High Street UK 2020

An analysis for Morecambe

November 2014

We use our model of High Street change to analyse the impact of the proposed The Bay Shopping Park on Morecambe town centre.

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1. Terms of Reference

We have been asked to analyse the impact of the proposed Bay Shopping Park on Morecambe town centre by New River Retail Ltd. New River Retail Ltd is a partner of Manchester Metropolitan University's High Street UK2020 project – a research project involving 10 UK high streets, aiming to help them develop sustainable retail areas by 2020.

The main aim of the project is to bring published academic evidence to practitioners hoping to improve the vitality and viability of UK high streets.

We have been contracted for two research days to use the High Street UK 2020 project findings in order to assess the impact on the vitality and viability of Morecambe town centre, if the Bay Shopping Park were to be built. The research has been undertaken by Professor Cathy Parker (Principal Investigator) and Dr Steve Millington (Co-Investigator) and Nikos Ntounis (Research Assistant).

The footfall data we have been provided with measures footfall in the Arndale Centre. It has been supplied by Experian.

2. Executive Summary

Overall, footfall in UK town centres is falling and Morecambe's footfall is falling at nearly twice the average rate[1]. This indicates that the town centre is 'at risk' – and that it is likely to be less resilient to shocks such as increased edge-of-town competition. Morecambe's footfall profile most closely matches that of a 'holiday town' meaning that leisure and distinctive retail need to be an important part of the overall offer. Nevertheless, the identity of Morecambe is confused – there seems to be little overall vision and leadership to enable the town to adapt to change in a proactive, positive way to create a more positive and differentiated identity.

In our opinion, based on the High Street 2020 research we have undertaken, the proposed Bay Shopping Park will have a negative impact on the existing centre as it is too far away to generate linked trips – and there are no plans to integrate it in a way that could complement the existing offer. Retailers will be attracted to the Bay Park's larger units,

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[1] Over a 30 month period ending May 2014

better road access and convenient car-parking – and this will further reduce the comparison offer in the existing town centre. In this respect, the Bay Shopping Park will impact in a similar manner to out-of-town development – which, as our model demonstrates, diverts up to 30% of footfall. As a result of the newly built Morrison's supermarket and other developments, there is no doubt some of this diversion has already taken place. However, the spiral of decline that will come with more vacant retail units and less footfall after the opening of the Bay Shopping Park will eventually impact upon Morecambe's ability to sustain its traditional centre. To what extent is the Council willing to sacrifice the traditional centre to the new shopping park development? Our research also demonstrates the proposed development could also be detrimental to overall rateable value.

Nevertheless, whilst we predict the Bay Shopping Park would have a detrimental impact, we are aware that the existing centre is also not serving the resident catchment or visitors/tourists effectively. Newspaper reports refer to the Arndale Centre as 'a disgrace' and our own High Street UK 2020 project points out the negative impact that out-of-date and out-of-scale in-town development has on vitality and viability.

In order to strengthen the existing town centre, all stakeholders have to work together – under a shared vision for the future – and New River Retail must make the necessary investment, to improve the retail offer (both comparison and convenience) through their Arndale Centre. Our research demonstrates the role a channel anchor, such as a shopping centre, can take in coordinating and supporting place change. The town also needs to improve the overall customer experience and create an appropriate and differentiated identity, with the traditional town centre at the heart of these developments.

3. Footfall trends in UK town centres. How does Morecambe compare?

Over the course of the summer, we have been able to examine the performance of a number of UK town centres thanks to data provided by Springboard, who are a partner in the High Street UK 2020 project and who monitor footfall in town centres using camera-based technology. Footfall has been recognised as a key indicator of town centre vitality since 1994 when it was incorporated into Government Planning Policy Guidance in England as one of the recommended methods of assessing the health and performance of a centre.

Springboard have provided us with footfall data from 62 UK towns and cities. This data covered a 30 month period into 2014 and represented continuous counting 24 hours a day, 7 days a week throughout that period for each centre. In total, it covered 563,828,709 people movements.

