



HIGH STREET AND ECONOMY REPORT

Business Survey, Secondary Data on the High
Street and External research reports

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Executive Summary

Totnes has a strong tourism and visitor market, encouraged by the town's identity as an historic market town. with numerous landmarks and attractions. The town is also provides the key rail, road and river gateways to and from the South Hams. Published research shows it to be strong as both a market town providing services to a wide hinterland and as an employment centre.

This report combines data collected by Totnes Neighbourhood Plan's 'Business Survey' with that obtained from Land Registry and desk-based research, undertaken during August 2016. By considering the Business Survey data, it is suggested that the majority of businesses who responded were based upon the High Street, and therefore the data can be used to infer information about the High Street.

Key Findings

- **Business Survey Respondents:** Business survey respondents consisted of 44% non-food retail, 12% food retail and 15% Hotel/Pub/Café. This leads to the suggestion that the survey respondents were based mostly upon the High Street.
- **Industry Type:** Land Registry data showed premises on the High Street to be prominently retail (44%). Other main uses included services (17%) and Food and Drink (9%).
- **Business Type:** Local businesses account for 77%. National chains account for 15%, while regional businesses are 7%.
- **Business Establishment:** Most businesses (52%) are less than 10 years old. Reasons for establishing a business in Totnes include because the owners live here (14%), because of the town itself (13%) or because of the footfall of both locals and tourists (11%).
- **Employees:** Businesses employ on average 7.8 employees each (reducing to 2.8 if an outlier is removed). In total, 512 people were employed by those who responded to the business survey, and 43% of businesses believed they would increase the number of employees.
- **Employee Training:** Training was offered to employees by 25 businesses. These included government training programmes, students and trainees.
- **Premises ownership:** While the land registry data was incomplete, the general trend suggested most High Street premises were rented. This supported the findings of the 2015 business survey

- **Premises suitability:** Premises were identified as one of the main limiting factors for business expansion. The cost was the limiting factor for 45% of businesses, the type of space for 36% and 21% said the location of space.
- **Turnover:** Most businesses (86.4%) reported having a turnover of less than £1million p.a., making it reasonable to suggest Totnes' economy is mainly SME's. Most businesses believed that their turnover would increase, with reasons given including the transition towns status.
- **Customer and Wholesale Base:** Many businesses (89%) see most of their business come from Totnes and the surrounding villages. However, only 3% of businesses fully source their supplies from within the same area. Reasons for this were given as businesses having specific needs and competition.
- **Use of the Internet:** Most internet use was for email and marketing. Only 18% of businesses were fully dependant on the internet, and 8% did not use it at all. The majority of businesses (57%) felt their internet would increase, and 63% felt faster broadband would have a difference to their business.
- **Response to External Research Findings:** Local response to potential opportunities identified by external reports have resulted in "Rotherfold Square" redevelopment, "Shady Garden", plans for "St Mary's Church and Guidhall" project, "Leechwell Garden" enhancement, a heritage cinema redevelopment, further gym capacity on the Industrial Estate, Expansion of the Festival and Market offer and website and marketing development. The ATMOS development will enhance the overnight offer with a 65 bed low cost hotel adjacent to the railway station as well as enhanced public facilities, heritage and riverside regeneration.
- **Further Development Opportunities:** Enhancing the evening economy offer to further move the tourism offer from day to overnight stays. Extending from a traditional seasonal offer to a round the year destination. Expansion of markets and festivals both land and river based. Continued improvement to public realm including navigational signage though out the town.

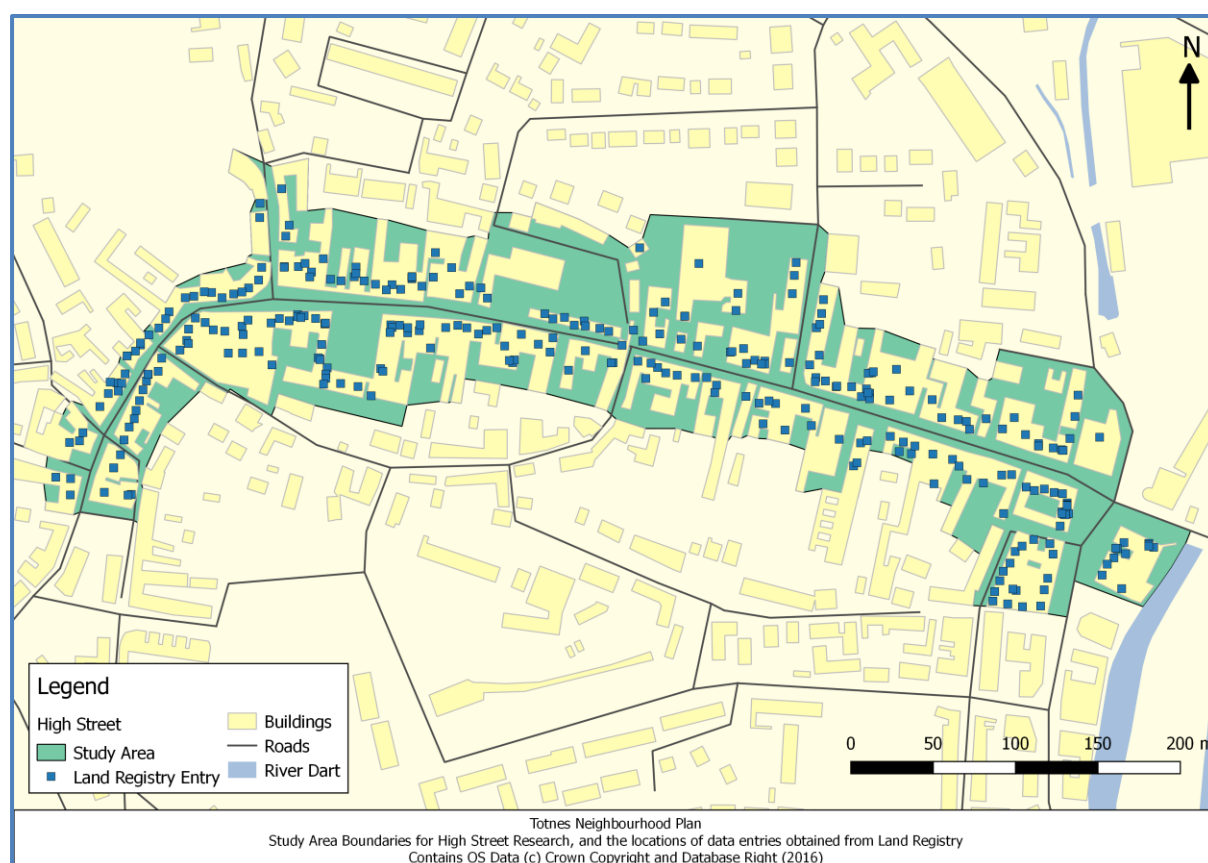
High Street Findings Report

1. Introduction

Research into the High Street's economy took place during August 2016, building upon the town-wide business survey in 2015 ^[1]. The 2015 business survey was sent to 325 businesses within the town, and received 66 responses (61 mainly complete and 5 partial), representing a 20% response rate. Based on the data given by the respondents, these responses are believed to have mainly come from businesses upon the High Street.

As a result, this report merges findings from the business survey with additional work undertaken by the Totnes Neighbourhood Plan team and other sources to assess the economic situation on the High Street. For the purpose of this report, the High Street is defined by the boundaries shown in Figure 1. This report is similar to the June 2016 Industrial Estate report ^[2], which focussed on the economy of the Industrial Estate and saw a response rate of over 50%.

Figure 1: Area defined as 'the High Street' for the purpose of this report, and premises for which Land Registry data were obtained



2. National research and High Street Policy development

In 2017, Peter Brett undertook a Retail and Leisure study for South Hams and West Devon Council as part of their evidence base for the emerging JLP. This provided a comparative

assessment of the functional role of the main towns. Totnes was found to perform well against NPPG indicators. Retail vacancy rates are very low (2%) against the national average of (12%). Independent retailers create a unique shopping offer and enhance the vitality and viability of the centre. Independents account for approximately 80% of total A1 floor space. The table below presents the SWOT analysis summarising the main strengths, weaknesses , opportunities and threats.

Strengths	Opportunities
<ul style="list-style-type: none"> • Strong Tourism and visitor economy • Low unit vacancy rates and high proportion of independent retailers • Well maintained centre, with high levels of cleanliness 	<ul style="list-style-type: none"> • Maintain and enhance visitor economy through increased leisure, restaurant and evening economy offer • Enhance public space through redevelopment of the “Totnes Central Area”
Weaknesses	Threats
<ul style="list-style-type: none"> • Narrow pavements and limited street furniture owing to historic street network • Some poorer quality buildings and public space, such as Market Square and Civic Hall • Lack of D2 leisure uses, such as cinemas and gyms 	<ul style="list-style-type: none"> • Deterioration of public realm through lack of maintenance of historic buildings and unsympathetic development • Seasonal trading variations with lower footfall outside peak season

3. Hidden Britain Reports

In 2014, Hidden Britain conducted research into Totnes, including its identity and how it markets itself in the tourist sector. This described Totnes as ‘greater than the sum of its parts’, and a ‘destination over a collection of businesses and experiences’. Hidden Britain identified how the town’s vibrant town centre that is alternative and independent was a key asset, with a large range of retail and catering available, albeit with ‘erratic’ opening hours^[3].

