

Retail Planning and Co-operatives in Scotland

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Shopping is one of the most important elements of modern life, food shopping especially so. In Britain it is an enormous market worth an estimated £67 billion each year. It is intensely competitive and has witnessed massive change over the past thirty years. Large supermarkets and superstores have superseded the plethora of small corner shops and town centre specialists which used to dominate the market place. Growth in car ownership and the range of food products now available has stimulated large store development, away from congested towns or cramped suburban streets, eroding the viability of traditional towns and neighbourhood shopping centres.

Against this background Scottish planning policy seeks to sustain and enhance town centres and to safeguard and support smaller community orientated shops, while maintaining a balance with the need to encourage fair competition and customer choice. Accordingly national planning policy guidance stipulates that local authorities should show preference for town centre food retail development, followed by edge of centre locations and only then consider out of town sites if no other options exist. Only if it can be demonstrated that all town centre possibilities have been thoroughly addressed and ruled out should peripheral locations come into play. Policy specifically rules that planners should take into account the potential impact of large store development on convenience facilities in nearby smaller town centres or settlements, and should not be allowed where this is likely to lead to a reduction in the range of local facilities in neighbouring towns and villages.

It is in this context that the Lothian & Borders Co-operative Society, an autonomous Co-op with twenty nine food stores, strives to maintain a mix of large stores and small community shops tailored to the potential and circumstances of the various Scottish Borders towns and villages. The article which follows shows how little knowledge and appreciation there is for our trading policy. The lesson for the Co-op is that unless we communicate our role and values, no-one will know how or why they should support us.

Aspects of Development in the Borders

Earlier this year I was asked by one of our Directors to prepare a short presentation on "development" for the Co-operative Union Sectional Board Meeting, scheduled for March in Galashiels. While researching my talk it struck me that aspects of our approach to development were typically Co-op in nature and different from the likely situation had we just been an ordinary company. Coincidentally my presentation occurred around the time of the CWS/Regan affair (an attempted takeover of a Co-operative by a corporate raider). It also coincides with a battle we at the Lothian & Borders Co-operative Society are having in Galashiels with the local authority. Both situations highlight the need for the Co-op as a whole to communicate its value to the community more effectively. From press coverage of the Regan affair, and certainly from the actions of some of our local councillors in connection with Galashiels, it is clear that there is a lack of appreciation of the Co-op. Here at any rate there seems to be little idea of the role of our company in the local economy or of the benefits of our development policy to the community.

In 1995 at Galashiels the Lothian & Borders Co-operative Society extended and relaunched a 25,000 square feet superstore. The new store is extremely successful and demonstrably retains the lion's share of trade in the town. A smaller Somerfield and various specialist shops take the rest. There is little or no measurable outflow of food expenditure from the town. In the same year, after a substantial public consultation period, the local authority published its Local Plan. This supported town centre development (like our superstore), identified a possible further town centre superstore site and declared its backing for policies to help maintain food shopping facilities in the smaller towns and communities in the Borders. To our satisfaction the local authority ideal seemed to mirror our own policy: investment in small rural shops and judicious development of town centre superstores in key population centres. National Planning Policy Guidelines (NPPGs) issued by the government also seemed to endorse our views on food retailing. In particular, the draft revision of NPPG8 on Retailing issued in March 1997 reaffirmed the government's commitment to the town centre and support for

shops and services in smaller towns and villages in the catchment area.

Imagine our dismay when the Council Convenor and former Chairman of Planning announced at a press conference on 3 July 1996 that he had been negotiating for the last two years (during the public consultation period leading to the publication of his own Local Plan) to establish an out of centre superstore for Galashiels that conflicts with the Local Plan. Needless to say that while the new superstore runs contrary to policy, it also brings with it a number of benefits, notably over £1 million worth of road improvements to a cash strapped local authority. Meanwhile, the planning department had summoned the Co-op to a meeting at the nearby small town of Melrose to discuss the colour of window treatment applied to its newly refurbished community shop. The Co-op had just finished investing £150,000 here and at the Co-op Foodstore in the neighbouring settlement of St Boswells to consolidate its convenience store service to these small rural communities. The Council were unhappy with the colour of the windows!

I duly went to Melrose to meet the planning officer involved and the local councillor who also happens to sit on the Planning Committee. After some brief and positive discussion proposals were agreed. I then took the opportunity to discuss what the Co-op considered to be more important issues, at Galashiels. In particular I observed that while there was evidently much interest among multiple retailers in the out of centre superstore opportunity, I had not noticed any of the same multiples clamouring to open small shops at Melrose or St Boswells. On the contrary, they have policies of closing small stores. Had the council been talking to a representative of the multiples the only window treatment at Melrose would have been whitewash while they closed the shop. What value the Co-op?