We have analysed the footfall data in a number of ways and several findings have emerged. Overall, **footfall in town/city centres is falling**. It dropped for the centres as a whole by 2.1% in the two years to May 2014. If this trend continues, our forecasts show that, for centres as a whole, **footfall will fall a further 10% by 2020**. There will be variations between towns with some of the Springboard centres showing rising footfall and some showing stable footfall until 2020. During the same period, footfall in Morecambe Arndale fell by 4%. Based on our forecast, this suggests **footfall will fall a further 18% to 25% by 2020 in Morecambe Arndale** (Figure 1). **This more dramatic reduction in footfall implies that currently Morecambe town centre is at risk.**

According to Springboard footfall data, some other seaside towns and 'holiday towns' (ones that experience a peak during school holidays) face a similar drop in footfall during the same period[2]. These centres also face comparable problems – a lack of investment and a need to create a more appropriate identity and offer, for both the needs of a smaller resident catchment and a larger visitor economy. The downward spiral of reducing footfall together with increased vacancy rates will impact on the resilience of a centre – in other words – it reduces its ability to survive 'shocks' such as the recent recession or competition from other centres. As Morecambe is currently 30th out of 61 towns, in terms of its decline in footfall, it is important to note that whilst the centre is at risk – **it has not 'passed the point of no return'** – and that with appropriate vision, leadership and area development strategies, footfall decline could be abated.

[2] We have used the Springboard data to identify 5 other towns with a similar footfall profile – however as part of our agreement with Springboard, we do not identify individual towns.

