

Town Centre Vitality & Viability: A Review of the Health Check Methodology

PILOT STUDY

**A report for the NATIONAL RETAIL
PLANNING FORUM**

February 2000



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ACKNOWLEDGEMENTS

The research team is grateful for the help of all those local authorities, investors and others who took part in the telephone surveys or provided documents.

We would also like to thank the NRPF for their help in guiding the research, and Geoff Steeley in particular as Chair of the Research Group.

The content and conclusions of this report, however, remain entirely the responsibility of the authors.

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SUMMARY

Scope and Methodology

The Government's Planning Policy Guidance Note 6 (*PPG6*) encourages local authorities to prepare Health Checks for their town centres as a tool for assessing and monitoring vitality and viability. The *PPG6* guidance on health checks sets out a list of suggested indicators that local authorities are encouraged to monitor.

In late 1997, a year or so after the last revision of *PPG6*, the NRPF thought it would be timely to draw together the experience of those who had conducted health checks, and to ask in what ways the process is helpful. The NRPF commissioned UCL to carry out an initial review (the Pilot Study). The principal aims of the Pilot Study were to:

- ▶ Investigate the indicators being collected as a basis for suggesting a possible set of national 'core' indicators.
- ▶ Identify how data are being collected, processed and analysed and to draw from this suggestions on good practice.

UCL carried out the first phase of the research during Spring 1998, followed by an up-date survey at the end of 1999. The research covered:

- ▶ A review of relevant guidance on health checks and town centre monitoring.
- ▶ A desk review of 19 completed health checks and the first round of LPAC health checks.
- ▶ Telephone interviews with 19 local authority officers and town centre managers in Spring 1998, who were re-surveyed in December 1999/January 2000.
- ▶ Telephone interviews with 6 leading UK property investment institutions.

Review of Guidance

Revisions to the official health check guidance during 1993-6 produced shifting recommendations on which indicators should be collected - in terms of number, range and suggested weighting. Moreover, other organisations, such as ATCM, have produced their own suggestions for lists of indicators and methodologies.

The outcome is that there is a conflicting range of advice that local authorities can draw on when developing their health checks. The fact that the *PPG6* indicators list is voluntary not obligatory adds to the potential confusion.

Our review of guidance highlighted a number of issues which, *a priori*, we thought would be central to the development of good practice. They are a need for:

- ▶ clearer definition of the indicators;
- ▶ guidance on the relative importance of quantitative versus qualitative data;

- ▶ further guidance on interpretation, including the use of time series and comparative analysis;
- ▶ national benchmark data; and that
- ▶ resource implications are addressed directly, including staff availability and funding.

These issues were researched further in the desk review and telephone interviews.

The Findings

Our key findings are:

- ▶ Local authorities are unanimous in their support for health checks, using them principally for monitoring Local Plans and development control, but also in Local Plan preparation.
- ▶ Town centre monitoring is widespread though formal health checks have not been completed everywhere, and in some authorities monitoring remains basic.
- ▶ The range in practice on data collection is wide. At the most basic level, authorities are relying on a limited set of indicators derived from existing land use surveys; the most sophisticated health checks cover all the *PPG6* indicators and have identified new sources of data, and established new methods for original data collection.
- ▶ A consensus on a set of core health check indicators has yet to be reached. Very few authorities collect all of the *PPG6* indicators and most monitor a selected number of mainly quantitative measures.
- ▶ The most commonly collected indicators are those which can be derived from local land-use surveys – diversity of use (floorspace by type), vacancy rates, and retailer representation. Local authorities also rate pedestrian flow as a desirable indicator but it is less collected because of resource costs.
- ▶ Property market and qualitative vitality indicators are the least collected (e.g. perceptions of safety, environmental quality, and customer views). A number of factors are responsible for this, including lack of resources for qualitative surveys (of the kind envisaged in the *Vital and Viable Town Centres* good practice guide), problems in defining qualitative indicators, and the lack of easily accessible information on property market indicators.
- ▶ Development of consistent time series data is seen by local authorities as central to the health check process, and most support the idea of comparative analysis. However, practice is highly variable and in some cases, the absence of explicit data definitions (either units of measurement or spatial areas) as well as documented data protocols undermines the quality of health checks.
- ▶ In common with data collection and management practices, no standard model for analysing health check data has emerged from practice. Indeed, the breadth and quality of interpretation in health checks is variable. Most authorities in this research would

welcome more guidance on how to interpret either individual PPG6 indicators or town centre health in general.

- ▶ Differences in size between local authorities affect the resources made available for health checks and thus the extent to which PPG6 indicators can be monitored and analysed. However, we suggest this is not the only reason for variations in health check coverage.
- ▶ Resources available to local authorities for town centre monitoring are typically insignificant when compared to the volume of data and analysis available to town centre investors. (We did not interview retailers but it is likely that they enjoy similar advantages).
- ▶ The result is very unequal access to information for the different stakeholders in town centres, who are frequently opposing parties at public enquiry.
- ▶ Some of the most innovative approaches to the health check are being developed in town centre partnerships where Town Centre Managers, retailers, property owners and local authorities all contribute to the process.

Conclusions and Recommendations

Health checks are proving to be an important tool in town centre monitoring by supporting the Local Plan process and informing the development control process. However, the issues identified in this research suggest that their full potential is not being realised. Reasons for this include:

- ▶ omissions in the original guidance;
- ▶ lack of national data standards for town centres;
- ▶ a need to up-date the contextual analysis provided in *Vital and Viable Town Centres*; and
- ▶ and the poor facilitation of best practice dissemination.

(i) Conclusions

- ▶ The range of health check indicators is too great for some local authorities to manage. Furthermore, not all indicators are appropriate to all sizes and type of town.
- ▶ A case should be made for the development of national core datasets to support town centre health checks. Such a dataset could be used as a basis for identifying national trends, against which the health of different types of town centres could be assessed, and which would inform policy development at both national and regional level.
- ▶ Quantitative viability indicators are the prime candidates for 'core indicators'. A national data set for selected indicators is currently being developed by the DETR (with CASA and URBED) and it would, therefore, be premature to suggest a definitive list.

- ▶ However, the results of this research suggest that the ones most likely to be used by local authorities are floorspace, vacancies, the presence of multiple retailers, pedestrian flows, rents and perhaps retail turnover.
- ▶ The difficulty of providing meaningful numerical measures of vitality that can be standardised between places suggests that the evaluation of the ‘soul’ of town should remain at the local level. Guidance that identifies best practice in the development of *processes* to monitor vitality needs to be developed to support PPG6.
- ▶ It is important that the health check process is not seen as just a data collection exercise. Additional best practice guidance on data *management* and *interpretation* would also be helpful and could be delivered in a companion document to PPG6 (which up-dates the guidance in *Vital and Viable Town Centres*). The “Key Performance Indicators” approach recently produced by the ATCM is a useful example of such an approach, that seeks to standardise practice without implying significantly increased demands on resources.
- ▶ Town centre partnerships between public and private sector stakeholders in town centres can deliver innovative solutions for data collection and monitoring within limited resources. They should be encouraged and supported by documentation of best practice examples.
- ▶ Support for the dissemination of good practice is vital and will help to address the relative isolation of those conducting health checks. This could be developed as an interactive resource on the Internet. Regional Development Agencies might be in a position to deliver such a resource.

(ii) Recommendations

- ▶ Convene a national town centre stakeholder group to review all aspects of the health check process, including our proposed top-down/bottom up combined approach, provision of core indicators, material to support interpretation **and** the dissemination of expertise.
- ▶ Recruit a number of case study town centre partnerships, to explore processes and best practice for handling local vitality indicators in particular, and data in general.
- ▶ Suggest a package of technical measures to support a national health check process delivered as a best practice guide, or resource. Aspects of the guide should be provided on the web to assist practitioners and develop a learning network.
- ▶ Suggest amendments, where necessary, to central Government advice on the health check process.

1 INTRODUCTION

Town centre Health Checks are proposed by the Government as a useful tool for assessing the vitality and viability of town centres, particularly where there are threats to existing towns from proposed out-of-town shopping centres. There is also the need for continuous town centre monitoring as part of the development plan process and for town centre management purposes.

Various pieces of guidance exist as to how health checks should be conducted and what data should be collected. The way in which the health check has evolved, however, has produced potentially unclear and contradictory guidance¹. As a consequence, alternative approaches to assessing town centre health have been developed by others which have only added to the confusion².

Against this background, the National Retail Planning Forum (NRPf) commissioned the Centre for Advanced Spatial Analysis (CASA) at University College London (UCL) to undertake a review and evaluation of current practice in the preparation of health checks. The NRPf recognised the growing body of work on town centre monitoring - the LPAC³ initiative on London's town centres in particular - and thought it would be timely to draw together the experience of those who had conducted health checks, and to ask in what ways the process is helpful.

The principal aims of the research were to:

- ▶ Investigate the indicators being used by local authorities for health check purposes (including qualitative ones) as the basis for suggesting a set of national 'core' indicators. The NRPf is interested especially in how qualitative dimensions of the 'soul and vitality' of town centres are being captured.
- ▶ Identify how data are being collected, processed and analysed and to draw from this suggestions on best practice.

CASA prepared a Scoping Report in September 1997 to identify the key issues that would be investigated in the research. It was agreed that a national research study would be required to answer the questions fully but that a smaller Pilot Study could provide useful insights. The Pilot would present **an initial review of current practice in town centre health checks and would provide the framework for further enquiry on a national scale**. This report presents the findings of the Pilot Study; its organisation is presented on the contents page.

¹ See Tomalin, C (1997). Town Centre Health Checks: Some Developments from Practice. *Planning Practice & Research*, Vol. 12, No 4, Carfax, London.

² See for example, Boots the Chemist (1996). *Town Centre Management: A 'Tool Kit' Suggesting how to Get Started*. Nottingham, Boots the Chemist. *About Town*, London (1997) endorsed by the Association of Town Centre Managers (ATCM), sponsored by Boots the Chemist, Marks & Spencer, Sainsbury's, Sears plc, WH Smith Group plc.

³ London Planning Advisory Committee (1996) *London's Town Centre Health Checks* (London, LPAC).

2 APPROACH & METHODOLOGY

This Section provides a brief history of the evolution of the health check, highlights some key questions relating to good practice, and outlines the methodology of the Pilot research.

2.1 Context: The History of the Health Check

Much of the Government's planning policy advice on town centres reflects concern about the impact of out-of-town shopping developments on the strategy for, and health of, individual town centres. The advent of large-scale out-of-town shopping centres in the 1980s, and the commercial development boom at that time, prompted serious concern about impact on existing towns. Since then there have been a number of attempts to standardise the methods used to evaluate impact, via planning policy guidance notes and good practice guides (*PPG6*, 1993, (draft) 1995 & 1996; *Vital & Viable Town Centres*, 1994). Monitoring the health of town centres is the suggested means of anticipating any risks of decline, especially where impact from new retail developments is likely.

However, the standard against which health checks are conducted has changed several times and this has left local authorities unclear about the best way to build town centre monitoring programmes. Our evaluation of local authority health checks acknowledges the difficulties created by such 'shifting sands' and we have taken into account the changing institutional framework when assessing 'good practice'. The following section reviews the development of policy and good practice, and provides a context for the evaluation of health checks.

2.1.1 *PPG6 (July 1993)*

In planning policy terms, the health of town centres is defined according to two dimensions – vitality and viability. Though these terms are somewhat open to interpretation, they are generally considered to cover the strength of commercial markets and investments in town centres (viability)⁴, as well as general 'liveliness' (vitality). The Government set out in *PPG6* (July 1993) seven criteria for the evaluation of vitality and viability, as shown in Table 1. Of the seven indicators, commercial yield and pedestrian flow were to be given greater weight in planning decisions (though no justification was made in the PPG for this approach).

⁴ Detailed definitions of vitality and viability were given in the good practice guide, '*Vital & Viable Town Centres, Meeting the Challenge*'. They are, however, difficult - and sometimes confusing - terms to use in practice since different town centre users attach different meanings to them.

	PPG6 July 1993	Vital & Viable Town Centres: Meeting the Challenge	Draft PPG6 (revised) July 1995	Revised PPG6 June 1996
<i>Diversity of uses</i>	ü		ü	ü
<i>Retailer representation</i>	ü		ü	ü
<i>Retailer demand (plans to change)</i>	ü		merged with retailer representation	merged with retailer representation
<i>Shopping rents</i>			ü	ü
<i>Proportion of vacant street level property</i>	ü		ü	ü
<i>Commercial yields on non-domestic property</i>	ü	ü	ü	ü
<i>Pedestrian flows</i>	ü	ü	ü	ü
<i>Accessibility</i>			ü	ü
<i>Customer views and behaviour</i>			ü	ü
<i>Perception of safety & occurrence of crime</i>				ü
<i>State of town centre environmental quality</i>				ü
<i>Physical structure of the centre</i>	ü		ü	
<i>"Other indicators"</i>		Including: demand from retail multiples, ranking of multiples presence, space in use, profile of retailers, vacancy rates, physical structure, quality of the centre. Yields and pedestrian flow were seen as key indicators; other indicators were seen as helpful.		
<i>Other guidance</i>	Primacy given to yields & pedestrian flows.	'Indicative health check' to evaluate Attractions, Accessibility, Amenity & Action		Primacy of yields & pedestrian flows dropped
Source: CASA				

Table 1: Evolution of Health Check Guidance

The launch of this PPG preceded the completion of the DoE-funded research on town centres which reported the following year and it was criticised by some as being premature⁵. It nonetheless set the precedent for an indicators approach to town centre monitoring.

2.1.2 Vital and Viable Town Centres, Meeting the Challenge, 1994

Funded by the DoE and directed by consultants URBED, '*Vital & Viable Town Centres*' was a wide-ranging, multi-disciplinary analysis of the pressures facing town centres, combined with suggestions on suitable responses and good practice. The report introduced a specimen method for conducting health checks, as part of its recommendations on good practice.

Using a medical analogy, the consultants suggested that indicators are useful to detect the first signs of ill health in a town centre but that further tests are required for a more rigorous diagnosis and prescription. They therefore recommend two parallel approaches and make a third suggestion on presentation of the analysis:

1. Monitoring of key indicators, with particular emphasis on the need to do so "on a regular, possibly annual, basis..." (para. 5.9);
2. A "practical assessment framework" (para. 5.29), which is the basis for their recommended 'indicative health check' (shown in Appendix B of their report); and
3. A summary of the risks to the town centre in terms of a SWOT analysis (strengths, weaknesses, opportunities, threats).

The indicators are those laid down in *PPG6* (1993), though with additional suggestions on the use of commercial yields. The practical assessment, the consultants suggest, should focus on four basic qualities of a town centre (sometimes referred to since as the '4As' test):

- ▶ *Attractions* – diversity & critical mass;
- ▶ *Accessibility* – mobility & linkages;
- ▶ *Amenities* – security & identity; and
- ▶ *Action* – organisational capacity & resourcing.

In the indicative health check, each of these qualities is to be measured on a number of dimensions using a mix of "personal observation and through information possessed by many local authorities". A subjective rating of 'good' 'average', 'poor' etc is suggested for each dimension. Some data are to be compared with that for *neighbouring centres* and some to data for *similar centres*.

Whilst the consultants provide useful information on further sources of information for each measure, the indicative health check is ambitious in scale and scope and is subject to the views of the person conducting it. Local authorities, town centre managers and consultants clearly have different agendas and breadth of experience, and this will be reflected in their appraisal of town centre health.

