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Small town vitality and viability: learning from experiences in the North East of England

Neil A. Powe

*School of Architecture Planning and Landscape,
University of Newcastle upon Tyne, NE1 7RU, UK.*

Tel +44-191-2227570; Fax: +44-191-2228811.

E-mail address: n.a.powe@ncl.ac.uk

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Abstract

Internationally planning bodies and committees are required to make very difficult decisions with regard to the size, format and location of rural retail developments, which may have significant long term implications for the character and quality of rural life. Focusing on the issue of development location in the context of small towns, this paper evaluates the opportunities and threats associated with a movement to larger format stores. This is explored using case examples of town centre development, out-of-centre development and neglect from retail development within the North East of England. The results illustrate the potential to meet multiple policy objectives by encouraging town centre/edge-of-centre development, but also permitting out-of-centre development when local circumstances render this appropriate.

Keywords: Retail planning, retail development, large format stores, small towns

Introduction

Internationally there have been many forces for change in rural retail provision. Motoring costs falling significantly as a proportion of disposable income and improvements in communication technologies have increased the complexity of intra-rural and urban-rural activities (Powe and Bek, 2012). This is particularly the case for comparison retail¹, where increased consumer mobility has enabled the realisation of retail agglomeration effects and encouraged the spatial concentration of retail provision often at some distance from rural areas (Eppli and Shilling, 1996). In this context, small town retail struggles to compete with the offer available elsewhere.

Within small towns themselves there has been pressure for larger format stores, as economies in store size can be significant (Vias, 2004; Guy et al., 2005; Halebsky, 2009). However, these attempts to modernise small town retail offer are often faced with an incongruity between larger format stores and the characteristics of town centre locations. Often constrained by their small retail units, opportunities for further retail development and transport infrastructure (DETR, 1998; Halebsky, 2009), small town centres (alternatively referred to as 'main street' or 'downtown' locations) are unlikely to realise the standard formats of many retail chains. This has led to pressure for the decentralisation of retail activity away from these traditional locations. Strategies developed by town centre businesses to maintain their custom have sometimes been successful, but for many businesses the competition from large out-of-centre stores 'may simply be insurmountable' (Peterson and McGee, 2000, page 178).

¹ 'Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods' (DCLG, 2009a, 27).

Further to the challenges of managing decline (Bromley and Thomas, 1995; Arnold and Luthra, 2000; Powe et al. 2009), there is also the danger of losing the positive externalities that town centres can potentially provide (Hanna et al. 2009; Peterson and McGee, 2000; Powe et al., 2009; Halebsky, 2009). Such locations offer compact shopping environments which promote non-car access, as they often constitute a public transport hub, and are closely surrounded by housing, thereby enabling easy pedestrian access. Small town centres are often important in supporting less mobile or less able rural residents and therefore play a role in addressing poverty of access issues (Bromley and Thomas, 1995). In addition, their compact locations can provide a broad range of retail conducive to social interaction and important in terms of place identity; as such locations are often notable in terms of their heritage, architecture and historical street patterns (Hanna et al., 2009; Halebsky, 2009; Powe et al., 2009)².

Many countries have recognised the need to protect town centre vitality and viability³ through the provision of government support in the form of town centre management schemes (Coca-Stefaniak et al., 2009). Although it is the quality of the retail service offer which ultimately needs to be addressed if small town centres are to compete (Bromley and Thomas, 1995; Powe et al., 2009; Portas, 2011⁴), positive actions are more commonly focused on issues such as the co-ordination of town centre activities, ease of access, public realm improvements and marketing/promotion. Town centre management may be more effective if supported by a carefully planned movement towards larger format stores, as this

² An issue not considered here is the effect of retail development on local employment. If retail is seen as just redirecting trade from elsewhere, then as larger format stores may be the most productive form of retail development, a 'town served entirely by superstores would be expected to have fewer people in full-time equivalent retail employment than a town served by traditional small stores' (Guy, 2007, page 229). However, if there is significant 'claw-back' in trade to the area, local employment benefits may be positive.

³ Vitality and viability are naturally combined and represent the "health" of the town centre. See England (2000) for a more detailed definition.

⁴ For example, Portas (2011) suggests that town centres need to be 'vibrant places that people choose to visit. They should be destinations' (page 15).

offers the potential to improve the retail service offer. This has recently been demonstrated within the UK where, with the flexibility of developers in terms of the location, size and format of developments, edge-of-centre larger format stores can potentially provide an important anchor for town centre trade. This can improve the overall retail offer, induce sizeable linked trips with pre-existing stores and enhance car parking within the towns (Thomas and Bromley, 2003; Powe and Shaw, 2004; Wrigley et al., 2009a; Wrigley et al., 2010a; Wrigley et al., 2010b).

