Suzanne Hall

London’s high streets: the value of ethnically diverse micro economies

Report

LSE Cities
AN INTERNATIONAL CENTRE SUPPORTED BY DEUTSCHE BANK

Report

London's high streets: the value of ethnically diverse micro economies
Submission to 'Just Space', in preparation of a response to the London Plan.
Dr Suzanne Hall, LSE Cities, March 2014

This outline of the ethnically diverse micro economies evident across many of London's high streets is informed by in-depth and systematic studies of two inner London streets: the Walworth Road and Rye Lane, Peckham. The research focuses on two indicative case studies, however, connections are made to emerging trends on a number of high street studies, both across London and the UK. These studies focus on streets where there are comparatively high levels of: independent retail; ethnically diverse entrepreneurialism, and localities with high levels of deprivation. These streets exhibit economic and cultural vibrancy despite being located within areas with high indices of deprivation. Yet in planning terms these streets are not officially recognised for their economic and cultural vibrancy; their economic value is neither measured nor understood. The purpose of this report is to highlight key trends in ethnically diverse micro-economic high street retail in London, and to propose alternative measures of value to recognise ethnically diverse high streets.

1. Emerging trends:

1.1 The growth of independent retail:

While small independent shops have substantially declined across the UK, the national trend does not hold for London[1]: there has been a 78,5% increase in independent retail in London from 2000 to 2006. Research on high streets identifies certain areas of growth in the independent retail sector, but does not clarify who is shaping that growth from the retailer side. In cities with increasingly high ethnic minority populations such as London (55.1%, indicated in Census 2011), the role of ethnic minority retail is likely to be an increasingly significant factor.

1.2 Micro-retail space and flexible terms of rental:

[1] Neil Wrigley, Julia Branson, Andrew Murdoch and Graham Clarke (2009) 'Extending the Competition Commission's Findings on Entry and Exit of Small Stores in Britain's High Streets: Implications for Competition and Planning Policy', *Environment and Planning A*, 41: 2063-85.

The requirement for small-scale retail, coupled with flexible terms of rental and sub-letting arrangements is evident in our research of 199 units on Rye Lane in 2012[2]. 25% of shops on Rye Lane had subdivided into smaller shops, and rentals ranged from prices per chair per week in the case of hair and nail salons, to a wide variety of flat rates per square meter. Subletting does not only attend to individual needs, but also allows for economic reciprocities between different retail activities. For example, a Western Union Consumer trading study of 2008 makes the following claim: '[…] offering a Western Union Service increases the cross-sell opportunity as well as the shopping frequency. 75% of customers making a Western Union Money Transfer transaction also purchased other products and 47% shop more frequently once they know that Western Union is available at the store'[3].

1.3 The growth in particular retail products and services:

We recorded a strong presence in the retail areas of mobile phone goods and services; money remittances; halal meat; and hair and nail bars. The growth in these retail areas reflects broader national trends, and correlates with ethnic diversity.

2. Alternative measures of value

Planning Policy Statement 4[4] includes both the need to audit decline or growth of existing town centres and to develop a strategic framework for the management and growth of centres. Measures of 'vitality' and 'viability' are frequently based on a narrow set of economic norms, and the emerging economies that grow out of diverse ethnic enterprise, remain poorly understood. How audits are conducted, and what measures of value are adopted, is key to understanding and supporting London's diverse high streets.

2.1 Diversity of use, activity and scale:

A broadly adopted maxim is that the social and cultural dimensions of high streets are key to their economic vitality (NEF[5], Portas[6]) and will be increasingly so as online shopping grows.

[2] Suzanne M. Hall (2013) 'Super-diverse Street: A 'Trans-ethnography' across Migrant Localities', *Ethnic and Racial Studies*, Online. pp. 1-14. ISSN 0141-9870.