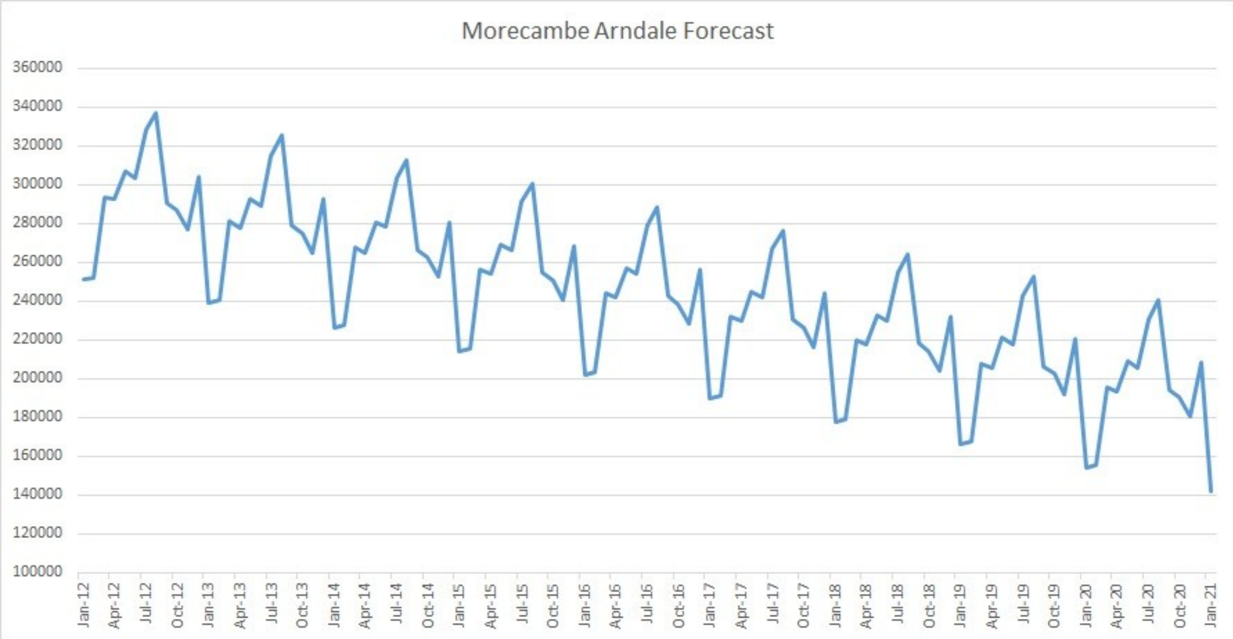

Figure 1 : Morecambe Arndale footfall forecast to 2020

4. Footfall footprint – how does footfall change throughout the year?

Not surprisingly, footfall varies through the year. The graph overleaf (Figure 2) illustrates how footfall changes from month to month using the data from all towns (in red) and how Morecambe compares to this (in blue). We have combined two years' data in order to minimise disruption from factors such as weather and events. Although this graph shows how centres as a whole perform, there are significant variations between towns. Not surprisingly, Morecambe Arndale's footfall profile is similar to a holiday town – those that are attractive to tourists and see a significant peak building from Easter and into the summer months. However, the Arndale Centre has a more pronounced footfall peak before Christmas – the centre still has enough of a retail offer to attract Christmas shoppers (Figure 3).

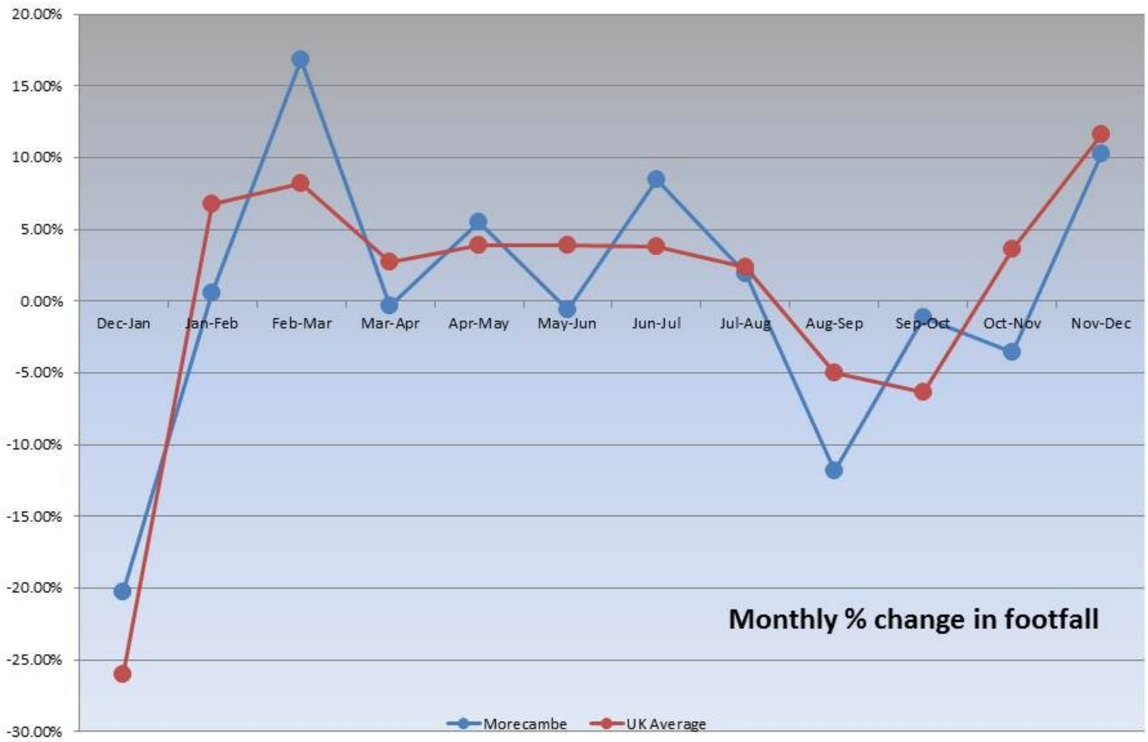

Figure 2 : Month by month change in footfall (Morecambe with UK average)

It is important to stress that footfall measures the presence of people and does not reflect spending patterns which will also vary through the year and indeed through the month to some extent.