⁵ Tomalin, C. (1993). Choppy Seas Ahead for Central Guidance. *Planning*, 1030.

Key weaknesses of this approach, therefore, are:

- ▶ The relative (and essentially subjective) nature of responses.
- ▶ The approach makes it difficult for those conducting health checks to be consistent year on year (especially if staff change).
- ▶ There is a lack of guidance on how neighbouring or similar centres are to be chosen. In the absence of a nationally agreed hierarchy of towns, the selection of comparison towns is problematic; if the ‘wrong’ towns are chosen the analysis is undermined and the conclusions may be misleading.
- ▶ It also places an onerous responsibility on local authority officers who are often constrained by lack of resources.

In spite of these practical obstacles, however, the V&V report introduced the important idea that **quantitative** indicators are necessary but not sufficient to evaluate the health of town centres, and that they need to be accompanied by **qualitative** data and information, **analytical interpretation** and **prescription**. Practical issues aside, the report also highlighted the potential usefulness of **time series** and **comparative information** in understanding the dynamic nature of town centre health. Significant practical and resource barriers remained, however, making implementation of good practice difficult, even for willing local authorities.

2.1.3 Draft PPG6 (revised) July 1995

As a result of pressure from retailers and developers, *PPG6* was reviewed and revised in July 1995. The measures of vitality and viability were refined and expanded with the inclusion of shopping rents, accessibility and customer views (Table 1). The two measures of retailer demand in the 1993 version were merged in the new PPG. Interestingly, these revised criteria do not reflect the approach set out in *Vital and Viable Town Centres*: most significantly shopping rents were included in the PPG despite the reservations set out in Appendix A of the good practice guide. Ranking of indicators was dropped, though commercial yield remained top of the list.

2.1.4 Revised PPG6 (June 1996)

The final revised version of *PPG6* is the extant planning guidance on town centres and retail developments. The list of indicators has changed once again: ten indicators are suggested instead of nine and there are some significant changes to the range and depth of information to be collected (see Table 1). In particular, the inclusion of customer surveys (town centre and catchment households) implies potentially significant additional resource costs for local authorities, though planning applicants typically will have access to such data.

Whilst local authorities are urged to collect “a range” of these indicators, the PPG is not clear on whether all of them should be monitored. Time series and comparisons are seen as helpful but no guidance is given on practical issues such as data definitions or benchmarks. Inevitably, people pick and choose indicators and benchmarks, often due to resource constraints, which makes the creation of good practice standards more problematic. This difficulty is further compounded by the lack of guidance on how to interpret the data.

Since the publication of *Vital and Viable Town Centres* in 1994 there has been no clear statement of the role of this report in relation to successive guidance given on health check indicators in *PPG6*. The absence of official guidance has encouraged other organisations to offer alternative

approaches to the health check methodology. This has further exacerbated problems for local authority officers and town centre managers who have no clear blueprint to follow.

2.1.5 ATCM About Town (1997)

An alternative health check methodology is the Association of Town Centre Management's 'About Town' approach. This method aims to assist town centre managers with the assessment of the health of their town centre. There are a large number of categories provided which can be combined to give an overall score of health for the town centre. The test is easy to understand and implement and may be attractive to those town centre managers who wish to focus on the relative strength of features within a town centre. It advocates the creation of a steering group comprising various town centre stakeholders (such as retailers, bus companies, the police) who use the techniques to identify those issues which need attention/action in the town centre.

As a result, the *About Town* approach is very subjective, and although it can be used to develop a series of numeric indicators, it is not a method to be used for comparing town centres. Thus, the approach to town centre health checks presented in *About Town*, while offering an initial practical tool for looking at the individual town centre, needs to be used with care.

2.1.6 Recent Initiatives

The importance of being more precise in the use of numeric indicators to measure the town centre health has been better recognised in recent years. One of the best reviews of town centre indicators has been the recent publication by the ATCM of its *Key Performance Indicators*. In addition, the DETR is soon to publish town centre statistics for London which will provide the first consistent retail statistics set since the last Census of Distribution taken in 1971.

2.1.7 ATCM Key Performance Indicators (1999)

This ATCM publication addresses one of the main shortcomings of the *About Town* document in that it starts to rigorously define town centre performance indicators. The need for such rigour has emerged from the recognition that the large majority of current and potential investors in town centres need to have hard facts upon which to base their investment decisions. *Key Performance Indicators* helps town centre managers to identify those indicators that should be collected for their town centre, as well as offering practical advice on how to build a portfolio of indicators necessary to track the performance of their town centre through time, enabling them to assess town centre initiatives.

The publication defines a broad set of indicators which are broken down into four categories – regional, town centre health, town centre progress and optional town specific indicators. Within each broad category, a set of indicators is suggested comprising essential indicators and well as optional indicators. For example, when considering the demographics of an area, the population totals in both the town centre itself and the within the catchment area are considered essential, while a detailed breakdown of the age distribution of the population within the catchment area is considered optional. Guidance is given on how the data should be collected, offering possible commercial sources of the data (such as Experian Goad) and if the data are not commercially available, broad suggestions of how to collect the data. Finally, a brief example of how the data might be employed is offered.

In all, 60 possible indicators are identified, 24 of which are considered of core importance. The indicators are varied and of varying complexity. The **regional indicators** include population, demographics, employment and the industrial structure of the wider region. These offer the social

and economic context within which a town centre exists. The **town centre health indicators** are in fact measures of retail performance in the town centre – retail vacancies, performance and sales. Indicators of **town centre progress** are broader in their definition and include measures as diverse as the number of visitors to the town centre, crime levels and measures of street maintenance and cleanliness. The final sets of **optional indicators** are those specific to a particular town centre and might include, for example, data on tourism or the late night economy.

While the large number of indicators may be a little daunting, the report makes it clear that not all need to be collected. Furthermore, the consistent layout and presentation of the report means that it is relatively straightforward to understand. The practical nature of the guide is also demonstrated by the provision of suggested table formats to help town centre managers organise the indicators at the end which emphasises the importance of standardising the approach to data collection and maintenance.

The guide is extremely practical and is perhaps the first, and most comprehensive, attempt to catalogue the wide range of potential town centre indicators. While some of the indicators themselves could be debated – the use of purely retail indicators to assess the overall health of the town centre is perhaps myopic (the leisure economy is also extremely important, for example) – it provides an excellent introduction to the collection and use of quantitative measures of town centre health by attempting to identify and group the indicators, as well as stressing the importance of time series.

The guide also recognises that importance of comparing town centres, although it wisely cautions against the collation of town centre league tables which tend to emphasise the national league position of the town centre and discourage understanding of the processes contingent on a town centre through time. However, it fails to recognise that identification of similar town centres through the use of indicators can be useful in understanding these processes and in the sharing and development of suitable strategies. In order for this to be possible, it is essential that the same collection methodologies are rigorously applied across all town centres. If not, comparisons become problematic – differences between town centres may reflect sampling errors, for example, or different data definitions. Unfortunately, the publication offers little guidance in this regard. It also offers little advice on how the indicators might be analysed, although importantly, it does stress that “..at least the same amount of time should be spent analysing and presenting the results as collecting the information” – but no guidance is given to this end.

These few criticisms should be offset against the huge leap forward that this publication presents, a development that is underpinned by recent work conducted on behalf of the DETR to provide consistent town centre statistics across the country.

2.1.8 DETR Town Centre Statistics

The last national exercise to collect retail statistics in the UK was in 1971, so the impact of out-of-town retail development in the 1980s and 1990s could not be adequately assessed. In 1996, the DETR commissioned the Centre for Advanced Spatial Analysis (CASA) at University College London, and the Urban and Economic Development Group (URBED) to develop a system that could generate various statistics for town centres using existing government datasets.

After successfully developing a prototype system in 1996/97, the team is now developing a pilot system on London as the first phase of a national roll-out (DETR, forthcoming). A full range of town centre statistics (generated from government employment, floorspace and company turnover data sources) will be provided, potentially supplying the national core indicators necessary for assessing town centre health.

2.1.9 General Issues

A number of issues emerge from this review that are central to the success or failure of town centre health checks, and to the development of good practice.

- ▶ The **indicators** to be collected are not clearly defined or consistent in Government advice.
- ▶ There is no clear statement about the relative value of quantitative and qualitative **data**, or of stand-alone versus comparative data.
- ▶ Guidance on methods for the **interpretation** of information is limited.
- ▶ The importance of **time-series** data to monitoring is not sufficiently emphasised.
- ▶ There is no guidance on how to make **comparisons** between towns, or how to choose relevant places for comparison.
- ▶ Lack of nationally agreed **benchmarks** for time series data or inter-town comparisons undermine good practice guidance.
- ▶ **Resource** implications of town centre monitoring are not addressed.
- ▶ *PPG6* does not give sufficient guidance on interpretation of health check indicators or town centre monitoring.

2.2 The Pilot Study Methodology

The issues listed above have framed our enquiry into the current state of good practice in health checks. In order to explore them in more detail, the research was conducted in three phases:

2.2.1 Phase 1: Review of existing reports

Two main exercises were done as part of Phase 1:

- ▶ a review of 19 existing health check reports, examining approach, data coverage, data handling and analysis. The selection of reports was guided by the NRPF who provided contacts and material; and
- ▶ A review of the health check methodology and database developed by LPAC to monitor London's 'town centres'.

In addition to the formal reviews (which are reported below), various reports on town centre health checks were collated to provide useful background material for the exercise. The results from Phase 1 informed the questionnaire design for more detailed investigations in Phases 2.

2.2.2 Phase 2: Postal survey & in-depth telephone interviews

The purpose of the research in Phase 2 was to extend the number of health checks reviewed as well as to address some of the more detailed issues identified in the review of health check

guidance. Since there is no central register of health checks, or of town centre contacts, the first step was to establish a list of potential town centre contacts that would form the sampling frame for a survey. The database, drawn up in consultation with NRPF, includes planning officers, town centre managers and private sector investors.

Very brief postal questionnaires were sent to 150 contacts, mainly from local authorities, to check whether the respondent or another had specific responsibilities for town centre monitoring. This allowed us to identify people willing to take part in detailed telephone interviews.

Two versions of a questionnaire were developed: the first aimed at town centre managers and local authorities; the second at private sector property investors. To allow us to make some general comparisons between public and private sector views, a core set of questions were asked of both groups, though they were phrased slightly differently to reflect the different approaches the two groups were likely to have. The interviews explored the issues outlined above in detail with a relatively small sample: this approach is reflected in an average interview length of 30 minutes with local authorities and 18 minutes with investors.

Respondents for the telephone interviews were selected randomly on a 'first available' basis from those who said they would be willing to take part. The aim of the interviews was to test an approach to explore:

- ▶ What indicators are being collected, their sources and frequency, storage and maintenance;
- ▶ the ease of, or barriers to collecting information;
- ▶ users' views on how useful the *PPG6* indicators are;
- ▶ approaches being used to analyse data; and
- ▶ general views on the helpfulness of the health check approach.

The final sample included 19 local authority officers/town centre managers and 6 investors. Adding the reports reviewed in Phase 1 to the survey responses gave us coverage of 34 local authority health checks⁶.

2.2.3 Phase 3 Update survey

In late 1999, participants in the original telephone interviews completed a new survey conducted through a mix of postal questionnaires and telephone interviews. The aim of the survey was to assess the subsequent experience of the authorities whose health checks were covered in the original review. The results from the update survey show how the problems and issues identified in the original survey are being addressed.

⁶ A total of 20 responded to the telephone survey, of which 18 provided enough detail to be included in the analysis. In one of these 18 places, the town centre manager and a senior planning officer were both interviewed and are counted as one response. In one other case full detail was provided for only a limited set of questions: the base is adjusted to 17 accordingly for relevant questions. Of the 18 surveyed, two had already provided material in Phase 1.

3 REVIEW OF HEALTH CHECKS

This section presents the results of the review and survey of local authority health checks followed a brief evaluation of the LPAC methodology and data. A list of health checks and survey respondents is provided in Appendix 1. The questionnaires and interviews were conducted during the first half of 1998; while the health check is likely to have improved since then, the authors feel that the themes developed in this, and the next chapter, remain valid.

3.1 Local Authority Health Checks

The following analysis combines the results of the desk review of 19 health check reports with the results of the 18 detailed telephone interviews⁷. The text indicates where the analysis is based on the survey only. A qualitative approach is adopted in the analysis, which aims to draw out the key themes. Where statistics are presented these should be interpreted as giving a general view of the weight of response and undue importance should not be attached to specific numbers, given the small size of the sample.

3.1.1 Awareness of Health Checks Guidance

Survey respondents were asked about their awareness of various pieces of health check guidance. Predictably, all of the respondents are aware of *PPG6* and the health check guidance contained in it. More surprisingly though, considering that the interviewees are town centre specialists, two of the 18 (11%) claim not to know about the health check advice in *Vital and Viable Town Centres*.

3.1.2 Who does Health Checks?

The use of health checks is widespread. As Table 2 shows, all but one of the organisations surveyed have completed, or are in the process of setting up, some sort of health check or town centre monitoring.

The use of consultants to advise on town centre issues is common, either in relation to health checks or other issues. Our initial contact questionnaire revealed that only 10% of the 60 who replied do not use consultants whilst over a fifth (22%) retain consultants; the others use outside help on an ad hoc basis.

Constrained staff resources within local authorities mean that many have no choice but to use consultants when they are tackling big issues related to the town centre. Some respondents also admitted, however, that a lack of confidence or experience on their part, or the importance of having a recognised 'brand' of health check/impact assessment at public enquiry, was the reason for using consultants.

⁷ Two authorities provided information in both parts of the research. The results are adjusted where necessary to avoid double counting. One further authority provided only limited amounts of detail and is included in the analysis only where questions were answered.

	Responses	%
Carry them out ourselves	10	56
Commission from consultants	3	17
Ourselves and consultants	4	22
Don't know	1	6
Total	18	100
Source: CASA		

Table 2: Use of Health Checks (Telephone Interviews)

Whatever the route, most local authorities have to source the funding for town centre monitoring themselves: only one of the 18 respondents in our telephone survey shares the costs, for example. Such a reality flies in the face of *PPG6* which advocates partnerships with the private sector for town centre monitoring purposes. However, while explicit cost sharing remains rare, we did discover some innovative arrangements regarding data pooling which are reviewed in the sections on Indicators.

3.1.3 What are Health Checks used for?

Local authorities use health checks for many different purposes, often as one part of wider research or policy analysis.

Purpose	Responses	%
Local Plan monitoring	10	56%
Development control	10	56%
Local Plan preparation	6	33%
Performance (viability) monitoring	6	33%
Town Centre management	4	22%
Bids for central government funds	4	22%
Input to regeneration strategy	2	11%
Promotion/marketing	2	11%
Inward investment	2	11%
Identify trends	2	11%
Source: CASA		

Table 3: Purpose of Conducting Health Checks

- ▶ Local Plan monitoring and development control - as *PPG6* envisages - are the most common uses in the organisations surveyed (Table 3).
- ▶ Other important uses of the health check are Local Plan and strategy preparation together with town centre management.
- ▶ Most respondents use health checks for more than one purpose, mindful of achieving economies of scale from town centre studies. Health checks are often undertaken as part of broader retail capacity analyses.

- ▶ For some, the health check is perceived to consolidate, and act as a catalyst for, change. It has sometimes provided a focus to bring town centre stakeholders together. Comments included, for example:

“To demonstrate the effectiveness (and justify) town centre management initiatives.”

“Advise town's board of management [retailer/LA partnership] on performance of the town centre.”

“To encourage retailers to get involved.”

