JDLC MSC URBAN & RURAL PLANNING

Dissertation

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Footfall on the High Street: Understanding its Contribution to High Street Vitality

ABSTRACT

The health of Britain's high streets has been the subject of constant discussion for close to half a century. The question of what are the indicators of high street health and how to measure them has been a key theme in this conversation. The focus here is more on research methods than the research itself. It offers a review of the current state of the British high street and focusses on the widely accepted use of 'footfall' - the presence of people, both as an indicator and a driver of high street health. As a driver, it considers different types of footfall generators and finds that high volumes of footfall are not synonymous with retail vibrancy, drawing distinctions between different types of footfall. As an indicator of high street health, an analysis is offered of recent studies and their data gathering methods. It finds that advances in technology used commercially need to be harnessed more widely by policy-makers to collect and analyse footfall data. It argues that the new methods of gathering footfall data now mean that footfall is possibly the most durable and powerful indicator available. It enumerates the benefits to policy-makers, identifies the weaknesses inherent in the new methods of footfall measurement and considers how they can be developed further.

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1. Introduction and Goals

Within the wider discourse of high street health, one sees terms such as ‘retail centres’, ‘High Streets’, ’Town Centres’, ‘Shopping Centres’ and ‘Shopping Parades’, each with different connotations. The focus of this paper is on ‘local’ high streets which act as the retail and/or cultural centre of an area. These may be small shopping parades or large town centres and the term ‘the high street’ is used here with that inference.

The ‘health of the high street’ has been a concern since the 1970’s when large out-of- town superstores began appearing and it was widely accepted that they were killing off the traditional high street. With the benefit of hindsight, one sees that this was the beginning of a process of the great evolution of the high street. In the past half century, with the onset of online shopping and the rise of retail parks and shopping centres the general trajectory of the high street has been seen to be in decline, but the issues facing it have evolved through many different stages. Within the wide range of academic studies and government policy interventions, different issues have dominated the discussion at different stages and there have been varied opinions as to whether the decline is real or over inflated. Clearly, the issues are now very different to what they were in the 1970s and arguably the studies which have emerged throughout this period have not always been in sync with the rate of change.

There have been scores of papers written on the subject and this study does not come to reevaluate existing studies. However, it appears that the current narrative is still stuck in the ‘Portas era’[1], where the focus was on the complete restructuring of the high street. Although the lessons learnt from that research are still very relevant, the concern is that the approach needs to become more nuanced. This can be achieved by taking advantage of modern footfall measurement technology as a key indicator for measuring high street health. This study builds on the knowledge gleaned from previous studies and considers the new opportunities presented by emerging methods. With an improved

[1] The ‘Portas era’ refers to the wave of change which brought about the Portas (2011) report. It is discussed in more detail in the next section.

understanding of the function of footfall on high streets, the conversation can progress significantly. It suggests how interventions may then be targeted more thematically, considering the individual characteristics of a high street.

Focussing on the footfall theme, it becomes clear that traditional methods of measuring footfall leave some large gaps in our understanding. These gaps can be addressed by modern technology which allows the gathering of information in real time, creating a rich picture, demonstrating the effectiveness of different interventions on high street health. It should be noted that footfall, although a small piece of the high street health puzzle, is a key indicator and driver of high-street health. Businesses looking for high footfall locations to expand to are now able to identify the position they want to occupy on the high street with increasing precision. This creates opportunities for government and policy makers to follow their lead. The study also explores different types of footfall and footfall generators through the prism of existing research, leading to an added understanding into what works and what does not. Other themes which emerge from this discussion include an understanding that not all footfall is beneficial and a discussion whether small interventions may be more effective than major structural changes.

My interest in researching the subject of footfall came from noticing an interesting disparity - whilst it is an undisputed fact that the presence of people on a high street is crucial for its vibrancy, it is not difficult to find high streets which have successful anchor stores or busy transport hubs, but the footfall generated by the anchor or hub does not seem to spill over to surrounding shops. It is recognised that there could be many reasons for this, such as the layout of the town centre or the economic scale of the local population. This study does not attempt to solve that disparity. It does however shed some light on this by exploring the issue of different footfall types, developing the opportunity to gain a better general understanding of what is meant by footfall. It also suggests methods that could be used to address this disparity.

The Hypothesis

The hypothesis is that properly designed 'footfall generators'[2] can be deployed universally to improve high street performance. This paper seeks to provide a better understanding as to the operation of these 'footfall generators', by performing qualitative documentary research on papers relating to various types of 'footfall generators'.

Research Questions

1. Besides for the widely mentioned multiple retail shop, 'footfall generators' include social/communal uses within the high street, and well planned residential/ retail mixes or increased residential offering within established commercial areas. Beyond attracting footfall to the 'generator', does it translate into increased footfall and more importantly, increased vibrancy on the rest of the high street? The rationale being, that an increase in footfall will contribute to a cycle of improvement whereby more businesses are attracted to take advantage of the increased footfall.

