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Resilient Retail? Supporting the high street through recession and renaissance: Learning in Barnsley¹

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Introduction

Two influential themes run through the general media coverage and more specialist analysis of the economic downturn in Britain. The first theme focuses on the uneven impact of a downturn; that the recession is having very different repercussions in different parts of the country. The second theme relates to town centres; that economic recession is generating specific problems for town and city centres across the country.

This paper uses local experience in Barnsley, South Yorkshire, to examine the implications and responses to both themes of recession in Britain today. Barnsley is typically listed as one of the places that is experiencing some of the most severe impacts of the recession and will struggle to recover after the international and national downturn has passed. Barnsley's town centre is also in the middle of a 30 year renaissance programme that seeks to turn around the fortunes of the town, addressing some of the long-term economic challenges facing the whole Borough.

As such, Barnsley is an important place in which to consider the recession and its impact in northern towns in England, rather than cities, as well as how localities can respond by addressing their unique situation. The following sections look at the kind of risks that the recession presents to a town centre like Barnsley's and picks up topical issues like the impact on the retail sector, vacant shops, traditional retail markets and the role of cultural activities and investment. The paper demonstrates the importance of local authority interventions aimed at supporting the high street and describes the measures being taken in Barnsley and

¹ Based on a paper delivered by Garreth Bruff at the LGA conference 'Helping Our High Streets' on the Road to Recovery in October 2009

their role in mitigating the impacts of the recession. This demonstrates how the recession has implications for long-term and aspirations in towns as well as short-term problems. These implications emphasise the importance of the high street beyond retail shopping, particularly for local identity, wider economic prosperity and community cohesion.

Recession and retail – the national context

“The current recession has been hitting many of the same areas that bore the brunt of the recession in the 1980s and 90s, and it is some of the least well-off people that have again been worst affected”².

Understanding of the varying impacts of a recession on different places is largely based on an assessment of tried and tested economic indicators like business start-ups, job losses and unemployment, illustrating how some towns or cities are being harder hit by the downturn than others. For example, recent research demonstrates that the gap between the two cities with the highest and lowest unemployment claimant count before the recession, Hull and Cambridge, has actually widened - from a difference of 3.4% points in February 2008 to 6.3% in November 2009; at the same time, growth rates between London and other parts of the country like the North East and North West have continued to widen over the downturn³. In terms of local authorities, this also means that areas covered by metropolitan district councils have been worst hit, with London boroughs generally not being as badly affected⁴. This has led to observations that the recession is reinforcing disparities between places; those towns and cities that have been hardest hit during the recession are typically places that were already deprived.

“It is clear that the downturn is giving rise to challenges: the sight of boarded-up shops can be depressing. But turbulent economic times can also herald a period of remarkable innovation, energy and creativity”⁵

In contrast, policies and initiatives to address the impacts of the recession on town and city centres are often expressed in terms of the ‘high street’ in general and a perception that the recession is resulting in a sweeping change across all towns and city centres up and down the country. Predicated on the health of the retail sector, this is led by the importance of consumer spending to the national economy in recent years and the sudden loss of some high profile and often long-standing high-street names like Woolworths, Bay Trading, Zavvi and Borders from every high street. Other big names, such as JJB Sports and Adams children’s wear, have seen serious restructuring due to the economic climate with large-scale store closures or changes in ownership and a contraction in the number of outlets. Overall, by mid 2009 retail was recognised as one of the worst hit sectors nationally with over 700 retail insolvencies in the first quarter of the year and 500 in the second quarter, as significant as construction (726 insolvencies in quarter two) and manufacturing (653 insolvencies in quarter two)⁶.

These events are generally seen to be driven by a fall in consumer confidence leading to parallel falls in sales. For example, while only 40% of consumers had been directly affected by the recession in spring 2009, as much as 70% of consumers had cut back on their spending due to fears of what might happen during the recession; meaning that like-for-like sales in 2009 fell to as low as 3% on 2008 figures in the run up to Christmas⁷. Vacancy rates,

² Industrial Communities Alliance (2009) *The Impact of Recession on Unemployment in Industrial Britain* www.industrialcommunitiesalliance.org

³ Centre for Cities (2010) *Cities Outlook 2010* www.centreforcities.org

⁴ Audit Commission (2009) *When it comes to the crunchhow councils are responding to the recession* www.audit-commission.gov.uk

⁵ DCLG DCMS and DIUS (2009) *Looking after our town centres* DCLG, Foreword by Secretary of State Hazel Blears and Andy Burnham

⁶ Price Waterhouse Coopers (2009) *PwC research suggests the calm before the storm on insolvencies* www.ukmediacentre.pwc.com

⁷ British Retail Consortium (2009) *21st Century High Streets: a new vision for our town centres* www.brc.org.uk

the measure of empty retail units, rose three fold during the summer of 2009 to reach 12% with rises in crime and associated problems making the high street less and less attractive⁸.