In order for such potential to be realised, small town centre/edge-of-centre locations need to be prioritised within future retail developments. Such a 'town centre first' policy is realised within the UK and, to some extent in the Netherlands, using the sequential approach, whereby edge-of-centre and, lastly, out-of-centre locations are only considered when all the options for locating a retail development on a site within the town centre have been exhausted (DCLG, 2009a; DCLC, 2009b; van der Krabben, 2009). However, by focusing planning efforts on the prevention of inappropriate development outside town centres, there is a danger that insufficient scrutiny will be given to town centre retail development proposals. This may have the effect of encouraging 'almost any form of town centre development, as long as it is of a "scale" consistent with existing development' (Guy, 2007, page 169). Although the literature on the impacts of retail development in edge-of-centre locations has recently been expanded, there remains a dearth of studies considering the opportunities and threats emerging from town centre developments.

Even when operating a 'town centre first' policy, town centre/edge-of-centre locations may not always be available (Guy, 2007). Moving to larger format stores can significantly increase the efficiency of operations, lead to lower prices and provide a service which is

desired by rural actors (DETR, 1998; Guy and Bennison, 2007; Wrigley et al., 2009b). Focusing on what are essentially medium-sized stores (usually 1,000 – 3,000m²), rather than the small town discount superstore developments of the size experienced in the US (usually in excess of 8,000m²) (Brennen and Lundsten, 2000; Halebsky, 2009), there is also a need to better understand the opportunities and threats resulting from out-of-centre retail developments.

Given the inevitable uncertainty in terms of outcomes, planners need to learn from development outcomes in other retail locations, in the same way that national/international retail investors learn from experiences gained from comparable stores. This is achieved within this paper by exploring two research questions:

- What potential is there to enhance town centre vitality and viability through retail development in or near town centres?; and
- Where development is not possible within, or near, town centres, but still viewed as necessary to meet policy objectives, can the impact of out-of-centre development on vitality and viability be minimised?

Focusing on the location of small town retail development, these questions are initially explored through a review of the international literature. This paper then builds upon this understanding, using case studies from the North East of England which illustrate what can potentially be achieved through sensitivity and flexibility in the application of the ‘town centre first’ approach.

Impacts of small town retail development – considering the evidence

For a town undergoing retail development there are three issues of particular concern: ‘claw-back’, ‘linked trips’ and ‘switching’. From a consumer perspective, planning policies that

restrict larger format store development in small towns may lead to rural actors simply shopping elsewhere to purchase locally available goods ('out-shopping'). Larger format retail development may provide opportunities for town centre retail by 'clawing back' trade into the town, as more people look to shop locally. This could lead to more 'linked trips' between the new development and pre-existing businesses. However, if successful, new retail development will also lead to a reduction in existing trade for some pre-established businesses, as a result of former customers 'switching' to shop in the new stores.

i) *Linking retail development to town centre vitality and viability*

Recent evidence from the siting of small town supermarkets illustrates that close proximity to a town centre is necessary, but unlikely to be sufficient, to induce significant linked trips (Thomas and Bromley, 2002; Thomas and Bromley, 2003; Wrigley et al., 2009a; Wrigley et al., 2010a; Wrigley et al., 2010b). Indeed, the issue of proximity is more nuanced than might initially be expected. Although Baker and Wood (2010) report a distance decay effect of up to 200 metres, Thomas and Bromley (2003) illustrate that many edge-of-centre supermarket customers are willing to walk 280m from the store entrance (370m from the car park) to the prime retail core. However, in the absence of an 'anchor' shopping attraction, secondary locations no more than 50m from the primary retail core attracted little footfall. Complementarity in retail offer may also be important, where, for example, Lorch and Smith (1993) report only minimal linkages between a downtown mall development and nearby independent traders, as they were effectively serving different market segments.

Where complementarity in retail offer exists the resultant linkages may be enhanced by improved design. For example, DCLG (2009b) suggest that the 'quality of paving, way marking/sign posting, street furniture, lighting and perception of safety' can be important in

affecting permeability (page 32). Adding to this understanding Wrigley et al. (2010b) present what perhaps is an exemplar case (the small town of Ilminster in South West England), where, through the process of development management, the supermarket store entrance was moved to encourage linkages. Survey evidence demonstrates how this development has clawed back significant trade to the town, complemented the existing retail offer, enhanced car parking in the town and encouraged significant linked trips between the new store and the town centre. However, not all stores have benefited from this change in the focus of the town centre; and this is perhaps an inevitable consequence of even favourably designed stores.