2. What can policy makers do to improve predictability and personalisation of interventions for attracting footfall onto the high street? Are current footfall measuring methods sufficient?

3. Although there are known 'footfall repellents', such as badly integrated streets and unattractive street scenes, there seem also to be 'repelling' forces which stop a 'footfall generator' from increasing vibrancy in the surrounding area. Are there ways to identify and measure this?

[2] The term 'footfall generator' is used to refer to any element of the high street which is thought to attract footfall, be it an anchor store, housing or communal uses on the high street.

2. Literature Review - The Research to Date

This section offers a documentary analysis of some of the research to date, focussing on the progression of the 'anchor store' discussion. The review of this literature, both in academic papers and government policy, is used to identify what we already know and what still needs to be addressed. This will set the scene for the following section which explores what can be added to the discussion.

The High Street was seen to be in a downward spiral from the 1970's when the high street was no longer seen as the only place for shopping. This was caused by new large supermarkets who were able to recreate the shopping experience, thus drawing customers away from the high streets. A notable key policy change introduced in 1993 was PPS 6: *Planning for Town Centres* with its 'Town centres first' policy. This had the effect of slowing the movement away from town centres but, nevertheless town centre trade was still declining (Genecon, 2011). DETR (1998) took this further by suggesting that besides for the 'out of centre' stores, there was also a problem caused by the large 'edge of centre' food stores which were pulling away trade from main town centre stores. In its reporting of the impact on town centre economies, the research identified 'impacts of between 13% to 50% on the principal food retailers of market towns and district centres with the number of convenience stores declining and the general vacancy level rising.

The many reports and analyses on the trajectory of the high street offer a range of differing opinions as to the nature of the problem and how best to address it. The subject has also occupied a central place in government policy for many years. This is evidenced in the various Planning Policy Guidance (PPG) and Planning Policy Statements (PPS) that were set out by successive governments. Incidentally, an indication of the shifting perception of the high street problem is implied in the titles of the government documents: In 1996, PPG6 – 'Town Centres and Retail Developments' was published. This was replaced in 2005 by PPS6 – 'Planning for Town Centres' which in turn was replaced in 2009 by PPS4 – 'Planning for Sustainable Economic Growth'. PPS4 the term town centre was dropped and it was addressed within the broader context of economic growth, possibly the town centre was relegated in policy to become one element of a much broader economic picture. Local councils have also identified the centrality of the issue as is evidenced within local government policies such as Brent Council (2017), that the high street is ‘critical to an area’s economy and vibrancy’. The continuous interest of government and policy makers is relatively simple to interpret as it makes political and economic sense for them to be seen to be supporting the economic health in their jurisdictions. The many other commentators come from different angles and therefore more scrutiny is needed to contextualise them. This is because stakeholders often try to support their preferred narrative.

The current wave of high street anxiety rose to prominence around 2011 in the wake of the 2008 financial crash where there was a widespread perception that the British high street was in steep decline. It was accepted then that urgent action was needed to reverse that trend. The coalition government of the time commissioned Mary Portas to conduct an independent review. This was followed by the publication of ‘The Portas Review’. (Portas, 2011) It concluded that there was a need to re-imagine the high street, giving twenty-eight recommendations to achieve this goal.

It was commonly accepted then that, as Portas (2011) put it, “the days of the butcher, the baker and the candlestick-maker are over” and the commentators agree broadly as to the elements which caused this downturn. Wrigley and Lambiri (2014) were of the opinion that ‘the original decline of the high streets was precipitated by the economic shockwave’, which then served to ‘expose and reinforce longer-term forces of change which had been reconfiguring our town centres and high streets for some time’.

The long-term issues identified are those of changing consumer habits, demographic shifts and the continuing rise of online retail. This was compounded into a ‘perfect storm’ by the economic downturn (Wrigley and Lambiri, 2014).

The Response to Portas - Decimation or Adaptation?

As the discussion turned towards reversing this trend, there was a plethora of reports offering very different narratives. Portas' (2011) recommendations were focussed on preserving communal hubs, with the retail element looking to be more of an afterthought.[3] Collier (2010), argued that high streets were not facing extinction and had only adapted. This analysis was agreed to by Wrigley, N. (2015) who said, citing research by Deloitte and others, that the 'impending decimation' of high streets was a 'much accepted myth' and that 'high streets are alive and adaptable'. Nevertheless, they acknowledged that not all high streets had shown the same capacity to adapt. Presenting figures showing 20% of town centres in decline with another 41% which were just stable and prone to falling into the declining category without support, the future could not be considered rosy. Justin King, the chief executive of Sainsbury's argued that town centres needed to 'shrink or die', and there was a need to convert peripheral shops into other uses (Lawson, A., 2012). As Sainsbury's was heading onto the high street at that time, Justin King's comments are likely to have been biased towards allowing supermarkets to take over key convenience supply of high streets so a degree of caution is required. The idea of allowing high streets to shrink has been implicitly supported by government since that time with the introduction of permitted development rights to convert some shops to residential use.