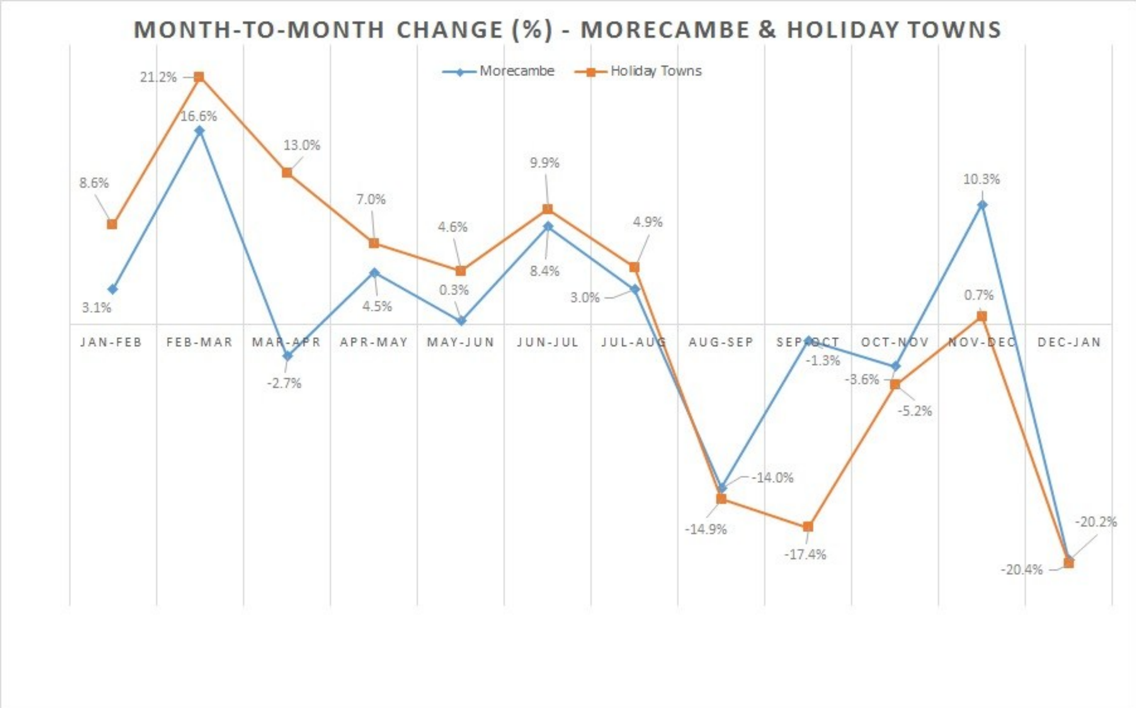

Figure 3: Month by month change in footfall (Morecambe Arndale with Holiday Town average)

5. Predicting the impact of the Morecambe Bay Retail Park using the HSUK2020 model

The High Street 2020 has allowed us to identify the influence that 156 different factors have on High Street vitality and viability (Figure 4). These factors have been identified by a comprehensive review of over 200 peer-reviewed studies that investigate factors that influence retail centre performance.

When we applied our model of High Street change to the Springboard footfall data, several findings emerged. There were geographical differences in footfall, with **towns in the North East and North West of England and in Wales having around 10% lower footfall** than would be expected. Secondly, **towns within 10 miles of a stronger centre showed footfall up to 30% lower than expected.** Finally, the model predicted that the **actions and initiatives of towns themselves could account for up to 37% of footfall variation.** The 37% is based on a town exercising full control over the factors that the experts who participated in the survey believed it should be possible to control and managing those factors in a manner to most benefit the vitality and viability of a centre (these are the factors in the circle in Figure 4).