More generally, care is needed when planning for town centre/edge-of-centre development so that it does not unbalance what can be sensitive mutual dependencies. The vulnerability of town centre shops relates to their dependence on the footfall generated by the combined attraction/agglomeration of the centre as a whole. There is also likely to be a mutual dependence on the adequacy of town centre parking strategies and, more generally, on the appeal of the centre as a shopping environment (Powe et al., 2009). If the town centre infrastructure is inadequate to support larger format development, out-of-centre locations may be more appropriate (Guy, 2007).

ii) Minimising the impact of out-of-centre developments

Supermarket development is particularly important in clawing back trade to small towns, as rural actors regularly express a desire to shop locally for food (Thomas and Bromley, 2003; Powe and Hart, 2009; Wrigley et al., 2010b). Evidence provided by DETR (1998) and Wrigley et al. (2010b) suggest that edge-of-centre supermarket development is likely to lead to more linked trips than if it is built out-of-centre, even in the absence of designs conducive

to such linkages. However, there are limits to the availability of edge-of-centre locations suitable for development in small towns.

Although there will be winners and losers from out-of-centre development, it is not inevitable that town centre decline will follow. Indeed, DETR (1998) report that in three, out of the five out-of-centre supermarkets studied, town centre retail remained vital and viable. The two towns suffering the most were identified as having a ‘qualitative deficiency in their foodstore provision’, illustrating the paradox ‘that it is these centres which are particularly vulnerable to trade diversion’ (DETR, 1998, page 80). Less remote small towns may have already lost much of their retail trade to competition from larger towns and cities (Bromley and Thomas, 1995).

When evaluating the impacts of retail development, it is also important to consider the potential longer term effects which may arise. In the presence of a consistently applied ‘town centre first’ policy, national retailers may be willing to adapt the location and format of their stores to town centre locations (Guy and Bennison, 2007; Wrigley et al., 2010b). Such flexibility is likely to be crucial in maintaining town centre vitality and viability. In the absence of strong policies guiding development location, retailers may be less inclined to invest in town centre/edge-of-centre sites because, without the constraints placed on them by town centre locations, their costs may be lower, and the improved access and ample/free car parking available in a decentralised location may give them a competitive advantage (Evers, 2002; Guy and Bennison, 2007).

iii) Impact on other rural retail locations

Whereas most UK studies have focused on the town undergoing the retail development, evidence in the US suggests that it is retail in other nearby settlements which is likely to suffer the most (Stone, 1995; Davidson and Rummel, 2000). In a rare UK study considering the impacts of retail development on other rural locations, Findlay and Sparks (2008) show how a movement to larger format stores in one town may lead to other town centres only servicing very local catchments. When deciding the location of larger format stores, it is argued that consideration needs to be given to the long term implications for potentially affected towns. These implications may include impacts on future tax revenue; public sector investment; access, and poverty of access, by less mobile rural actors; and the location of other forms of development such as housing and other business developments (Guy, 1998; Arnold and Luthra, 2000; Findlay and Sparks, 2008; van der Krabben, 2009).

Introducing the case studies and policy context

Instead of the binding zoning plans common in many other countries, the ‘town centre first’ policy in the UK operates mostly through the case by case consideration of individual development applications (Hallsworth and Evers, 2002). This process is known as development management and is guided by criteria issued, and periodically updated, by the UK government⁵. Reflecting this decision-making context, the empirical research in this paper is conducted through two retail developments in the County of Northumberland in the North East of England (See Figure 1). The impacts of these two developments are considered in relation to three case study towns: Morpeth (town-centre development); Alnwick (out-of-centre development); and Amble (neglect from new development). The socio-economic characteristics of the study area are mixed. Although these towns are popular for retirement

⁵ The most up-to-date expression of this guidance for England is provided by PPS04 (DCLG, 2009a). However, writing early in 2012, the coalition government in the UK is re-writing the planning guidance for England, although statements released suggest this new streamlined guidance will still be supportive of the ‘town centre first’ approach for retail development.

and commuting, there are also significant pockets of deprivation. All the town centres in the study benefit from day trippers and, to a lesser extent, tourists, particularly in the summer months.

