

NIGHTMARE ON EVERY STREET

A REPORT ON THE NEED TO PROTECT OUR LOCAL SHOPS
AND DEVELOP OUR TOWN CENTRES



NIIRTA 

NORTHERN IRELAND INDEPENDENT RETAIL TRADE ASSOCIATION

Contents

Chief Executive's Message	4
Introduction	5
Evidence from the UK	6
Whatever happened to PPS5	8
Ideas for Improved Retail Environment	10
Summary of the Tym Report	11
Research by the National Retail Planning Forum	11
Food Poverty: Fact or Fiction?	13
High Street Britain 2015	15
Current Trends	16
Consequences of Inaction	17
Conclusions and Recommendations	19
Appendix	20
Biography of Author Donald McFetridge	22



Our sector is under threat from the very real lack of a level playing field







Chief Executive's Message

We all know that the regeneration of our local economy is the central issue facing the Northern Ireland Assembly.

The independent retail sector plays a key role in our indigenous local economy providing employment investment and supporting local communities in every part of Northern Ireland.

However because PPS 5 is not yet published, our sector is under threat from the very real lack of a level playing field with the big multiples who continue to seek to locate in out-of-town venues.

Out-of-town locations by the multiples causes damage not just to the local economy and jobs, but destroys the character of town and city centres, which is bad for the community and our environment.

Historic local towns like Lurgan and Antrim have as a result of out-of-town development become retail ghost towns, with little more than a few pubs and charity shops left. Areas like the Lower Newtownards Road in Belfast, once a thriving retail road, have become a sea of for sale signs.

It doesn't end there. Towns such as Banbridge, Larne, Ballyclare, Crumlin and many others all face retail devastation if the proposed out-of-town planning applications by the multiples are allowed to go ahead.

The Northern Ireland Executive cannot on the one hand claim that it is supporting local small businesses and yet allow the current planning policy to remain. Because this current policy is in no way a level playing field it is forcing small retailers to close which result in substantial jobs losses.

Many of these small retailers provided much needed employment and investment during the dark days of the troubles and did not expect to be under threat now that we have greater peace and political stability.

Nightmare on Every Street - commissioned by the Northern Ireland Independent Retail Trade Association and written by Donald McPetridge sets out our case for supporting local retail and our local town and city centres.

NIIRTA is not anti-multiple, but we are anti out-of-town development. We want to see vibrant and dynamic town centres at the heart of local economic development.

We call upon the Environment Minister to publish PPS 5 as soon as possible and demonstrate the Northern Ireland Executives support for local small retailers and family businesses that is promised in the Programme for Government.

Glyn Roberts

Chief Executive
Northern Ireland Independent Retail Trade Association
glyn.roberts@niirta.com

Introduction

Towns and villages across Northern Ireland could soon be at crisis point through an unhealthy concentration of power in the hands of the retail giants which is worsening by the day. If the wholesale closure of local convenience stores, greengrocers, butchers and newsagents continues, we will see the creation of deserts where local communities no longer have easy access to local shops, services, and healthy nutritional food.

2008 will see the lifeblood being further squeezed out of the local economy, with further damage being inflicted on the small and independent retail sector. The rise and rise of the big supermarkets is also very bad news indeed for local suppliers, farmers and retailers in every sector.

This will result in more business failures and job losses as well as the loss of identity and diversity in Northern Irish towns and villages.

There is an urgent requirement to place an immediate moratorium on any further out of town retail superstore developments pending the publication of the new planning policy document PPS5.

Failure to act will lead to...

- **More than 700 shop closures within the next 3-5 years in Northern Ireland.**
- **7,000 jobs lost in Northern Ireland.**
- **Food Deserts in rural areas of Northern Ireland.**
- **The loss of individuality of our towns and villages in Northern Ireland.**



Failure to
act will
lead to...



Evidence from the UK on the effects of Supermarkets

There is a wealth of evidence from the rest of the UK to demonstrate what will happen here unless the growth of out-of-town centres is checked.