“Provides information for an Inward Investment fact pack for retailers.”

3.1.4 What indicators are monitored?

PPG6 provides the basic framework for most of the health checks reviewed (26 of the 34) though coverage of indicators is only partial in most cases. All ten PPG6 indicators are covered in only 4 of the 34 health checks reviewed: half of the health checks include 6 or fewer indicators (Figure 1)⁸. Moreover, the combinations of indicators used varies widely between authorities, suggesting that no common practice has emerged so far.

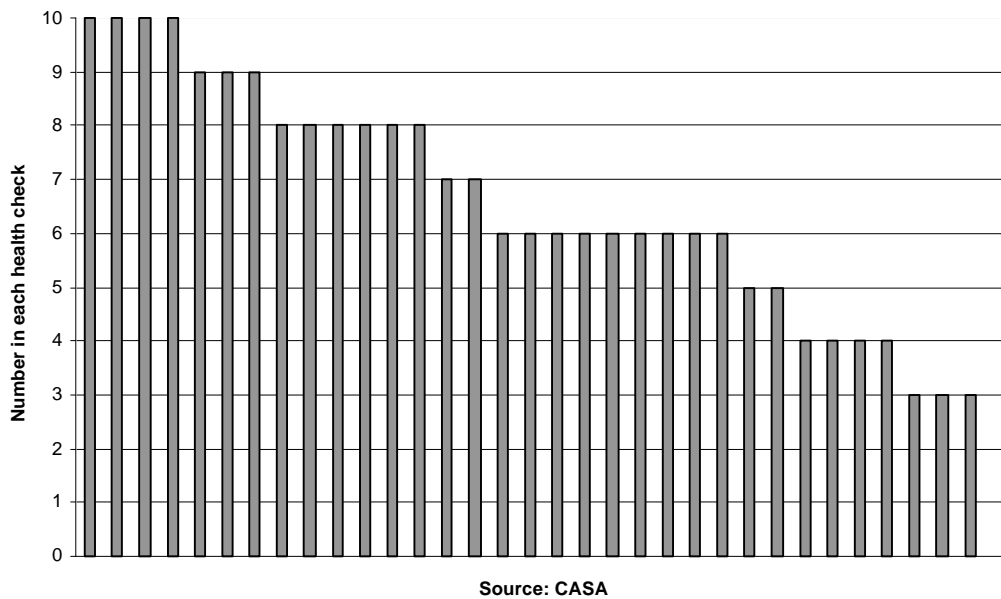


Figure 1: Number of PPG6 (1995) Indicators collected

A minority had adopted alternative approaches - either the ‘4As’ test as set out in *Vital & Viable Town Centres* (2 reports), a combination of PPG6 and the ‘4As’ (3 reports) or had based health

⁸ Two of the health checks reviewed were either published or started before the current version of PPG6 was published.

checks on the *About Town* approach as endorsed by the Association of Town Centre Managers (3 reports).

Respondents to the telephone survey typically see the *PPG6* indicators as an idealised wish list (albeit with some suggestions for additions or deletions) but **are constrained in what data they collect by the resources available**. For example:

“Our selection of indicators is driven by their availability and usefulness.”

“We prioritise collection according to resources. We obtain data from consultants working for planning applicants.”

It is therefore of little surprise that the two most frequently collected indicators – vacancy rates and diversity of uses – are those which are often available from local authority land use monitoring (Figure 2). The least collected are those that typically involve costly surveys (pedestrian flows, perceived safety, environmental quality and customer views) or are difficult to obtain (commercial yields).

Two thirds of the 34 authorities/TCMs (Town Centre Managers) in our survey are collecting additional or alternative indicators to those shown in *PPG6*. Retail turnover is the most common ‘other’ indicator (5 mentions) together with data on ‘the leisure economy’ (5 mentions).

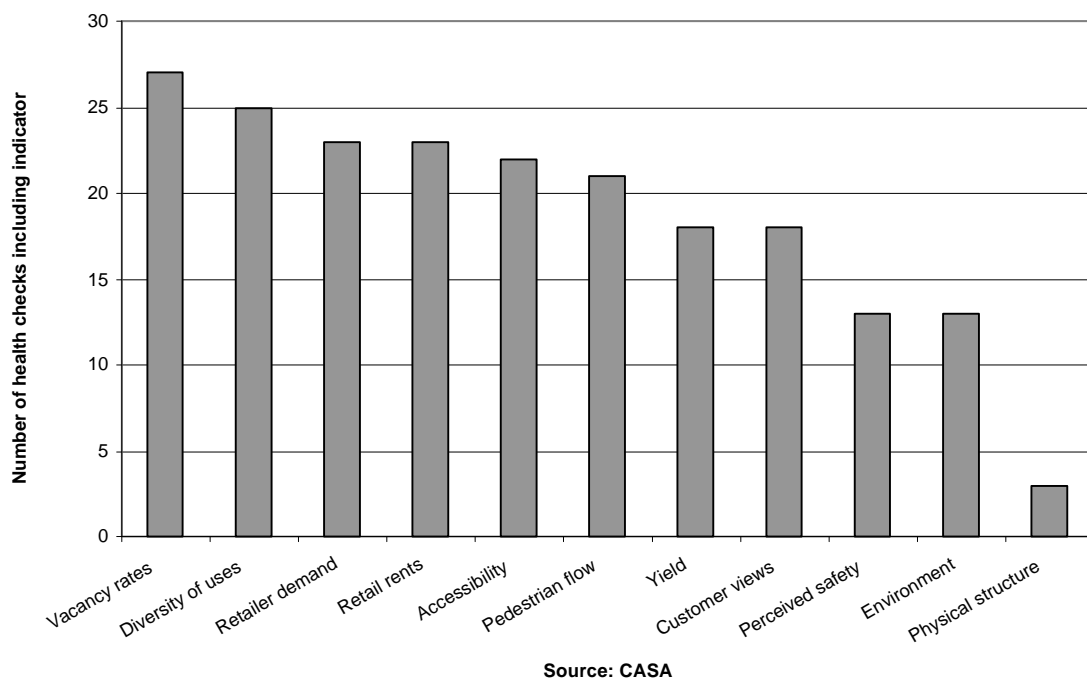


Figure 2: Range of *PPG6* (1995) Indicators collected

3.1.5 *How are indicators defined?*

PPG6 provides some broad guidelines on what sorts of data should be collected for each indicator. It is most specific about retail rents (Zone A rents in primary shopping areas) and commercial yields (capital value in relation to expected market rental) and least specific on the more qualitative components of vitality, such as customer views and environmental quality.

In practice, there is little consistency in how data are being defined, as Table 4 illustrates⁹. A number of officers indicated that they would like further guidance on data definitions.

Indicator	Comment on Definitions
<i>Diversity of uses</i>	Data tends to follow the conventions established in local authority land use surveys, many of which pre-date PPG6. Typical units of measurement are number of units and/or area (sq ft). Uses defined either by Use Class Order or GOAD classifications: few include non-retail/catering uses. Mapping used by a minority.
<i>Retailer representation and intentions to change representation</i>	More health checks cover representation than plans to change. Units of measurement include number of multiple retailers (all, any with more than 10 outlets nationwide, 'national' 'top 10' etc); some also include independents. FOCUS* database used in one case.
<i>Shopping rents</i>	Prime (ie top) Zone A - usually a single figure, not figures across the 'primary shopping area'. A minority provide a figure for 'secondary' areas; one used rateable values to impute rent.
<i>Proportion of vacant street level property</i>	Usually defined as 'not occupied' in land use surveys; detail on whether actively marketed (ie available) or otherwise vacant property (eg awaiting development) is rarely provided. Unit of measurement is typically % of units (some also look at % of floorspace). Definition of geographical area over which % is calculated is rarely indicated, and definitions of 'town centre' vary widely.
<i>Commercial yields on non-domestic property</i>	Typically 'prime yield' (though its precise definition is rarely explicit - eg is it transactions based initial market yield, hypothetical best market yield, equivalent yield, portfolio yield etc? The variety of data sources employed suggest different bases are being used).
<i>Pedestrian flows</i>	Methodology is rarely stated. Number of points counted varies widely (1-30); duration varies (eg 5 mins, 10 mins etc); number of days counted over differs (eg from continuous monitoring using shopping centre automatic counts to one day specifically for the health check).
<i>Accessibility</i>	Little common practice. Units of measurement include, eg: number of car parking spaces; number of CP tickets issued; price of CP tickets; number of buses/bus routes into town; range of modal choice; perceptions of car parking/car access.
<i>Customer views and behaviour</i>	Some are street surveys in town centres; others are household surveys (typically done as part of a retail capacity assessment). Sample sizes vary widely - from 50 (town centre) to several thousands (borough wide household survey).
<i>Perception of safety & occurrence of crime</i>	Units of measurement for recorded crime are typically numbers of crimes of different types (eg car, premises, against the person): areas are typically police divisions/beats not town centres. Basis for definitions of perceptions varies widely eg views of police presence, beggars, general 'feeling' of security etc.
<i>State of town centre environmental quality</i>	Generally a qualitative scoring exercise, either based on guidance in <i>V&V Town Centres</i> or own design. Wide variations eg 3-point scores for 3 dimensions; 7-point scores for 12 dimensions etc.
* FOCUS is a commercial database provided by Property Intelligence	
Source: CASA	

Table 4: Diversity of Definitions Used for PPG6 Indicators

⁹ More detail on the definitions being used is provided in Appendix 2.

For example:

“There should be a recognised way of doing it. There are problems with data sources.”

“We need a clearer definition of some of the indicators - e.g. accessibility; what should it look at?”

Definitions of town centre boundaries for monitoring purposes also vary widely. Some are historic or strictly defined according to the Local Plan; the primary shopping area is a common definition; some are agreed by town centre partnerships; others use different boundaries depending on the issue in question. In practice, data collectors are pragmatic, typically using whatever is available for whichever geographical area, rather than doggedly pursuing data for pre-defined spatial units. Few health check reports, however, are explicit about the areas to which their data relate, which compromises any attempt to make comparisons between towns, and is clearly a weakness in current practice.

Some of the *PPG6* indicators, if they are to be of any practical use, clearly demand an explicit definition of the area to which they relate – vacancy rates in particular. However, we discovered that there is some reticence amongst authorities to be too prescriptive about town centre definitions, given the other policy guidance in *PPG6* on town centres and the sequential test. Respondents were asked, *“would it be helpful to have official, nationally agreed definitions of town centre boundaries?”* Reflecting concern about application of the sequential test, only three of the 18 agreed that this would be a helpful approach, though a number expressed a desire for more guidance, given their experiences in trying to define ‘edge of town’ in the light of the sequential test.

“There are too many different ways - every town is unique.”

“Local circumstances vary so widely it would not be practical.”

“We had problems with the sequential test guidance because the town centre is so small. We had to be a bit more flexible regarding edge of town.”

“It would be useful to have guidance on the criteria, but it needs to be a local decision at the end of the day.”

“Data is already collected on local definitions. If these were changed you would lose the value of all the data going back in time.”

The fact that definitions are not common may not matter if the sole purpose of the health check is to inform local authorities and highlight areas for action by town centre managers, both of whom are aware of the shortcomings of the data. However, inconsistency in the definition of what constitutes a town centre undermines the analytical power of the statistics being collected to monitor risks, and this becomes particularly problematical when health check data are to be used in determining planning applications.

An example of poor practice from the health checks that we reviewed illustrates this point. In one report the retail vacancy rate in the prime shopping frontage in the study town was compared to a ‘national’ Goad¹⁰ figure, to indicate the comparative health of the town centre. The Goad data, however, are based on a much broader (and non-standardised) definition of town centres, though

¹⁰ Goad is a trademark of Experian and refers to town centre retail plans and the statistics derived from those plans.

this was not acknowledged. It was not surprising then that the town was deemed to have a favourable vacancy rate.

Wrangling over data sources and definitions is a familiar feature of public enquiries and, given that health checks are likely to be used as evidence, there is a strong argument for greater consistency. Indeed, the *Vital and Viable Town Centres* good practice guide highlighted an “absence of standardised and available information on what is happening to individual town centres. Without generally understood measures too much time is being spent in fruitless arguments at public enquiries”(para. 5.07). While *PPG6* has begun to establish a common approach to data monitoring, a lack of standardisation regarding definitions or areas means that the arguments will continue.

3.1.6 How are data collected?

Most health check data are obtained in one of the following four ways:

- ▶ From data held within local authorities, including new research as well as collation of existing data, typically co-ordinated by a planning officer and sometimes including highways and estates departments.
- ▶ By appointed consultants or gleaned from opposition evidence at public enquiries.
- ▶ In collaboration with town centre partners and the police (the latter specifically in relation to perception of safety).
- ▶ Published data bought-in for the health check (commonly used sources are shown in Table 5).

The health checks reviewed typically draw on a mix of the above, though the amount of data bought-in is not extensive. Some of the most innovative arrangements for data collection are evident in town centre partnerships (formal or informal) which have embraced the guidance on data pooling expressed in *PPG6*. Useful examples of how this approach can draw on the expertise of retailers and local estate agents include Dacorum, Aylesbury Vale, Warrington, Dartford, Halifax and Knaresborough.

The review suggests that in all but a few places, town centre data collection is still in its early days and that common ‘good practice’ is yet to emerge. Responses to the survey suggested that a number of issues regarding data collection need to be addressed further:

- ▶ Local authorities sometimes do not have the staff resources available to monitor town centre performance in the detail outlined in *PPG6*, which can undermine their credibility at public enquiry. Staff turnover, combined with poor documentation of health check processes (where it happens) can undermine continuity.
- ▶ Knowledge of some national data sources is not widespread, despite the information presented in the indicative health check in *Vital and Viable Town Centres*. Market (viability) indicators are the least well known: for example, few authorities use or refer to sources such as the Hillier Parker or Management Horizons ranking of shopping centres, or time series data on rents and yields published by the large, national property agents.
- ▶ Competing calls on resources and multiple agendas in town centre partnerships may dictate the range and depth of indicators being collected.

- ▶ The cost of buying in data from recognised sources is beyond the means of some planning departments, though others are able to appoint consultants to undertake extensive health check exercises. The extremes were illustrated in the survey; at one end by one authority that claimed not to have the resources to buy Goad plans and, at the other, by an authority that had spent in the region of £100,000 on health checks prepared by consultants.
- ▶ To some degree this reflects differences in size between authorities, the number of towns they have to monitor, and staff levels in local planning departments.
- ▶ This may not be the only explanation for variations in the breadth and depth of data collection, however. The review suggested there are widespread differences in the level of priority accorded to health checks in different planning departments, and that the breadth of the health check may depend on the enthusiasm and background of the person charged with doing it. Such a suggestion clearly needs further investigation.