[3] http://www.westernunion.co.uk

[4] DCLG, Department for Communities and Local Government, London:
2009a *Planning Policy Statement 4: Planning for sustainable economic growth*.
2009b *Planning for Town Centres: Practice Guidance on need, Impact, and the sequential approach*.

[5] New Economics Foundation (2002) *Ghost Town Britain: The threat from economic globalisation to livelihoods, liberty and local economic freedom*, London: NEF.

[6] Mary Portas (2011) *The Portas Review: An independent review into the future of our high streets*, https://www.gov.uk/.../11-1434-**portas-review**-future-of-high-streets

Vibrant high streets attract a number of complementary cultural and business activities. The *High Street London*[7] report, for example, recorded 2100 businesses in Peckham Town Centre, and 13,400 employees. By way of comparison, Westfield Stratford has 300 retail units and 8500 permanent jobs[8].

2.2 Urban Thresholds:

The *High Street London*[9] report reveals that two-thirds of Londoners live within 500 meters of a high street, and that two-thirds of the trips to local high streets are made to access forms of exchange other than shopping. This highlights how residential, cultural and public transport densities are integral to the vitality of high streets. The Walworth Road, for example, is located within a high-density residential area and has approximately 15,000 people within walking distance or square kilometre of the street. This together with the 18 buses per hour on the high street, helps to sustain its retail life (CABE)[10]: in comparative London terms, the Walworth Road is surrounded by a less affluent population, but because of the population density in proximity to it, the total weekly expenditure estimated for the street was £4.3 million compared with £4.8 million on High Street Hampstead.

2.3 Innovations and adaptability:

The Portas Review[11] highlights the potential of 'pop-up' shops and interim uses for retail experimentation and incubation. This requires new attitudes to the use of vacant shops, and subletting, where spatial and retail innovation correlates with rental and rates innovations.

2.3 Duration

Measures of annual retail turnover, as well as vacancy, are frequently used to understand high street health. We have little knowledge of retail duration, or why and how independent retailers endure in certain locations. In two of our street surveys, approximately 25% of retailers had sustained retail on the street for 20 years or more, while 25% had arrived in the last 5 years. In analysing duration, we were able to establish what strategies had been developed including stepping stone retail from market stalls to larger retail premises; subletting; parallel online retail; and use of networks from transnational connections to family supports.

2.4 Platforms of communication

---

[7] Gort Scott and UCL (2010) *High Street London*, Great London Authority, London.
[8] http://www.guardian.co.uk/money/2011/may/21/westfield-stratford-city

[9] ibid.
[10] CABE (2007) *Paved with Gold: The real value of good street design*.
[11] Ibid.

The *Association of Town Centres Manifesto*[12] and the *Portas Review* both highlight the need for the agile management of high streets to maintain and update the crucial balance between large and small operators, permanent and temporary uses, and cultural and economic activities. Aligned to this, is the common feeling among independent retailers, that they are unable to effectively communicate with local authorities. Key here is the formation and support of trade associations that allow diverse and independent retailers to communicate with one another, and to communicate with the local authority. With the demise of town centre managers once supported by the local authority, small, annual operational budgets should be considered to allow trade associations to effectively organise and communicate.

Publications focusing on this research can found at:

Hall, Suzanne, 2013, 'Super-diverse Street: A 'trans-ethnography' across migrant localities', *Ethnic and Racial Studies*, Online. pp. 1-14. ISSN 0141-9870.

Hall, Suzanne, 2013,*Future of London's Town Centres*, report submitted by invitation to the Planning Committee, London Assembly, 10 January 2013.

Hall Suzanne, 2012 *London's High Streets: Bringing empty shops back into use'*, report submitted by invitation to the Economy Committee, London Assembly, 31 August 2012.

Hall, Suzanne, 2011 'High Street Adaptations: Ethnicity, independent retail practices and Localism in London's urban margins', in *Environment and Planning A* vol. 43, no. 11, pp. 2571-2588.

[12] ATCM (2012) *Association of Town Centre Management Manifesto*, ATCM, London.