42% of small English towns and villages no longer have a shop of any kind. Between 1997-2002, specialised stores including butchers, bakers, fishmongers and newsagents selling confectionery, tobacco and newspapers closed at the rate of 50 per week.

General stores have been closing at the rate of ONE per day

The real impact of the rising dominance of the big supermarkets may be partially hidden as, typically, there is a time lapse of two to three years before smaller stores are forced to close, having used up their operating reserves in their battle with the big stores.

The rapid growth of "FAKE LOCAL" stores under big supermarket brands is yet another threat to small, independent stores, eg, Tesco 'Express' stores have reportedly caused drops in business of 30-40% for other local shops. Northern Ireland will be no exception to this rule.

Additionally, wholesalers have closed at the rate of **six per week** over the past two years again in the face of competition from the big four supermarkets.

During the past five years, VAT registrations for small-scale food manufacturers have fallen by almost 12%. This is clearly very obvious additional evidence of emerging trends and patterns.

The average consumer now travels 893 miles a year

in order to be able to shop for food. 893 miles to travel for food shopping is clearly doing little to reduce the carbon footprint of individual, ethically minded consumers.

Between 1997-2002, the number of UK farmworkers fell by 100,000, leading to many rural homes being taken over by commuters with much weaker links to the local community and by those who are also much less likely to spend their money locally. Again, Northern Ireland will be no exception to this pattern/trend.

A voluntary code of conduct agreed by the big four supermarkets governing their relationships with suppliers has not led to a single case being heard due to the fact that suppliers are ultimately afraid to report breaches for fear of de-listing, ie, being "struck off". This needs to be addressed by the Competition Commission immediately as an issue of primary concern.

According to the Campaign for **Community Banking Services**, there are now 800 communities across Britain with no bank left and 1087 rural and urban communities have just one single branch remaining - yet another particularly worrying trend.

An Office of Fair Trading Report (2006) proposing deregulation of the community pharmacy sector threatened a potential closure rate for community pharmacies of approximately one per day. Modification to the proposals still leaves large numbers under threat in areas of high social deprivation.

The warnings are already well signposted

The damage is already being done, and will continue to be done unless cognisance is taken of the lessons learned, and the experiences of our counterparts in Great Britain are taken into account.

42% of small
English towns
and villages
no longer
have a shop
of any kind

WHATEVER HAPPENED TO PPS5?

Planning – A Major Area Of Concern

In August 2000, the Northern Ireland Department of Regional Development announced a review of Retail Planning Policy - PPS 5 - with a timescale of 18 months to 2 years.

When the then Minister for Regional Development (Mr Gregory Campbell) was called on by NIIRTA (in the spring of 2001), to introduce a moratorium pending review of planning policy in the region, he responded with the statement that the Department would proceed with the review "as quickly as possible."

In the event, successive direct rule Ministers prevaricated over the publication of this key policy which is designed to, primarily, protect our town and village centres from further retail erosion. In the intervening period DOE Planning Service continued to approve out-of-town retail developments at a 2:1 ratio compared with town and city centres due to the weakness of current retail policy. In other words for every square metre of retail space approved in town and city centres, two square metres were approved in out-of-town location. This cannot continue.

In September 2004, NIIRTA was briefed by the Department on the content of the proposed new policy and was further informed that the policy would be published within two weeks. **This did not happen.** In fact, it took until July 2006 for a draft to appear

As at the date of writing this report, Retail Planning Policy in Northern Ireland remains unpublished. In the interim, irreparable damage has been done to town and village centres right across Northern Ireland. Antrim, in particular has been hard hit by new developments, while - at the same time - other towns, eg, Ballymena, Ballyclare, Ballycastle and Banbridge (plus Larne and Crumlin) have all been threatened by proposed major new out-of-town superstore developments.

The superstore, recently proposed for Ballycastle in County Antrim, had a projected turnover of £16.6 million while the whole town (in total) has an estimated annual turnover of only £12 million. This one development had the potential to close every existing shop in the Ballycastle area. The Ballycastle proposal has (at the time of writing) been withdrawn. However, many local retailers in Ballycastle still fear further proposals of a similar, or even larger, scale in the future.