The Portas review was followed by various government-supported initiatives, with 27 Portas-pilots', as well as 330 'town team partners' working towards the goal of 'reimagining' the high streets (DCLG, 2012). The success of these pilots is patchy with 'The Grimsey Review' (Grimsey et. al. 2013), possibly the most vocal critic on Portas, alleging that it had missed the point and had 'failed to highlight the dramatic structural changes impacting the retail industry'. Grimsey cited as evidence that 'eight major national household retail names' had gone into administration in the two years since the publication of the review and none of this was forecast within. Bamfield J.A.M. (2013) in a report for the centre for

[3] An interesting development, considering that Mary Portas was hailed 'Queen of retail'. This maybe goes to underline the lack of confidence they had in the future of the high street.

retail research, gave a bleak forecast for the future of retail shops in the UK, predicting that by 2018 retail store numbers would fall by 22% and considered that ‘in spite of the Portas Pilots, high streets would continue to suffer’, with ‘41% of town centres losing 27,368 stores in the next five years.’ Some suggested that Portas could not have the desired effect due to the lack of government funding while others blamed it on the Portas celebrity approach which was unable to sustain the projects in the long run. (Bamfield J.A.M., 2013). The commentators agree though that a positive outcome of Portas was the increased prominence to the issue. (Grimsey et. al. 2013, Property Week, 2016)

‘Local’ Supermarkets and Anchor Stores

Studies are commissioned both by businesses and LPA’s who want to understand the performance of particular elements of the high street. (Thomas & Bromley, 2002 and GVA Grimley, 2010)

For policy-makers assessing high streets, the presence or lack thereof of anchor stores, is used as an indicator of the health of a high street. ‘Local’ supermarkets and other chain stores on the high street are commonly referred to as ‘anchor’ stores. One understands an anchor as something that holds the ship in place. Similarly, an anchor store is one which is seen to hold the rest of the high street together.

To the other end of the spectrum, the large national multiples, which are often the anchor stores themselves, employ teams of analysts to track market performance using their interpretations to identify their growth areas and advise them where is likely to be a high performing location for new stores. In recent times, the race between the big supermarkets to get high street space for their local stores seems to have intensified. Tesco and Sainsbury’s have both been trying to buy out smaller rivals to boost their high street presence, Tesco with their purchase of Booker and Sainsbury have been widely reported to be progressing towards a deal to buy Nisa.[4]

Clearly, the research carried out by companies is likely to be more personalised than a general health test of the high street since a location suitable for a pizza

[4] In August 2017, Sainsbury’s had to drop their plans due to competition concerns. Currently Co-op are in talks with Nisa.(The Telegraph, 2017) This also shows how intense this competition is.

shop is not necessarily suitable for a convenience store. Each company would research locations based on their own pre-determined set of rules. There is undoubtedly a large amount of internal performance data and analyses generated in-house by these companies, each trying to get an edge on the competition. Although the author has been privy to some of this data from inside one of these companies, the information is highly confidential and not for public dissemination.

The Effects of Anchor Stores on the High Street – In Their Own Words

Thomas & Bromley (2002), and later, Wrigley et al (2010) documented the anchor role that 'edge-of-centre' and in-centre supermarkets can have on generating footfall within town-centres.

The report by Wrigley et al. (2010); 'Revisiting the Impact of Large Food stores on the High Street' is a before-and-after study of six locations; three market towns and three district centres where large food stores have opened. The report argues that much of the policy had been formed on the basis of the DETR (1998) report which by then, it argued, was out of date. It focuses on testing the effectiveness of the planning legislation, PPG6 (1996) which introduced the 'town centre first policy'. The research draws various conclusions, the main one of relevance here is regarding 'trade clawback' and the generation of 'linked trips'. The study observed that the new food-stores encouraged significantly fewer residents to leave the high street for their main food shopping. The percentage of the group which 'outshopped' dropped from 55.7% to 25.4%. Critical to the wider concept of high street health, the data also showed that 68% of respondents claimed to be combining visits to the food-store with visits to other local shops. The study acknowledges the significant 'inter-case' variation due to different shop-service mixes, differing layouts and proximity to other centres, nevertheless it claims that there are indications of a significant rise in linked trip propensity. It claims that this throws significant doubt on the DETR (1998) claim that there was limited evidence of spill-over benefits to existing centres.