Town Centre Health Checks: Methodology

1.1 Health checks are recognised as important planning 'tools' for appraising and monitoring the changes in the overall vitality and viability of town centres, and informing both plan-making and decision-taking at the local level.

1.2 In accordance with the PPG (Paragraph: 006 Reference ID: 2b-006-20190722), there are a number of key performance indicators (KPIs) that are widely used (where the information exists) to help assess and monitor the overall health and performance of centres. These include:

- the diversity of uses (e.g. retail and services offer);
- proportion of vacant street level property;
- commercial yields on non-domestic property;
- customers' views and behaviour;
- retailer representation and intentions to change representation;
- commercial rents;
- pedestrian flows;
- accessibility – this includes transport accessibility and accessibility for people with different impairments or health conditions, as well as older people with mobility requirements;
- perception of safety and occurrence of crime;
- state of town centre environmental quality;
- balance between independent and multiple stores
- extent to which there is evidence of barriers to new businesses opening and existing businesses expanding; and
- opening hours/availability/extent to which there is an evening and night time economy offer.

1.3 In this case the most reliable KPIs have been gathered (where possible) for the centres to help inform the assessment of their overall strengths and weaknesses in in terms of their retail and leisure provision, the opportunities for new sustainable development and growth, and any potential current and future threats to their overall vitality and viability. We have referred to a number of datasets and research to help assess the relative vitality and viability of the centres, as referenced throughout the report.

1.4 The general methodology is for the health check assessments is set out below:

Retail Composition & Diversity of Uses

1.5 The town centre health check assessments have been informed by unit survey data provided by the Council for different town centre use categories located within the defined town centre boundary. Town centre use categories include convenience goods retail, comparison goods retail, services and vacancies. It should be noted that 'services' include : retail services (Class A1 and certain sui generis uses such as hairdressers, beauty salons, travel agents, launderettes, opticians, etc.); leisure services (comprising Class A3 cafés and restaurants, betting shops (sui generis) and Class A5fast food/ takeaway outlets); and financial and professional services (including Class A2 uses such as banks, estate agents, etc).

1.6 The health checks provide an effective 'gap' analysis tool to help identify retail types and categories that are under or over represented in centres. This is based on benchmarking against Experian Goad UK averages for all circa 2,000 centres and shopping locations.

Vacancies

1.7 The number and scale of vacancies in a centre, and the length of time properties have been vacant, represents a KPI to help assess a centre's overall vitality and viability. For example, high vacancy levels, or a concentration of vacancies in certain areas/streets, could point to underlying weaknesses in terms of retailer demand and/or the fact that vacant units are not meeting demand and are not 'fit-for-purpose'. Notwithstanding this, vacancies can arise in even the strongest centres due to the natural 'churn' in businesses opening and closing at any point in time. This KPI must therefore be used and interpreted with care.

Multiple and Independent Retailers

1.8 A multiple is defined by Experian Goad as being part of a network of nine or more outlets. It is widely accepted that a good presence and mix of multiples in a centre, alongside a strong independent offer, helps to increase the overall attraction and performance of shopping centres. Multiples are a strong draw for customers and they help to generate frequent shopping trips and footfall, and linked expenditure for other shops, businesses and services.

Street/Covered Markets

1.9 Whether or not a centre has a market, and the quality and offer of a market, can give an indication as to whether a centre is vital and viable. Information regarding the health of the markets discussed in this report has been obtained from our own research and observations of the centres, as well as stakeholder consultation. In line with Paragraph 85(c) of the NPPF, existing markets should be retained and enhanced and, where appropriate, reintroduced or new ones created, ensuring that markets remain attractive and competitive.

Retailer Demands & Requirements

1.10 Evidence of requirements ('market demand') from retail and leisure operators for representation in a town centre can provide a further indication of the overall health and attraction of centre, and investor confidence. In this case we have drawn on standard published sources to inform our assessment of current market demand; including CoStar and the Requirements List. However, it should be noted that this published information is not definitive, as many retailers and leisure operators prefer not to announce their requirements as it can undermine their negotiating position with potential landlords. Furthermore, market demand is often opportunity-driven; for example in response to the marketing of new development and regeneration initiatives.

Commercial Rents: Prime Zone A Retail Rents

1.11 The level of rent that businesses are prepared to pay for retail space, and the commercial yields achieved provide a further indication of the relative strength of the centre and its prime retail pitch. However, it should be noted that Prime Zone A rents and yields are not available for all centres, particularly smaller centres where there are more limited transactions.

Customer Views and Behaviour

1.12 Our assessment of customers' views and behaviours draws on the findings of the household survey. The household survey comprised 1,000 interviews across a defined study that asked specific questions on what respondents like and dislike about Gosport, Stoke Road and Lee-on-the-Solent. The findings for Gosport Town Centre were supplemented by a face-to-face interviews in Gosport Town Centre and in the Borough's three marinas to understand how shoppers and visitors use the town centre and were improvements should be made to encourage more visits.

Environmental Quality

1.13 Environmental quality is an important KPI to help assess a centre's overall vitality and viability. An assessment of environmental quality (including cleanliness and attractiveness, security, treatment of buildings and open spaces) has been undertaken using our own research and observations of the centres.

Accessibility

1.14 A centre's vitality and viability can also be impacted by the ease of accessibility by different modes of travel, and the level and quality of car parking. This assessment has been informed by our observations of how easy a centre is to access; mobility time and cost; public transportation; traffic management and signage; barriers; car parking; and access by other modes.

Barriers to New/Existing Businesses

1.15 To inform the health check especially of the higher order centres a broad review of potential barriers to new and existing businesses has been undertaken looking at factors such as availability of units to allow businesses to physically expand and availability of grants to support business growth and investment.

Extent of the Evening Economy

1.16 A centre's evening economy is increasingly becoming an important element for evaluation of town centres. The evening economy acts as a footfall draw to town centres and the analysis provides an indication of provision and type of provision and linkages with other cultural and leisure amenities.