However, town and city centres have been experiencing a number of longer-term threats, which have been joined by the short-term challenges presented by recession. Out-of-centre retail development, internet shopping and the dominance of large chain stores all create a context within which many town centres have been experiencing a decline in trade. The question is whether these existing challenges, in addition to the latest recession, now spell "high-noon for the High Street?"⁹ Similarly, the fickle and seasonal nature of the retail sector defies a simple assumption about the impacts of a recession. By late 2009, many retailers and some high streets were actually seeing a recovery in trade. Retail sales over Christmas 2009 were reported to be over 4% higher than 2008¹⁰ and trading figures posted by some retailers indicated a bumper Christmas season – like for like sales were up by 7% for House of Fraser (department store); 12.7% for John Lewis (department store); 4.4% in Poundland (value store); and 17% in Peacocks (fashion store)¹¹.

Barnsley town centre – the recent past and future vision

"By going back to its roots and rediscovering its role as a market town, Barnsley is looking to the future"¹²

Bringing these themes of the recession together through a specific town centre enables a richer understanding of the economic downturn and what national averages mean in the experience of people and places. Headline indicators demonstrate the recent impact of the recession in Barnsley, similar to other post-industrial towns that have a legacy of lower skilled jobs in manufacturing and high levels of worklessness¹³:

- **Large business closures:** between mid 2008 and December 2009 there have been four major business closures in Barnsley, resulting in a loss of 581 jobs.
- **Businesses facing financial hardships:** between late 2008 and mid 2009, 41 Barnsley companies recorded Creditor Bankruptcy petitions issued; 301 Barnsley companies have issued Debtor Bankruptcy petitions to chase bad debts.
- **Net job losses, particularly in manufacturing:** between mid 2008 and December 2009 a total of 1,622 jobs were lost by Barnsley companies, with the greatest loss being in manufacturing related industries (1129). Job gains of 871 over the same period, means Barnsley has seen a net loss of over 750 jobs.
- **Large rises in unemployment:** as measured by the number of Job Seeker Allowance (JSA) claimants, unemployment more than doubled between May 2007 and May 2009. JSA claimant numbers are currently over 7000 in Barnsley, 5.3% of the working age population compared to a national average of 4.3%.
- **Stubbornly high levels of worklessness:** claimants of Incapacity Benefit or Employment Support Allowance have fallen in recent years in Barnsley but remain high at around 16,000 people (11.5% of the working age population), with an additional 3100 claiming lone parent benefits.

⁸ BRC: UK towns face the abyss Shopping Centre 20 July 2009

<http://www.shopping-centre.co.uk/news/categoryfront.php/id/120/July.html>

⁹ New Local Government Network (2009) *High noon for the High Street?* www.nlgn.org.uk

¹⁰ British Retail Consortium – KPMG *Retail Sales Monitor December 2009* www.brc.org.uk

¹¹ Julie Finch *More high-street retailers report rise in Christmas sales* Guardian 11 January 2009

¹² Barnsley Development Agency (2007) *B the official Regeneration Magazine for Barnsley* p4

¹³ Statistics for Barnsley collated by Barnsley Development Agency

However, this is only one dimension of Barnsley's recent past. Designated as one of six 'Renaissance Towns' in Yorkshire in 2001, Barnsley town centre has seen more than £100 million of physical development between 2006 and 2009. The Renaissance Towns programme is led by the Regional Development Agency, Yorkshire Forward. In Barnsley it enabled the Council, Yorkshire Forward and other organisations to establish a world class panel of experts to work with local communities through a partnership called the 'Town Team', creating a fresh, long term vision for Barnsley and a regeneration strategy to deliver this. Their aim was to bring together communities, business and political interests to rethink Barnsley's future and raise aspirations for the town away from its industrial past. The 'Rethinking Barnsley' process involved many hundreds of local people and created the new vision for a '21st Century Market Town' - a vibrant, thriving and enjoyable urban environment, where people can live, work and play in the town centre. The vision focuses people and investment into the town centre as a key driver of the economic future of the whole Borough, taking advantage of its central location between Leeds, Manchester and Sheffield. A master-plan, agreed in 2003, provides an outline of the projects needed to move the town forward over a thirty year time frame and the Barnsley Growth Plan, set in 2007, embeds the market town vision into wider economic development strategy.