Furthermore, Totnes can be seen to appeal to a wide range of demographics, with seven visitor groups identified which would each have different requirements. These included; Coach trippers, Families, Local shoppers, Urbanities, International and Older couples^[4].

Totnes scored 163/310 (53%) in a marketing audit survey^[5], which is well above the market town average of 40%. This concluded that relevant information on the town is easy to find, although no individual websites link back to the main visitor information site and that the town

did not convey a consistent identity. This suggests that while the town is performing well, improvements could still be made.

4. Methodology and Data

4.1 2015 Business Survey

The 2015 Business Survey data showed the businesses responding to be; 44% non-food retail, 12% food retail and 15% Hotel, Pub, Restaurant, or Café. This suggests that it was mainly businesses upon the High Street which responded to this survey, and therefore that summary data from it can be used to make inferences about the economy of the High Street.

4.2 Neighbourhood Plan Research

Data including the address, location, shop front, freeholder and tenant were obtained from Land Registry, with missing data populated where possible from local knowledge. Additional research by Totnes Neighbourhood Plan into these businesses added the business type, category, and level of ownership (local business or international chain, for example), alongside whether they accept the Totnes Pound to the dataset. This data was correct as of August 2016.

5. Business Findings

5.1 Business Demographics

The information which follows compares desktop research on all the businesses and data from those companies who responded to the business survey.

5.1.1 Business Types by Sector

The land registry data identified 321 premises on Totnes High Street, which were then classified. 44% of premises were being used for retail, 17% services and 9% food and drink. Smaller sectors present included Residential premises (3%), Attractions (1%) and Hotels (1%), with 25% of premises being classed as unknown (Figure 2). These are not spatially clustered in a way which suggests the High Street has distinct zones (Figure 3).

If only premises used for known business purposes are considered, 61% of businesses are retail, 23% services, 13% food and drink, 2% hotels and 1% attractions (Figure 4).

Figure 2: Premises use on Totnes High Street (n=321)

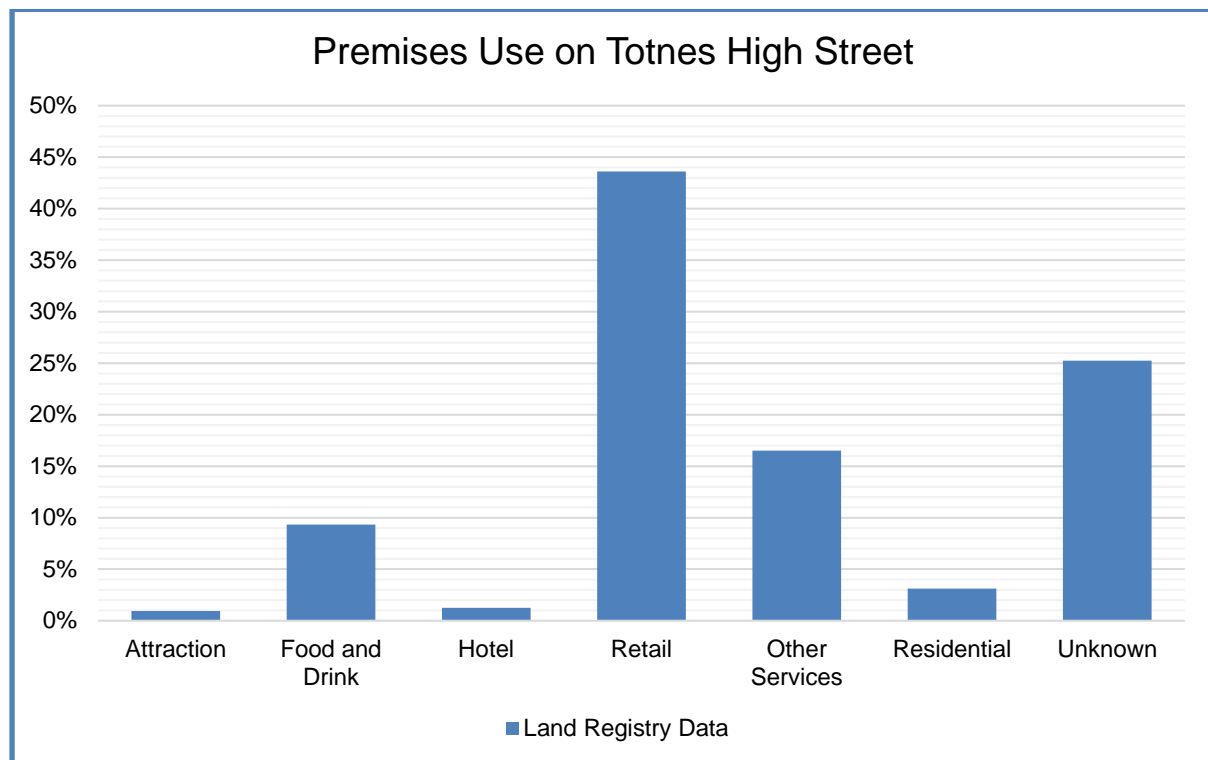


Figure 3: Premises on Totnes High Street categorised by business sector

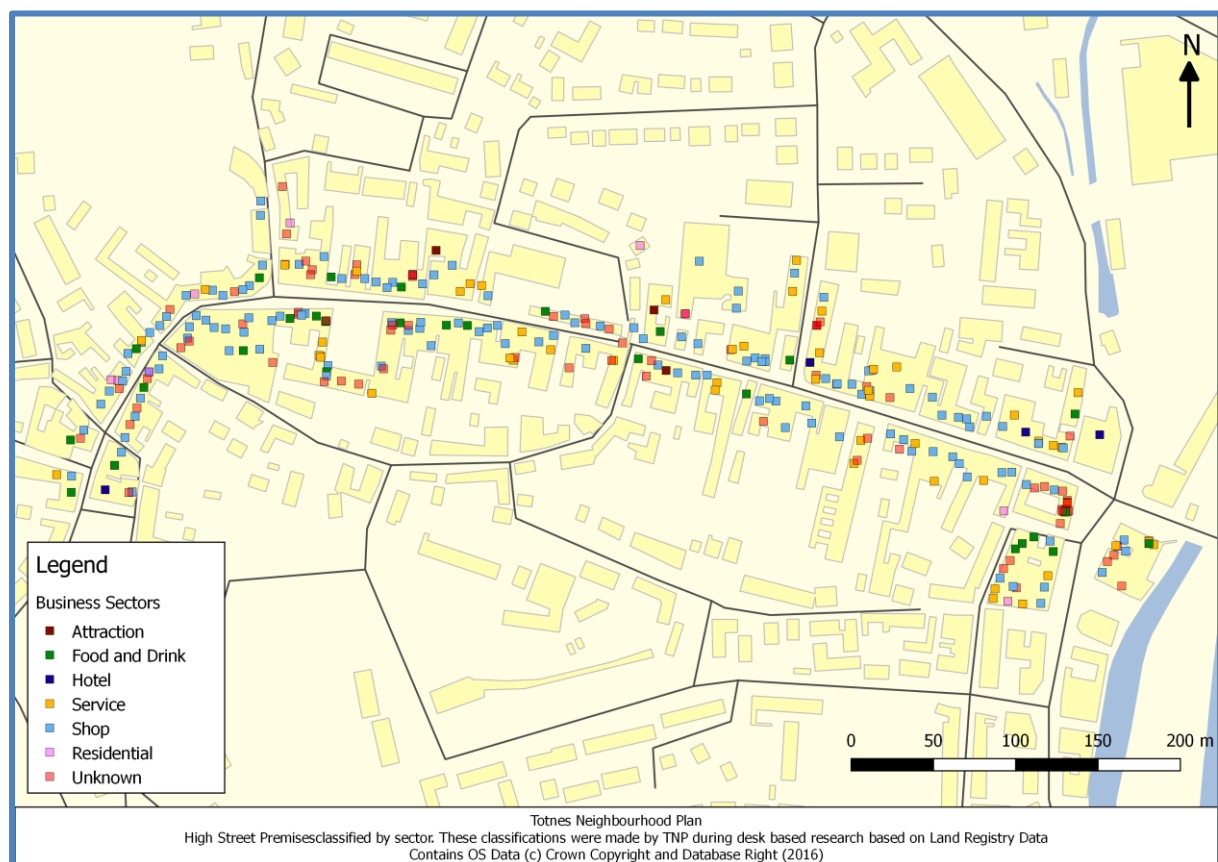
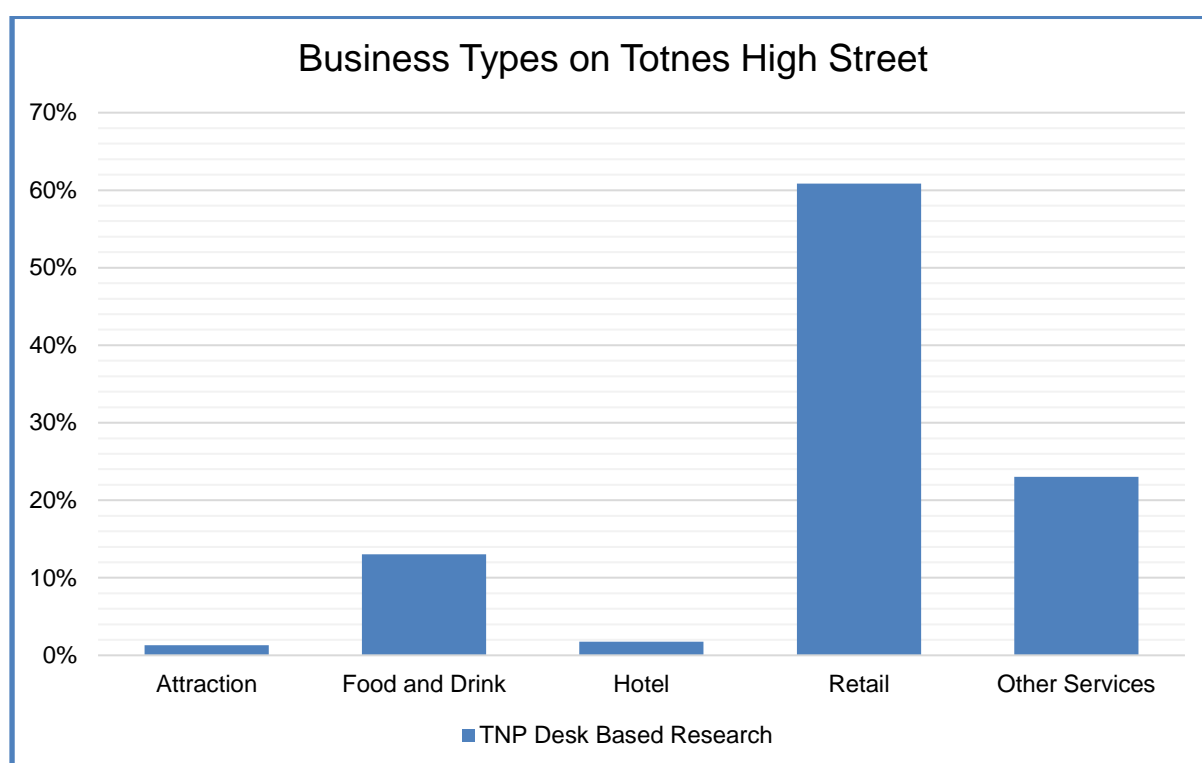