Indicator	Sources
<i>Diversity of uses</i>	Most usually derived from local authority land use surveys or specific audit of town centre uses. Data from Experian GOAD sometimes bought-in.
<i>Retailer representation and intentions to change representation</i>	Typically from own land use surveys/audits. GOAD used occasionally as is information from local property agents. FOCUS retailer requirements (from Property Intelligence) rarely used. Local agents sometimes provide an 'assessment' (not statistics) of demand.
<i>Shopping rents</i>	From a range of sources including: consultants, local agents, DVs, published data from national agents (eg the CEL town rents series).
<i>Proportion of vacant street level property</i>	Typically comes from local authority/TCM land use audit, or audit conducted by consultants. GOAD maps/data also used.
<i>Commercial yields on non-domestic property</i>	Usually 'pieced together' from a range of sources including commissioned consultants or local DVs, local agents, and published data bought-in (eg Investment Property Databank (IPD), Valuation Office Property Market Report).
<i>Pedestrian flows</i>	Local authority counts are the most frequent source; surveys are sometimes undertaken by county councils on a consistent basis for groups of towns. Other sources include data bought-in from PMRS, consultants' surveys, data 'pooled' by shopping centre owners.
<i>Accessibility</i>	Usually a mix of sources used, including returns from LA car park ticket machines, transport user surveys from Highways departments, customer surveys (where these are done), own audits of number of car park spaces and bus services.
<i>Customer views and behaviour</i>	Most are commissioned surveys, usually from consultants doing other aspects of town centre work but also from market researchers. Chambers of Commerce organise surveys in some towns.
<i>Perception of safety & occurrence of crime</i>	Police/community safety officers provide data on incidence of crime. CCTV sometimes used. Perceptions come from visitor surveys (where conducted).
<i>State of town centre environmental quality</i>	Audit by either local authority officers/TCM or consultant audit.
* FOCUS is a commercial database provided by Property Intelligence	
Source: CASA	

Table 5: Range of Sources Used for PPG6 Indicators

3.1.7 How are data managed?

Increasingly, as computer technology becomes more ubiquitous, data collected and analysed for health checks are being stored in digital form. Clearly, the efficient management of data underpins the whole health check process. The telephone survey explored how town centre statistics are being managed in terms of data storage and manipulation, to see whether a common picture of good practice is emerging.

- ▶ The findings are startling, in that a sizeable minority continues to hold statistical records on paper (at least five of the 18; in three other cases the respondent was not sure).
- ▶ The majority of the rest use standard spreadsheet and database software for data storage and analysis.
- ▶ Only two of the 18 currently use Geographical Information Systems (GIS) software. Two more respondents have geo-referenced their data in anticipation that they will introduce GIS.
 - The two using GIS - Dudley and Chester-le-Street - both regularly monitor a set of 'core' indicators that can be related to a property address (e.g. floorspace use, vacancies, retailer representation, rents). Information from their systems is supplemented when required by analysis commissioned from consultants. They therefore not only monitor the town centre as a whole, but can highlight changes within the town as they occur.
 - A similar approach is adopted in the Reading health check prepared by Reading University. Though they do not use a GIS system, their analysis provides standardised indicators¹¹ for 13 points within the town and how they have changed over time.

3.1.8 Are time series data being used?

The survey indicates widespread support for regular monitoring of town centres using time-series data, as set out in *PPG6*. The principal advantages of using time-series are seen to be:

- ▶ The ability to identify significant trends.
- ▶ The ability to distinguish apparent short term risks from long term health.

The main problems associated with time-series data are seen to be:

- ▶ Maintaining consistency, especially where procedures are not well documented.
- ▶ Interpreting the data and the changes they indicate.

Comments included:

“For some indicators - e.g. vacancies - trends are more important than a snapshot. What is 'good' and what is 'bad'? You can only tell by looking at change over time and the falls and rises.”

“Snapshots are difficult to gauge in terms of what they mean.”

“Look at the actual impact of developments and compare with the original impact assessment to see if it was right.”

“It is important when investment decisions are being made - good time series help you make projections and identify priorities.”

¹¹ The indicators offered included a yield index, a zone A rent index, an index of pedestrian flow, a comparison index (of comparison goods), and an occupational index. All were indexed to the prime location for three time periods – the mid 1980s, the early 1990s and 1995/96.

“Retailers don't think strategically: for example, they see problems which aren't really problems. [Time series data] can refute reactions to short term changes - e.g. we were able to show that footfall 'repaired' itself after a supermarket moved out of the town; those who still saw a fall in trade had to look to other reasons. It [time series] helps overcome the 'snapshot'.”

“Change tends to take place over a very long time scale. So many changes can take place concurrently – they take time to unravel. You need as long a time series as possible.”

“There needs to be consistency. It needs to be done in exactly the same way. Our data had errors and couldn't be compared because the methodology wasn't described previously. This is the benefit of using Goad and CEL data; they can be compared [through time].”

“Monitoring is only good if you evaluate. It can determine whether policies are relevant or need change.”

Reflecting its perceived usefulness, the use of time series data is widespread in health checks – nearly three quarters of the survey respondents had used time series data in their report. However, the data series themselves are highly patchy and of variable quality; spatial definitions also change over time (specific examples are shown in Appendix 2).

As was the case with definitions, up-dating practices are highly variable and are probably not all explicable by differences in staff and financial resources. Many officers interviewed have a target of up-dating at least a set of ‘core’ indicators annually, and the most ambitious up-date some data sets quarterly (e.g. Dacorum, Halifax, Aylesbury): others have still to establish up-dating cycles.

3.1.9 Do Health Checks use comparisons between towns?

Comparisons with other towns are used in two thirds of the 34 health checks reviewed. The basis on which these towns are selected varies and some approaches are more systematic than others. In a minority of reports the towns were clearly selected according to what data were available rather than their functional relationship to the study town.

- ▶ The most usual criterion is ‘competing’ retail towns, typically based on local knowledge.
- ▶ Other examples included ‘nearby problem towns’, ‘regional centres’, ‘other retail centres in the sub-region’, ‘other towns at the same level in the Surrey County Council retail hierarchy’.

Comments on the positive aspects of comparisons included:

“By looking at retailer representation in other towns we can identify what is missing in our town centre and try to understand why.”

“It [comparisons] gives you a guide to what is 'good' and 'bad', especially when combined with trends.”

“Can you compete with the competition? What are your unique strengths? What is appropriate in your specific location (e.g. what is healthy for this town?)”

Though broadly in favour of using comparisons, survey respondents also highlighted a number of practical difficulties in using such data. Problems arise due to a lack of consistent data sets and an absence of guidelines on what constitutes ‘good’ or ‘bad’ health for different types of town.

Comments included, for example:

“We look at nearby competitors. But there are dangers in comparisons. Towns are operating in different socio-economic conditions - are you comparing like with like?”

“We look at nearby towns ourselves and often produce different figures from those produced by other towns [local authorities]. This is because we're not comparing like with like. We have to do 'rough & ready' comparisons.”

“Comparisons are difficult to use well because the function of towns varies hugely. What do you measure it against - close or similar towns?”

“Comparisons are difficult - you don't want to get into the trap of saying x is better than y. They [town centres] have different functions, they are trying to achieve different things”

“The pattern of retail interaction is very complex - e.g. the role of suburban and smaller centres is 'uncharted' territory. We would need a major study of the roles of towns - complementarity etc.”

When consistent data are available, comparison between towns can often be fruitful. For example, the latest Lockwood Survey (Urban Management Initiatives, 1999), makes use of data provided by 29 national retailers as well as by Management Horizons. While the authors acknowledge that only using data on the performance of branches of national multiple retailers does not give the full picture, the use of these data, augmented by qualitative inputs from a number of local panels, results in an interesting analysis of the impact of Town Centre Management on town centre health and vitality.

3.1.10 Are the PPG6 Indicators helpful?

Comments made in the interviews suggest that ‘collectability’ as much as perceived usefulness has driven the collection of indicators data in many, but not all authorities. Whether those indicators that are collected most often are the most appropriate is debatable. To test whether the users themselves think they are collecting the ‘right’ data, and to explore whether a consensus exists about a ‘core’ set of indicators, respondents were asked the following two questions:

- ▶ (Unprompted) Which do you think are the most useful (data) indicators for measuring the health of town centres?
- ▶ (Prompted) Thinking about the following PPG6 indicators, can you rate each for its usefulness on a scale of 1 to 5 where 5 indicates most useful and 1 least useful?

Given the small size of the sample, and thus the sensitivity of the statistics, broad rankings are more useful than the specific scores. Percentages and scores recorded for each question have been normalised such that the highest rated indicator in each question is given a score of 100 and the values for all other indicators are related in proportion to their raw scores. Perceived usefulness (amongst the 18 survey respondents) is compared with frequency of collection (in the 34 health checks) as shown in Figure 3.

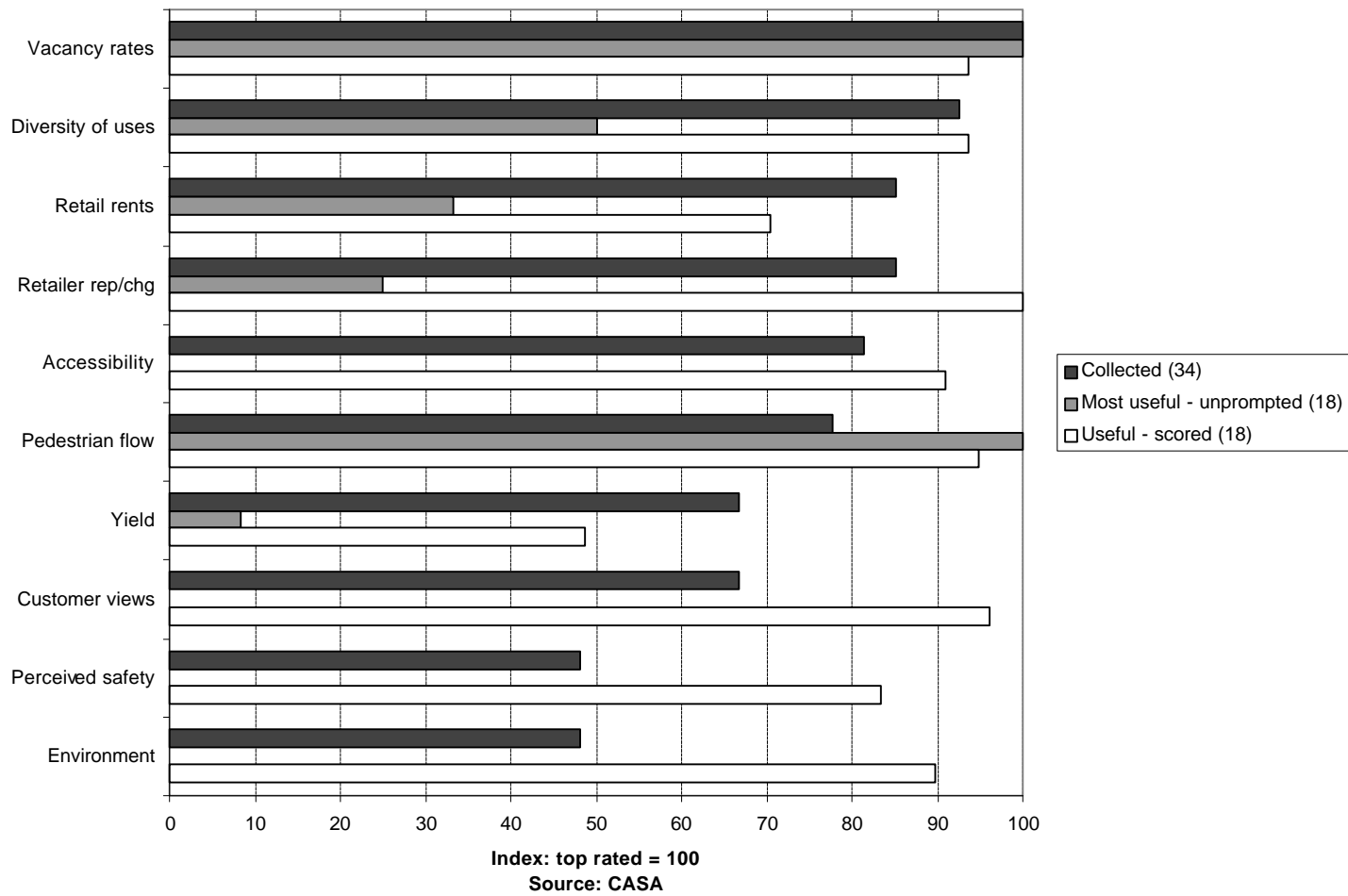


Figure 3: Perceived Usefulness of PPG6 Indicators

- ▶ Vacancy rates stand out as being both ‘most useful’ and most collected (perhaps reflecting the fact that the data are straightforward to collect).
- ▶ Pedestrian flow is the only other indicator to score highly on the two ‘usefulness’ scores yet was only the sixth most frequently collected. This, together with some of the comments made by respondents, suggests it was seen as a desirable statistic to have but that practical (e.g. cost) considerations constrain data collection.
- ▶ The only other indicators spontaneously mentioned as being useful were diversity of uses, retail rents, retailer representation and yields (the latter by only one person).
- ▶ The more qualitative indicators were not mentioned spontaneously as being ‘most useful’ but nonetheless attracted relatively high scores in the prompted question, overtaking rents and yields. The fact that three of these indicators – customer views, crime, environment - are also the least collected suggest they may be perceived as ‘optional extras’.

Though the consensus on what is useful is not especially strong, a broad division is nonetheless apparent between an emerging set of ‘core’, primarily quantitative indicators, and the more qualitative aspects of town centres, which might be considered supplementary. What *is* evident is that yields, which were strongly favoured in earlier versions of *PPG6*, are neither frequently collected nor felt to be especially useful.

The survey also asked whether there are any other indicators that should be included in the health check.

- ▶ Two-thirds mentioned one or more additional indicators and most are already collecting, or have plans to collect, their preferred additional indicator(s).
- ▶ In recognition that there are only proxy measures of trading viability in *PPG6*, **retail turnover** was the most frequently mentioned ‘missing’ indicator, as Table 6 shows. Turnover is also the most frequently collected indicator not mentioned in *PPG6*.
- ▶ Because of the commercial sensitivity of turnover information none of those that collect it present raw data, and some make it available in confidence only to town centre partners. Coverage is typically limited to a sample of the major high street multiples. Units of measurement may be an index of turnover or the number of transactions, with the aim of showing change over time. Some use a qualitative turnover index along the lines of national CBI surveys, in which businesses say whether trade has ‘improved’, ‘declined’ or ‘remained static’ over a specified time period. Examples illustrating the various approaches come from Aylesbury, Dacorum (Hemel Hempstead), Dartford, Cardiff, Knaresborough and Crewe¹².

¹² As well as these local initiatives to collect data on retail turnover, this issue is being considered by government working groups and research projects, including the *CASA Town Centres: Defining Boundaries for Statistical Monitoring, Pilot Study* project for the DETR, currently underway.

	Number answering this question	% answers % sample	
		12	100
Retail turnover	5	42%	28%
Residential	3	25%	17%
Leisure/night-time economy	3	25%	17%
Transport - better definitions of accessibility indicator	3	25%	17%
Change of use (out of retail)	2	17%	11%
Investment - quality of buildings/refurbishment	2	17%	11%
Office floorspace	2	17%	11%
Analysis - specific devices	2	17%	11%
Demographics	1	8%	6%
Indicator of town's role in retail hierarchy	1	8%	6%
Rateable values	1	8%	6%
Shopmobility take-up	1	8%	6%
Air quality	1	8%	6%

Source: CASA

Table 6: Indicators ‘missing’ from PPG6

Though *PPG6* does not stipulate that the indicators it shows should be the only ones collected, in practice the range is being dictated by the *PPG6* list. For some, establishing monitoring of *PPG6* indicators is a first step towards building wider town centre monitoring; for others it is an end in itself. Although suggestions were made about additional indicators it is, however, not the range of indicators but their **interpretation** that is problematical for many. The following comments illustrate the views expressed.

*“It is difficult to make comparisons with commercial indicators. These are more to do with retailer/investor perceptions than how vital town centres are. Fluctuations **within** centres are huge depending on deals.”*

“Yield is hard to deal with/interpret.”