The first research question (concerning the impact of town centre retail development) is explored using the major town centre redevelopment of Sanderson Arcade in Morpeth (a town with a population of approximately 13,500, situated on the edge of the Newcastle/Gateshead conurbation). Residential surveys in 2005 identified a lack of chain stores, a poor retail mix and a desire for lower parking charges (Powe and Hart, 2009). A survey of Morpeth town centre businesses in 2005 made depressing reading, as both convenience and comparison retail trade appeared to be in decline (Powe and Hart, 2007). Comparing the retail outcomes before and after the development, this case perhaps illustrates the upper end of what can be realistically achieved in terms of improving town centre competitiveness.

FIGURE 1 ABOUT HERE

Although Morpeth's Sanderson Arcade dates back to the 1950s, it was extended and remodelled in the 1970s and 1980s. By 2006, although the shop units were all occupied, it was beginning to look dated and in need of redevelopment. As the partially covered mall provided the main thoroughfare between the main car park/bus station and Bridge Street, where the national high street chains and the town's largest independent stores are located, its regeneration was crucial, both to enhance the appearance of the town centre and to improve its overall retail offer. Following a period of approximately three years of redevelopment, Sanderson Arcade reopened in 2009 as a partially covered Edwardian style shopping mall.

This development comprises of 28 shops and approximately 8,000m² of retail space (a net increase of approximately 2,500m² since the redevelopment). The largest unit within the redeveloped Sanderson Arcade is approximately 3,000m² in size (jointly comprising a small supermarket and clothing retailer) and is the second largest unit in the town centre after a pre-existing supermarket. Approximately half of the retail space in the Arcade is taken up by clothing and/or shoe retailers, providing a specialism within the wider rural area. Prior to this development, Morpeth lacked retail units with sizeable floor space and the redevelopment has enabled these to be created, attracting national retailers as a result. There were seven national retailers in 2005, but this had increased to 15 by 2010. The town centre has retained a strong contingent of small independent retailers, providing a balance of retail opportunity.

The second research question (concerning the impact of out-of-centre retail development) is explored using the case of the Willowburn Avenue retail park⁶ (comprising a supermarket, DIY/garden centre store and a catalogue shop) that has opened in Alnwick (a town with a population of approximately 8,000 residents and more remote than Morpeth from large urban centres). Surveys of Alnwick town and hinterland residents, undertaken in 2003 and 2006, reported a strong desire for a second supermarket within Alnwick, as well as improved town centre parking (Powe and Shaw, 2004; Powe and Hart, 2009). However, the opportunities for expansion within the town centre itself were limited. Opening in 2008, the new out-of-centre stores add to an existing sports centre, making the retail park a second service node for the town. The supermarket constitutes the largest retail unit and has approximately 1,600m² of retail space. The main competition with the existing town centre is in terms of food shopping, as Alnwick has a medium-sized edge-of-centre supermarket that Powe and Shaw (2004) found to be an important anchor for attracting customers to other stores in the town

⁶ A retail park is defined here as ‘an agglomeration of at least three retail warehouses’ (DCLG, 2009a, 27).

centre. Although some other town centre stores sell similar products to those in the retail park, non-food custom in the retail park mainly competes for trade with stores elsewhere. Writing in early 2012, the retail offer available within the town centre remains strong (for both convenience and non-food items), with very few empty retail units.

When considering the impacts of retail development it is important to take into account the potential impacts on other nearby town centres, not just the town actually undergoing the development. The nearby town of Amble (with a population of approximately 6,000) provides an example of neglect from recent retail developments. Dominated by the main rural centre of Alnwick, Amble is poorly serviced for its size. This makes Amble an interesting case study, as the potential exists to improve its retail offer; and indeed, the prospects for the town may soon change following a proposed edge-of-centre supermarket development. Exploring the potential implications of the proposed supermarket was included within the case study design.

Consistent with previous experience in other studies (Hallsworth and Evers, 2002), neither of the two retail developments had been considered within the adopted local development plans. Such an incremental developer/market-led approach to development is challenging, particularly in terms of the cumulative impacts of the retail development throughout the rural area. More positively, the inherent flexibility within the 'town centre first' approach allows out-of-centre development to occur where deemed appropriate, but when such development is not in accordance with the development plan, or is located within the designated town centre, an impact assessment is required (DCLG, 2009a). No locations of a suitable size were available within Alnwick town centre/edge-of-centre and the impact assessment undertaken prior to the application suggested that the development would not adversely affect the vitality

and viability of either Alnwick or Amble town centres. This discretionary approach has also led to developer flexibility in terms of the size of the stores in the retail park, some design improvements and the provision of a subsidised bus service to the store. Rather than neglecting the needs of Amble, and in order to encourage future retail development in the town, it has been given the same service centre designation as Alnwick, in the local development plan adopted in 2006.

