Rethinking town centre economies: Beyond the ‘place or people’ binary

DOBSON, Julian <http://orcid.org/0000-0002-6164-2707>

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Abstract

The 'place or people?' dilemma is a recurring refrain in local economic development. The contested question of the future of Britain's high streets and town centres both transcends this binary and locates it in the broader question of what kind of economic development is required to revitalise struggling places, and who benefits from it. Drawing on research underpinning the recently published *How to Save Our Town Centres*, this article argues that questions of equitable economic development cannot be separated from the question of land ownership, access and management. It concludes by arguing that rather than couching the debate about town centre economies in terms of 'resilience', questions of transition to alternative futures could provide a sharper focus for academic and policy discussion.

Keywords: town centres, high streets, local economic development, property, resilience, transition

Corresponding author: Julian Dobson, director, Urban Pollinators Ltd, 3 Silver Birch Avenue, Sheffield S10 3TA. Email julian@urbanpollinators.co.uk

Introduction

Aspirational rhetoric on devolution has been a recurring theme of central governments in the UK. The 2015 Conservative Party conference witnessed the announcement of a 'devolution revolution' in England, bringing to an end the central pooling and redistribution of local business taxation (HM Treasury, 2015). The coalition government of 2010-2015 similarly trumpeted its localism legislation as a democratising attempt to strip away bureaucracy and hand power to the people (HM Government, 2010). Such rhetoric implies an emphasis on empowered places and citizens as the focus of economic and social growth and innovation. Yet, as Bentley and Pugalis (2014) argue in a recent special issue of *Local Economy,* there remain hotly disputed debates over the merits of 'place-based' or 'people-centred' economic development strategies. Such deliberations, as Griggs et al (2008) note, frequently wind up with the somewhat helpless-sounding conclusion of 'not knowing what works'.

Yet place, as Tomaney (2013: 659) argues, is not only a locus of policy intervention but formative of identity, emotional attachment and personal sense-making: 'parochialism' can function as 'a moral starting point and locus of ecological concern and a site for the development of virtues including commitment, fidelity, civility and nurture'. That sense of identity and attachment, *How to Save Our Town Centres* argues (Dobson, 2015), can be found in many of our traditional high streets and town centres. As the UK government's Portas Review declared, social capital can generate economic capital (Portas, 2011). Yet much academic, practitioner and media discussion of the 'high street' continues to construe these central business areas primarily as retail zones and to measure their 'performance' in terms of business occupancy, custom and profitability (Department for Business, Innovation and Skills, 2011).

Such discussion tends to skate over the extensive literature on the social, economic and political contestation of urban space (Brenner, Marcuse and Meyer, 2009), questions of the competing interests at work in social spaces (Bourdieu and Wacquant, 1992) and explorations of alternative economic models and experiments (Amin, 2009; Lewis and Conaty, 2012). It reinforces the segregation of business interests, and particularly the interests of retail and property-based businesses, from the rest of society and privileges the voices of financial investors and the so-called 'business community'. And as town centre retail interests seek cost-savings and greater profitability in order to compete with online sales, even the act of purchasing becomes 'a relationship between the customer and the goods, with nothing and no one mediating between them' (Bowlby, 2000).

Beyond retail: the town centre as agora

Planning policies, sectoral interest groups and media coverage have encouraged the reduction of town centres to shopping centres, both in political discourse and in spatial form. The carving out of 42 acres of Liverpool city centre for the Liverpool One development was lauded by the Royal Institute of British Architects, which claimed that it had 'single-handedly reversed the fortunes of the city' (Bayley, 2010). Yet such a focus on capital-intensive shopping developments leaves cities vulnerable, putting prime assets in the hands of developers with one eye on maximising rental income and the other on the possibility of a windfall capital gain. At the same time civic functions and assets, from libraries to fire stations, courthouses to council offices, are being stripped out of town centres (Dobson, 2015).