Initial progress from Rethinking Barnsley to the 'Remaking Barnsley' phase, the delivery of projects on the ground, was remarkably swift. Several major projects have been delivered, creating new venues for culture and urban living along with more space for town centre based businesses and jobs (see Box 1). Further town centre developments, either on site or due to start imminently, include a new £40 million plus college campus in the town centre as well as around £4 million of public realm improvements. In total over £380 million will need to be invested in the town centre to deliver the vision, of which more than £210 million is envisaged to be funded by the private sector with public sector investment from Yorkshire Forward, Objective 1 European Union, the Arts Council and specific bodies like the Coalfields Regeneration Trust.

Box 1: Remaking Barnsley projects delivered in the town centre between 2006 and 2009

Westgate Plaza 1: a contemporary five floor building bringing together many of the Council's staff into a single high quality open plan office. Completed autumn 2006.

Transport Interchange: in the past, substandard facilities caused serious operational difficulties and a poor gateway to the town; the new interchange was opened in June 2007 and its contemporary architecture set new standards for future town centre developments.

Queens Court Offices: a former Victorian hotel completely renovated and restored to provide contemporary, high-end office accommodation.

The Digital Media Centre: opened in August 2007 to provide high quality, flexible office space for new and growing businesses in the digital and creative industries sector.

The Civic: complete renovation and extension of a Victorian theatre to create new retail space, creative workshops, gallery and assembly room as well as a one-stop shop for the Council, completed March 2009.

Mandela Gardens: opened alongside the Civic this is the main green space within the core of the Town Centre with a waterwall feature, artist designed seating and clock as well as contemporary soft and hard landscaping.

Gateway Plaza: new Grade A business accommodation, 110 bed hotel, retail and residential space to meet the standards of prospective home owners and business clients, built on a derelict factory site. The offices were completed in 2009 and the hotel and restaurant are due to be completed in 2010.

The Core: hi-spec office and events building for Barnsley's voluntary sector, incorporating environmental features such as a biomass boiler and green roof garden.

Source: Barnsley Development Agency

Managing the present – an integrated culture and town centre programme

"We are set to make the most memorable season of live music, open air theatre, street entertainment and fun for people of all ages Barnsley has ever seen."¹⁴

Early progress in Barnsley town centre's renaissance was largely made before the recession began, with schemes completed during 2009 already on site or nearing completion well before the economic downturn started to be felt. One scheme that has suffered delay during the recession, however, is the flagship Barnsley Markets Project. This project was due to commence in 2008, but the downturn of the wider economy has meant that this date has been forced back. The Markets Project has a development value of around £180 million; it is the largest scheme ever to be planned in Barnsley and covers the very heart of the town centre with proposals for a new market building and shopping centre. The venture is jointly led by the Council and Yorkshire Forward together with a developer partner, 1249. All of the partners remain signed up to the development and the challenge of attracting the scale of investment needed to undertake the project is being addressed with advice from the Treasury.

The delay of the Markets Project has meant that the substantial investment into Barnsley over recent years has still to make a significant impact on the high street and into the retail heart of the town centre. Office, residential, hotel and cultural developments being delivered across the town centre are all crucial to the long-term success of Barnsley and its vision as a 21st Century market town, but do not address the town centre's current challenges in a recession. The core role of the town centre, its retail and service offer, and the ability to maintain a strong customer base in the face of competition from other areas is facing serious challenges. From a retailers' or traders' perspective, therefore, there remain much more immediate issues to deal with, reflecting shorter term trends that directly affect the health of their business. For example:

- **Footfall:** the number of people actually visiting the town centre, particularly on key trading days provides the market for retailers to exploit. By 2008 anecdotal evidence from some major retailers were reporting drops in footfall on Saturdays in Barnsley.
- **Customer loyalty:** although 70% of respondents to an independent household survey state that Barnsley is their main shopping centre, consumers are increasingly fickle and willing to travel for shopping, particularly for higher value purchases like fashion. For example, in 2003 53% of respondents used Barnsley town centre to buy fashion goods, by 2007 this had dropped to 47%.¹⁵
- **Traditional versus new forms of shopping:** with a traditional retail market at the heart of the town centre, the health of the market can shape the success of high street retailers. In 2003 a household survey indicated that 64% of local people regularly shopped at town centre markets, by 2007 that number had fallen to 59%. Importantly, of those who do use Barnsley's town centre market, frequency of visit is falling markedly; 64% of users visited the market weekly or more frequently in 2003, by 2007 this figure was 56% with shoppers more likely to visit monthly or fortnightly.¹⁶

¹⁴ Barnsley MBC (2009) *Town Centre Newsletter* Issue 9, June

¹⁵ DTZ (2008) *Retail Analysis and Health Check of Barnsley Town Centre 2007* Barnsley MBC www.barnsley.gov.uk

¹⁶ DTZ (2008) *Op Cit*

- **Empty properties:** vacant units are an indication of low demand and have become a common image of the recession. In Barnsley, a number of retailers had vacated their units by early 2008 to facilitate the first phase of the Markets Project. The delay of the project left a concentrated area of over twenty empty shops within the prime retail frontage.

