SOME OBSERVATIONS ON THE POOR RETAIL OFFERING IN EDINBURGH.

It is now undeniable that the retail offering in the Old Town has reached a new low. Much ire has been vented on the virtual monoculture of 'tartan tat' shops in the Royal Mile. While all across the town, food outlets have squeezed out conventional retailing. Clearly:

- The planning process and the Edinburgh Local Plan have failed.
- A 'Retail Strategy Plan' is needed to rectify the problem.

Recognising the value of speciality retailing.

The Council spends vast amounts promoting the City through high visibility events; the Tattoo, Hogmanay, Commonwealth Games etc. A retail strategy involving massive subsidy was enacted with some success to 'rescue' the retail core, Princes Street and George Street. The same needs doing for the specialty sector, and the cost would be far less.

Visitors to the city come not only to enjoy the architecture and the events; they are attracted to a city by the interestingness of its small shopping areas. When *you* go to another city, say, Barcelona, you head for the Ramblas, not to the M&S equivalent. But in Edinburgh, what is there left to browse? This is especially true in the case of the so-called 'invisible tourists': those not booked on tours or into big hotels,but who come from within the UK and are not recorded anywhere.

I have been unable to find any figures on the economic value of speciality retailing: perhaps the Council should start by investigating its worth, both here and in comparison with other cities, e.g. York, where it has been better preserved.

- Gauge current and potential economic value of speciality retailing.
- Include the subject in visitor survey questionnaires.

'Tartan Tat'

It must be recognised that there is clearly a demand for this produce. But it must also be realised that it is practically all you can sell in a retail environment that has almost no other shops, as virtually every other business now sells food and drink.

You can't blame the operators: it is their job as entrepreneurs to provide a living for themselves and their employees, which they will do by the best available legal means and they will constantly push the definition of what that constitutes. It is not possible or even ethical to try to control the goods that retailers choose to sell, and as always, prohibition is clearly not the answer.

Perhaps it is not so much the type of goods, rather the manner in which it is marketed that is so irksome. The solution is to nurture a retail environment where a 'better type' of shop can thrive.

- Identify why quality retailers find The Royal Mile difficult — ask the survivors

Food outlets

On the Royal Mile and in every other street, conventional retail has been displaced by restaurants and sandwich bars. Visitors to Edinburgh may buy a sandwich while they are here, but that is not why they have come. Meanwhile, residents have to journey to peripheral retail parks to buy many types of goods.

As the ratio of retail to food drops it becomes harder for the remaining retailers who face higher rents and fewer shoppers, until the threshold of viability is passed.

You cant blame the operators, compared to proper retailing, sandwich bars are easy pickings: there is practically no investment in stock, no special knowledge, no training or experience required, and only unskilled and often temporary staff needed. The margins are high too (a cup of coffee = £2 !) and you don't even need planning permission (see below).

By contrast, speciality shops, especially the interesting ones, are usually started by small entrepreneurs who invest all their skill and often risk all their personal savings to create something worthwhile. The present environment does not favour that as the odds for success are just too poor.

- Really control existing and proposed food outlets, in number and activity.
- Seek ways to encourage new retailers to set up.
- Find ways to give relief to those existing retailers who are struggling.

Planning Failure.

Part of the problem is the system itself:

- Uselessly weak planning restrictions on changes of use and new food outlets
- 'use classes' are too broad and ill defined;
- not enough enforcement of use class restrictions, and consent conditions;
- Too many decisions delegated to inexperienced Council staff unaware of the wider issues, who narrowly interpret guidelines without regard for the intention of the regulation.

Changes of use

Certain streets are classified as 'speciality shopping' (St. Mary's St, Jeffrey St, High St, Lawnmarket, Victoria Street, Grassmarket etc) and are supposedly protected by certain policies. Change of use from Class1 to Class 3 (fully blown restaurant) is prohibited where it would result in four or more consecutive non-retail uses, a count in which actual use is not considered and many sandwich bars are counted as retail.