Figure 4: Business types on Totnes High Street (n=230)



5.1.2 Business Type by Ownership

Businesses trading on the High Street are mostly local (77%). Regional businesses (within Devon and Cornwall) account for 7%, national chains 15% and international businesses 0.4%, with 0.9% being unknown (Figure 5).

Figure 5: Scale of ownership for High Street Businesses (n=230)

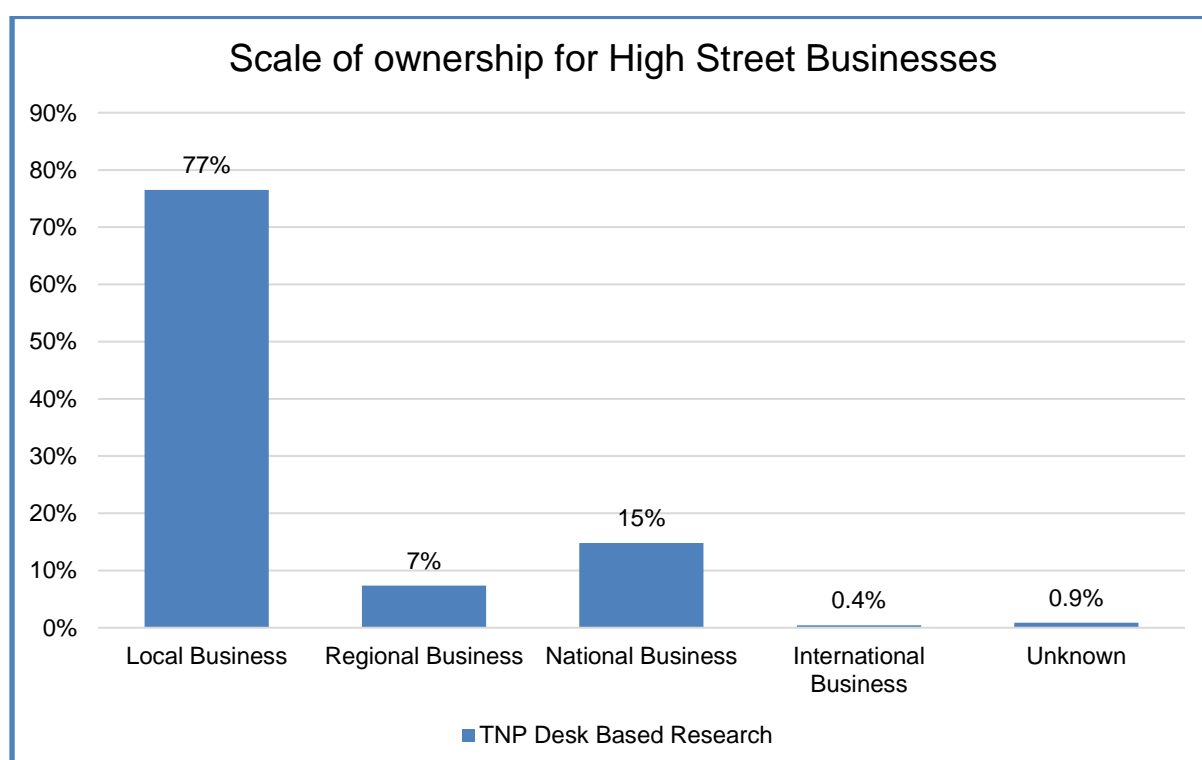
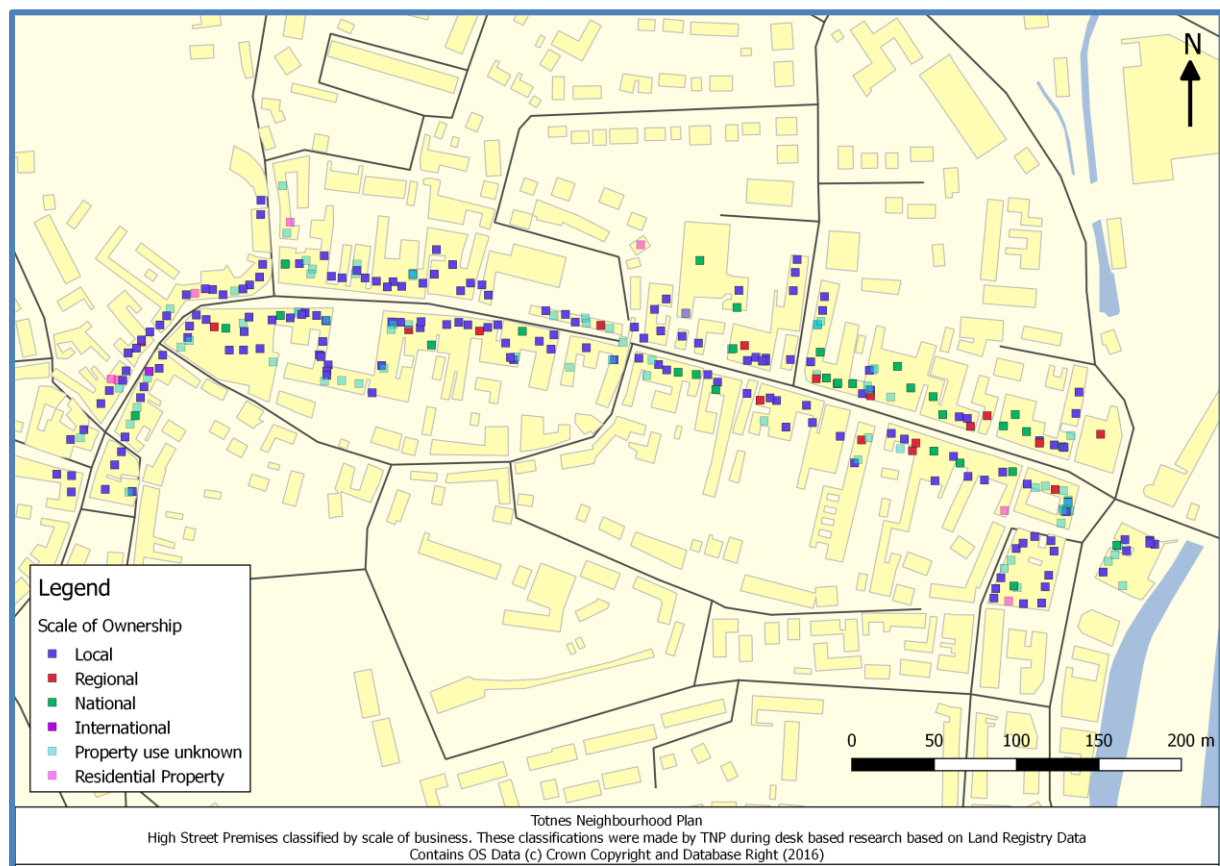


Figure 6: Premises on Totnes High Street, classified by the scale of business



5.1.3 Business Establishment

Most businesses in Totnes are young businesses, with 52% of businesses having been established in Totnes for less than 10 years (Figure 7). Discounting those who are based in Totnes because they purchased an existing business (16%), the top three reasons were because the owner lives in or near Totnes (14%), the town itself (13%) and the consumers/high footfall (both local and from tourism) (11%). These, along with other reasons can be seen in Figure 8.