The long-term nature of renaissance strategies, in Barnsley's case thirty years, and the much more immediate timescales dictated by the retail sector pose a challenge for town centres mid-way through regeneration programmes during the recession. This balance, between long-term and short-term priorities during the recession, is being addressed in Barnsley through an integrated culture and town centre improvement plan. The approach seeks to address a number of perceived weaknesses within the town centre economy whilst exploiting the potential of the town centre's role in the life of the great majority of residents. It introduces a number of new elements to the town centre and its operation.

A cultural event in Barnsley



Strategic three season culture programme: led by the Council's cultural service, Barnsley Council has invested substantially in a Borough wide, high profile range of cultural events, exhibitions and promotions. This has meant that the town centre has been managed as a 'cultural venue' in its own right, alongside more traditional visitor attractions like country parks and art galleries. The town centre has hosted high profile launches of each cultural season, attracting positive media attention, and large scale stage-based

performances. A new programme of continental markets have been run alongside more traditional entertainment and events, culminating in the winter season aimed at maximising Christmas trade.

Sunday street market, summer 2009



Sunday shopping: new patterns of trading in Barnsley had been under-exploited for many years as the retail market does not operate on Sundays and the majority of shops follow this pattern. Led by the town centre based shopping centre, the limited number of high street names opening began to rise in 2005 to create a regular Sunday footfall of around 8,000 by early 2008. Partnership work with retail and shopping centre managers identified an opportunity to develop this trend. Practical interventions to traffic

regulations and parking restrictions on Sundays created a safer shopping environment; a specialist market programme was introduced to bring new traders into the main pedestrian areas; with professional and community based entertainment programmed. Audience development, through the arts service or the local media, meant that local schools, youth

groups and individuals were involved in the programme wherever possible, helping to ensure that friends, families and acquaintances would be attracted to the town centre.

Graphics in the window of an empty unit



Creative use of vacant units: experimentation with temporary uses in empty shops during 2008 was developed to convert four vacant units to temporary art galleries in 2009. As part of a wider town centre focused programme, these galleries attracted over 1,800 visitors within their first two weeks and have since been used to house further exhibitions, launches and events¹⁷. Alongside these, over 20 vacant units were improved with large format images to promote markets and event. Most recently, a local artist utilised an empty

office block to create 'Strata' an art feature used to launch Barnsley's bid to win UK City of Culture.

A more welcoming town centre: the Barnsley Welcome programme, defined through the Barnsley Growth Plan, reflects an increasing value on the customer and customer experience as well as public perceptions in place-making¹⁸. Although the programme is still under-development, the town centre was able to benefit from new, higher quality marketing initiatives with consistent branding, an events website and seasonal publications. A new Town Centre Ambassadors service will be one of the most visual impacts of the programme in 2010. Just as importantly, though, the philosophy surrounding the Barnsley Welcome was also used to encourage an increasingly active use of the town centre by local community groups and community-led events. This spanned a range of small scale, local neighbourhood organisations as well as public-sector organisations, bringing new and existing activities to the town centre like consultations, charities, fund raising and celebrations.

Free parking: a direct political response to the recession and to lobbying by town centre retailers, free town centre parking was introduced on Saturdays in late 2008 covering all Council owned car parks. It provides over 2,100 free to use car parking spaces and, added to existing free parking on Sundays, creates what is termed as a 'weekend offer' to visitors.

Basic services: under-pinning all of the debates on town centres nationally and locally are ongoing concerns with the day to day experience of customers and businesses, for example cleanliness, street-clutter, maintenance and the quality of service response. This has been the focus of many town centre management initiatives and the measure of many improvements in larger city centres. Recent work in Barnsley has seen investment into street cleaning, removal of some redundant street furniture and a step towards the higher standard services typical of larger centres. A more significant step has recently seen the creation of a dedicated town centre team for cleaning and maintenance, with 'caretaker' staff for a quicker response to minor maintenance issues as well as extended working to cover all seven trading days.