Looking further back in my notes to prepare my talk I came across the redevelopment of our Innerleithen store, refitted in 1993. Here, up until April of that year, stood the dilapidated central premises of the former Innerleithen Co-operative Society, occupied by a small food branch but for the most part lying empty. In a joint development project with the former Tweeddale District Council Housing Department, the Co-op sold the redundant upper floors to be converted into sheltered housing for single parent families. The receipts from the sale were invested

in the community to create, in tandem with the housing development, a new 2,000 square feet Co-op Foodstore throughout the whole of the ground floor.

The project was horrendous: working to a strict timescale in a confined space. The result however is a highly profitable and popular store with results that would not embarrass the best Sainsbury or Tesco accounts. At the same time, the Society has achieved a development with a social purpose and one which has retained a historic building at the heart of the town. Proper food shopping facilities are now maintained in a location that would otherwise be left with highly priced, limited scope corner shops or nothing save superstores a car journey away in Peebles or Galashiels.

The Society does not just focus on small shops though. We recognise that in today's competitive environment not all small shops can perform as well as Innerleithen. We know from experience that appropriately-located larger stores benefitting from economies of scale can produce proportionately better results. The difference at the Co-op - and it is a difference which I think is not communicated and not therefore realised by many planning authorities - is that the Co-op shares the profits from its larger stores to help support the retention and redevelopment of smaller shops, to the benefit of the community as a whole. Of course this impacts on our overall profitability. It is also one reason why sections of the press sometimes wrongly accuse the Co-op of under performance. We could show the same level of net profit as Tesco, but there would be no Melrose Co-op, or St Boswells or Selkirk or Earlston or Newtown, and so on.

As for recognition, ask a member of the public or the press here about the value of the Co-op and they might be hard pressed to identify a single benefit. Suggest we close the local shop and half the population of the town would be out for our blood. As for larger stores, the Society recognises the need to build them to meet member and customer expectations. Where possible our larger developments focus on the town centre, or edge of centre, so that they can benefit from good road access, but also so that they cater for pedestrian shoppers and support traditional town centre functions. All our customers want good, first class modern facilities with a full range of food products. This does not conflict with our small shop development policy, it complements it and where the population justifies development we endeavour to

provide it with larger stores: at Jedburgh, for example.

Jedburgh Co-op is, in our view, a particularly fine example of a modern town centre superstore development tailored to local circumstances. The store is considerably smaller than the Institute of Grocery Distribution standard superstore but it functions as such in the context of the limited catchment. The design of the store is also special, as befits a town of the historic stature of Jedburgh. Its architecture (Cameron Associates, Galashiels) won accolades from the Royal Fine Arts Commission for Scotland; its stonework and slates sit comfortably amongst buildings hundreds of years older, yet selective use of these expensive materials has restricted the cost of this development to no more than the norm. In the car park, where the Society development adjoins an ancient friary site, the Co-op has financed archaeological research, and where the car park impinges on remains underground, lines of coloured block pavers reflect the structures beneath.

Schemes such as this cement local relationships and can show that the Co-op, with limited resources, is still in touch with the community. But local authorities can have short memories and we need constantly to push our case. Our commitment to town centre development and Local Plan policy can be soon forgotten if convenient. The development of town centre superstores has substantial economic advantages. They cater for all elements of the community: old people, shoppers with young children, pedestrian shoppers. They reduce dependency on the car yet if correctly sited can be equally attractive to the highly desirable high spending car borne customer. At Jedburgh the new superstore has revitalised a declining High Street, to the advantage of all shops and services. Before, in a regional council survey, 55 per cent of food expenditure left the town. Now, the Co-op Superstore accounts for more than 75 per cent of the food expenditure of every man, woman and child in Jedburgh, despite the availability of a 25,000 square feet Safeway fifteen minutes drive away in the town of Hawick.

It is amusing to recollect that before we got our consent we had a protester chained to the railings in the street outside. He said to me afterwards that "he hadn't realised it would be as good - he was just worried it would be like our old shops on the High Street". It is a fact that we suffer from association with the worst of our stores. It is our job now to ensure that the legacy of our past does not shackle our future. We must make public

our virtues and show that we still pay dividends, to the community if not the individual. If the local authority for Galashiels recognised this I am sure they would be less inclined to establish a case for the sort of predatory off-centre superstore they are looking at now, jeopardising our business for the sake of short term "planning gain".

Perhaps, the Co-operative Union might be able to influence decision makers at government level and we ourselves might, through more aggressive public relations, improve our own prospects when crucial planning issues are at stake.

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