Figure 7: Length of Establishment in Totnes

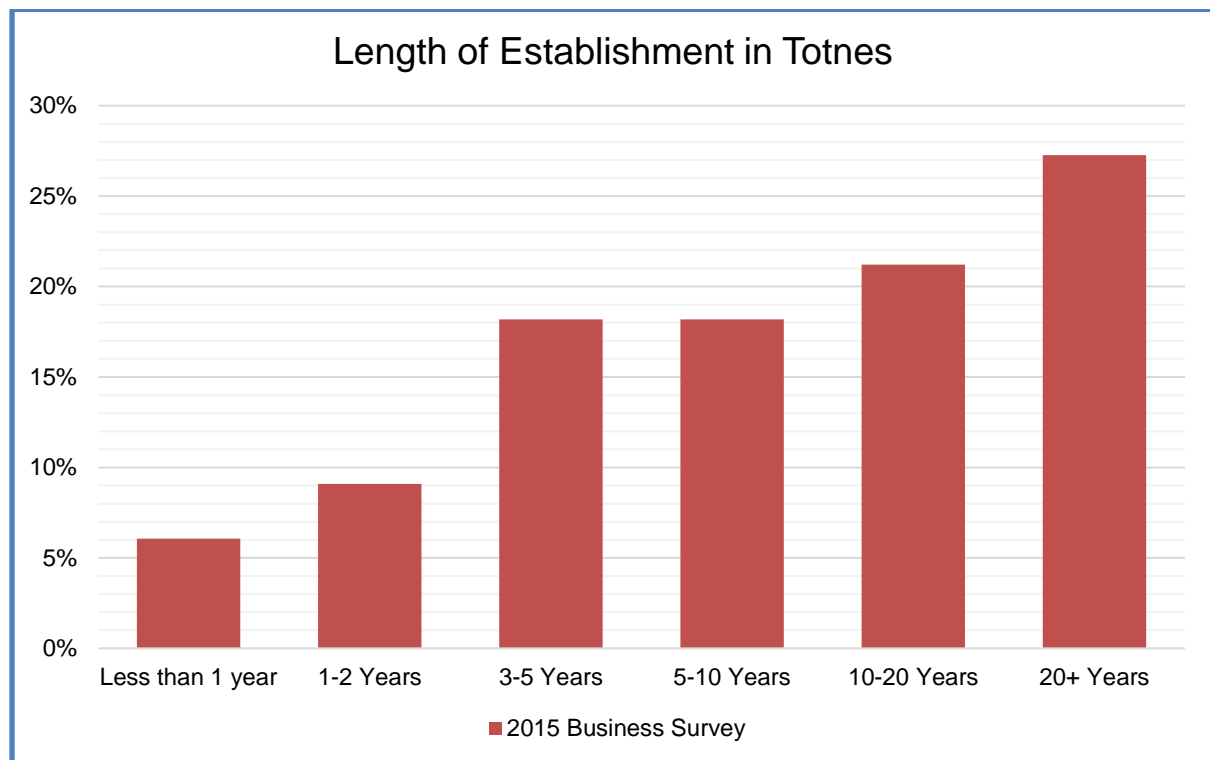
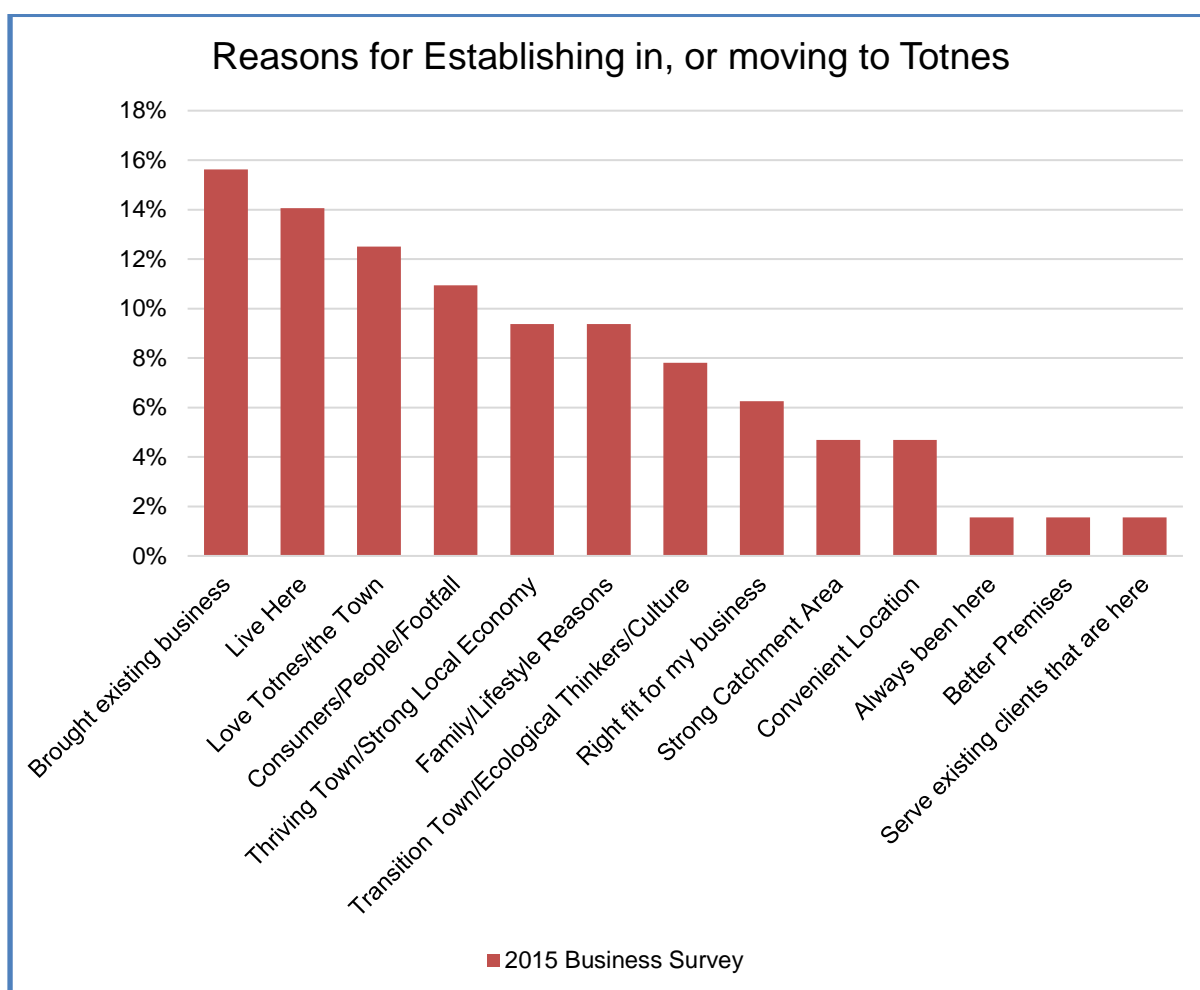