Case study survey methodology

Building on the knowledge gained from research into the case study towns prior to development (Powe and Shaw, 2004; Powe and Hart, 2007; Powe and Hart, 2009), further questionnaire surveys were undertaken to explore the impacts of the town centre and out-of-centre retail developments. The residential questionnaires were carefully targeted within the towns themselves, and their hinterlands, to enable comparisons with previous surveys and to capture interactions between the towns, particularly in the case of Amble. Changes in behaviour as a result of the retail development and attitudes towards the retail offer provided by the towns were explored using open-ended questions identical to those used in previous studies. However, not all retail changes could be attributed to the retail developments. As such, further questions (see below) were used to also consider the impacts of the developments. Surveys were undertaken within pre-existing businesses in the case study town centres, in order to understand the impacts of the retail development and the responses made or required to help maintain their level of trade. The primary data collected through the surveys was supplemented by seven key actor interviews, available published data and local documentary sources.

All questionnaire surveys were self-completed. This approach generates a higher response rate than face-to-face interviews and also provides much richer responses to open-ended questions. The surveys were delivered with a stamped addressed envelope enclosed for completion. When issuing the questionnaires, agreement was reached, wherever possible, for the resident or business owner/manager to complete the survey. The Morpeth residential surveys produced 350 questionnaire responses from 900 issued (39%); and in Alnwick, 427 responses from the 1200 issued (36%). For the business surveys: 80 questionnaires were returned from 169 issued in Morpeth (47%); 31 from 86 in Alnwick (36%); and 11 from 30 in Amble (37%). The nearby town of Rothbury (see Figure 1) was excluded from the analysis, as a business survey results suggested that town centre trade had been largely unaffected by the developments in Alnwick and Morpeth.

The claw-back and switching effects resulting from the supermarket development in Alnwick were considered using a recall approach. Following a question about the location of their main food shopping, respondents were asked about their previous shopping location prior to the retail development. A similar approach was also adopted for the potential new supermarket in Amble. Other claw-back and switching effects were explored using a contingent behaviour approach. This approach was developed from a grid method designed by Guy (1990) to assess the 'last purchase' location for a range of goods. The grid comprised a list of goods on the left hand side and a list of locations across the top. This method was initially trialled within the Alnwick survey, for a range of goods available in the retail park, and was followed by a contingent question to explore where respondents would have purchased these goods in the absence of the retail development. The questionnaire wording was further refined for the Morpeth study, where the contingent question asked was as follows:

If you ticked that you purchased something in Sanderson Arcade in the table above, prior to the Sanderson Arcade being redeveloped would you have still made this purchase in Morpeth?

Trade generated by those indicating that they would not have bought the goods in Morpeth in the absence of the Sanderson Arcade redevelopment was considered to have been clawed back to the town; and these respondents were asked to identify from where this trade had been clawed back. Trade that would have occurred in Morpeth anyway was considered to have been switched to the Arcade from elsewhere in the town.

Effect of retail development on small town trade

Changing shopping patterns with respect to the towns, before and after the retail developments, are explored in Table 1. The results suggest that the redevelopment in Morpeth has led to an increase in the percentage of residents who conduct their main clothes shopping (from 11% to 22%), main non-food shopping (15% to 28%) and regularly purchase non-food products (52% to 63%) in the town. Although perhaps helping to ensure its future as a retail destination and role as a rural centre, most residents still shop elsewhere for their main non-food purchases. Although Morpeth has become a clothes shopping destination, survey evidence suggested that its retail offer is too specialised to have broad appeal. A key concern was that the new shops were aimed at the more affluent end of the market. Following the development of the retail park in Alnwick, it was found that a higher proportion of respondents were conducting their main food shopping within the town, rather than going elsewhere (from 61% to 84%). However, a large proportion of this trade takes place within the out-of-centre supermarket (40% town residents/61% hinterland residents), and this means that respondents are shopping less regularly for food (a reduction from 90% to 79%) and non-food items (54% to 30%) within the town centre itself.