In George IV Bridge, there remain only two paper shops amongst sixteen food and drink operations. 'Overprovision' has become an inadequate term. Yet recently there, despite virtually unanimous objection from residents and local amenity bodies, consent was granted for yet another low quality multinational food outlet.

Similarly in the Grassmarket there are 16 shops and 27 food and drink outlets. Despite some recent limp enforcement, there are still 6 shops advertising as cafes.

Existing legislation is too weak;, and there are loopholes; change of use to Class 4 (office) is permitted, as is Class 4 to Class 3. For example: 8 St Mary's St — permission was granted for an Art Gallery with ancillary restaurant; this was not taken up and the premises are now advertised by CEC Property Management as vacant Class 3. Overall this is not 'better value' for the ratepayer as claimed by the Property Dept .

There are guidelines for assessing whether a change of use should be granted. see **http://tinyurl.com/food-drink-policy**But in reality changes of use are rarely refused, especially to multinational operations.

- Permitted changes of use should have more tightly drawn and enforced conditions.
- A policy of presumption against any change of use from retail

Use Drift

Class 1 Retail includes sandwich bars, which can re-heat food. They are not supposed to cook, offer table service or seat more than 8, but nobody checks, and there is no penalty anyway. In the Grassmarket alone you have 6; Black-cherry, Café Jacques, Made in Italy, Hula, Auld Jock's and CQ's. All units designated 'retail' but typically, where fully cooked meals are provided with table service.

- Better enforcement. If it says "Café" on the front – it is NOT a retail shop!
- Considering that enforcement usually only follows a complaint, this would be aided if the current use designation were shown on the planning portal (under constraints) for every premises. Then anybody could check. At the moment it is only visible if there has been a recent change.

"Ancillary use"

Examples: Blackwell's bookshop apparently needs to provide refreshment for its customers, so Café Nero, a multinational chain, is leased 20% of the area. This has its own shopfront; in effect it is a now a separate business and a unit no longer in retail use. 'Hula' in West Bow, a photography gallery with ancillary juice bar, still has a few small photographs up, but a café with table service is what it is. Also see 8 St Mary's St above.

- More careful assessment of applications, plus tighter conditions

Conditions to Planning Consents

When any planning application is granted, there are usually restrictive 'conditions' applied. But these are not usually crafted with enough anticipation, and in any case are usually ignored. At 2 West Port; if the original permission for a 50-bed apartment hotel had contained stronger limiting conditions, then the current developer wouldn't be unchecked in making it into a 200-bed drinkers' hostel. If conditions were applied and enforced it would certainly help pro tem.

Irreversibility of changes of use - Rent & Rates - overheads

Once a premises has changed or even drifted, the landlord is likely to ask for a higher rent, the Assessor then bangs up the rates proportionally, and the chances of it ever reverting to being a shop are further extinguished. To make matters worse, in assessing rateable values of genuine retailers, the Assessor often uses as a guide rents charged in nearby 'retail' units, further harming remaining retailers.

- Educate the Assessor as to the wider sense of 'best value'
- Forgo a little income from rates and help retain some diversity.

Weakness of Planning Guidelines

A big problem is that most of these guidelines are just that: non statutory guidelines. So if the Council refuses someone, they can appeal to Scottish Ministers, and the Council has no budget for legal battles with well-funded developers, and in any case is desperate to avoid the humiliation of losing a test case and blowing what little clout they have. Clearly this is not a good way to govern things.

- Try to get Holyrood to understand the problem and lobby for a co-ordinated National Policy, with the force of law.

Licensing model

One solution of course is that exemplified in the new Licensing Act. It is national not local and its instruments are statutory and backed up by prescribed penalties. Enforcement is by a force of dedicated Licensing Standards Officers.

Previously in Licensing, there was a similar use-drift problem, where restaurants granted bar licences, quickly just became bars. With the new Licensing Act, the whole 'use class' model was abolished. There is now only one type of licence, with each one granted for its particular circumstance which has to be exactly set out in an 'operating plan' from which the licensee cannot then deviate. Perhaps Planning should study this system and go down the same route.