The notion of the town centre as a multifunctional centre is nothing new. Indeed it is the multiplicity of functions that continues to excite urbanists and geographers, economists and travel writers. Mumford (1961:150) declares that '[i]t is in the open space, with its surrounding cafés and restaurants, that spontaneous and face-to-face meetings, conversations, encounters, and flirtations take place, unformalised even when habitual'. Jacobs (1993), Tuan (1977), de Certeau (1984) and Landry (2000) all express similar sentiments. The concept of the 'agora' (Dobson, 2011), far from being a reductionist idea of a 'market', expresses the intersection and confluence of different functions and interests. People and places thrive together.

In 21st century Britain - and in other Western and emerging nations where traditional towns and cities are experiencing similar economic and social pressures - such multifunctionality must adjust to the shrinking of the local state (Smith and Jones, 2015), the changing face of retail (Parker et al., 2014) and the shift away from many traditional forms of social bonding, from churches to trade unions (Portes and Vickstrom, 2015). Yet there are numerous activities that continue to draw people into town and city centres, from arts events to political protests, from an evening meal to a mid-morning coffee. And many of the non-retail functions of town centres remain, from providing office accommodation to offering parks and green spaces where people working or living in the town centre can socialise or exercise.

Such multifunctional locations are places of production as well as consumption. They offer opportunities to develop the local, through physical products (there are now more than 650 small breweries in the UK, supporting more than 5,000 jobs (Danson et al., 2015)), through specialist services and through the social economy of community and voluntary activity. Their value is measured not only in turnover and footfall but in the strength of social networks and human connections.

Places for people: the pitfalls and potential of town centre property

If town centres are to foster the diversity and creativity celebrated by urbanists like Lewis Mumford, nurturing symbiotic relationships between people and places, the use and ownership of town centre property will play a key role. This mix of uses is changing as some traditional town centre uses (such as places of worship) fall away and as public bodies come under increasing pressure to divest themselves of property (McLaughlin, 2013). Commercial property management thus plays an increasing role in influencing the uses and activities that are given space to flourish in town centres.

Commercial property accounts for nearly one eighth of the value of all buildings in the UK (British Property Federation, 2014), a total of £683 billion. Of this, 45 per cent is retail property, of which around one fifth consists of shopping centres. Shopping centres, despite local authorities' tendency to approve them as a form of civic boosterism, are viewed primarily by the property industry as tradable assets. Developers and owners view them as short-to-medium term investments that produce both revenue streams through retailers' rental payments and a potential windfall capital gain if sold at the right time. In early 2015 trading activity was beginning to approach pre-crash levels; 14 deals were concluded in the first three months of the year, with a total capital value of £828.9 million (Savills World Research, 2015). At the same time Savills reported rising pressure on rents, both in shopping centres and in high street properties, with landlords beginning to see vacancies not as a problem but as an opportunity to increase rental levels.

This approach to commercial property management may make sense to the investment funds that control growing swathes of UK real estate, but the impact on places is far from universally positive. In particular, rising rent levels and owners' desire for windfall gains price start-up and commercially fragile businesses out of the market. Often these are the very entrepreneurs whose innovation and experimentation are required to mitigate the 'clone town' syndrome (New Economics Foundation, 2004) and whose supply chains are more likely to reinforce local business networks (Armstrong, 1993).

The commercial property model is also far from sustainable. Investors are prone to what the industry describes as 'irrational exuberance', inflationary bubbles in which property values part company with the state of the underlying economy. Such bubbles inevitably burst, leaving town centres with unviable developments and blighted with empty property, often in the hands of lenders with little connection to or interest in the wellbeing of the places where they own assets. The Bank of England has observed that Britain has witnessed a succession of such boom-and-bust cycles in commercial real estate, fuelled by stoked-up valuations, increasing debt and cheap borrowing (Benford and Burrows, 2013). There were property crashes in the late 1970s, late 1980s to early 1990s, and most recently in 2007-8. In the 1980s prices fell by more than one third and 25 banks failed or closed down; in 2007-8, coinciding with the subprime mortgage crisis in the US, the commercial property crash left the British government nationalising and bailing out much of the banking sector.

Such crashes visibly blight town centres, resulting in a proliferation of empty shops and low-value uses such as betting shops and pawnbrokers. The coalition government's decision in 2011 to commission the Portas Review can be traced to the property crash of 2007-8. Yet there was little either in the review or in subsequent government actions to address the ownership and diverse uses of town centre property; indeed, government policies to dispose of public assets, coupled with local authority spending cuts, are likely to decrease the diversity of town centre property ownership. In the meantime the cycle of rising values has been allowed to accelerate once again.