TABLE 1 ABOUT HERE

Using the contingent behaviour approach, Table 2 corroborates the findings presented in Table 1, suggesting that significant non-food trade has been clawed back to Morpeth town centre. This is particularly the case with regard to clothes shopping (22% town residents/21% hinterland residents), with this trade being mostly clawed back from somewhere within the Newcastle/Gateshead conurbation. The switching, or reduction in clothes trade elsewhere in the town, was less significant (9% town/7% hinterland). The balance of switching and claw-back effects was less favourable for other non-food items.

The main focus of the Alnwick case study was the new supermarket in the retail park. For those living in the area long enough and having previously undertaken food shopping elsewhere, consistent with Table 1, Table 3 suggests there has been significant claw-back to the town (46% town/44% hinterland). However, switching effects were significant, particularly for hinterland residents. For those living in the area long enough and having previously undertaken their main food shopping in the town, Table 3 also suggests a significant claw-back for small electrical, DIY and garden goods, where comments such as ‘I can buy goods locally now, which I had to go out of town for previously’ were common. Unfortunately, within the ‘last purchase’ grid for Alnwick no distinction was made between the town centre and the retail park, which meant that non-food switching effects could not be estimated.

Contribution of new development to the towns’ retail offer

The changing shopping patterns reported above are consistent with residents’ attitudes. In the case of Morpeth, the town centre retail offer was seen to have significantly improved since

the Sanderson Arcade development. Indeed, in 2005 only 57% of respondents noted something positive about shopping in the town, compared to 80% in 2010. Of the positive comments made, the most significant improvement was in terms of perceptions with regard to the choice or variety of shops provided in the town. In Alnwick, the out-of-centre retail development was also well received, with approximately 80% of respondents having something positive to say about the shopping experience in the retail park. Indeed, the prior strong feeling that supermarket shopping needed to improve had largely disappeared following the development. As to be expected, the out-of-centre development had not affected opinion regarding the town centre retail offer in Alnwick, with only about half of the respondents having anything positive to say about the shopping experience, in either of the surveys (2006 and 2010). This comparison between the outcomes in Morpeth and Alnwick illustrates that town centre regeneration can significantly enhance its retail offer, whereas out-of-centre development does not.

The results also enabled a useful comparison between the retail park and town-centre retail offer in Alnwick. Summarising the perceived positive aspects of the retail park, clear patterns emerge in terms of access (9% town/11% hinterland), parking facilities (44% town/42% hinterland) and the availability of free parking (19% town/25% hinterland). These issues were barely mentioned in relation to the town centre. It is evident that the retail park in Alnwick has a competitive advantage in being free from the constraints of parking controls and the sometimes congested town centre. However, the town centre remains popular, as it provides a complementary retail offer. The appeal of the town centre is in terms of its specialist/independent shops (17% town/35% hinterland) and the friendliness of the shopkeepers and other people in the town (31% town/12% hinterland). There are no specialist/independent shops in the retail park and hardly any residents mentioned its

friendliness. Clearly, the choice of shopping location depends on the relative preference of shoppers for these aspects of the retail experience.

Implications for future town centre vitality and viability

In terms of the effect of the Sanderson Arcade on pre-established businesses in Morpeth (the town centre development case study), of the 80 businesses responding, 19% suggested that it had positively affected their trade; 19% indicated that their trade had decreased; and 41% that it had not affected their trade⁷. However, the effects of Sanderson Arcade redevelopment on retail were very spatial, which illustrates that proximity is only one factor affecting linked trips. Consistent with key actor comments suggesting that Sanderson Arcade funnels trade onto the main street (i.e. Bridge Street, where the other national high street chains and the largest independent stores are located), all businesses in that location reported either an increase (33%), or no change in trade (67%), as a result of the Sanderson Arcade development. Even though many shops were located in close proximity to the Arcade, trade was seen to have been more negatively affected in other areas. This finding is consistent with other survey evidence, where shops on the main street (Bridge Street) continued to attract the majority of visitors (65% town/54% hinterland), with only a minority regularly venturing beyond the arcade and the main street (38% town/32% hinterland). Clearly, perceptions of the quality and complementarity of the retail offer in primary and secondary locations were key determinants for linked trips. In terms of design, the quality of the linkages to the main secondary retail street was also a concern raised by business owners/managers.

⁷ A direct comparison with 2005 Morpeth business survey results shows that, against the slow growth/recession trends in the wider economy, the overall prospects for convenience and comparison retail had improved by 2010.

