

High Streets Report – Key Findings

High streets often have a historic/emotional resonance with the communities they serve, and planning and economic policy goes further in confirming and promoting the economic and social value of high streets. The importance of the high street is reflected clearly in planning policy since the mid-1990s, particularly the presumption of ‘town centres first’ in land use decisions, particularly involving retail activities. This approach has received bi-partisan support since its development,

In the long historical policy context of ‘town centres first’, there is also an established presumption that high streets and town centres have determinable economic and social value that warrants policy attention.

- **Regulation and legislation** – at the local level, it is evident that ‘town centre first’ policies have not been sufficient to create thriving town centres and high streets across the board, at least not in the context of other influencing factors. There is an emerging debate about the role of the planning system and its impact on high streets, with some arguing that it is not strong enough and others that it is too heavy-handed.

Despite this range of uses, and the fact that high street/town centre performance is not solely a reflection of retail performance, it does tend to be considered primarily through the lens of retail performance. This is because the vast majority of the data, especially that available for the purposes of providing an overview at the national level, are heavily biased to retail indicators. Data on aspects of high street vitality such as cultural, heritage and leisure uses is very limited, for example. Even for aspects such as services, offices, public use and residential use, the data lacks the capacity for meaningful analysis. This is a weakness that needs to be considered, especially in the context of new interpretations of the offer of the high street.

Footfall is a measure of the popularity of a centre or high street and is an indicator of potential spend. However, there is no evident source of consistent footfall data for high streets across the country dating back to 2000.

The best data available is probably that produced by Springboard, who operate a growing number of electronic count points along the nation’s high streets. The time-series footfall data produced for high streets by Springboard dates back to 2007 (pre-recession) for a representative sample of count points on a consistent basis. An analysis of this data undertaken by Colliers International shows that overall, high street footfall (excluding Central London) has fallen by 10.4% over the past three years whilst the tail off has been particularly notable during the second half of each year. This suggests that high streets are losing the most potential customers during the all-important pre-Christmas sales period which is traditionally the busiest time of the year for retailers.

Over the past 30 years there has been a ‘homogenisation’ of the high street. With high street units owned by a myriad of landlords, there has been little or no control over the tenant mix in town centres, apart from some restrictions placed within the ‘user’ clauses of leases. In order to obtain the best possible return on their investment, landlords let their units to tenants with the strongest covenant, as a result this led to more and more national chains taking prime high street

locations (and indeed in purpose-built shopping centres), which in turn led to a 'sameness' about many high streets throughout the UK.

While there is a consensus in much of the literature that better management is essential to a revival of high streets and town centres, there appears to be little research into its effects over a period of time, or comparisons between towns with and without management initiatives. What we do not know from the available evidence is how much worse things would be on many of our high streets without the action that has been taken. There is no substantive evaluation of town centre management, or particular mechanisms such as Business Improvement Districts (BIDs), at the national level. Detailed evaluation at the local level, particularly focusing on return on investment, is limited. These lacuna make it impossible to offer a verdict on how management has ameliorated (or otherwise) high street decline. Close attention needs to be paid to towns where funding for initiatives such as town centre management or Business Improvement Districts has been withdrawn in recent years.

While it is too early to point to trends and trajectories for alternative uses of the high street, and there is sparse evidence on their effectiveness, a common factor in many of the new visions and uses that are emerging is a different approach to valuing activity. Social value and the civic use of space are seen as key to populating places that have lost some of their previous functions as places of trade: social exchange becomes as vital a part of the mix as monetary exchange.

63. Four headline key performance indicators (KPIs) are proposed for further consideration, under which could sit a range of measures weighted according to local circumstances. The headline indicators are applicable to all high streets and town centres. By combining them it should be possible for local authorities and their partners to judge whether a high street is succeeding, failing, stable or in transition, and have a better understanding of why this is the case.

- **Key Performance Indicator – footfall:** Footfall is the key to understanding a place. The measurement of footfall should gauge the number and frequency of visitors to the area defined locally as the high street or town centre, not just visitors to shops or particular attractions. It needs to measure seasonal variations, and variations at different times of day – is the high street used only during traditional working hours, or does it also have an active night-time and weekend economy? Importantly, footfall is not just a reflection of retail strength, although of course this is likely to be a key driver, if not the key driver. Other uses can be critical footfall drivers, such as public services (a health centre for example) or major businesses (with employees using the high street to come and go). So a footfall indicator

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would require a set of locally chosen sub-indicators, including: length of stay, number of places visited, and frequency of visits

▪ **Key Performance Indicator – consumer and business satisfaction:** To measure whether high streets are serving the social and community purposes envisaged for them as well as their traditional retail functions, we need to measure users' satisfaction. Do they like what they are finding and will they come back for more?

Satisfaction scores can differentiate between types of users (residents, local workers, visitors) and also how they use the high street (are they traders, shoppers, employees?) Are they there for a night out, a quick purchase, or for an event or attraction?). They can also drill down into why people are satisfied or dissatisfied, measuring views on cleanliness, accessibility, signage, variety of facilities and more. They might also include indicators which have a material effect on satisfaction, such as safety and occurrence of crime, or perceptions thereof.

The views of businesses in the high street and town centre on a range of issues need to be better understood. Gathering information from businesses might also enable local authorities/Town Centre Management (TCM) functions to develop a more sophisticated understanding of business needs and concerns – perhaps at some point informing a town centre business plan.

▪ **Key Performance Indicator – diversity:** a successful high street can be determined by the range and variety of facilities on offer and the diversity of uses and users. The more there is to offer, the more people are likely to visit, so diversity is a driver of footfall. But it can also be a product of footfall as new activities spring up to cater to growing numbers of visitors. On its own, diversity is not a measure of success or failure. A town such as Hay-on-Wye, for example, might see a cluster of bookshops as an indicator of success. A concentration of betting shops or charity shops might be deemed an indicator of a problem in other areas. However, a diversity indicator measures the range of potential destinations or attractions, and can also indicate resilience and adaptability: a high street with a wide range of uses is less vulnerable to technological or fashion changes that could lead to the loss of particular markets.

Diversity also measures non-commercial activity that is missing from current assessments of high street performance. The presence of a Citizen's Advice Bureau or library can be as important in drawing footfall as a café or fashion store; the use of buildings as student accommodation could indicate a viable market in convenience shopping. Other, more cultural and social aspects of a high street's draw need to be considered, although as we have already noted, greater thought is required on precisely how this should be approached before moving to the point of developing KPIs for measurement.

▪ **Key Performance Indicator – economic activity:** An indicator of economic activity sits alongside the other three headline indicators to show the success of the high street as a commercial entity and to inform investment decisions. Economic activity is not just shopping or retail turnover and value. It will include other high street business activities (solicitors or architects, for example) as well as the use of buildings for residential lettings and the existence of leisure trades such as pubs and clubs. An economic activity indicator would need to measure consumer spend; non-retail business turnover; business sectors represented (including social enterprises); and new investment and development activity.

There are likely to be better indicators of the full picture of high street activity than property-related indicators such as rental values and yields, or the number of vacant units (although these are useful in measuring demand for space). Importantly, a wider understanding of the local economy would be helpful in setting *Department for Business, Innovation and Skills Understanding High Street Performance December 2011* xvi

these data in context, in particular the ability to compare spend in-town with spend in out-of-town/edge-of-town centres in a local area.