¹⁷ Barnsley MBC (2009) *Town Centre Newsletter* Issue 10, August

¹⁸ Barnsley Development Agency (2007) *The Growth Plan for Barnsley's Economy* Barnsley MBC

Impact and implications

"Bumper year for town as shoppers defy the crunch"¹⁹

Town centres like Barnsley must hold onto a long-term vision whilst maintaining trade in the short term. This is vital if existing businesses are to retain their customer base, but is also important in ensuring that residents continue to see their local town centre as an attractive place to visit through a recession and period of change. Barnsley's response to this and its efforts to mitigate the recession in its town centre are not unique. They reflect approaches taken in other areas and in more traditional market towns, with measures to develop arts, invest in marketing, address physical improvements and generally seek to support retail trade.²⁰

Where Barnsley does differ, however, is in the focus placed upon the town centre in the wider renaissance and economic regeneration of Barnsley. Mid-way through a thirty year renaissance programme, with several successful projects already delivered and further investment still expected, the town centre is the 'shop-window' for the wider borough and its ongoing health a measure of local success. The fact that 70% of residents surveyed identify Barnsley as their local town centre, as noted above, re-enforces its role to the wider well-being of the whole area. As such, the attempts to tie culture and community together with more traditional town centre management, exploiting not simply the retail offer, but also the desire for people to associate themselves with their town centre is both pragmatic and timely.

With the benefit of a comprehensive approach and developing partnership between the local Council and businesses, some significant progress has been made. Average monthly footfall in the town centre based shopping centre, a useful proxy for the wider health of the town centre, has been maintained or has grown over the recession period. Every month through 2009 (except November) saw a slight rise in footfall on 2008 figures. Particularly important has been the rise in Sunday trade, with Sunday footfall rising by over 8% in 2009 and now averaging over 10,000 visitors per week²¹. These improvements are all the more important at a time when other high streets and retailers in general were seeing significant reductions in footfall figures before the Christmas trading season.

A policeman at Barnsley's first Gay Pride event



Equally significant in terms of community engagement and inclusion, the efforts to make the town centre more welcoming enabled Barnsley's very first Gay Pride event to be hosted in the town centre during 2009. Other high profile events, including popular celebrations of Barnsley's black and minority ethnic communities, were also encouraged to move from well-established venues, such as in the town hall, to a more central high street setting. These developments, increasing footfall and a changing perception of the town centre, enabled the local press to trumpet the fact that 60,000 more shoppers used the town centre during 2009, defying the recession and bucking a national trend²².

¹⁹ Barnsley Chronicle *Bumper year for town as shoppers defy the crunch* 25 September 2009 p10

²⁰ See for example CLES Rapid Research 15 (2009) *Market Towns: how are they responding to the recession and what future support is required?* Mike King and Jessica Smith www.cles.org.uk

²¹ Footfall figures supplied by The Mall Alhambra, Barnsley

²² Barnsley Chronicle *Bumper year for town as shoppers defy the crunch* 25 September 2009 p10

However, experiences like this do not mean that there are no longer challenges for the town centre or that 2010 will be easier for places like Barnsley as the country is reported to be moving out of recession. On the contrary, the long-tail of economic recovery and relatively poor competitive position of many towns, with lower levels of education, a weaker private sector and a lower share of knowledge intensive jobs²³, suggest that places like Barnsley face the risk of falling further behind more prosperous area of the country as the recession lifts. In the high-street itself, consumer demand continues to change and specific interventions, like the Barnsley Welcome, need to be taken up and supported by local traders and retailers to ensure that the town centre delivers what the customer wants. Trends in footfall and consumer spend are extremely fickle and progress in places like Barnsley could be lost without ongoing innovation as consumers are drawn to destinations that offer a greater choice of retailers and services.

The customer truly is King (and Queen) and town centre success reflects this as much as any individual retailer. As such, measures to support the local high street must become more, rather than less, important. There are many smaller, second, or third tier high streets across the north of England that are close to large city centres but have yet to experience the full renaissance of places like Leeds, Manchester and Sheffield centres. The experience of Barnsley illustrates that local authorities and their partners can support retail with public investment and sympathetic policies even in the most difficult of economic circumstances.

More importantly, though, it also suggests that focusing on retail support alone is less likely to be successful than a broad based approach that exploits the position of the local town centre and its role in the day to day life of the surrounding community. For towns like Barnsley, the high street has the potential to re-establish its role as a hub for the local community and a demonstration of local identity, as much as a place to shop. Local authority investment that works with this potential can help to support business in ways that regional development programmes and physical regeneration schemes cannot, complementing this larger scale investment to create a fuller package of solutions.

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²³ Centre for Cities (2010) Op Cit