In 2000, Minister Noel Dempsey, in the Government of the Irish Republic, introduced Retail Planning Guidelines which completely prohibit out-of-town developments in excess of 3,500 square metres within Dublin City and deny 3,000 square metre developments in the rest of the jurisdiction. That single measure alone has helped serve to protect Irish towns, locally owned business and the complete Irish economy from the ravages of huge, out-of-town multinational retailers keen to grow their market share. Northern Ireland needs a similar policy immediately.



Ideas for Improved Retail Environment

In Northern Ireland, the multiple retailers are applying for planning permission for stores as large as 130,000 square feet, almost three times the size of Tesco's flagship Knocknagoney store outside Belfast. Currently floor space caps are used in Belgium, Denmark, France, Germany, Greece, Portugal and Spain, as a key policy to promote and develop town centres.

Northern Ireland should follow the example of other European Governments and introduce a complete moratorium on further out-of-town retail developments until PPS 5 is finally published. In addition to this, serious consideration needs to be given to the use of floor space caps in the longer term. Furthermore, it is important to do something positive, by looking at future town centre improvements in order to provide the best retailing environment possible for Northern Ireland consumers by:

- **Making town centres easier to access**
- **Providing more local shops, not fewer**
- **Providing a greater range of shops, eg. specialist shops**
- **Providing specific shops missing from the retail mix**
- **Providing greater leisure/retail facilities for Northern Ireland consumers**
- **Improving the cleanliness/streetscapes of the streets in Northern Ireland towns and villages**
- **Improving the pedestrian environment in Northern Ireland towns and villages**
- **Improving public transport services in Northern Ireland generally**



Serious consideration needs to be given to the use of floor space caps in the longer term

Summary of the Tym Report 2006

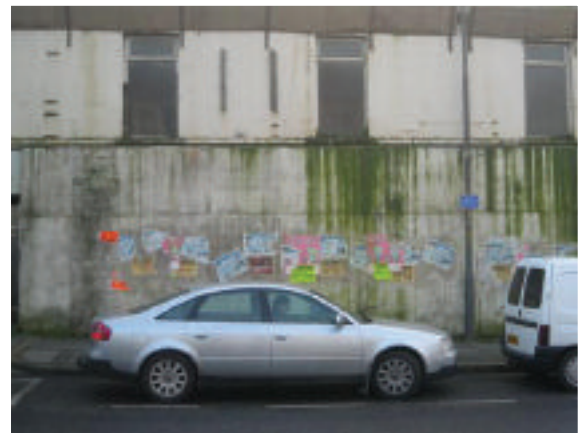
Roger Tym & Partners carried out the original retail research in Northern Ireland for government in 2002/2003 and concluded even then that there was an urgent need to replace the current retail policy. They re-examined the situation in their research in 2006.

- Where large foodstores were developed on edge of centre or out of centre locations, the impact on market share ranged between 13% and 15% for the principal food retailers in town centres.

- The respective decline in the market share for the existing town centre convenience sector ranged between 21% to 75%.

Research by the National Retail Planning Forum

The myth of extra employment created by out-of-town superstores has been completely exploded by research conducted by the National Retail Planning Forum. In their examination of the impact on local employment of the opening of 96 superstores throughout England and Wales, the Forum concludes that **"each superstore opening resulted in an average net loss in employment of - 276 full time equivalents."**



Each superstore opening resulted in an average net loss in employment of **276** full-time equivalents

Food Poverty:

Fact or Fiction?

Public Health Alliance for Ireland; Chartered Institute of Environment Health; The Institute of Public Health in Ireland; University of Ulster

- Food poverty is not just about what people can afford to eat. It is also about whether or not people can run a car to get to the large supermarkets to buy cheaper food.

- Access to good quality, nutritious food has been diminished for those consumers who do not have access to a car or public transport network does not serve the local supermarket.

- While large supermarkets can offer good deals on goods because of economies of scale, they have also directly and indirectly increased costs on disadvantaged consumers in terms of time, physical effort and transport.