“PPG6 indicators are very broad brush. For example, yields, how can you compare across centres?”

“The usefulness of yields is questionable.”

“Vacancies are not especially useful. They are difficult to interpret because of what owners are doing.... You need a certain level to be healthy - to allow growth and change. What is a ‘healthy’ level?”

“Vacancies are difficult to interpret; they are not always what they seem.”

“Vacancy rates - this can hide more complex issues. Is low always good?”

A number of respondents suggested that ‘health’ should be interpreted in the context of **all** indicators. No-one suggested that individual indicators should carry more weight than others, as was suggested in the early versions of *PPG6*. For example:

“You need to use a combination of all the indicators. You cannot use a single data point.”

“Some indicators can be misleading - e.g. vacancies. You need to take all of the PPG6 indicators together.”

“They are all relevant. It depends what your purpose is. The 'health' of the town centre is such a wide term... You need a broad mix [of indicators] to measure overall health.”

As we have discovered, however, not all of the PPG6 indicators are being collected and the combinations vary widely. Is interpretation being compromised as a result?

3.1.11 What method of analysis is used?

A wide range of different approaches is being used for interpreting town centre indicators. It is difficult to be precise about the numbers using each method because the general picture is one of a continuum of styles. The range stretches from using indicators only, through a mixture of indicators plus qualitative assessment, to strict adherence to a pro forma approach (e.g. the *Vital and Viable Town Centres* approach or the *About Town* method endorsed by the ATCM).

- ▶ By far the most common approach is based broadly on an indicator by indicator description/analysis (e.g. Richmond, Rothwell, Southend, North Norfolk). This sometimes includes a SWOT assessment (e.g. Dudley, Dacorum), and sometimes refers to the ‘4As’ (e.g. Redhill, Morley).
- ▶ The good practice guidance in *Vital and Viable Town Centres* is being followed closely in only a few health checks – only 6 of the 18 in the telephone survey claimed to have followed this approach. Few have done the ‘indicative health check’ in the detail outlined in the report.
- ▶ The *About Town* approach endorsed by the ATCM had been adopted in a minority of the reports reviewed (e.g. Stockport, Walsall).

Survey respondents were asked about the advantages and disadvantages of their chosen method. Their comments in relation to different methods are summarised as follows (more detailed comments are shown in overleaf in **Table 7**):

PPG6 Indicators

- ▶ Principal advantages are clarity and ease.
- ▶ Disadvantages include the range of indicators (too big for some, too restricted for others), problems of interpretation, difficulty of using the results at enquiries.

SWOT assessment

- ▶ Its main advantages are in focusing interpretation using a tried and tested method.
- ▶ The principal disadvantage is subjectivity.

Method	Advantages	Disadvantages
PPG6 Indicators	<i>It enables a crisp analysis of the area in an easily understandable form.</i>	<i>It produced a snapshot geared to retail - it didn't give the wider picture.</i>
	<i>Data are easily collectable.</i>	<i>It is too quantitative - it is not good at identifying the health of the town centre overall.</i>
		<i>It is associated with PPG6 as a whole, the sequential test is not working.</i>
		<i>It served more to compare towns than indicate the health of individual town centres.</i>
		<i>We need an overview of how the indicators relate to each other. Perhaps we should have a grouping of indicators - those which show vitality and those which show viability.</i>
		<i>PPG6 is a useful background but the list of indicators is too great.</i>
		<i>You're always trying to balance financial with time resources - you could spend all the time getting data without thinking what it means.</i>
SWOT	<i>No one factor is given more weight than another.</i>	<i>It can be cumbersome.</i>
	<i>It is a good way of systematically evaluating the current position and identifying key issues and priorities for action</i>	<i>The format can be varied to suit.</i>
	<i>It provides consistency if you do it again on the same basis.</i>	<i>It comes down to deciding what the message is - it is open to interpretation. An objective weighting is needed. The same indicators can be interpreted differently by two people, especially at public enquiry. We have done SWOTs for all our smaller towns but the problem is that they were all done by different people and aren't necessarily consistent - it is difficult to compare.</i>
	<i>It focuses your mind when you have limited resources</i>	<i>It is based on perception which may not actually relate to the facts. Some perceptions are historic - they could be misleading of the real issues.</i>
	<i>It helps identify priorities rather than trying to do everything.</i>	
	<i>It is a useful tool in determining what action to take.</i>	
About Town	<i>Comprehensive</i>	<i>It has no value at all as an empirical analysis - because it depends on the view of the person collecting the information. You would need 20 people all collecting information at the same time and then collate it.</i>
	<i>Gets people thinking - as a discussion starter</i>	<i>The 'About Town' approach is more practical in its focus [than PPG6] but has too many indicators; some of the information is impossible and costly to get.</i>
	<i>It's a contribution to the debate on getting consistency; it doesn't provide consistency in itself</i>	<i>The scores [in About Town] are subjective and can be affected by many things, for example, the weather.</i>
	<i>It helps identify priorities [for TCM]</i>	<i>There are 15 million [indicators] and they're not all relevant. You need to collect what is relevant to your town. It's a good guide but it goes over the top. It makes you think though. Some of the information is hard to get hold of.</i>

Source: CASA

Table 7: Interviewees' Views on Health Check Analysis Methods

About Town

- ▶ Advantages include its role as catalyst to bring town centre stakeholders together to identify priorities, and in contributing to a consistent approach.
- ▶ Its principal weakness is the amount of data that needs to be collected (scores on over 200 dimensions) and its subjective assessment system (qualitative scores for each dimension).

A further weakness, in our view, is that each of the scores is given equal weight in a combined score of town centre health, yet there appears to be no explanation of why this should be. There are, for example, 12 scores for 'delivery access' yet only 1 for shop vacancy levels.

The danger of this approach – which also applies to the health check in *Vital and Viable Town Centres* - is that complex qualitative relationships are reduced to a single, seductively quantitative, measure. Whilst the process of preparing the ratings may be helpful to TCMs to identify and agree priorities, the meanings attached to the scores must be dealt with carefully, especially if comparisons are being made with other towns. For example, Stockport scores 55.83% in its health check: does this mean it is 'averagely' healthy? Does the apparent precision of the score (2 decimal places) suggest a degree of accuracy which is specious? Stockport scores 55% on car access whilst Walsall scores 25% - does this mean access into Walsall is less than half as good as in Stockport?

3.1.12 How detailed is the analysis?

As well as differences in approach the degree and quality of interpretation offered in health check reports varies widely. The range includes:

- ▶ Mainly statistical/graphical presentation of raw data;
- ▶ mainly statistical/graphical presentation using some simple descriptive statistics (e.g. means, standard deviations, index numbers);
- ▶ written descriptions of indicators data;
- ▶ analysis and explanation of data; and
- ▶ detailed evaluation of statistics and qualitative dimensions of town centre health, with prescriptions for action.

The full range of approaches is covered in the following examples: Bracknell, Cardiff, Derbyshire, Knaresborough, Morley, Redhill, Rothwell, Southend and Stockport. As far as good practice is concerned there is no dominant model or **quality standard**. As we commented in relation to data, this may not be problematical if the health check fulfils the needs of the local authority or TCM but it does make diffusion of good practice and common expertise more difficult. The fact that there is no standard model makes it difficult for local authorities to learn and borrow from other places.

3.1.13 Is the Health Check process helpful?

The health check was given overwhelming support by the survey respondents – all 18 thought that the process itself was helpful. In many cases, health checks had catalysed systematic data collection (as the *Vital & Viable Town Centres* report envisaged).

Issues remain to be resolved, however, not least:

- ▶ The cost of conducting health checks (two thirds think it is value for money);
- ▶ clarity of advice on indicators (only half think that it is clear); and, most importantly,
- ▶ how data should be interpreted. **Only 4 of the 18** said that government advice on health check analysis is “clear and helpful”.

Suggested solutions included identification of a ‘core’ set of indicators for frequent monitoring, greater access to commercially produced data, provision of benchmarks, and guidance on interpretation (allowing flexibility to account for special local factors). The range of comments included:

“The problem with V&V is that it is useful for gauging the centre as a whole but how do you drop down to sites and how they change V&V? It's a good overview but how do you judge the merits of an individual planning application?”

“If all town centres were measured on the same basis then we could compare. Some commercial organisations already do this. It would be best to combine this [information] with local knowledge¹³.”

“Commercial data need to be more accessible - e.g. DVs could centralise information on data which is very expensive for local authorities to procure.”

“It can be expensive if you use consultants. Do you want a Rolls Royce or a Skoda? There are ways round [PPG6]; you can get core data sets.”

“To not necessarily collect on an annual basis all the indicators (because of the costs) but to do selected indicators annually and some others every five years for an extensive review.”

“PPG6 is helpful but it doesn't tell you how to resource it. It would be great to have all that information but not all the tools are available.”

“It needs more meat to it. We need a better guide as to what is significant - e.g. interpretation of the indicators. The indicators are not very clearly understood.”

“We need more guidance on how to interpret the statistics and have clearer definitions. You can spend hours at public enquiry on definitions.”

“Nationally, they could set out some means of measuring [scoring]. We would all be working to the same system but with some room for local flexibility.”

PPG6 health check guidance has clearly been received as a useful tool, and has gone some way in doing the difficult job of promoting consistency yet allowing for local flexibility at the same time. Whilst the overall approach is welcomed, good practice in defining data, comparing information and producing quality analysis still has some way to go, and serious resourcing questions remain.

¹³ This is the approach adopted in the Lockwood Survey (Urban Management Initiatives, 1999).

3.2 Local Authority Health Checks – the 1999/2000 up-date survey

At the time of our first survey in 1998, most of the Local Authorities covered had either just completed or were compiling their first health checks, or they were setting up baseline *PPG6* indicators without doing a full health check evaluation. In order to assess how these processes are bedding down we re-surveyed the original respondents in December 1999/January 2000 using a mix of short postal questionnaires and telephone discussions. Responses were achieved from all of the original local authority/TCM participants.¹⁴

3.2.1 Are health checks being up-dated?

All but three of the 17 local authorities have either produced a new health check report (5) or up-dated some of the *PPG6* indicators (9). The three who have not up-dated reports intend to do so in future but do not have dates programmed. However, up-dating cycles continue to vary widely between authorities, and there is no common model.

- ▶ Many have achieved at least an annual cycle of up-dates for a core set of indicators (e.g. Cardiff, Richmond, York, Dacorum, Aylesbury Vale) and others are working towards that (e.g. Luton).
- ▶ In other places – mainly small authorities – up-dates happen only as and when resources become available.
- ▶ In some centres the Local Authority has shifted part of the responsibility for data collection to newly appointed TCMs.
- ▶ In a small number of places, work originally carried out by consultants has been up-dated by the local authority as they have sought to bring monitoring in-house. Use of consultants is still widespread, however, especially for undertaking resource intensive work such as customer surveys and retail capacity analysis.

3.2.2 What is covered?

In local authorities monitoring has typically built on and extended coverage of the original health check report, though only a minority have up-dated the **analysis** as well as the **indicators**. Where town centre managers are leading the process (e.g. Halifax, Aylesbury, Dacorum), the emphasis is on producing a standardised set of **performance statistics** for the town centre, drawing in data from various town centre stakeholders.

Just over half (9) have extended health checks or data monitoring to other shopping locations in their area. The typical model is one in which the initial health check was for the largest town with subsequent initiatives taking in smaller areas, including District Centres, local centres and out-of-town retail parks or malls.

¹⁴ We decided to exclude the one County Council included in the first survey because they did not conduct monitoring to the level of detail of the local authorities included. In Dartford we previously interviewed both the Local Authority and the TCM. Only the LA took part in the second survey as they are in the process of appointing a new TCM.

3.2.3 Which indicators are most useful in practice?

It remains the case that **most authorities do not monitor the whole set of PPG6 health check indicators on a regular basis**. Resource constraints are most usually blamed (see also below).

Indicators monitored tend to be broadly those that were covered at the time of the last survey, with some tinkering at the margins. Over half (11) have dropped indicators; similar numbers (9) have added other indicators.

	Up-date survey		Rank in first survey	
	LAs up-dated/plan to up-date	Percent	Most Collected	Most Useful
Vacancy rate	15	88%	1	2
Pedestrian flow	14	82%	6	1
Diversity of use	13	76%	2	3
Retailer representation	13	76%	3	5
Accessibility	11	65%	5	7
Customer views	10	59%	8	7
Environment	8	47%	10	7
Perceived safety	7	41%	9	7
Retail rents	7	41%	4	4
Business views	6	35%	na	7
Yield	4	24%	7	6
Recorded crime	7	41%		
Turnover/transactions	6	35%		
Car park usage	6	35%		
Leisure provision	5	29%		

Source: CASA

Table 8: Intentions to update indicators

The most useful indicators are perceived to be diversity of use (typically defined as floorspace by use), vacancy rates, retailer representation and pedestrian flows. These are the core indicators that the majority intend to continue to monitor (Table 8). These indicators were the most collected (except pedestrian flow) and rated as most useful in the previous survey.

Investment Yield was confirmed as the least useful indicator. It has been dropped by 5 authorities and was rated as not very useful by two others. Only two stated definite plans to up-date the yield indicator. Difficulty in obtaining data, and not knowing how to interpret yields, were the main reasons why the indicator has been dropped. Retail rents were similarly problematical, largely because data are not available rather than problems of interpretation. Other indicators that have been dropped include pedestrian flow (lack of resources), environmental quality (questions of interpretation), recorded crime (perceived safety seen as a better indicator) and accessibility (interpretation).

Views on retail turnover were mixed which, in part, reflects difficulties encountered by respondents in obtaining the information. Nonetheless, over a third intend to monitor turnover in future. Models of data co-operation emerging from town centre partnerships appear to offer useful examples for other locations.

Newly introduced indicators were diverse but the most common are accessibility, crime (recorded and perceived) and leisure/tourist provision.

Although the surveys suggest there is some consensus on which are the most ‘useful’ indicators, we should be careful how this is interpreted. Whilst not formally testable, there does appear to be a positive correlation between what is easiest to collect and perceived usefulness, and vice versa. For example, land-use surveys – from which diversity, vacancy and representation are easily derived – remain a key source of data for health checks. Retail rents, on the other hand, may be rated as less useful because obtaining the data is not straightforward. ‘Usefulness’ in this context may, therefore, represent what is **realistic** within resource constraints rather than what is **ideal** in terms of knowledge or understanding. Indeed, a number of people expressed a desire to have the other indicators but were resigned to go without because resources (staff or money) could not be found.

3.2.4 Is consistency being maintained?

An issue highlighted by the first survey was an apparent lack of documentation or formal protocols for up-dating indicators. The fact that a significant minority continued to keep ‘data’ on paper added to this problem. We suggested that it would be difficult as a result for authorities to maintain consistency in their data series especially where personnel changed.

In the year and a half since the first survey, 5 of the original 17 respondents (nearly a third) have been replaced by new staff – in two cases responsibility has moved to a different officer; in three cases staff have left. In these last three cases, there was no cross-over between previous and current post holders. One highlighted the difficulties he was having in unravelling the methodologies and spreadsheet organisation used by his predecessor; the other two have not begun to up-date previous work but both expect to take a ‘fresh look’ at what was done before.

Both the original discussions and this up-date survey suggest that the degree of formalisation of data documentation and storage varies enormously across authorities. One of the weaknesses of the indicators approach is an emphasis on **data collection** without guidance on best practice in **data handling** or **manipulation**. One of the town centre managers interviewed said that one of her greatest achievements was not in obtaining data per se but in getting town centre partners to agree standard spreadsheet formats for data collection. The recently published *ATCM Key Performance Indicators* recognises this gap by providing example proforma spreadsheet layouts. Collation of good practice case studies, using this or bespoke methodologies, would be welcomed by many of the authorities surveyed.