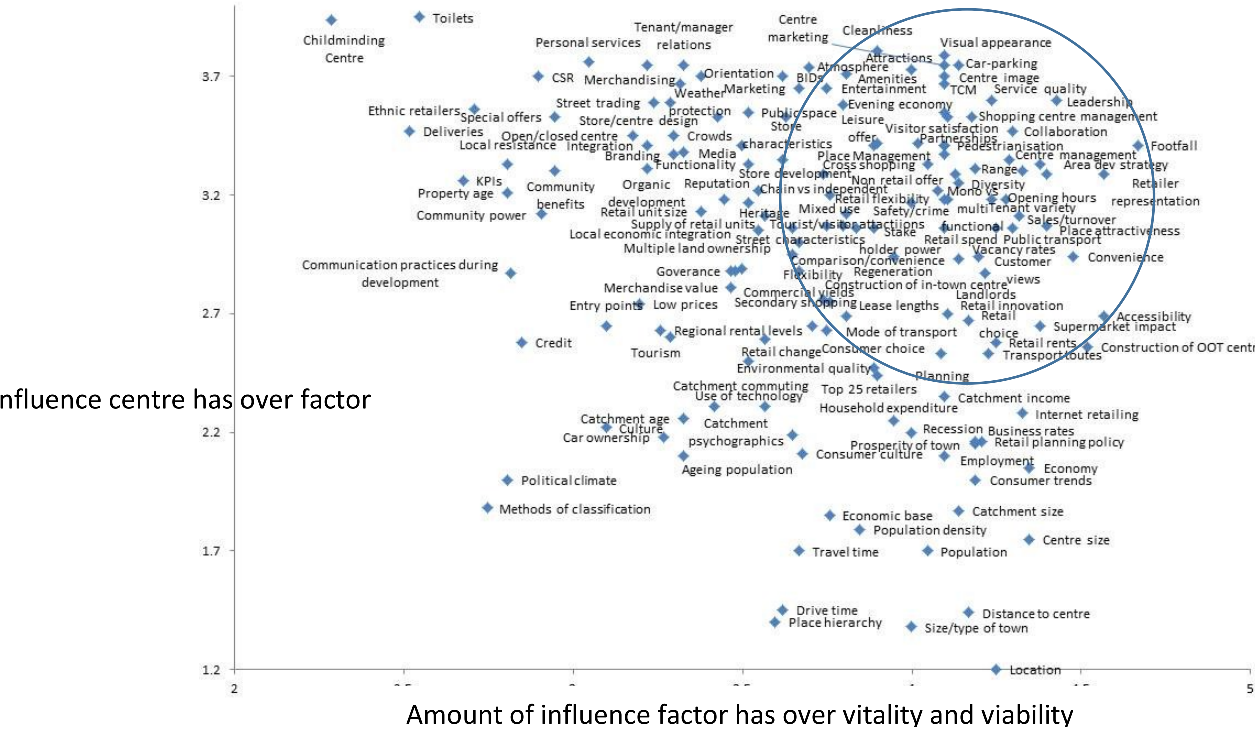

Figure 4 : High Street 2020

Of particular relevance to Morecambe are issues such as **leadership/vision and centre image, area development strategies and construction of OOT centres.**

5.1 Out of town and off centre development

The evidence we have reviewed for the High Street UK 2020 project shows that OOT development and *off-centre development* have a negative impact on high street vitality and viability. In short, **the negative spatial impacts associated with out-of-town development are also associated with poorly integrated edge-of-town development.** In particular, the downgrading of the quality of retail offer in the 'traditional' centre and the loss of A1 retail space. In addition, fringe or secondary areas are much less resilient after off-centre retail development – these areas are often where independent retailers concentrate – such outlets can offer some distinctiveness and identity to an area. Edge of town shopping parks with supermarkets are 'substitute' channels to the High Street, therefore our model predicts that they have more impact on the vitality and viability of the High Street than internet retailing, "shoppers migrate to new and bigger retail units – a configuration which naturally suits the out of town/edge of town development" (Department for Business, Innovation and Skills, 2011). Whilst there have been past studies suggesting a beneficial relationship to town centres from increased footfall of extremely proximate edge-of-centre developments, it may be hard to compete with the economies of scale on offer (Astbury and Thurstain-Goodwin, 2014).

The evidence to date suggests that while linked shopping trips within town-centre situations can reach moderate levels, those with edge-of- centre stores are of a much lower order. This appears to reduce the potential for 'spin-off' shopping associated with the 'peripheral' sites. The edge-of-centre sites that are most likely to maintain or help to revitalize the commercial status of traditional medium-sized shopping centres require a high degree of physical integration with the existing shopping opportunities and associated infrastructure, if they are to be effective. In practice, they should operate as in-town sites. This suggests that great care must be exercised in the micro-spatial choice of an edge-of-centre site if it is to serve the purpose of assisting the fortunes of a declining shopping centre (Thomas and Bromley, 2003).