- Many of the poorest families in Britain reside in inner city, local authority housing which is no longer served by large supermarkets.

- As a result of the revolutionary changes in food retailing in Northern Ireland since 1997, government needs to revisit its policy on retailing and town centres. Despite increased variety and choice, not all consumers have access to affordable nutritious food.

- The PPS 5 policy states that it will ensure the availability of a wide range of shops; however, the present deficit of food retail outlets in inner city areas needs to be redressed through revised planning policies. It notes that town centres should be the first choice for major new retail developments, yet much of the recent retail development appears to be at out of town locations.

- Any new retailing planning policy should reflect the current situation and seek to redress through appropriate planning policies and procedures to encourage a return to local shopping and sourcing of local produce.

- There is an urgent need to revise policies with regard to planning and retailing and transport choices.

- Government must seriously consider policies to limit the closure of small independent retailers, particularly in rural areas, and to encourage the variety of fruit and vegetables in local shops.



The erosion of small shops is viewed as the erosion of the **social glue** that binds communities, entrenching social exclusion

High Street Britain 2015

Report by the All Party Parliamentary Group for Small Shops

Key Findings:

- Small shops most vulnerable to the pressure of market forces will not exist in 2015. Concerns are greatest over convenience stores, newsagents, off licenses and other specialist retailers with little control over their supply chain especially, in urban areas where local rivalry is high.
- There will be a reduction in the overall employment levels with jobs lost in the retail sector and related sectors such as wholesale and manufacturing.
- The livelihood of families who currently rely on family owned businesses will be lost.
- The vast array of skills demonstrated by specialist retailers will be lost to the UK economy.
- Local economies will be severely damaged across the country as consumer spending by residents goes to national retailers rather than local businesses.
- Access to affordable, healthy food will deteriorate as the geographic spread of shops become more concentrated. Lower earners and immobile people will suffer the most with a widening of inequalities in terms of health, low access to important products, and lower access to employment opportunities.
- Regular social contact will be lost for certain members of the community, thereby entrenching social exclusion.
- There will be a huge reduction in real choice of both shops and products available to consumers, as category management functions within stores limit the brands available to only the most popular.

Current Trends

If current trends continue, we are likely to see...

- More than 700 shop closures within the next 3-5 years in Northern Ireland
- 7,000 jobs lost in Northern Ireland
- 100% of respondents in Northern Ireland cited a grocery store as being essential to the local community
- Food Deserts in rural areas of Northern Ireland
- The loss of the individuality of our towns and villages in Northern Ireland



100% of respondents
in Northern Ireland cited
a grocery store as being
essential to the local
community

The Consequences Of Inaction

Supermarkets generally claim that when they come to town they bring choice, cheap food, development and jobs. This is far from being the whole case.

Instead, several things happen:

LOCAL CHOICE IS ERODED

Local choice for consumers is, without doubt, eroded as smaller, independent shops struggle to compete with the larger supermarkets. For instance, between 1997 and 2002 in excess of 13,000 specialist shops around the UK - including newsagents, grocers, bakers, butchers and Post Offices - closed. The loss of local, independent shops can, and does, have a serious impact in terms of access to food, particularly in the case of people on lower incomes or those who do not have access to, or the use of, a car. In Londonderry, only 41% of the population own, or have access to, a car/motor vehicle.

MONEY IS SIPHONED AWAY FROM THE LOCAL ECONOMY

Money is siphoned away from local communities and moves towards shareholders and distant corporations, ie, back to Head Office. Interestingly, a 'Friends of the Earth' study of local food schemes has found that, on average, just over 50% of business turnover was returned to the local economy compared to as little as 5% for supermarkets. These percentage figures are in strict juxtaposition to one another and need careful consideration.

LOCAL CHOICE IS ERODED

Traffic congestion increases as the distribution systems used by supermarkets and the location of out-of-town stores generate larger amounts of traffic. Recent research for the Department for Environment, Food

and Rural Affairs (DEFRA) suggests that car use for shopping results in greater costs to society of more than £3.5 billion per annum, resulting from traffic emissions, noise, accidents and congestion. Socially, and environmentally, this is an issue of grave concern and cognisance ought to be taken of such figures.