Interviewed for *How to Save Our Town Centres*, the former chief executive of the British Property Federation, Liz Peace, described such speculative conduct as 'the way of the world':

'The trouble is the property industry has always been cyclical and the boom and bust cycles encourage people, frankly, to rash behaviour. So if you see lots of people around you making a huge amount of money on the back of very easy debt, you'd probably tell yourself you'd be a fool not to take advantage of it' (Dobson, 2015:212).

Such 'rash behaviour' takes no account of the externalities of the property market. The wider impact on the economy and wellbeing of places is not factored in: while owners might bear the immediate financial impact of any losses, the physical and social impacts are offloaded onto the towns in which property assets are held. There are therefore some compelling arguments for alternative approaches to town centre property management.

During the twentieth century the default alternative to private ownership was local government control. Local authorities still own many of Britain's traditional markets, some of which contribute substantial sums to council coffers (House of Commons Communities and Local Government Committee, 2009); in some cases they also own shopping centres and neighbourhood shopping parades. In current circumstances, however, they are under political and financial pressure to dispose of such properties or to maximise rental income.

A second option is to put property in the hands of community trusts. The Localism Act 2011 contains provisions for community-based organisations to bid for 'assets of community value' that may come up for sale, allowing them to compete on the open market with other prospective buyers. These provisions, a diluted form of the rights offered to community groups in Scotland through the Land Reform (Scotland) Act 2003, have resulted in the transfer of a handful of pubs into community ownership; however, there is no evidence to date of significant town centre assets being transferred into local control. Compared with the extent of community ownership envisaged by Ebenezer Howard in his proposals for garden cities (Howard 1902) and implemented at Letchworth Garden City, his prototype model community, the ambitions of the Localism Act are modest indeed. Greater strides have been made by the development trust movement through locally negotiated deals; Westway Development Trust in North Kensington, west London, has succeeded in creating a successful commercial hub in once-blighted land under and around the A40 flyover. The increasing interest in community land trusts (Moore and McKee, 2012) demonstrates the attraction of this do-it-yourself approach to solving the property conundrum.

A third approach is to tackle the system at its roots through policy and political change. Such ventures have foundered on the sandbanks of neoliberalism: land nationalisation, an option seriously considered by Britain's Labour Party in the mid twentieth century, is no longer on any mainstream party's agenda. A less drastic, but arguably equally effective, approach might be to introduce land value taxation, effectively reducing the 'unearned increment' that accrues to landowners from the beneficial activities of productive business or public works. Land value taxation was strongly recommended by the Institute for Fiscal Studies' review of the UK tax system (IFS 2011); politicians have quietly ignored the review's proposals.

From theory to practice: three examples

At the heart of local resistance to the speculative real estate industry has been an understanding that notions of 'value' must encompass more than concepts of revenue generation and capital gain. *How to Save Our Town Centres* highlights a range of situations where such contests have been enacted. In many of them, the use and control of property has played a central part.

Three examples serve to illustrate how local activists have contested and challenged the control of both public and private spaces. In Stokes Croft, Bristol, members of the self-styled People's Republic of Stokes Croft began by using street art to decorate dilapidated buildings that had been neglected by their private owners. They used artwork to challenge both the irresponsibility of private landowners and the apparent inability of the local authority to implement improvement plans. They describe their philosophy as one of making their own future:

'While we work to enhance the street culture of Stokes Croft, no work must damage the essential fabric of any of the property involved. We work to gain permissions where possible for works, but reserve the right to direct action where normal rights are deemed to have been abrogated by the owners of properties through neglect, lack of concern or self-interest.' (People's Republic of Stokes Croft, n.d.)

It is a fragile strategy. Having overcome resistance from the local authority, the challenge facing activists now is to preserve and develop what they have achieved in the face of increasing gentrification and so escape a 'tragedy of the urban commons' (Frenzel and Beverungen, 2015).