Figure 8: Reasons for establishing in Totnes



5.2 Employees

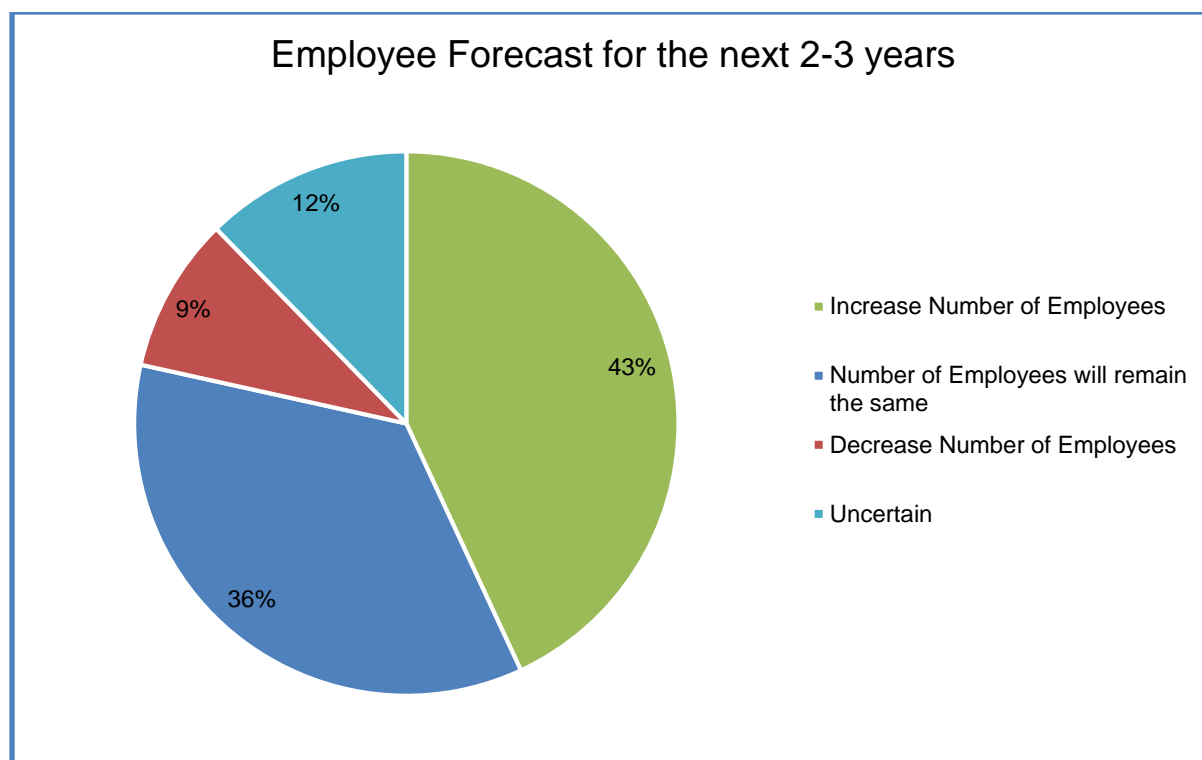
Data on employees were collected as a part of the business survey. All figures presented in this section relate to that data.

5.2.1 Full-time and Part-time employees

Businesses employed on average 7.8 employees each, and in total 512 people were employed by those who answered this question. One responding business employed 80 people, which when removed saw the average reduce to 2.8 employees per business. 92.4% of businesses which responded employed at least one full time employee, 69.7% employed part time employees and 54.5% employed staff on casual contracts.

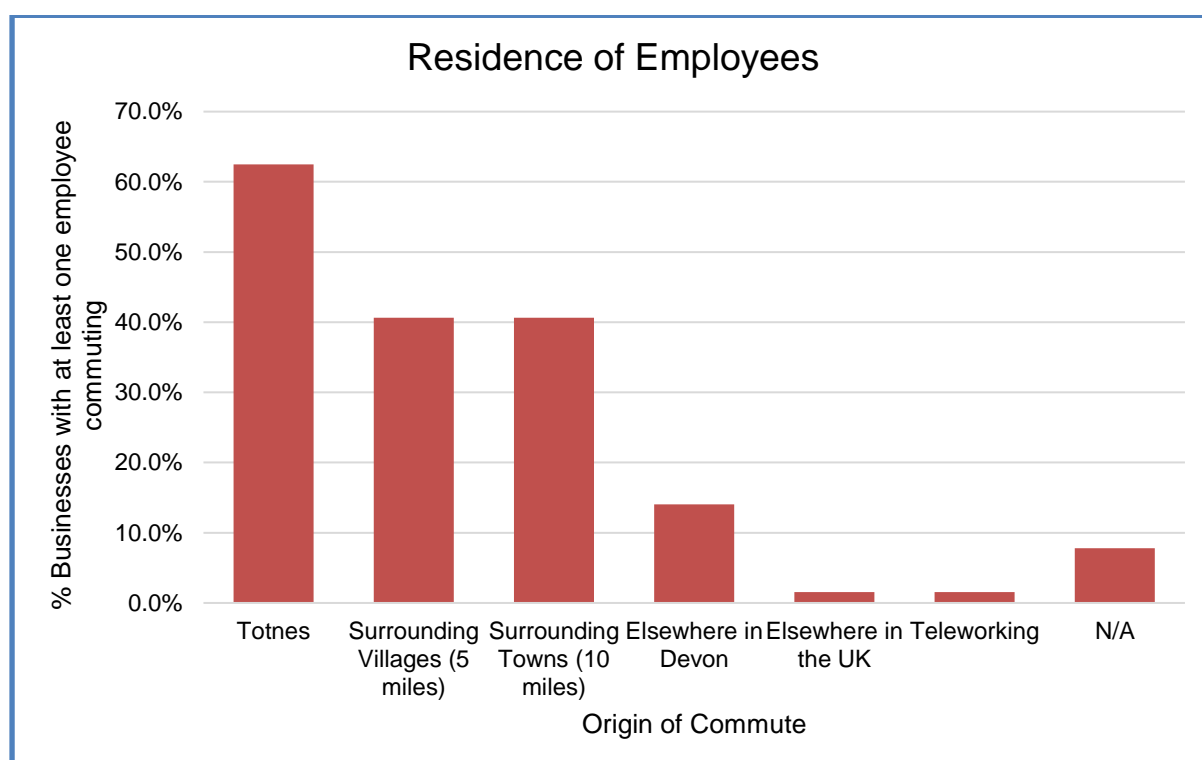
Future employment forecasts appear positive, with 43% of businesses believing they will increase their number of employees and only 9% forecasting a reduction in the number of employees (Figure 9).

Figure 9: Businesses' forecasts as to changes in the number of their employees over the next 2-3 years (2015 Business Survey)



5.2.2 Employee Catchment Area

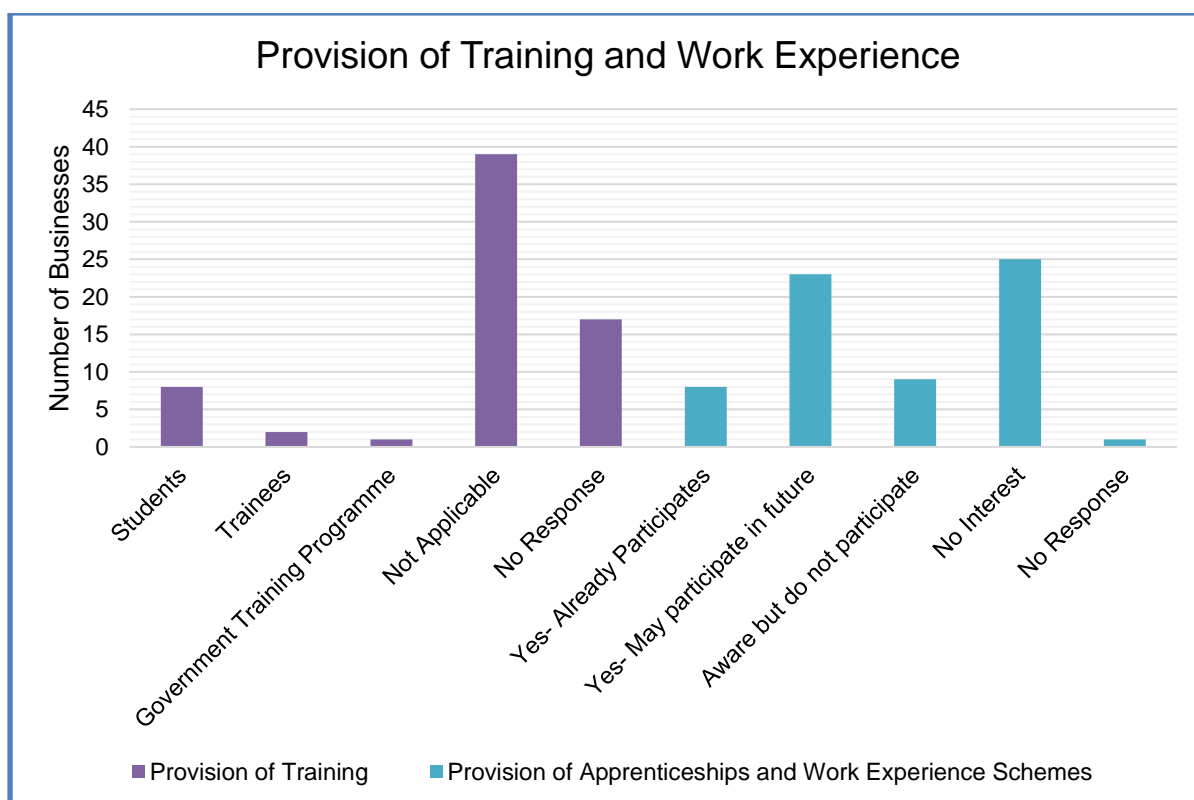
64.5% of businesses has employees based within the town, and many (40.63%) had employees commuting from the surrounding area (from towns and villages within 10 miles). One business reported having staff teleworking (and therefore not commuting into the town).