Finally, analysis has demonstrated that average floor space value (£ per m2) is lower within town centres close to new off-centre large retail developments than across all town centres nationally (Astbury and Thurstain-Goodwin, 2014). This also has an effect on the rateable value – large off-centre retail development is an important sizable economy when measured by rateable values, but not more significant that town centre economies. The impact upon rate revenue can and should be estimated.

Figure 5: Location of proposed Bay Park (Source: Google Maps)

5.2 Area Development Strategies

The distance between the Bay Park and the traditional centre will fundamentally affect the propensity for shoppers to undertake linked trips and generate mutually beneficial 'spin-off' trade. Currently, it appears that the 200–300-m guideline for the maximum distance between the centre and edge is considered too far to benefit the traditional centre (Department of the Environment, Transport and the Regions, 1998). **The distance between the proposed Bay Park and the Arndale Centre is approximately 600m, which is too far for shoppers to walk.** In addition, there are a number of physical obstacles to overcome – large car parks, roads and roundabouts – making it very unlikely that shoppers will cross-shop the two areas (Figure 5). Although physical integration is unlikely, given the distance involved – we could find no evidence[3] of any other strategies to integrate the areas – such as linking the sites through more retail development, for example.

5.3 Leadership/vison and centre image

Both car-borne shoppers and retailers will be attracted to larger units, with easy road access and parking. However, the footfall profile of Morecambe is one of a holiday town – therefore a strong leisure offer and some distinctive retail provision is an important part of the offer. Nevertheless, at the best of times, retail centres are fairly 'fragile' and Morecambe's loss of footfall demonstrates that the town cannot afford to make the wrong decision – in terms of new development.

The Market Assessment and Financial Feasibility Advice Morecambe AAP makes reference to many of the factors we have identified in this report.

> "On the basis of this review, we believe that the key issue facing central Morecambe is perception based on a lack of identity in a 21st century environment and the decline of its town centre. Both residents and visitors struggle to identify and locate the town centre and activity in the town is piecemeal and ad hoc between key areas such as the Arndale Centre, the Morrisons development, the West End and the promenade. There is a limited retail offer by comparison to other towns in the region, with the town centre retail provision appearing to be compromised by significant out of town warehouse type accommodation. There is a distinct lack of connectivity and the town is dominated by car usage reinforced by the large provision of surface car parking. Notwithstanding the above, there is a core visitor offer which is built upon Morecambe's heritage and cultural elements, together with the unique environmental setting." (page 3)

[3] We conducted an internet search, using search terms Morecambe, development, retail, plan, strategy, vision.

The major weaknesses identified in the report are only going to be amplified by The Bay Development. This signifies a need to develop and enhance local vision and leadership, in terms of managing place change and a need to ensure the importance of having a differentiated identity is clearly understood by town centre decision makers.

Aesthetically, the Bay Park Shopping Centre will only add to Morecambe's undifferentiated image. The design is identical to any other retail park. Its disconnection from the traditional town centre will also undermine attempts (such as the recent Portas funding) to strengthen the town centre offer. **Nevertheless, immediate effort and investment is needed in the town centre – if it is going to address declining footfall.**

6. Changing the prognosis for Morecambe

Whilst our review of the situation in Morecambe may seem rather harsh – it is, by no means, unusual. Place managers and leaders are grappling with the problems of declining town centres, growing internet sales and an increased threat of out-of-town development. In July 2014, at the High Street UK 2020 national conference in Manchester, our experts (Professor Johnathan Reynolds, Professor Deborah Peel, Dr Steve Millington, Dr Mihalis Kavaratzis and John Pal) detailed actions that town centres could take to improve the prognosis for their centre and enable them to implement initiatives from the Top 25 actions identified by the High Street 2020 model (Appendix 1). These actions will have the most impact upon vitality and viability. We would be very happy to apply our findings from the High Street 2020 project, with Morecambe, to change the prognosis for the town centre. We are already working with Alsager, Altrincham, Ballymena, Barnsley, Bristol (St George), Congleton, Holmfirth, Market Rasen, Morley and Wrexham.

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November 2014

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Appendix 1

Top 25 priorities