Retail Change In Reading Over The Last Twenty Years

Introduction

This paper focuses on ways in which retail has changed throughout Reading over the last twenty years and provides an evaluation of what contributions or restrictions Reading Borough Council provided throughout this period. Retail has changed massively over the last couple of decades whether that be within towns, out of towns or online. In order to support the evaluation there will be reference to academic sources and the relation of these to examples in Reading. Data from online sources will also be used as well as other retail centres as point of comparison and criticism.

When looking at the time period, twenty years takes us back to 1998 meaning the development and finalisation of the Oracle and everything that happened after that will be covered. This essay will involve looking into retail decentralisation, market concentration and online retailing, as well as any other independent changes in Reading.

Retailing over the last twenty years and the introduction of the Oracle

The management of retail over the last twenty years can be simplified by referring to a timeline. Doing this makes it easier to focus on the different stages and elaborate on certain points whilst relating them to Reading. A useful indicator is Guy's four phases in retail, land use planning and regulation in the UK. (Guy, 2007 cited in Findlay and Sparks, 2013)

- 1970s- the early days of retail regulation and an initial resistance to new retail forms, keeping things basic
- 1980s- this period consisted of loosening up in terms of retail regulations leading towards a more market led approach, allowing for an expansion of new retail forms
- 1990s- started to become apparent that there were some negative effects on town centres that were becoming more and more noticeable so policies began to tighten again
- 2000s- there was a slight redirection leading towards off-centre/out of town developments, however attention was very much still focused in town centres and their development. (Guy, 2007 cited in Findlay and Sparks, 2013).

Starting with the 1990s, in the 1996 version of PPG6, we saw strict regulations being brought in about things such as the size, location and the type of retail development. PPG6 contained key government objectives and one of these was to "sustain and enhance the vitality and viability of town centres" as well as "to ensure the availability of a wide range of shops, employment, services and facilities to which people have access to by a choice of transport." (Department of the Environment, 1996 cited in Findlay and Sparks, 2013). These points are relevant to the application of the sequential test (CB Hiller Parker, 2002 cited in Findlay and Sparks, 2013).

Touching further on the point of employment, this can be linked to the Town Centre Management and Regeneration journal (Otsuka and Reeve, 2007). Within the journal it was noted that along with physical and economic growth within Reading, a direct link between

“physical improvement” and “the target groups in relation to meeting social needs and employment needs”, such as providing training opportunities in terms of construction and retail jobs to local residents were also maintained. In order to do this, TCM established connections with recruitment agencies and bus services, as an example, in order to provide better access to employment for local residents (Otsuka and Reeve, 2007). The TCM initiative was completely independent from RBC, however they worked closely alongside one another with the town centre regeneration initiatives, which are led by RBC.

Referring back to the sequential test, it involves local planning authorities taking a positive approach, in partnership with the private sector, in identifying additional sites for retail development. Adopting this approach means the first preference should be town centre sites, followed by edge of centre sites, district and local centres and only then out-of-centre sites in locations that are accessible by a choice of transport. To begin with, the sequential approach was paired with a ‘Need it’ test, however this changed as demands to ensure that planning policy delivers economic growth and prosperity, linked planning and productivity (Barker, 2006 cited in Findlay and Sparks, 2013).

With this in mind, the guidance and application of the sequential test and the interaction with the town centre focused transport policy in PPG13 signalled the end of Schiller’s third wave. Schiller (Schiller, 1986 cited in Hallsworth, 1994) had an idea that the process of retail decentralisation in Britain was occurring in three waves. The Third Wave was arguably the most interesting, not least because it arose and collapsed in the space of a few years. It was however, not totally unprecedented – a gap in the shopping provision of northwest London was eventually filled by the 800,00 sq. ft. Brent Cross shopping centre. However, when moving into the 1980s we were exposed to a change in planning policy and a series of out of town proposals started to appear. This meaning that between 1986 and 1990, four more regional centres opened up, the Metro Centre near Gateshead, Merry Hill near Dudley, Lakeside near Thurrock and Meadowhall in Sheffield.