5.2.3 Employee training opportunities

Training was offered by 25 businesses (32 did not and there was no response from 9). Businesses provided training in the form of a Government training programme (1), Trainees (2) and Students (8) (Figure 10 (a)). Work experience and apprenticeship opportunities were limited, only being offered by 8 businesses. While 23 were interested and said they may participate in the future, 25 businesses (38%) said they had no interest in doing so.

Figure 10: Provision of (a) training and (b) work experience

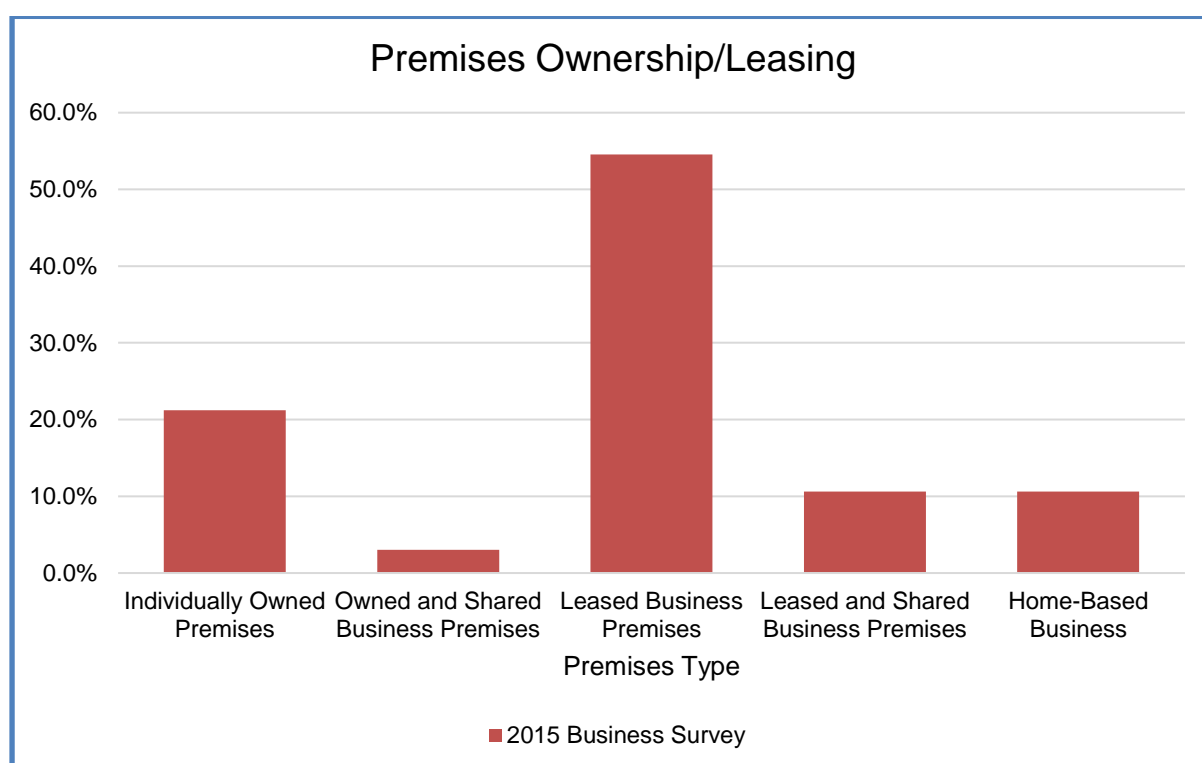


5.3 Premises

5.3.1 Ownership

The land registry data obtained for the desk-based research was incomplete, although the general trend suggested most High Street premises were rented. This supports the 2015 business survey findings, in which the majority of businesses rented their premises, with 54.5% leasing premises for their sole use. Only 13.6% of businesses who responded shared their premises, and 10.6% were based at home (Figure 11). When asked if they were able to offer premises themselves, 93.9% said no.

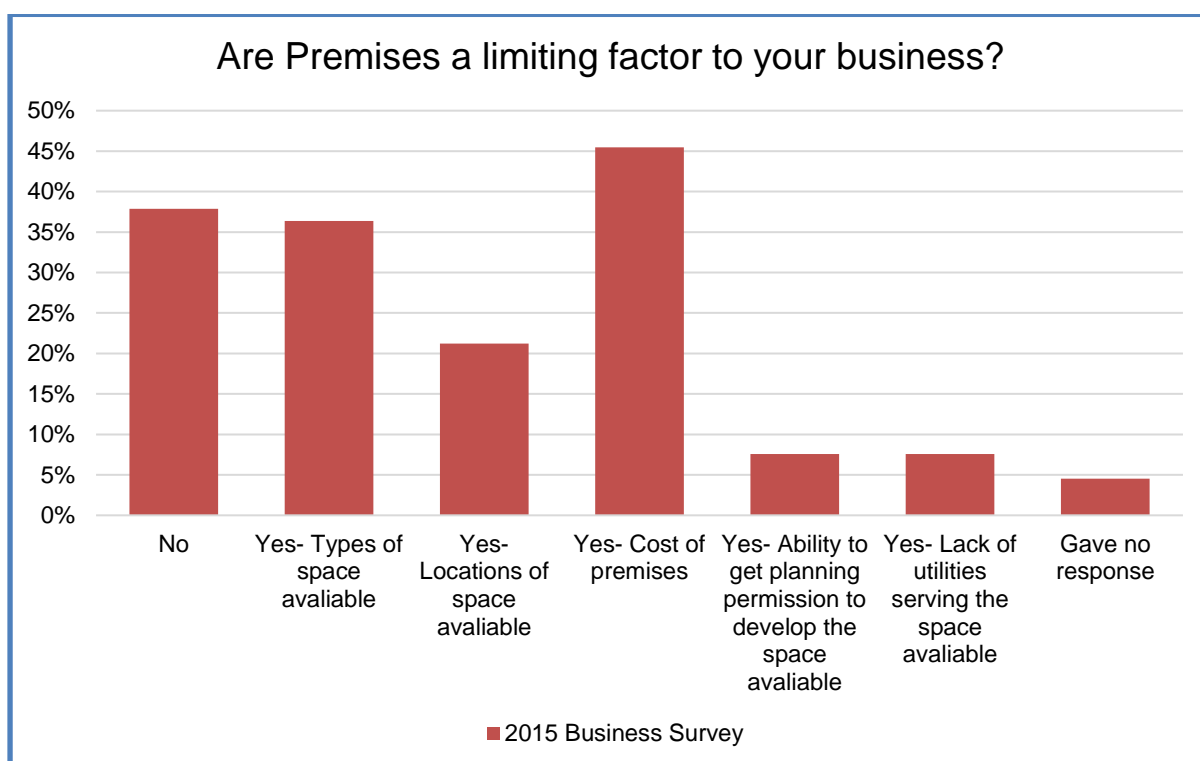
Figure 11: Percentage of businesses who own and lease their premises



5.2.1 Premises Suitability

Premises were identified as one of the priorities when asked what limits business expansion. The cost of premises was seen as a limiting factor for 45% of businesses, while 36% stated types of space available and 21% locations of space available. For 38% of businesses, premises were not a limiting factor (Figure 12).

Figure 12: Are premises a limiting factor to your business? Data from the 2015 Business Survey