A second, and more well-known, example is that of Coin Street Community Builders on the south bank of the Thames in London. A well-documented example of community activism, Coin Street's story is one of the incremental creation of community owned and cooperatively-run spaces over a period of more than 30 years (Brindley, 2000). Land ownership and access - first through the establishment of a housing co-op, and subsequently through the development of spaces for small businesses, the creation of a public park, the opening up of a riverside walkway, and more recently the building of a neighbourhood centre - has been at the heart of the Coin Street strategy and has ensured that the gains made by local activists have remained in local hands, accountable to the community that fought for them.

A more striking instance is the story of Dudley Street Neighborhood Initiative in Boston, US. Here was a locality that had been blighted and abandoned by property owners. Landlords of empty buildings would routinely arrange for them to be burned down in order to collect insurance payments and pave the way for speculative development. A concerted community campaign resisted the landowners, setting up a community land trust to vest ownership of key assets in a non-profit trust in perpetuity, creating 400 affordable homes, schools and community centres, a 'town common', parks and gardens. The initiative was even able to acquire 'eminent domain' powers to force recalcitrant landowners to sell property to the community. As a result of the community's activity and land ownership, commercial activity returned to the area (Benfield, 2012).

From resilience to transition

Much current discourse about the economies of town centres (and of high streets in particular) has seized on the buzzword 'resilience' both as an indicator of current strengths and as a destination to be reached. But the choice of resilience as an indicator of wellbeing skirts around the questions raised by the consideration of town centre property: who benefits from commercial activity, how widely is the notion of 'economy' construed, and in whose interests are decisions taken?

Wrigley and Dolega (2011), for example, assert that British high streets are showing signs of 'adaptive resilience' in that they are shifting from pre-recession commercial models into new configurations. In common with Martin (2012) they conceive of adaptive resilience as the ability to 'bounce forward' to a new equilibrium rather than bounce back from a shock such as the 2007-8 financial crash. Recent declines in the number of vacant shops and the emergence of new combinations of online and physical trading might be seen as evidence of such an altered equilibrium. The government-appointed Future High Street Forum has taken a similarly optimistic view, declaring that 'the same adaptive flexibility which has kept our urban centres alive over centuries is still a creative presence' (Wrigley and Lambiri 2014). Liz Peace's observations on the behaviour of the property industry, quoted above, might serve as a reminder that such adaptivity can be a very temporary state of affairs.

As Martin and Sunley have observed (2015:35) resilience is a simple label that masks a world of complexity. They argue that it is 'a set of multi-scale processes that need to be explained, rather than being a singular explanatory characteristic, or a catchword invoked without due definition and elaboration'. To describe a town centre or high street as resilient might be descriptively accurate, but it bypasses the question of what kind of local economy is being developed.

How to Save Our Town Centres argues that a different type of local economy is required in order for localities to thrive. In doing so it places questions of ownership and the flow of benefits centre stage. To better understand the possibilities this might raise and to take forward a research agenda, the use of transition concepts could provide a sharper focus to the development of theory and practice than resilience thinking. While both transition theory and resilience thinking draw strongly on notions of complex adaptive systems (Duit and Galaz 2008), with their emphasis on non-linearity, unpredictable disturbances and the possibility of network effects, transition concepts emphasise the centrality of a shift from one state to another. Loorbach (2010) argues that in a transition 'a complex, adaptive system is successfully adjusted to changed internal and external circumstances, and the system thus arrives at a higher order of organisation and complexity'.

Transition theorists such as Loorbach and Grin, Rotmans and Schot (2010) argue that favourable circumstances for systemic change can be brought about by creating safe spaces for experimentation, overseen by a range of interested stakeholders and experts. But such spaces are arguably created not only through the care and attention of experts and institutions, but through the contesting and carving out of alternative models by interested citizens. Walker and Shove (2007) assert the nature of transitions as 'not just a technical matter of analysis but a political, constructed, and potentially contested exercise in problem formulation'. In the context of the evolution of town centres, the examples of Stokes Croft, Coin Street and Dudley Street would appear to support Walker and Shove's view. Such contestation sites town centres not merely as locations of economic evolution but as settings in which the norms and values that will shape 21st century society can be challenged, deliberated and remodelled, putting both people and places at the heart of the agenda.

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