3.2.5 What are the key issues that need to be resolved?

The first survey highlighted a number of issues that we suggested needed to be resolved in order to improve the quality of health checks. The up-date survey collapsed these issues into a number of statements with which respondents were asked to agree or disagree (Table 9).

	Agree strongly	Agree slightly	Neither agree nor disagree	Disagree slightly	Disagree strongly	Average score	% agreeing
Score	1	2	3	4	5	1-5	
	No.	No.	No.	No.	No.	Avg	%
It is important to evaluate data over several years	14	1	1	-	-	1.2	94%
Availability of nationally consistent statistics for town centres would significantly improve the quality of health checks	8	7	-	1	-	1.6	94%
The Health Check has helped us keep up-to-date with issues facing our town centre(s)	8	5	3	-	-	1.7	81%
Health Checks are a high priority in the development and monitoring of our retail planning policies	6	6	4	-	-	1.9	75%
National benchmark statistics are needed for PPG6 indicators	5	5	3	3	-	2.3	63%
We need clearer guidance on how to interpret the data we collect for town centres	3	6	5	2	-	2.4	56%
The Health Check process has helped us develop relationships with other stakeholders in our town centres	2	6	4	1	2	2.5	50%
Indicators are clearly and adequately defined in PPG6	1	6	5	4	-	2.8	44%
What constitutes 'health' of a town centre is well understood	1	6	2	6	1	3.0	44%
We have sufficient resources to carry out regular Health Checks for our town centres	2	1	-	7	6	3.9	19%

NB Statements ranked by response. They were shown in a different order in the questionnaire so as to spread likely negative and positive responses
Source: CASA

Table 9: Agreement with statements about the Health Check

The results support the earlier findings and show that views have not changed significantly since mid-1998. The **idea** of the health check is universally supported, as is an emphasis on time-series monitoring. However, **practical difficulties** are undermining the **process** of carrying out regular and consistent health checks of high analytical quality. The majority of local authorities/TCMs in our survey agree that:

- ▶ *PPG6* indicators are not all clearly defined and the notion of 'health' is vague.
- ▶ There needs to be more guidance on how to interpret the data, especially what would qualify as 'healthy' in different types of town and within the context of national trends.
- ▶ Nationally provided benchmark data would be helpful.
- ▶ Local Authorities do not have sufficient resources to fulfil the requirements of the Health Check, or even what they themselves want/need to monitor.

While most officers thus attach great importance to health checks as an idea, the fact that authorities are allowed discretion over what is monitored and how frequently means that health checks are often the victim of other priorities, especially the demand of local plan enquiries. Clearly this resource issue undermines any efforts to lift the quality of health checks with the result that progress towards an ideal practice model is slow. The Conclusions suggest what can be done to support local authorities to improve health check practice.

3.3 LPAC Health Checks

The following section reviews the LPAC Health Checks exercise, concentrating on issues relating to data collection and storage. We have not commented in detail on the policy objectives of the initiative.

3.3.1 Purpose

The LPAC data were originally collected as part of a benchmark classification of town centres conducted by URBED, Donaldsons and Halcrow Fox in 1994, which collected data for London's major town centres. This formed part of LPAC's new and pro-active approach to town centre policy and co-ordination. Data collected for this exercise were used to inform LPAC's strategic advice to central government on town centre issues. The data were subsequently reviewed and augmented by London local authorities. Data for smaller town centres were added.

3.3.2 Data coverage

Originally collected in paper format, the data were transferred into a series of Microsoft Excel spreadsheets and present a variety of indicators for 261 town centres in London, ranging from the West End through major centres such as Bromley through to smaller centres such as Elephant & Castle. In broad terms, the data are organised along the 4A's approach as suggested in *Vital and Viable Town Centres* – Attractions, Amenity, Accessibility and Actions. We were given three spreadsheets to review.

Much emphasis is given on the provision of town centre floorspace for a variety of different categories for three different points in time (broadly early 1980s, 87-88, and early to mid 1990s). These categories were:

- ▶ All retail
- ▶ Comparison retail
- ▶ Convenience retail
- ▶ Service retail
- ▶ Vacancies (pretty poor, often just a record of the number of units)
- ▶ Multiples
- ▶ Enclosed shopping centres
- ▶ Stores > 10,000 sq. ft
- ▶ Department Stores
- ▶ Independent Stores
- ▶ Clothing/footwear
- ▶ Jewellers
- ▶ Bookshops/Stationers
- ▶ Banks & Building Societies
- ▶ Offices
- ▶ Cinemas
- ▶ Theatres
- ▶ Restaurants
- ▶ Libraries
- ▶ Sport/Leisure facilities
- ▶ Markets
- ▶ Late Night Shopping

There is also some incomplete information on:

- ▶ Retail employment
- ▶ Demand for retail in sq. ft. (although this is not defined in the spreadsheet)
- ▶ External Dependency (again, not defined in the spreadsheet)
- ▶ Yields (very poor)
- ▶ Rents (very poor)

The datasets also includes qualitative data which are evaluated on a range of 0-2 for 'Attitudinal Aspects'; the scoring appears to have been done during Donaldsons' health checks although Borough comments have been taken into account. The categories are

- ▶ Attractions
 - Retail provision*
 - Arts culture & entertainment*
 - Service provision*
- ▶ Accessibility
 - Foot/cycle*
 - Car*
 - Public transport*
- ▶ Amenity
 - Overall environment*
 - Security*
 - Identity of town centre*

Further information about the various town centres is although it is unclear when these data were collected. They included:

- ▶ Resident Population
- ▶ Habitable rooms
- ▶ Education
- ▶ Community & Leisure
- ▶ Civic facilities
- ▶ Public transport indicators

- ▶ Car parking
- ▶ Pedestrianised streets
- ▶ Accidents & crime
- ▶ Accessibility¹⁵
- ▶ Town centre initiatives
- ▶ ‘particularly attractive town centre initiatives’

3.3.3 *Issues*

It is important to stress that this exercise represents a crucial first step in obtaining standardised town centre data for London, the difficulty of which should not be underestimated. Co-ordinating data collection for such a large area, comprising a huge variety of town centres (and indeed local authorities) provides the foundation for an initial framework for strategic evaluation of the health of London’s town centres. The range of indicators that comprise the LPAC dataset is impressive and where the dataset complete, offers an invaluable resource for town centre analysts. However, this exercise falls short of being a model of good practice for the collection and storage of town centre data for a number of reasons:

Data Storage

- ▶ Storing data in spreadsheets is an inefficient way of handling data. Not only do spreadsheets become cumbersome as more data are entered (which makes navigating around the dataset problematic) but they are less efficient at maintaining data than databases.
- ▶ Storing data within a database offers a wide variety of tools to interrogate data held within it which are not available in spreadsheet software. For example, it is a straightforward operation within a database to identify all those towns with more than 250,000 sq. ft of retail space which also have more than 1000 car parking spaces.
- ▶ The difficulty of manipulating large quantities of data within a spreadsheet can mean that data are often inadvertently corrupted. For example, attempting the above operation in a spreadsheet requires the reordering of a number of columns. It is easy to lose the linkages between the data and the town centres to which they refer during this type of operation.

Data Consistency

- ▶ It is difficult to maintain data consistency in a spreadsheet. For example, 47 towns in the spreadsheets have data for the same variable entered more than twice, which introduces the potential problem that data in one part of the spreadsheet may not agree with data in another (which in fact occurred on occasions in the spreadsheet we were given). In a properly structured database, doubled entry of data is not possible.

¹⁵ Two measures are give here – ‘Public Accessibility’ and ‘Private Accessibility’; no explanation is given of their derivation in the spreadsheet.

- ▶ As well as maintaining consistency of data entry, it is important to have an internal consistency within the dataset as well. This means that the definition of the data should be the same for all centres, and that data should be collected for all the centres. This enables true comparisons to be made between them so that apparent changes in the data reflect structural changes within the town centres themselves, rather than differences in data definitions (in terms of different temporal and/or spatial definitions).
- ▶ Maintaining data consistency for qualitative indicators is very difficult. Even if the same person was to collect data for the 'Attitudinal Aspects', it would be hard for them to maintain a robust classification. Where data is collected by a number of parties, consistency is further compromised. This means that any analysis of these data should be treated with caution; attempts to introduce statistical measures (such as standard deviations) is specious because the difference being measured may well reflect differences in perception rather than town centre health.

The absence of spatial definitions

- ▶ Town centre data is inherently spatial. The lack of geographical definitions means that it is impossible to know what area of the town the data actually refer to. Do the data truly reflect the extent of the town centre? Have some areas been missed out? Have the town centres been consistently defined throughout the time series?
- ▶ The lack of geographical definition is also symptomatic of the under use of GIS¹⁶. As well as storing data, GIS offer a powerful means of visualising and analysing data. By introducing a spatial dimension into the analysis of town centre data, it is possible to identify patterns that were hitherto invisible

Data Quality / Metadata

- ▶ In order to use this data set for town centre monitoring, it is essential that records of data quality are kept by the local authorities and LPAC. Furthermore, metadata (information about the data) need to be maintained. For example, are the data from primary or secondary sources? When were the data collected? What method of collection was employed? Was a sample taken? To reassure town centre managers, investors and other potential users of the data, these questions and others on data quality will need to be answered and recorded.

3.3.4 The 1999 update

LPAC is currently updating its health check data. This is in response to many factors, including the need for local authorities to update their Unitary Development Plans, and extant advice in *PPG6* to conduct regular updates of health check indicators. Perhaps the most significant reason though is that the 1999 town centre health check update will form a 'building blocks' for the Mayor's Spatial Development Strategy. This will replace Strategic Guidance for London

¹⁶ A Geographic Information System (GIS) is an information system specifically designed to manipulate spatial data and offers a powerful means of investigating spatial problems. Data are handled within a GIS by means of geo-referencing information - essentially associating each piece of data with a map reference (such as the National Grid coordinates). Once held in the system in this way, the real power of the GIS – the ability to analyse geographic information – comes to the fore.

Planning Authorities (RPG3) and is scheduled for adoption in 2002. One of the key elements of this strategy will be assessing the health, and future well-being of London's town centres.

LPAC approached the 33 London Boroughs in October 1999 to ask for updated information on the various health check indicators that were collected in 1994. They are also asking for additional information on town centre development capacity (including information on unimplemented planning permissions and vacant sites). They aim to have collected the data and presented the preliminary findings of the research in March 2000. As part of this exercise, LPAC are also working with the DETR by evaluating the statistics produced by the Definition of Town Centres project against returns from local authorities. This will help to establish whether some of the statistics produced by the DETR research could be used as core health check indicators.

3.3.5 Future Health Checks for London's Town Centres

There is no doubt that collecting health check data for London's town centres is a complex and time consuming task, yet the importance of such an exercise must not be understated. This report has reviewed the data collected by LPAC in 1994 and the update in 1999/2000. We hope that this is indicative of a commitment to a continuous monitoring exercise which will be continued by the Mayor's office. In this way, there will be a steady stream of data and information to assess the health of London's town centres to inform important policy decisions.

In this context, it is important that LPAC's successor, in association with the local authorities, prepares a timetable for repeat collections of data which can be adhered to. The frequency of data collection is likely to be different for different data so dates need to be defined. One-off surveys only provide a snapshot of town centre health which may well be unrepresentative.

A large number of different indicators have been gathered by the LPAC health check exercise. This will have been a time consuming task for local authority officers, many of whom will be unused to collecting such a variety of data. In order to retain the confidence and support of their constituent authorities it is suggested that the requirement for all these data in their health check analysis is reviewed. It may be necessary for the collection exercise to focus on a few key indicators now that the coverage of the data has been established, so that repeat collections can focus on key data sets where high quality can be assured.

This short review of the LPAC health check exercise for London's town centres has raised a number of issues relating specifically to the collection and storage of the data. It is recommended that LPAC review these issues prior to embarking on further detailed data analysis from these data.

4 SURVEY OF PROPERTY INVESTORS

PPG6 encourages local authorities to collect health check data, “preferably in co-operation with the private sector”. The interviews with local authorities and town centre managers (TCM’s) revealed a few examples of where this is happening but it remains the exception rather than the rule. Why is this? Are there insufficient common interests to make co-operation feasible?

In an effort to begin to identify the common ground, the Pilot Study explored how some of the largest private sector stakeholders monitor the vitality and viability of ‘their’ town centres.

Some of the most influential stakeholders in town centres are large property investors – national property companies, pension and other investment funds¹⁷. According to IPD, institutional investors own 4,800 shop units and 308 shopping centres (including a small number of regional shopping centres) with a total stake of just under £23 billion. They own around half of all shopping centres in the country and a substantial share of primary retail frontages (though data are not available to substantiate this). Institutions probably own a minority share of units overall because of the high proportion of secondary units in most towns which are typically owned by retailers, and smaller or local investors.

4.1 The Investor Survey

The telephone interviews set out to discover how investors investigate the health of town centres, what resources they use to help them, and what indicators they think are of most use.

Whilst our Pilot survey covered only six institutional investors, respondents included some of the country’s largest property investors that manage a significant share of commercially owned property. They are listed in Appendix 1.

Town centre retail properties account for between 30% and 80% of the respondents’ property portfolios (by value); the average across the group was 48%. All but one of the responding organisations undertakes direct development of town centre retail property, as well as purchasing standing investments.

4.2 Data Collection

4.2.1 *What town centre data are collected and how?*

Over the last decade or so, property investors have become very sophisticated consumers and producers of data on towns – both property specific data and wider indicators of viability (e.g.

¹⁷ Retailers are clearly the other significant stakeholder group that needs to be considered in thinking about town centres. It was felt that a similar survey of retailers was beyond the scope of the Pilot Study and that this might be part of a next phase of research.

socio-demographic data, customer surveys etc)¹⁸. There is now a major research industry serving the needs of investors: it includes research departments in most, if not all, of the major investing institutions, research departments in surveying firms together with a small number of specialist, and highly influential, consultancies. Given the weight of investment in ‘traditional’ retail properties, much of the research covers town centres. Anecdotal evidence suggests the budgets available for research are far in excess of those available to local authorities.

Whilst the major investors are actively involved in town centre analysis, the focus of their research is very different from that of local authorities. Local authorities are concerned principally with their own local area. Investors, on the other hand, have to take a strategic, nation-wide view of the actual and potential performance of places in order to select those that will produce the highest investment returns. Because investment returns are a combined measure of growth in rental and capital values, the focus of data collection is on economic and property market ‘viability’ indicators (though not always used in the sense intended in *PPG6*).

Key themes drawn from the survey and our own experience are¹⁹:

- ▶ The major investors’ stock selection is driven by a research-led strategy that is the basis for prioritising property sectors and locations. Monitoring economic and property data for towns is a key part of research strategy and is done either in-house or by retained consultants that offer this service;
- ▶ individual fund managers need to be able to respond to investment opportunities as and when they are presented to them. Detailed reports on individual town centres are, therefore, also prepared or commissioned on an ad hoc basis;
- ▶ all of the interviewees review the performance of their **properties** and the **towns** in which they are located; half do this on an ad hoc basis, the other half regularly. It is rare for an investor to evaluate a property without looking at indicators for the town as a whole (including town centre and out of town);
- ▶ all six respondents make comparisons between towns, and see this as a critical factor in determining where to invest or disinvest (though, in practice, the specifics of the property, and the ‘deal’ carry a great deal of weight);
- ▶ our own experiences suggest that the level of detail and analysis provided in (usually confidential) reports to investors is far greater than that produced in the majority of the health check reports we have reviewed. It may well be that the institutions are further along a learning curve as regards assessment of the viability of towns than are some local authorities, where *PPG6* has been the catalyst to collect data systematically for the first time; and
- ▶ the interviews revealed a wide gulf between investors and local authorities in terms of the range of data to which they have access (either in-house or via consultants), and the depth of analysis available to them.