5.4 Economy

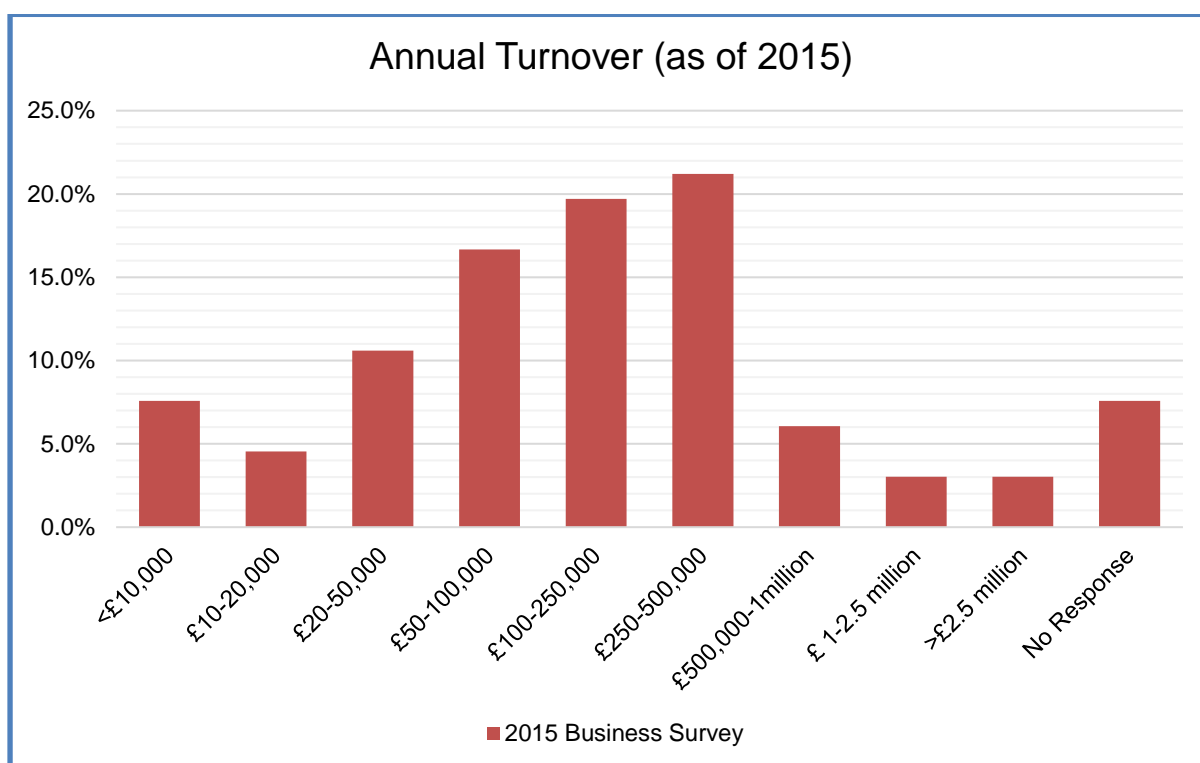
5.4.1 Turnover

Most businesses (86.4%) who responded had a turnover of less than £1million per annum, and only 3% reported a turnover greater than £2.5million (Figure 13). it is therefore reasonable to suggest that all the respondents would be classed as SME (Small-Medium Enterprises).

Furthermore, most businesses felt their turnover would increase, with this increase coming from other areas of the UK, other EC countries and outside the EC as opposed to locally (It should however be remembered that since this survey, the UK has voted to leave the European Union, and so). Reasons given included Transition towns status benefitting Totnes, although a hindrance was identified with regards to parking putting off tourists and locals.

The Business Survey further suggested that, *“Based on turnover and employment figures in Totnes and the following current definitions of business size, the majority of respondents are running micro businesses. This correlates with the findings of our initial baseline data gathered on the Totnes economy by the Economy Task Group”* ^[1]

Figure 13: Annual Turnover of businesses responding to the 2015 business survey (n=66)



5.4.2 Totnes Pound

Transition Towns^[6] give the reason for the introduction of the Totnes Pound as to build resilience through retaining money in the local economy, alongside encouraging people to use local trade where possible. Work undertaken in October 2016^[7] showed that 32.9% of businesses on the High Street accepted the Totnes Pound, and were either local or regional-scale businesses.

5.5 Business Interactions

5.5.1 Customer and Wholesale Base

Despite the majority of businesses (89%) reporting that their business comes mostly from Totnes and the surrounding villages (Figure 14), most of their materials, services and other needs (supplies) are not sourced locally (within 5 miles of Totnes). While 90% of businesses get at least some of their supplies locally, only 3% reported getting all of them within the 5-mile radius. (Figure 15). Availability was the reason most given for not doing so, with other specific reasons given including; specific needs, competition, and the need to only update specialist items such as computers or phones which cannot be done locally.

Figure 14: Customer/Client base of businesses responding to the 2015 business survey

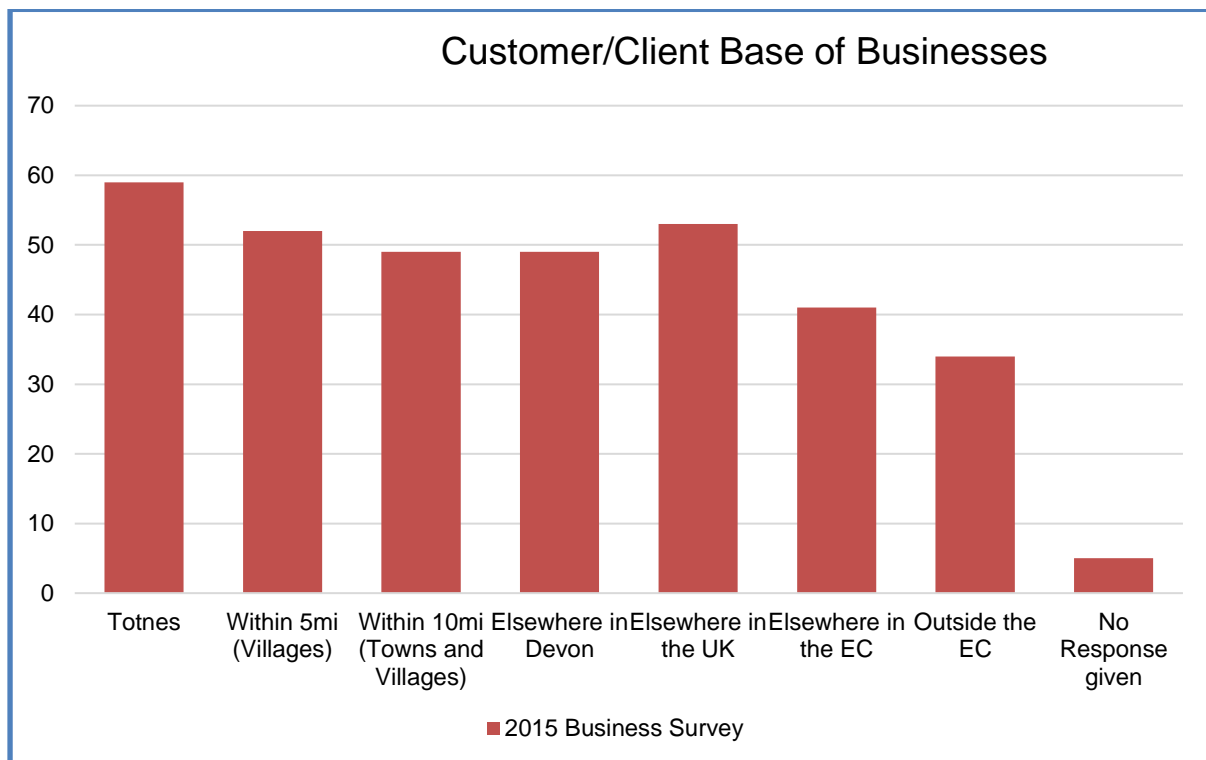
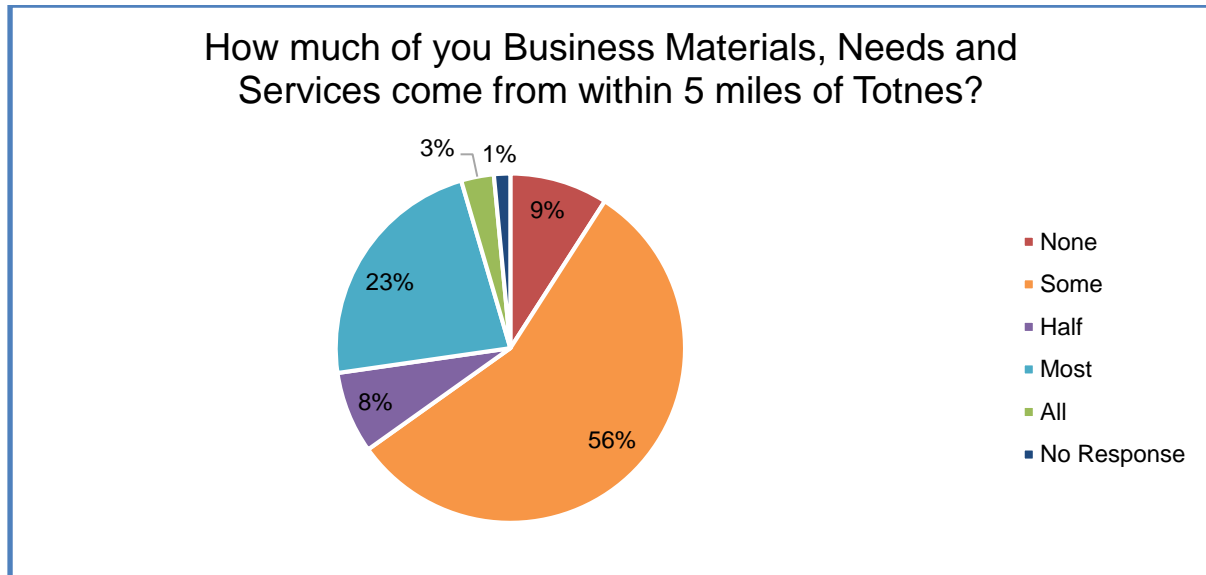


Figure 15: Businesses grouped by the amount of their Materials, Needs and Services they obtain from within 5 miles of Totnes



5.5.2 Use of Internet

The biggest use of internet for respondents was for email to contact both suppliers and customers, as well as to market their business. 18% of businesses are fully dependant on the internet, while 74% use it to some extent and 8% do not use it at all (Figure 16).

The majority of businesses felt their internet dependency would increase over the next 2-3 years (36% a little more, 21% considerably), while 41% felt it would stay the same and 2% felt

it would decrease (Figure 17). When asked if bandwidth (internet speed) would make a difference, 44% believed it would make a little difference, 29% a considerable difference and 27% no difference.