Alnwick town centre businesses were perceived to be suffering more as a consequence of retail development than those in Morpeth, with 43% of traders indicating that the retail park development had resulted in a direct reduction in their trade (20% identifying a significant reduction)⁸. This finding is consistent with resident survey evidence, where Table 1 reports a lower percentage of town residents regularly shopping in the centre since the retail development. Despite these switching effects towards the retail park, a high percentage of town and hinterland residents still regularly shop for food in the town centre and, on average, 30% of the trips to the retail park by hinterland residents also involve a visit to town centre shops. Although now visited by a smaller proportion of local residents, the town centre is still viewed as having a desirable retail offer. The business surveys illustrate how town centre shops have attempted to compete with the retail park by improving the quality of their service, providing different types of product, maintaining competitive prices and, to a lesser extent, through advertising. Access issues and the cost of parking were seen to be the key deterrents to linked trips to the town centre. Although the tourist/day tripper nature of the town meant that some businesses were less reliant on local residents for their trade, nearly all businesses noted a strong dependence on the footfall in the town. Recent events may help to increase footfall. Writing in early 2012, new retail units have been built in an edge-of-centre location and other investment was observed elsewhere within retail units in the older town centre.

Implications of neglect from local retail development

In the case study town of Amble, which had not experienced any new retail development, the ‘out-shopping’ rate was already high before the Alnwick retail park development took place. This is consistent with similar observations reported by Bromley and Thomas (1995). In

⁸ Unlike the development in Morpeth, only one town centre business suggested they had benefited from the retail park and none significantly.

order to explore the potential magnitude of trade lost to the town resulting from the retail development in Alnwick, a subsample survey was undertaken (resulting in 74 questionnaires), in the hinterland between Amble and Alnwick, but closer to Amble. The results are indicative of the likely impacts, as 27% of Amble hinterland residents suggested that they undertake less food shopping in Amble town centre since the retail park development. In terms of the items reported in Table 3, very few customers reported switching from Amble to Alnwick as a result of the retail park. Consistent with these findings, business surveys in the town identified that independent convenience retailing, in particular, has been struggling to stay in business.

A major sea change may soon occur in Amble's retail offer, as permission was granted in 2011 for a 2,800m² supermarket (larger than any Alnwick supermarket) in an edge-of-centre location. Specific questions within the Amble hinterland survey suggested that such a supermarket will claw-back significant food trade to the town centre. If linked trips from the new supermarket could be encouraged, this represents potential for Amble town centre businesses to benefit from an increase in footfall. Perhaps the movement to larger format retail is the only way in which the retail offer within the town can be significantly enhanced. Within the changing retail landscape there will also be implications for trade within Alnwick.

Conclusion

Challenged by high levels of 'out-shopping', in the context of transport and communication improvements, larger format stores provide an opportunity for small town retail to become more competitive. However, such retail may also threaten the vitality and viability of town centres. Drawing on existing academic literature and the experiences from three case study

towns in the North East of England, this paper has evaluated the opportunities and threats associated with a movement to larger format stores.

Consistent with previous research (DETR, 1998; Wrigley et al., 2010b), the case study results demonstrate that improving small town retail offer through larger format stores (wherever located) claws back significant trade to the towns. In Morpeth, trade has been clawed back through the regeneration of a town centre mall which had become dated, and now provides a range of shops that are more desirable to rural residents. Likewise, the out-of-centre retail park in Alnwick has been well received by local residents, significantly alleviating previous concerns with the quality of local supermarket provision and providing a convenient shopping/service location for car owners.

Although moving to larger format stores can significantly increase efficiency and provide a service which is desired by rural actors, in order to minimise the effects on town centre vitality and viability, retail developers in the UK are often required to show flexibility in terms of the location, size and format of their proposed developments. By the adoption of 'medium-sized' stores, rather than the 'large' stores experienced in the US, the impacts on other nearby town centres can be reduced. Indeed, the location, size and format of the retail park in Alnwick have not significantly affected the vitality and viability of either Alnwick or Amble town centres, nor have they deterred town centre/edge-of-centre investment. Consistent with the results of DETR (1998), out-of-centre retail development does not inevitably lead to town centre decline. This result is consistent with the predictions of the impact assessment conducted prior to the development in Alnwick, and illustrates the importance of the accuracy of such tests.

