This would fail to recognise the social, economic and environmental benefits that accrue from out of town investment. The results of the research referred to in Section 7.1 will assist the formulation of balanced policy in order that such benefits can be realised.

Striving to achieve a more balanced planning approach to new forms of retailing may necessitate a more rigourous system of policy making.

Policy Making

One possible method of implementing retail policy is through enforcement of a more detailed and comprehensive development plan system. In England, the DoE confirmed its support for local authority development plans in the 1991 Planning & Compensation Act. The intention is for development decisions to be undertaken in accordance with the plan unless material considerations indicate otherwise. A more rigourous development plan system could help remove one of the most common criticisms of the planning system: that it is too slow to provide policy on new issues and that structure and local plans are frequently out of date. Evidence to support these claims can be found by examination of the existing out of town mega centres in England. None ~~where~~ envisaged or planned for in strategic plans and all involved lengthy Planning Inquiries. They were permitted in circumstances best described as a "policy vacuum" (Davies 1984) through the auspices of Development Corporations or Enterprise Zones. This indicates that the planning system has not yet identified or met the demand for regional centres.

However, a word of caution, before moving to a more comprehensive development plan system the Government must realise that if development plans are to provide reliable policies for retailing, it is essential that they are based on a wider spectrum of knowledge and data than is currently the case. Thereafter development plans could provide a clear strategy for the location of development, with the role of the town centre clearly set out. This strategy should be drawn up in close co-operation with all interested parties, especially those concerned about the future of the town centre, with a view to producing a clear action plan for implementation and future management.

The importance of retailing to the national and local economies has often been underestimated in the formulation of local planning policies. The industry is not only a major source of direct employment but creates jobs in many other activities, including agriculture, manufacturing and business services. This importance warrants greater recognition in the planning process. Thereafter planning through its relationship with other public sector departments and policies may be able to assist development of the national and local economies.

The public and private sectors have both advocated the need for stronger more comprehensive regional planning. Only then will it be possible to create policies for major retail development and to adjudicate effectively between proposals for out of town and in town regional shopping centres. Planning for major retail development must therefore be clear in its objectives whilst being flexible enough to provide for new demands and pressures. This flexibility can best be achieved by frequent monitoring of retail trends and regular policy reviews by both national and local planning bodies. Carrying out such reviews will afford authorities the opportunity to positively plan for development in their area, rather than operating planning in a purely restrictive development control basis.

Future Out of Town Retail Policy in Scotland

Given that the Draft NPPG on Retailing was only published one month prior to the time of writing, it represents the immediate policy future. Should it be approved in its current format the future for out of town development, and particularly, regional centre development, looks bleak. However, the lessons of Bathgate and Newhouse must not be forgotten. The decision to refuse both schemes was surprising given the 1986 NPG's relaxed stance on out of town shopping. With this track record the planning profession in Scotland can fully expect the guidelines to be challenged at some point in the future. The full weight of the financial resources at the disposal of the private sector will be employed, at appeal if necessary. The finest planning consultants in the country will be instructed to identify sites of strategic importance, find the merest chink in policy, exploit it to the full and gain consent. The Draft NPPG itself may provide scope for such challenge, containing the following:-

* local authorities should allow the community at large to benefit from effective competition between retailers and types of retailing

* it is not the function of the planning system to preserve existing individual commercial interests or to inhibit competition between retailers or between methods of retailing.

* retailing must generally be able to respond to consumer needs

* development plans should therefore facilitate innovations in the retail sector, in locations accessible to all sectors of society. This should be provided within a clear strategic framework which sets out the role and scope for new retail development.

Such remarks afford developers and retailers scope to argue the merits of their particular proposal. For example, a case could be made that consumers prefer shopping centres as a means of shopping or that the provision of adequate public transport would render a strategically chosen site accessible to all sectors of society. Undoubtedly a mega centre would benefit the community in terms of effective competitive between retailers and types of retailer. These arguments, and more, would be adopted by the property and retailing industries when applications are forthcoming. The planning system cannot be surprised by such proposals, rather, must anticipate and plan for this event if it is to resist. Adopting the strategic and balanced approached based on sound retail industry research (as already discussed in this Chapter) instead of the "swinging pendulum approach" for and against out of town development will undoubtedly produce better policy and development results "on the ground" than may have been the case previously. Planning policy has to be clear and consistent to allow retailers, local planning authorities and the development industry to operate efficiently and effectively.

7.4 Concluding Remarks

The final section of this thesis will briefly set in context the position of the three waves of out of town development in terms of events taking place within the retail industry, and how the planning system how might best cater for future development. Before dealing with out of town regional/mega centres, superstores and retail warehousing will be dealt with together.

Superstores & Retail Warehouses

Charting the progress of grocery superstores and retail warehousing has formed an essential part of this thesis. Such developments established early views on the complementary nature of out of town shopping to town centres. They also set precedents for what was considered acceptable in terms of outlying locations. The evolution of the retail warehouse has provided a new threat for the high street. This threat has been brought about by traders in retail parks moving away from the bulky goods role to one which incorporates specialist stores. This may alter balanced hierarchical relationships with other existing centres. However, local authorities should be able to resolve potential conflicts using their powers to impose conditions on both tenant mix and product range when granting consent. Restricting the level of comparison goods such as clothing, footwear and accessories being sold out of town will help town centres withstand future out of town developments.