¹⁸ A broader description and discussion of the data and methods used by property investors can be found in Cox, J. (1995) Market Research, Chapter 7 in Cadman, D & Topping, R, *Property Development*, Fourth Edition, E&FN Spon, London.

¹⁹ The authors all have experience as private sector consultants.

- To illustrate the extremes, one major investor monitors a range of performance indicators for around 250 towns regularly; at the other end of the spectrum, a small district authority is struggling to assemble four indicators for its town centre.
- Purchase of data and market intelligence is routine amongst investors and more extensive than in most of the local authorities surveyed. All six of the investors surveyed regularly use subscription services such as Town Focus (Property Intelligence), PROMIS (Property Market Analysis), IPD Local Markets and various forecasting services provided by consultants.
- Relationships with specialist consultancies tend to be close rather than ad hoc, and some of the investors entrust monitoring to consultants rather than doing it in-house. Data and intelligence reaching the investors is thus, in some cases, heavily filtered.

4.2.2 *Is there support for National Data Sets?*

Five of the six respondents agreed that it would be useful to have official data sets for key town centre indicators. The following reasons and suggestions for 'official' data sets were made:

“GIS would be good on nationally agreed data sets; it would provide consistency. But it could miss out on good [data] sets if it was too prescriptive. We need a GIS so that we can combine [data sets] according to priorities.”

“It would make comparisons easier - we could have agreed definitions of primary and secondary [retail pitches] using Valuation Office data. But Valuation Office data is not accessible and is not current.”

“Official vacancy figures would be useful, so long as they are up to date.”

“Base level indicators on transactions, rents and yield would help.”

“A Census of Distribution would be useful.”

4.2.3 *Would 'official' town centre boundaries be useful?*

There was less support for official definitions of town centre boundaries. Fears were that official town centre boundaries would be too prescriptive in relation to planning policy and markets (a fear shared by the local authorities surveyed). For example:

“No, because this implies regulation, which would undermine the scope for free market forces to determine [retail] pitch. Whilst this does happen to a certain extent through planning, areas can benefit from investment (for refurbishment) even if they are fringe locations.”

“Any definition is open to question (even if it is carefully prepared). Town centre definitions could be a staging post on the way to GIS. In an ideal world you want consistent data sets on a GIS (which would avoid the problem of having a boundary). You could then use whatever boundary was appropriate to the issue being considered.”

4.3 Data Management and Analysis

Analysis is done either in-house and/or is received from retained consultants at regular intervals. Analytical methods are typically sophisticated and employ a wide range of information technology. Methods include econometric forecasting, cross-sectional data modelling and formal risk analysis: the use of GIS is spreading but is not yet universal. Four of the six respondents use SWOT analyses as a basic tool; all six do **time-series** and **comparative** analysis and see these approaches as **non-optional** components of monitoring and decision-making. A snap shot review of the health of a town centre is of little use to investors.

Stock selection in most of the major institutions is informed, if not driven, by:

- ▶ forecasts of property market and economic indicators, which are only possible if consistent time series data are available; and
- ▶ cross-sectional analysis which compares towns with each other, and identifies the strengths and weaknesses of competing towns (in terms of retail demand and property markets).

Investors typically use a mix of both methods at the level of individual towns. Forecasts for other than the largest towns are difficult because of the paucity of data, whilst comparisons between towns are made difficult by inconsistent definitions and methods of data collection by local authorities, consultants etc. A key requirement of the data is that it is up-to-date²⁰. The following quotes illustrate some of the views.

4.3.1 On time series:

“Forecasts are vital - we're not allowed to make decisions without them. But you need a whole weight of evidence pointing in the same direction. It's no good having one data set; you need a high chance of getting it right and therefore have to look at a broad range of indicators.”

“It shows which towns are growing or in decline - versus the competition. It drives stock selection.”

“Historic data is a pointer to forecasts. Looking back over long period gives clues as to what might happen.”

“Data are difficult to get (sometimes).”

“Recent data can be more useful than historic. Data availability/ expense/reliability can be a problem.”

²⁰ The Society of Property Researchers has conducted a detailed survey of members to identify commonly used data sets, perceived problems in current data sets and requirements for new ones. Their report is expected shortly.

4.3.2 On comparisons:

“We have to look at a broad spectrum of what is available. Comparisons help you to choose between places; forecasts guide the selections.”

“Cross sectional analysis is more important than time series, especially where we are looking at small towns where it is difficult to get historic time series. We do both types of analysis [cross sectional and time-series] together.”

“It helps to monitor and understand individual towns and how they are changing and how the hierarchy is changing. [For example] is what is happening unique or typical for its [the town's] position in the hierarchy?”

“It shows [the town's] place within the hierarchy, and therefore potential threats to the town. It is based on the principle of a finite retail spend with centres cannibalising/competing with each other.”

“Weakness: it implies a knowledge of what other towns are comparable.”

4.4 Awareness and use of Health Checks

Investors were asked whether they are aware of health checks – in general or in detail – and whether they ever use them when considering town centre investments.

- ▶ Investors are generally aware of *PPG6*, though not necessarily its detail. Consultants are commonly retained to advise on planning matters.
- ▶ However, only half of the investors surveyed claim familiarity with the health check guidance in *PPG6* (and have seen a health check report), and the same half are familiar with the “Vital & Viable Town Centres” health check advice.
- ▶ Four of the six think that the health check guidance is helpful, and three claim they would look at a health check when considering investing in a town. However, health checks are of less importance in influencing decisions than is the battery of research from in-house teams and external consultants.

“It [health check] should be helpful to investors but it is not easy for investors to use. We have to use consultants to get better and/or more specialist views.”

“It's useful to us because we know what the "opposition" will be looking at. Otherwise it [planning process] would be a real gamble.”

4.5 The usefulness of *PPG6* indicators

4.5.1 Which are the most useful indicators for measuring the health of the town centre?

Investors are mainly concerned with indicators of the trading viability and investment performance of town centres (though there is an implicit acceptance that 'viable' towns are also 'vital' towns). For investors, the two most important types of indicator of town centre viability are:

- ▶ Property market indicators – rents, recent transactions, yields (though only a minority rate yields as of key importance). However, one investor, who claimed to have researched the value of yields as a health check indicator in some detail, had concluded that experience across a wide variety of centres and different time periods, showed only a very weak correlation between market yield and subsequent investment performance. While yields are a reasonable measure of investors' perceptions of market liquidity (e.g. the ease with which they can buy or sell in a given market) they are a poor barometer of the market's underlying 'health'. This distinction, it was argued, was not generally understood.
- ▶ Retail market indicators – representation and requirements and, turnover. Turnover ranks in joint second place after rents (though it is not currently included in *PPG6*). Table 10 shows the full responses to this question.

Five of the six investors were able score *PPG6* indicators for their usefulness (using the same question as for local authorities). Given the small sample, we have shown the ranks produced by the scoring, rather than average scores for each indicator (Table 11).

- ▶ Retail rents again are top rated.
- ▶ Business views (perhaps reflecting the desire for turnover information) come second.
- ▶ Retailer representation is joined in third place by vacancy rates and customer views.
- ▶ Yields score poorly.

	Responses	%
PPG6 Indicators		
Retail rents	4	67%
Retailer rep/plans to change	3	50%
Yield	2	33%
Pedestrian flow	2	33%
Vacancy rates	2	33%
Accessibility	2	33%
Diversity of uses	0	0%
Physical structure	0	0%
Perceived safety	0	0%
Customer views	0	0%
Business views	0	0%
Environment	0	0%
Other	5	83%
Retail turnover	3	50%
Recent property transactions		
Source: CASA	2	33%

Table 10: Most useful indicators for measuring the health of the town centre? (unprompted)

Indicator	Rank
Retail rents	1
Business views	2
Vacancy rates	3
Retailer rep/chg	3
Customer views	3
Pedestrian flow	4
Accessibility	5
Yield	6
Physical structure	6
Diversity of uses	7
Perceived safety	7
Environment	7
Source: CASA	

Table 11: Ranking of PPG Indicators (prompted scores)

4.5.2 *Are these views different from the local authorities?*

Though some caution must be exercised in comparing results from the small samples we used, a few general observations can be made. Comparing the investor response to the two above questions with that for local authorities/TCMs:

- ▶ Diversity of uses is rated much lower by investors than local authorities.
- ▶ Retail rents are rated much higher. For example, in the scoring exercise, rents ranked first amongst the investors but only tenth (of a possible 13) amongst local authorities.

- ▶ Vacancies score fairly highly amongst both groups.
- ▶ Yields score poorly in both groups – bottom rated by local authorities and “bottom half of the table” for investors, whose comments included:

“Yields are relevant but not crucial - they tend to be driven by fashions.”

“The use of yields is tempting but is virtually meaningless because of the way yields are determined - e.g. by investment agents who are mostly in London and not familiar with local conditions.”
- ▶ Qualitative indicators – safety and environment especially - are generally rated less important than viability indicators amongst both groups for measuring town centre health.

4.6 Can PPG6 Health Checks be improved?

Investors generally had less to say about PPG6 health checks than did local authorities, a reflection of the marginal importance of health checks to investment decisions. Some of the investors, though, share local authorities’ concerns about the health check, for example:

“It could be clearer - the debate muddies the waters. It depends what you do with it. The problem is not PPG6 but the debate that surrounds it... It needs to be implemented consistently to be useful.”

“It can be twisted at planning enquiry but in general approach it is clear.”

“It doesn't recognise the complementarity of certain car borne shopping to the town centre in certain types of town. For example, removing food shopping from strong sub-regional centres has been a good thing; it has cut down on car journeys into town centres...helping the vitality and viability of those towns.”

“It doesn't recognise the role of different types of town. What do towns need to be viable? It differs at different levels of the hierarchy - e.g. food [shopping] is crucial in some smaller towns whereas this is actually a detraction in bigger towns where it generates unnecessary car-borne trips.”

4.6.1 Is there common ground?

A significant gap exists between local authorities and investors in their relative access to data and expertise, which is a reflection of both differing resources and different priorities.

The adversarial nature of the planning system, as commonly practised, has not helped foster collaborative research or common understanding of the sort desired in *PPG6*. The experience from the town centre partnerships we spoke to, however, suggests this may be a model of good practice: some of the best have galvanised partners to collect key data and act upon it. Optimism on this front, nonetheless, needs to be tempered by the fact that the incentives for big investors to have greater local engagement have to be set against the need to deduct ‘management’ costs as an expense from investment returns.

What the two groups do appear to agree on, at a general level, is a desire for wider availability of consistent and comparative data sets. In spite of *PPG6*, a great deal of effort is currently being expended (on both sides) in collecting (and disagreeing about) a wide range of data rather than producing useful analysis of town centre health. Though there is not universal agreement on the most important indicators to monitor, a desire for consistent data on a core group of viability indicators is shared by both stakeholder groups.

5 CONCLUSIONS

The Pilot Study provides an initial assessment of the current state of health check monitoring, and highlights the strengths and weaknesses of existing approaches. The research has:

- ▶ explored the range of indicators being collected in relation to health checks, as the basis for suggesting a national ‘core’ set of indicators; and
- ▶ identified how health check data are being analysed to draw out suggestions for good practice, particularly in relation to town centre vitality

This final section draws together the implications of the research for the development of best practice. These conclusions re-iterate the principal issues that need to be resolved, provide suggestions on how local authorities can be supported in developing health checks further and, finally, suggest four next steps.

5.1 Best Practice – Outstanding Issues

5.1.1 *Health checks and retail planning policy*

The town centre health check is an important aid to understanding the town centre, for supporting planning practice and local decision making. There was universal support for the health check amongst the local authorities interviewed in this research.

At the local level, the health check supports the Local Plan process and is being used to inform the development control process. The health check also increases awareness of town centre change and the importance of statistics for monitoring. Regular monitoring of ‘core’ and locally defined vitality indicators can also help to isolate short term and long term priorities for action in the town centre. Consequently, town centre health checks can support town centre management plans and help to measure impacts of new town centre initiatives (the introduction of CCTV, for example). Good quality data can also support bids for funding of regeneration and other improvement schemes.

The process itself can also deliver useful benefits. It can encourage different stakeholder groups to become more involved in the town centre management process, and can thus facilitate a framework for communication between these groups. Indeed, in many cases, the health check has proved to be the catalyst for the creation of local partnerships between public and private sector stakeholders. The research suggests there is considerable scope to increase the coverage of co-operative monitoring ventures in town centres.

Nationally, the health check procedure holds out the promise of delivering standard data across town centres in the UK, so long as results are widely disseminated. Thus, in theory, it is possible to accurately assess changes in broad retail trends across the urban hierarchy. Furthermore, the health check offers a potential data source for the development of an up-to-date typology of town centres that could improve understanding of the health and life cycles of town centres. If consistent and comparable town centre databanks can be collated, many wider benefits will accrue. These will include: more focused debates at local planning inquiries (development plans

and development control); improved town centre marketing and inward investment strategies; and better mechanisms for assessing the impact of locally important factors (e.g. town centre congestion and parking) or global trends (such as the expansion of internet shopping).

Health checks are thus an important policy initiative. However, while indicators monitoring was first introduced into *PPG6* in 1993, this initial evaluation has shown that progress towards the ideal model outlined above has been slow, and is variable between authorities. A number of significant issues are hampering development of the best practice model envisaged in *PPG6* and *Vital and Viable Town Centres*. These issues relate principally to data, interpretation and health check resourcing.

5.1.2 Data quality and management

The ‘indicators approach’ to town centre monitoring, as set out in *PPG6*, has been an important catalyst towards the development of common data series on town centres, as was envisaged in *Vital and Viable Town Centres*. Our research has revealed that the principal problems with town centre health checks are in practice rather than in intent, and some stem from unclear drafting of the guidance. Principal issues relating to data collection practices are:

- ▶ The number and range of health check indicators is too great for some local authorities to manage, especially where there is no history of systematic data collection and where resources are stretched.
- ▶ The usefulness of indicators varies by size of town - not all of the *PPG6* indicators are relevant or easy to interpret in market towns and other small centres.
- ▶ As *PPG6* has not generally prioritised indicators, efforts are frequently targeted at the most easily collectable data - not necessarily the most useful – because resources are constrained.
- ▶ Health check resourcing is not addressed in *PPG6* but is a significant (and perhaps the key) practical issue for most local authorities.
- ▶ Access to information by stakeholders in town centres is unequal. Resource constraints in the public sector, at a time of significant investment in information resources in the private sector, means that the gap between planners and investors in terms of their access to information and expertise is now very wide. It has also proved difficult for some local authorities to obtain data from private sector sources, especially in relation to property values.
- ▶ Lack of staff and money are not the only factors that have limited the development of health checks. Lack of broad experience, of mechanisms for sharing knowledge and expertise beyond local areas, together with under-investment in IT systems and training also appear to have held back collection of health check data in some instances.

Data management practice is also far from consistent. Specific issues regarding the data are:

- ▶ Indicators are not always defined consistently or explicitly, which makes comparisons over time and between places difficult. Problems of definition apply both to measurement units and spatial areas, which are highly variable in the health checks reviewed.