The Oracle

Focussing more on the Oracle development, planning permission was granted in 1982, however site assembly didn’t begin until 1994. The proposed development was seen as a crucial part of the sustainable investment by both the private sector and the council necessary to maintain the vitality and viability of the town centre. Introducing the Oracle into Reading massively boosted the economy and retailing in particular. Before the development, Reading town centre consisted of Broad Street Mall and Friars Walk Shopping centre, both of which were opened between 1971-1974. Broad Street Mall is still open today and consists of A1 retail uses (as well at D1 non-residential institutions e.g. health centre), however Friars Walk became derelict from around 2009 onwards and was later demolished in 2015 in preparation for the new Station Hill development (Wikipedia, 2018).

Figure 1: Changes in key retail market economic indicators (ONS, 2004 cited in Crosby, Hughes, Lizieri and Oughton, 2005).

Above, Figure 1 shows that between 1996 and 2003 Gross Value Added (value of goods and services produced in an area, industry or sector of an economy) grew by over 5% p.a. across the UK and within the South East specifically it grew by over 6% p.a. Figure 1 also shows that

consumer expenditure increased by an average of fewer than 5% p.a. in both the UK and the SE over the same period. 1998 was the year before the Oracle opened and the dip of this year was followed by three consecutive years of growth.

In relation to Figure 1, we have a counter argument from Ravenscroft who studied the changing nature of Reading town centre from the 1980s to 1996 in 2000. Ravenscroft used key indicators of commercial yield, Zone A rents, pedestrian flow (which would have increased with Broad Street becoming fully pedestrianized in 19995), amount of comparison-shopping and vacancy rates. Using these elements, Ravenscroft produced ‘health’ scores for different parts of the town. The results found that the health of Broad Street hardly changed over time, whereas the health of practically all other areas within the town had declined, in both relative and actual terms. In 1996 there became a clear differentiation between the prime and the rest of the town, the Oracle contributing towards these factors (Ravenscroft, 2000 cited in Findlay and Sparks, 2013)

Quantitative need

Figure 2: Identified Quantitative Needs (Reading Government, 2017)

Figure 2 summarises a variety of studies that were undertaken in order to identify the development needs Reading needed to plan for in 2017. According to Figure 2 retail wasn’t a priority as industrial development and office space was recorded to have a considerably higher quantitative need. Throughout the report it was noted that retail and leisure were assed in conjunction with one another hence why in Figure 2 there are no specified figures for leisure (Reading Government, 2017). When looking at the towering figures of office and industrial space ideas about employment come to mind. On one hand, an increase in offices will provide an influx of jobs, but what kind of jobs will they provide and will they be accessible to everybody (probably not). Another concern is the need for industrial units and warehousing. It could be argued that these new warehouses will provide a work platform for online retailers to process their stock for deliveries, something that ironically contributes towards the suffering of our high street and regional retailing centres.

Out of town retailing and sustainability

The final section of Guys timeline (Guy, 2007 cited in Findlay and Sparks, 2013) brings us into the 2000s, the period in which we started to redirect towards more off-centre and out of town retail development.

At this time there were concerns about out of town locations leading towards raised issues of environmental damage and social equality (Crosby et al, 2005). Out of town shopping centres require customers to travel further, of course increasing emissions and damaging air quality. As well as this we have issues of social equality. The first of these being demographic trends and the consideration for those from less affluent areas that may struggle to reach off-centre developments. We also have groups that are socially immobile making it difficult for them to travel anywhere without public transport or special services.

Points about lower emissions and air quality were in fact outlined in RBCs Public Transport Strategy in January 2011 (RBC, 2011). Within the strategy it was noted that, ‘Improvements in

conventional public transport services alone will not deliver the required capacity and level of mobility that is essential to support the economic growth and development proposed for our area. We will therefore continue to coordinate our transport functions as a local education authority and social services body to make the best use of our resources.' (RBC, 2011).

On this point, Reading has a bus service for people with restricted mobility. This service is known as ReadiBus and is described as a 'dial-a-ride' bus service for those that find it difficult to travel independently. RBC supports the charity by providing community grants and helping with the functionalities of the charity itself. Sir Peter Baldwin, a senior Civil Servant who made many changes to transport in the UK, particularly those with restricted mobility, launched ReadiBus in 1981. (ReadiBus Charity, 2018).

RBC supports this service in response to mobility issues whilst also contributing to the management of retail change as it ensures all retail facilities within the town are accessible to surrounding residence, resulting in higher footfall through the centre and more people being able to utilise the area.