The recent Draft NPPG on Retailing acknowledges that outlying grocery superstores and retail warehouses have become acceptable and should not be prevented in any new development plan system. Careful consideration of the size of a proposed superstore or retail warehouse in relation to the size of the local community will provide a balanced planning approach. The imposition of potentially damaging large scale developments on smaller convenience based centres would then be prevented. Thus, the effect of retail warehousing and superstore development should not be as potent as the main topic of consideration in this thesis: outlying regional/mega centre development.

Regional/Mega Centres

Since the mid-1980's interest in the potential for development of mega centres has been strong. So far, the record of the planning system in Scotland in dealing with such proposals has been suspect: refusal of Bathgate and Newhouse despite the existence of national planning guidance which, depending on individual circumstances, permitted such forms of development. Also, in the case of Braehead, approval of a regional centre irrespective of structure plan opposition. It can legitimately be argued that Braehead is in an inferior strategic location than Bathgate or Newhouse, and this may explain why no development has actually taken place.

At present the retail industry has postponed its pursuit of mega centre development in Scotland, mostly as a result of continuing depressed economic and retailing conditions. However, although the Government sees little case for further new regional shopping developments at present the planning system need not think that the matter is resolved. Support exists from a number of groups involved in shopping for further mega centre construction in the UK:

Developers:	50 applications submitted throughout the UK in the late 1980's
Investors:	Illustrated by current strong competition to acquire the Metro Centre, recently brought to the market by its owners.
Shoppers:	49% of the general public prefer to shop in shopping centres rather than traditional high streets (Gordon Simmons 1991). Should they therefore, be denied access to what might be considered the most exciting form of shopping complex - the mega centre?
Retailers:	The letting campaigns at Metro Centre, Meadowhall, Merry Hill and Lakeside were substantially more successful than town centre schemes opened in the late 1980's. Also, the thesis questionnaire backed up the strong desire for retailers to gain representation in out of town regional/mega centres.

Thus, the current lull in development activity will not be long lived. With a general election due in either 1996 or 1997 the Government will make every effort to restore economic growth and consumer confidence. If they succeed, increased development pressure will follow. The intervening period can be used to research and collate as much information as possible in the impact of such developments. Thereafter more will be known about the potential adverse effects, spin-off investment/development and implications for sustainability. It may be concluded that the benefits outweigh the side effects and the public sector could commence the search for the optimum strategic site. Alternatively, the return to pro town centre planning as heralded by the 1995 Draft NPPG may prove justified.

Unfortunately, the necessary research cannot be carried out overnight and it is likely that applications will emerge prior to completion of such an onerous task. At least if the requisite studies are commissioned the retail industry will have taken a step in the right direction. Until then decisions on out of town mega centres will be taken against the background of the Draft NPPG on Retailing, thereby suggesting refusal is likely. Unless the necessary studies are implemented decisions may continue to be taken in the reputed "policy vacuums" which applied to the sites of the four mega centres in England. They will certainly be taken in the "knowledge vacuum" in which the retail industry currently operates.

APPENDIX 1: QUESTIONNAIRE

OUT OF TOWN RETAILING

1. What are the main trading names of your retailing organisation?

....

....

....

2. What is your company's main line of business?

   e.g. sale of footwear, clothing, electrical goods etc.

....

3. Approximately how many retail outlets does your company currently occupy?

....

4. What proportion of these units are in out of town locations?

....

If none, has your company consciously decided not to trade from out of town locations? Please tick a box.

☐	Yes
☐	No

....

5. In what form is your existing out of town accommodation? e.g.

retail warehousing ☐

unit shops ☐

department/variety stores ☐

other, please specify ☐

....

6. In general how do your out of town units trade in comparison to their "in town" counterparts? Please tick a box.

Considerably better ☐

Better ☐

No difference ☐

Worse ☐

Much worse ☐

7. Do you intend occupying additional out of town stores in the future?

☐ Yes

☐ No

8. On a scale of 1 to 5, how important do you consider the following criteria in determining the location of a new unit? e.g. 5 - very important, 1 - not important.

Proximity of quality anchor tenants ☐

Catchment population ☐

Occupation costs ☐

Car parking ☐

Vehicular accessibility ☐

Pitch in retail parade ☐

Other - please specify

....

....

....

9. How do you see retailing changing in the future? Please tick a box.

Continued expansion of out of town retailing ☐

No change in the level of out of town retailing ☐

Decrease in out of town retailing ☐

10. If a "mega centre" or regional centre was to be developed in Scotland would your company consider taking space in such a scheme?

☐ Yes

☐ No

11. In your opinion should planning policy on out of town retailing be:

- Tightened ☐
- Relaxed ☐
- Left as existing ☐
- Clarified ☐
- Simplified ☐
- Scrapped altogether ☐

Please tick one or more boxes.

12. Please make any other comments on out of town retailing that you feel appropriate.

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