Other Cities

Lessons could be learned from other cities. For example, in York, near at hand, and, further a field, in Edinburgh's twin city of Florence, also a World Heritage Site, usage is more strictly controlled; a greengrocer would need permission to become a bakers etc. As a result of this type of thinking, all over Italy small and speciality shops thrive. But then the Italians have a completely different and generally much more successful outlook on conservation and on development.

CEC as Landlord

The Council itself is landlord to a great many units, especially on and around the Royal Mile. No special powers or changes in the law are needed; there is nothing to prevent the Council from

- Imposing stricter terms in new leases.
- Enforcing existing terms.
- Better controlling sub-letting.

Also, when a business closes, instead of compelling the tenant to sell the remaining lease on (quite likely to the Gold brothers), the Council should cancel it, and take the opportunity to let it to a well selected tenant under a new, tighter lease.

- Private landlords might be appealed to, so that out of enlightened self-interest, they might do the same.

Encouraging better type of retail

Instead of accepting the highest bidder for vacant units (inevitably a food outlet), the Council could identify existing successful quality retailers (ones that have survived because they have proven business models), and offer premises at very low introductory rents for them to open branches. Branches are relatively easy to set up as they only involve duplication. This would cost, but would ultimately be 'best value' for the ratepayer. In fact a similar policy was successfully employed over twenty years ago by the then Old Town Renewal Trust.

Other Considerations

A Retail Strategy

As indicated earlier, a retail strategy involving massive subsidy was enacted to 'rescue' the retail core, Princes Street and George Street, with some success. The same needs doing for the specialty sector, and it would be at a far lower cost.

Inner City Orbital Bus Route

Would be a huge boost to the local economy. It could link all the peripheral small shopping areas (Old Town, West End, Stockbridge, Canonmills, Broughton Street, Bridges), and link with all the inner city car parks and thus form part of an integrated transport policy.

No Big Shopping Developments

Despite what big developers spoon-feed to the Council, big shopping centres are not the solution, but are in fact part of the problem. It was the St James Centre that destroyed the Bridges, and degraded Princes Street. It was The Gyle that destroyed Corstorphine, Savacentre that destroyed Newington, Meadowbank that destroyed Abbeyhill. etc.

Big shopping centres are usually occupied by chains. Compared to smaller enterprises, they employ fewer people pro rata, and relatively much less of their profit is retained within the local economy, and ultimately they are less interesting.

Parking

A small but economically essential percentage of the retail customer base come from out of town, and some of them require parking. Park-and-Ride has helped, but for shoppers it is a less complete solution than it is for commuters (have you tried carrying a lampshade on the bus?) Whatever the anti-car lobby claim, this is true; ask the big retailers (St James Centre parking is *always* full). I have personal experience of the greatest ever mass extinction of speciality retailers that directly followed the introduction of Saturday afternoon parking restrictions.

Without convenient short term parking provision, the customer base has become predominantly students and tourists, hence the resulting preponderance of tartan tat and fast food. In this the speciality retailers have suffered most, as they tend to rely more on on-street parking, now dramatically reduced and overpriced.

It is especially ironic that as a result of the anti car dogma, City centre residents now need a car to get to the out of town malls if they want to buy practically anything.

- Look seriously at improving daytime short term (1& 2 hour)
- Convert many more 'residents bays' to 'shared use' (in Dundee it is all shared including off-street, which sensibly were not privatised).
- Charge less for the first ½hour to help 'nipping in'

About the author;   Bill Cowan is Planning Secretary of Edinburgh Old Town Community Council, and of The Edinburgh Old Town Association, and this is paper is endorsed by those organisations.

I have extensive experience and intimate knowledge of the sector as for over 25 years as proprietor of various speciality shops in the Old Town.

But this paper does not present merely a personal view written out of self interest, but is the condensation of views, opinions and observations drawn from a wide body of opinion over an extended period of time. It is also a work in progress.

March 2011

planning@edinburgholdtowncc.org.uk