LOCAL JOBS ARE LOST

Local jobs are often lost even though supermarkets are keen to claim that new stores bring in more new jobs. What politicians often fail to consider is the wider/bigger picture of independent retailer bankruptcies. A study (in 1998) by the National Retailer Planning Forum (NRPF) examined - in great detail - the employment impact of 93 superstore openings between 1991 and 1994 and found that they result in a net loss of more than 25,000 jobs, ie, an average of 276 lost jobs per new store opened.

LOCAL SUPPLIERS ARE EXPLOITED AND THE ENVIRONMENT IS DAMAGED FURTHER

Suppliers are exploited and the environment is damaged due to the fact that supermarkets use their market dominance to exploit suppliers (and also farmers) to drive down prices, thus ensuring that environmentally damaging practices are continued both in the UK, Northern Ireland and overseas.







Conclusions and Recommendations

Far too much out-of-town retail development has already taken place in Northern Ireland.

We have reached superstore saturation point in Northern Ireland.

Current trends and planning permissions will lead to the eventual development of food deserts in Northern Ireland.

The Department must, with great urgency, publish a final and robust PPS5. Until then there should be a moratorium on all out of town developments.

Donald C McFetridge

Head of Retail Studies
University of Ulster at Coleraine



In a six year period Department of the Environment (NI) granted planning permission for in excess of 8.5 million square feet of retail space

Appendix

- NIIRTA has over 900 members in Northern Ireland who generate in excess of £500 million turnover per annum.

- The local food sector in Northern Ireland (including retailing, distribution, manufacturing and farming) employs approximately 72,000 people.

- In a six year period Department of the Environment (NI) granted planning permission for in excess of 8.5 million square feet of retail space.

- In the same period, only one application was rejected. NB: 8,670,129 square feet is the equivalent of 289 30,000 square foot superstores, ie, five square feet of retail space for every man, woman and child in Northern Ireland.

- Applications are pending for a further 2.5 million square feet of retail space..

- Present planning policy has failed in its key objective of sustaining and enhancing town centres.

- Northern Ireland currently exports over £750 million net in revenue each year to the bank accounts of the multiples.

Local economies will be **severely damaged** across the country as consumer spending goes to national retailers rather than local businesses



Author:

Donald McFetridge

Profile

In the past he held the position of National Verifier for the Royal Society of Arts Examinations Board, London in respect of National Vocational Qualifications in Retailing, Wholesaling and Manufacturing and was responsible for imbedding the Retail Curriculum into the Further Education Sector in Northern Ireland.

He has published four textbooks in Business Administration and associated subjects with prestigious publishing houses, eg, Hodder & Stoughton and Macmillan Education, and regularly gives lectures, talks and seminars on a wide variety of retail issues to interested parties including Chambers of Commerce, Rotary Clubs, Professional Bodies, Local/District Councils and has acted as an Advisor to Local Government in respect of retail and retail-associated issues.

In addition to this, he is a well-known commentator on retailing, marketing and general business issues on

local, national and international television with over 700 media appearances to his credit since 1994.

Current Position

- Lecturer in Retail Studies, School of Business, Retail and Financial Services, University of Ulster.

Research Interests

- Retail Planning/Retail Impact Studies
- Structural and Institutional Change in Food/Supermarket Retailing in Ireland post - 1995 arrival of GB multiples
- Shopping Centre Developments in a local and international context
- Retail Atmospherics, Store Layout and Design
- Public Relations, Media and Marketing issues within a retail context.

Public Service

- Specialist Adviser to the NI Assembly Committee for Agriculture and Rural Development (June, 2000)
- Retail Adviser in respect of new retail developments to Antrim Borough Council and Strabane District Council (1997/1998)





NIIRTA 

NORTHERN IRELAND INDEPENDENT RETAIL TRADE ASSOCIATION

261 - 263 Ormeau Road
Belfast BT7 3GG
Tel: +44 (028) 9022 0004

www.niirta.com