The Times newspaper (1972) descried Reading as the 'town without a heart and soul', and a 'non-place' condemned by its position within wider networks and social and economic relations. Around this period Reading also faced a collapse of its industrial base with the loss of large food-processing and manufacturing enterprises resulting in the local press continuing to slate the town by describing it as 'Dragsville', a place of little social activity or local associational culture. (Doak, Parker and Raco, 2006).

Since this point we have seen the rise of the Oracle, a shift within Reading, which not only changed retail patterns but also brought about the 'The Evening Economy'. The evening economy refers to economic activity that takes place after office hours, including going to the cinema or enjoying the town's nightlife for example. Situating a cinema within a town centre, amongst retail opportunities, in the way that Reading has with VUE, can extend a persons trip and entice them into spending more time and money. Having a cinema and numerous restaurants, like Reading does, leads towards the introduction of more bars and clubs and having such a scenario can be off putting for elder generations, resulting in them not wanting to visit town in the evenings.

The evening economy draws these points back to out of town retailing. What we are now seeing is a switch between the types of developments that are being presented as more multi-purpose developments are being brought to the table.

An example would be the new development of Axiom. Axiom is a development plan for a new major out of town regional shopping centre that will be situated in Yorkshire and will provide customers with a 'Unique retail, leisure and hospitality experience' (Axiom Yorkshire Ltd, 2019). Being able to provide all of this in one out of town area, where customers know they can freely park their car and spend the day there without running short of things to do is why these developments are becoming increasingly more popular. Axiom is set to be a 75-unit shopping and leisure centre with an area of 54,000m2, this including a 10,000-seat community stadium, a 40-acre country park and 3,000 parking spaces (Chapman Taylor llp, 2018). Axiom is due to be completed in 2021, and it is projects such as this that the high street now has to compete with.

Online Retailing

Online retailing is another change and competitor the high street has faced. The Telegraph (2018) reported that one in every five pounds spent in UK shops is now online and data from the Office of National Statistics showed that online sales rose by over 15.3% over the past year and where accountable for 18.2% of all retail sales (The Telegraph, 2018). Putting this into perspective, this figure had risen from one in every ten pounds being spent online from 2013, meaning spending online had doubled in jut the space of five years.

People speak about the ‘dying High Street’ but what needs to be remembered is that bricks and mortar sales are still accounting for 81.8% of sales. What we are seeing nowadays is a shift in the way town centres are used as they adjust rather than just disappear. As previously mentioned, the Axiom development is focusing on leisure and hospitality as well as just the retail stores themselves. If town centres changed their outlook and purpose they would have a better chance of maintaining their footfall. High streets also have the ability to work along side online retailing in the sense that some online sales are made as a result of someone visiting the high street store. For example, something the customer wanted might not be in stock meaning they have to order it online, but whilst being in the shop they may purchase other items. Similarly to this, a lot of online retailers offer the option to ‘click and collect’ their delivery from a store or return their online delivery in store if they aren’t happy with it. Both of these processes maintain online sales while still boosting high street footfall. In the IMRG Click & Collect review (2018) it was noted that click and collect can massively increase footfall and incremental sales for retailers that are struggling throughout the harshest market conditions. The review stated that 41% of click and collect shoppers go on to purchase additional items and 58% of customers collecting or returning a parcel in one of Doddle’s partner locations in early 2018 went on to make an incremental in-store purchase. (GlobalData: Click & Collect in the UK 2017-2022).

Conclusion

After conducting the research and putting together a series of findings, the role of RBC in regards to retail change in Reading has become much clearer.

Reading has experienced a number of changes over the past twenty and RBC has been involved in all of these whether that is first hand or second hand involvement as we saw with the ReadiBus charity.

Reflecting on the findings, it could be argued that key themes were developed throughout the paper in regards to how and why retail has changed and the effect that the council has had over these changes. As well as this, it can be said that the management of retail space and development isn’t always down to what the people or the council want, but specifically whether or not there is a need for the developments. As we saw in the Pre-submission Draft Local Plan (Reading Government, 2017) the use of specific methodologies such as the Sequential and Exception tests help the council to identify the development needs of Reading, and whether or not sites of opportunity might hold problems such as flooding, this tying in with the aspect of sustainability.

On the whole, it can be concluded that the involvement of RBC in retail development over the last twenty years has provided incremental change and led the town towards a higher position

in terms of retail credibility.