Figure 16: Level of Engagement with the Internet

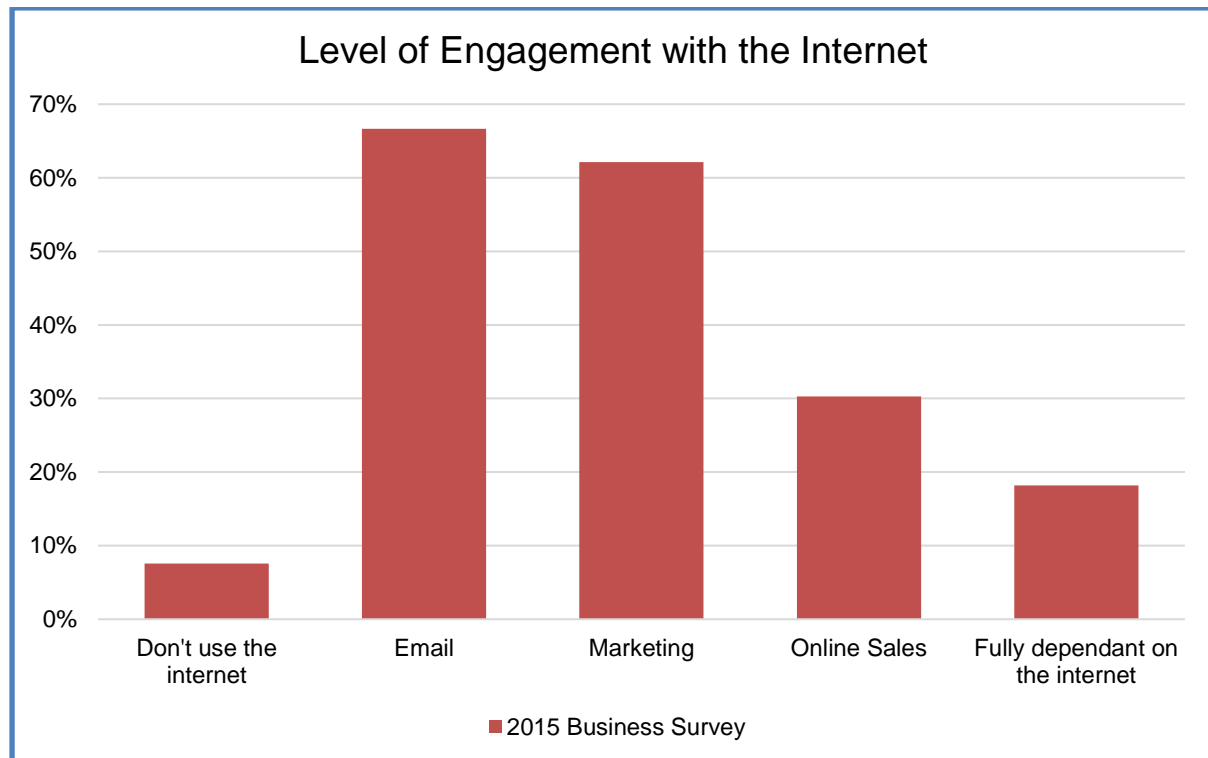
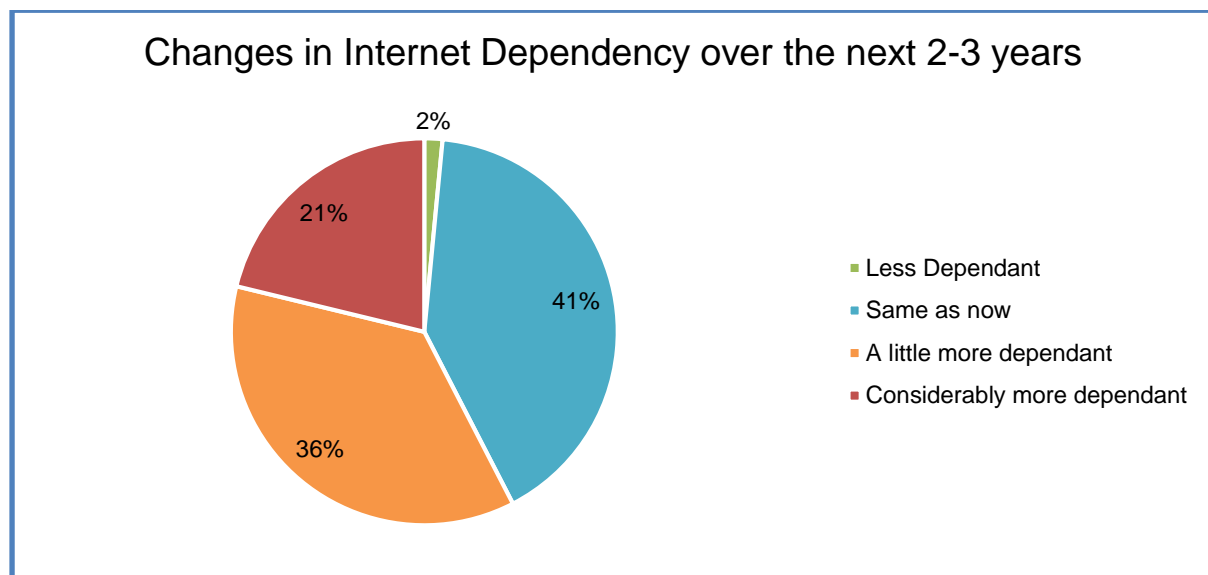
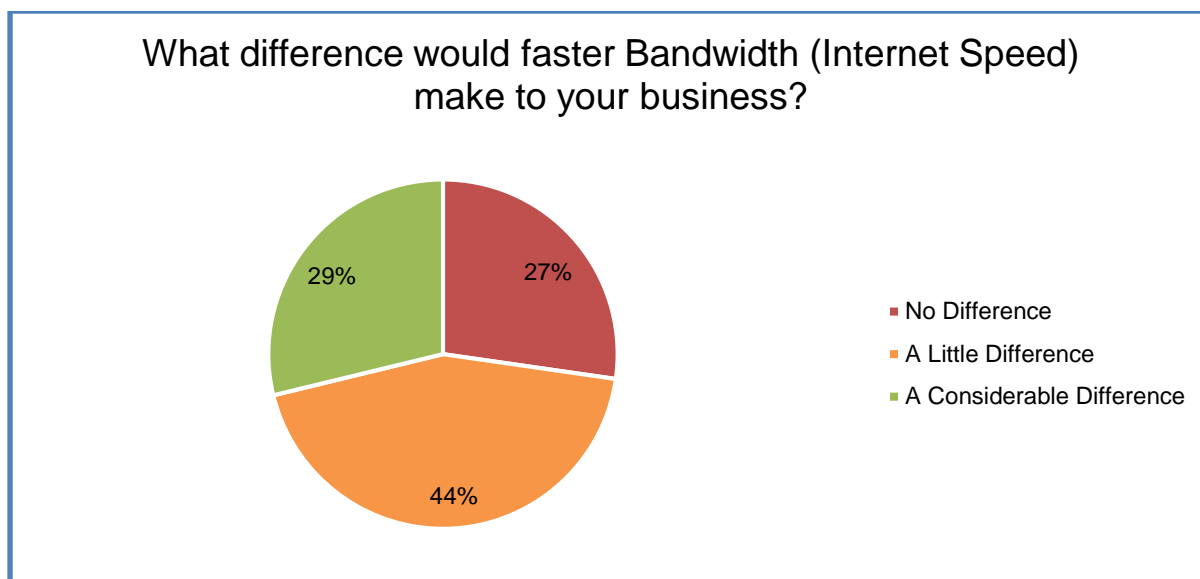


Figure 17: How will your internet dependency change over the next 2-3 years (2015 business survey)





6. Conclusions: Steps Forward

This report has combined the findings of Totnes Neighbourhood Plan's 2015 business survey with additional research carried out in August 2016. It has shown how, with regards to the High Street, retail is the prevalent sector and these businesses are mostly local in scale.

Additional conclusions once MCC has added in Govt report sector so can tie together

References

- [1] Totnes Neighbourhood Plan (2015) 'Totnes Neighbourhood Plan Business Survey Key Findings Report', available online at <http://totnesneighbourhoodplan.org/wp-content/uploads/business-survey-findings.pdf>
- [2] Totnes Neighbourhood Plan (2016) 'Industrial Estate Survey', available online at <http://totnesneighbourhoodplan.org/wp-content/uploads/Totnes-Industrial-Estate-Survey-Final-Report-Sept-2016.pdf>
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- [4] Hidden Britain (2014) Initial Session notes, 9th January 2014
- [5] Hidden Britain (2014) 'Totnes External Audit Summary'
- [6] Transition Towns (2013) *Totnes Pound Project*, Available online at <http://totnes.transitionnetwork.org/totnespound/home>, Accessed 26/10/2016
- [7] *Maintaining and Enhancing the Resilience of Totnes' Economy*