- ▶ Definitional issues are compounded when different indicators are used together to create descriptive statistics – the most usual being vacancy rates which are often compared between places but may relate to very different definitions of the ‘town centre’.
- ▶ There is a lack of good quality time-series data, collected at regular and equal intervals. Poor documentation of data collection methods has hampered efforts in some cases, as has the absence of IT skills and protocols. Changes in the *PPG6* ‘list’ have the potential to compound this problem.
- ▶ There is no common practice for the selection of towns and data for comparison. As with the indicators themselves, the selection of comparative data may be driven by availability rather than usefulness in some instances.
- ▶ IT for data storage and analysis is under-utilised. Since most town centre data has an inherent geographical component, their management is suited to GIS. However, while many organisations have GIS, it is rarely used widely or to full capacity (e.g. GIS is often used simply as a mapping tool rather than for statistical analysis). All of these issues are compounded by the total absence of national retail statistics for local areas or, alternatively, a standardised protocol for defining and presenting locally derived data.

These factors are undermining the standardisation of town centre data between authorities in the way that *PPG6* envisaged. The development of indicators in relative isolation also means that best practice is not being shared widely and easily fixable problems are being perpetuated. The very considerable efforts being made by local authorities to lift the quality of their data need to be supported by more detailed guidelines on best practice, in ways outlined below.

5.1.3 Evaluation and Interpretation

In addition to high quality data, health checks clearly also require high standards of interpretation and analysis. In practice, the breadth and **quality of interpretation** in health checks varies widely.

Few health checks follow closely the guidance in *Vital and Viable Town Centres*, though its broad principles – e.g. a mix of quantitative indicators and qualitative assessment – are generally adhered to. The approach suggested in *Vital and Viable Town Centres* has proved too cumbersome for many, against a background of limited resources. Moreover, intellectual questions remain about qualitative scoring data of the kind proposed in the ‘indicative health check’. At its most absurd, the ‘soul’ of some towns has been reduced to counts of car parking spaces and numbers of crimes. We suspect this is because the spirit of *Vital and Viable Town Centres*, which is embodied in the vitality indicators in *PPG6*, is rarely checked against the detailed advice in that report.

Local authorities themselves highlighted the practical difficulties involved in interpreting qualitative information. In particular, it appears to be difficult in practice to reduce qualitative measures of vitality into numerical indices without losing **meaning** in relation to town centre health. Whilst such indicators can be useful at the local level in **identifying** areas for action (as in the *About Town* approach), they should not be mistaken for objective, or singular, measures of ‘health’. Vitality is such a nebulous concept that it requires ‘joined up’ consideration of a set of indicators. Measuring indicators (especially qualitative ones) is no substitute for quality evaluation and this is one area in which current practice is sometimes weak.

Interpretation of quantitative ‘viability’ measures is also variable in its detail and quality. One of the central weaknesses of the *PPG6* indicators approach is that it is data intensive yet provides no

technical guidance on how indicators should be appraised. A majority of survey respondents felt that *PPG6* is neither clear nor helpful in this regard. In the absence of widely agreed benchmarks, or a nationally agreed retail typology, it is difficult for individual officers to decide what constitutes 'health' for a particular town. In this respect, local planning authorities are at a great disadvantage to investors and retailers who have access to a substantial array of comparative information and analysis.

Although the 'residual yield index' proposed in *Vital and Viable Town Centres* provides one technically robust demonstration method (which is sometimes used by investors) it is an unrealistic method in practice. This level of sophistication is difficult to achieve in individual health checks, not least because the technique requires extensive nation-wide data sets that do not exist freely in the public domain. **The difficulties experienced in interpreting yields in practice, especially in small towns, suggest that this indicator should not be a core *PPG6* indicator.**

Our review suggests that guidance and good practice examples on the use of simple descriptive statistics, employing easy to understand benchmarks, would be welcomed by local authorities, and would be a more useful tool than methodologies like the residual yield index. The *Key Performance Indicators* approach recently produced by the ATCM is a very useful step in this direction.

5.1.4 Resourcing

Most Local Authorities feel they do not have sufficient resources to fulfil the requirements of the Health Check, and have opted for pragmatic solutions that maximise the use of existing data sources (e.g.. local land-use surveys). While this is almost certainly the best local solution, it once again undermines the development of standardised town centre data across the country and limits the opportunities for local authorities to build on experience elsewhere. The fact that authorities are allowed discretion over what is monitored and how frequently, means that health checks are often the victim of other priorities such that both coverage and currency are undermined. This is despite strong support for the idea of health checks.

The next section introduces some suggestions for national and local initiatives that could improve quality without significantly increasing local resource requirements.

5.2 Improving the Health Check - Ways Forward

Health checks are already proving to be an important tool in town centre monitoring. However, the issues identified in this research suggest that their full potential is not being realised. Reasons for this include omissions in the original guidance, lack of national data standards for town centres, a need to up-date the contextual analysis provided in *Vital and Viable Town Centres*, and poor facilitation of best practice dissemination. Initial suggestions on simple steps that could be taken to improve the quality of health checks follow.

5.2.1 Health checks and retail planning policy

Now, three years after the last revision of *PPG6*, it seems timely that town centre monitoring should be reviewed at a national level. It seems sensible that such a review should be carried out by an expert group which would be representative of the wide range of stakeholders in town centres - including representatives from the DETR, DTI, the Regional Development Agencies (RDAs) government data providers, national retail associations, the property industry, the CBI

and Chambers of Commerce. National advice could still be issued in *PPG6* but an overview for **the whole process of town centre monitoring, not just the indicators to collect, is required.** Of equal importance will be a companion guide on best practice for town centre monitoring, which effectively up-dates *Vital and Viable Town Centres*, and which should be referenced clearly in *PPG6*. Any review of health checks guidance should also consider initiatives on sustainability indicators – for example the quality of life indicators being developed by CLIP (Central/Local Government Information Partnership).

At a local level, **the process** of town centre monitoring is perhaps best entrusted to a town centre partnership (which will often be local authority led) with the town centre management team providing the executive back up, especially where the local planning department does not have health check resources in-house. This research study confirms that some of the most innovative mechanisms for town centre monitoring are being developed by partnerships. A town centre management plan and programme could be a useful vehicle for setting out timetables, data partnerships and policy inputs.

Where co-operative town centre monitoring exercises can be set up, agreed health check data can then be used by all parties for many different purposes. Local authorities are likely to combine the data to inform the development plan process, retailers and investors to predict changes in trading conditions and town centre managers to identify priorities for, and outcomes, of their actions. Clearly, there is considerable scope to use the data (and analysis) for development control purposes and thereby improve the quality of the debate at public inquiries in particular. However, it is important that this remains a secondary objective, not a principal *raison d'être*.

In order to generate 'best practice', detailed organisational relationships will need to be developed. **Partnerships must include the private sector: national and local property investors as well as retailers should be encouraged to review their management functions so that they can participate fully in town centre performance monitoring.**

5.2.2 *Data quality and management*

(i) **Core national data sets**

A case should be made for the development of national 'core' data sets to support town centre health checks.

- ▶ These data sets would improve consistency by providing benchmarks for individual towns that are measured according to consistent and patent definitions and that are updated regularly.
- ▶ The data sets would provide comparative data that is consistent **between towns and over time.**
- ▶ The definition, collection, interpretation and presentation of these national data sets would need to be formalised in every respect.
- ▶ Data sets could be built 'bottom up' from local monitoring, **as long as this last criterion could be assured.** Such an approach would require clearer and firmer guidance than in the present *PPG6*, specifically on how indicators should be defined, measured and manipulated.

The aim of this research is not to re-open the debate on which indicators should be used for town centre monitoring but to suggest which of the existing *PPG6* indicators would be appropriate to a

national, 'top-down' approach. Although the Pilot Study provides an indication of what practitioners regard as 'core' data, it is premature to suggest a definitive list, since the DETR (with CASA and URBED) is currently addressing the practicalities of using national data sets to create these core data. The first set of statistics for London is expected to be released during 2000²¹. Nevertheless, subject to these caveats, the following observations emerge from this research :

- ▶ Viability indicators are the prime candidates for 'core' indicators – for example, floorspace, vacancies, pedestrian flows, rents and perhaps the presence of multiple retailers.
- ▶ Although not currently included in *PPG6*, the survey also revealed some support for the inclusion of retail turnover amongst quantitative measures. (Turnover is one of the indicators being investigated in the CASA research for the DETR).
- ▶ The continued use of the yield indicator needs to be considered. Evidence suggests that yields are hard to obtain and are difficult to interpret.
- ▶ The durability of *PPG6* indicators in the light of new Government quality of life indicators and Local Agenda21 initiatives needs to be assessed.
- ▶ The difficulty of providing meaningful numerical measures of vitality that can be compared between places suggests that evaluation of the 'soul' of towns should remain at the local level²².

(ii) Locally derived 'vitality' indicators

In order to complement national data sets which are expected to provide the quantitative (hard) 'viability' indicators, it is essential that best practice delivers a mechanism for determining the 'vitality' of the town centre. Our research has revealed that although survey respondents consider that town centre vitality is important, they are confused about how to generate and interpret these indicators. This confusion has been exacerbated by the treatment of vitality indicators in *PPG6*.

Town centre vitality indicators should provide the principal qualitative (soft) data input of the health check. 'Data' in this context will mean a mix of statistical information and observation. Nevertheless, it is clear that in many cases, statistics **can** be provided for vitality indicators e.g. crime statistics, pollution levels, environmental quality and perception. However, connections will need to be made with other sources of 'soft' data and information and consequently vitality indicators will often be more difficult to define and use in practice than viability indicators.

At this stage, it appears that one of the best ways of tackling vitality will be through the local identification of specific problems or areas of interest, combined in a joined-up analysis of a set of indicators, rather than one or two. A SWOT analysis will often be a good start. Examples could include the role of secondary activities in the town centre, the fear of crime, the negative impact of congestion, the quality of the shopping/leisure experience for disabled people, the impact of

²¹ *Town Centres: Defining Boundaries for Statistical Monitoring, Pilot Study* for the DETR. The research is using national data sets to investigate a model for defining town centre boundaries for monitoring purposes. See also the earlier *Feasibility Study* report published by HMSO, 1998.

²² A [top down/bottom up](#) model along these lines is suggested in the University of Westminster's *Civilising Cities* report (sponsored by the RAC Foundation) though it deals with a much broader range of 'quality of life' indicators for local areas. The Lockwood survey also stresses the importance of local knowledge to assess qualitative aspects of the town centre.

beggars, the homeless and others. Best practice for the monitoring of vitality in town centres is thus expected to be project based and linked as much to the identification of an appropriate process to assess vitality as with the evaluation of quantitative and qualitative indicators.

5.2.3 Evaluation and Interpretation

Greater diffusion of good practice in data collection, handling and analysis could greatly enhance the quality of health checks. A substantial amount of expertise has emerged from the first round of health checks but is not being shared widely at present.

The Pilot Study has made a useful contribution in identifying existing health checks and has developed a framework for evaluating the data. This framework could be extended and consolidated, drawing together the experience from completed health checks into a central resource. Such a resource would promote greater exchange of knowledge on health check data and analytical methods, as well as knowledge about the impact of general trends at local level.

As a start, authorities would find useful a register of completed health checks that contains information on, for example, town centre contacts, contents pages of health check reports, details on data coverage and definitions, analysis techniques etc. Such a resource could be delivered in a revised best practice guide to support *PPG6* but would best be delivered through an interactive web site. This resource would reinforce the earlier proposal in *Vital and Viable Town Centres* for a regularly up-dated list of good practice examples. It would be complementary to the further research on health check processes and partnerships suggested below.

In addition to information on data practices and analysis methods, an interactive site could provide links to strategic research that throws light on town centre performance, as well as a live forum where ideas, issues and problems can be shared. This would help to address the relative isolation of those responsible for town centre health checks and introduce the concept of a learning network for the sharing of ideas and experience. Funding of, and responsibility for, such a resource would clearly be an issue but may be something the RDAs would be in a position to develop as part of their strategic monitoring role.

5.2.4 Resources

We are not suggesting in this report that national government needs to find additional resources to fund local authority health checks. Instead, we have suggested a number of ways in which the value of what is being done already can be enhanced, particularly through co-operative local initiatives. In carrying out health checks, local authorities also need more support from government (or the RDAs) in terms of benchmarking data, contextual analysis, encouragement for local partnerships and facilitation of best practice networking. The introduction of Best Value procedures into local authorities may also give a boost to innovative ways of resourcing town centre monitoring.

5.3 Further Work

This research has identified that the town centre health check is a worthwhile exercise for long term monitoring. Indeed, there was overwhelming support for the process from our survey respondents. However, it is clear that practice varies significantly across the country and there is currently no dominant model of best practice. Consequently, the results and conclusions of town centre health checks cannot always be shared. Against the background of tightly constrained resources identified in this research, this is a lost opportunity to make use of a valuable pool of

data and expertise. As the *PPG6* health checks process beds down in local authorities, it is time to standardise and update the health check, by revised national guidance and through town centre partnerships. Further useful research could:

- ▶ Convene a national town centre stakeholder group to review all aspects of the health check process, including our proposed top-down/bottom up combined approach, provision of core indicators, material to support interpretation **and** the dissemination of expertise.
- ▶ Recruit a number of case study town centre partnerships, to explore processes and best practice for handling local vitality indicators in particular, and data in general.
- ▶ Suggest a package of technical measures to support a national health check process delivered as a best practice guide, or resource. Aspects of the guide should be provided on the web to assist practitioners and develop a learning network.
- ▶ Suggest amendments, where necessary, to central Government advice on the health check process.

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APPENDIX 1

HEALTH CHECKS (REVIEW & SURVEY)

INVESTORS SURVEYED

1. Health Checks

Town

Aylesbury
Barnsley
Bracknell
Cardiff
Chester-le-Street
City of Westminster
Clapham/Balham
Cromer, Fakenham, North Walsham, Holt, Stalham,
Wells-next-the Sea

Dartford
Dudley
Halifax
Hammersmith
Hemel Hempstead
Knaresborough
Long Eaton
Luton
Morley
Nantwich
Plymouth
Prestwich
Radcliffe
Reading
Redhill(reports on same basis for Reigate, Banstead,
Horley)

Richmond, Twickenham, East Sheen, Whitton,Local
Centres

Rothwell
Southend
Stockport
Stratford upon Avon
Sutton, London
Walsall
Warrington
Wigan
York

Local Authority

Aylesbury Vale DC
Barnsley MBC
Bracknell BC
Cardiff County Council
Chester-le-Street DC
City of Westminster
LB Wandsworth/LB Lambeth
North Norfolk DC

Dartford BC/Dartford TCM
Dudley MBC
Halifax TCM
LB Hammersmith
Dacorum BC

Derbyshire CC
Luton BC
Leeds CC
Crewe & Nantwich
Plymouth City Council
Bury MBC
Bury MBC
Reading BC
Reigate & Banstead BC

LB Richmond on Thames

Leeds
Southend BC
Stockport MBC
Stratford upon Avon BC
LB Sutton
Walsall BC
Warrington BC
Wigan
City of York

2. Property Investors

AMP Asset Management (now Henderson Investors)
CIN La Salle (now La Salle Investment Management)
Guardian Properties
Land Securities plc
Prudential Portfolio Managers
Schroder

APPENDIX 2

DATA COVERAGE OF HEALTH CHECKS

of the 19 health checks included in the Desk Review