In terms of the location of retail development within the town undergoing investment, a key factor affecting choice is that out-of-centre development is unlikely to strengthen the vitality and viability of the town centre retail offer, whereas town centre/edge-of-centre development might. This was illustrated in Morpeth town centre, where the Sanderson Arcade provides an important anchor for town centre trade, supporting trade on the main shopping street of the town. In comparison, evidence suggests that the out-of-centre development in Alnwick has led to fewer local residents regularly shopping within the town centre. However, despite being beyond walking distance, the complementary retail offer provided by Alnwick town centre is such that it continues to attract a significant number of visitors and encourages linked trips from the retail park. A similar out-of-centre retail development in Amble, for example, would be likely to generate much fewer linked trips to its town centre, perhaps condemning the town centre to providing for a very local catchment similar to that described by Findlay and Sparks (2008).

Whether retail development is located in the town centre/edge-of-centre or out-of-centre, there is likely to be a balance of winners and losers following a movement to larger format stores. Indeed, consistent with the findings of Lorch and Smith (1993) and Thomas and Bromley (2003), the results from the secondary retail areas in Morpeth illustrate that proximity alone is unlikely to be sufficient to induce significant linked trips. Although permeability is something which can be enhanced through better design and town centre management, perceptions of the quality and complementarity of the retail offer are also key determinants of linked trips within a town centre.

In the UK context, minimising the impacts of larger format stores on town centre vitality and viability remains a political priority. Consistency in application of the ‘town centre first’

policy will be important in encouraging future town centre investment. It is the belief that the 'town centre first' policy will be consistently applied that has encouraged UK national retailers to adapt the location and format of their stores to town centre/edge-of-centre locations (Guy and Bennison, 2007). Indeed, in the context of the 'town centre first' approach, the presence of a brownfield edge-of-centre location in Amble might otherwise have remained neglected. Instead, recent research by Wrigley et al. (2010b) suggests the proposed edge-of-centre supermarket provides a significant new opportunity for town centre retail.

Out-of-centre development, such as that illustrated by the Alnwick case study, needs to be the exception rather than the rule. However, rather than adopting the simple polarised positions of (1) assuming that almost any kind of town centre development supports its vitality and viability and (2) out-of-centre development leads to town centre decline, the opportunities and threats emerging from both town centre and out-of-centre development need to be considered. Ultimately, however, operating a 'town centre first' policy is unlikely to be sufficient to maintain the vitality and viability of town centres and, in particular, their secondary retail locations. If pre-existing retail cannot attract sufficient footfall, perhaps this can be facilitated by locating other services (public, leisure) in those locations, to enable them to become 'destinations' in themselves (Portas, 2011). Town centres are multi-functional rather than purely retail locations.

Given that internationally planning bodies and committees have to make difficult decisions with regard to the size, location and format of rural retail developments, planners need to learn from development outcomes in other retail locations. However, there remains a dearth

of studies considering the implications of small town retail development. This paper has helped to fill this gap in the literature.

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Figure 1: Context of the case study towns in the North East of England

Table 1: Town trade before and after retail development

				Whole town			Town centre	
Town	Location of residence	Year	Sample	Main food	Main clothes shop (%)	Main non-food (%)	Regular food shop (%)	Regular non-food (%)
				(%)				
Morpeth	Town	2005	275	64	11	15	89	52
		2010	243	63	22*	28*	93	63*
	Hinterland	2010	98	53	16	20	78	44
Alnwick	Town	2006	213	61	9	11	90	54
		2010	205	84*	6	14	79*	30*
	Hinterland	2010	222	71	7	14	64	26

* difference is statistically significant at the 5% level.

Table 2: Switching within and clawing back trade in Morpeth

Item	Town's	Clawed back	Switching to
Purchased	trade (%)	trade (%)	new retail (%)
Shoes	35 (31)	11 (14)	6 (5)
Clothing	46 (37)	22 (21)	9 (7)
Book	65 (49)	10 (9)	15 (9)
Gift	61 (47)	10 (5)	14 (11)
Card	84 (66)	2 (7)	13 (9)

Note: The table reports percentage figures for town residents, with the results for the hinterland residents provided in brackets.

Table 3: Switching within and clawing back trade in Alnwick

Item	Town's	Clawed back	Switching to
Purchased	trade (%)	trade (%)	new retail (%)
Main food	84 (71)	46 (44)	28 (40)
Small electrical	57 (43)	28 (21)	-
Large electrical	17 (10)	8 (5)	-
DIY goods	73 (63)	33 (27)	-
Garden goods	60 (47)	30 (23)	-
Gifts	29 (19)	4 (4)	-

Note: The table reports percentage figures for town residents, with the results for the hinterland residents provided in brackets.