

# Review of SG Retail1: Town centres and retailing

## 1. Introduction

- 1.1 This review paper will assess the content of SG Retail1: Town centres and retailing whilst detecting any issues within the policy that may require alteration for inclusion in the next Aberdeenshire Local Development Plan. The national and regional policies will be considered in light of any changes that should be incorporated within a revision of SG Retail1. The outcome of this review is to ensure that SG Retail1 remains a robust policy for development management in the determination of retail planning applications.

## 2. Policy Approach

- 2.1 The overall aim of the policy is to ensure that the retail and commercial proposals are located within settlements to increase sustainability and enhance the vitality and viability of town centres. There are 3 specific criteria which retail and commercial proposals should meet; in general these are as follows:
- Appropriateness to the scale and function of the settlement;
  - They are within the identified town centre, otherwise a sequential approach has been demonstrated;
  - It is accessible by sustainable modes of transport.
- 2.2 Aberdeenshire Council encourages retail and commercial businesses uses within town centres but acknowledges the importance of non-commercial activities in sustaining their long term future. The policy promotes town centre strategies to be carried out which can identify any capacity for change whilst promoting the necessary improvements to create a more competitive place.
- 2.3 The sequential approach to site selection is detailed in Appendix 1 of SG Retail1. It details 11 criteria which describes the elements for a sound sequential approach in the process of choosing the right location for a retail or commercial site.

## 3. Background

### National context

- 3.1 Scottish Planning Policy recognises town centres as key economic and social hubs which provide a focus for civic activity through the provision of employment and services. Town centres contribute to sustainable economic growth by having goods and services clustered together within close proximity of one another. SPP encourages a mix of uses within town centres incorporating retail, leisure, entertainment, recreation, cultural, community, residential and business. Planning authorities should encourage a diverse mixture of community and commercial activities within town centres, whilst understanding that the location of retail and leisure uses are imperative in attracting other activities. For a town centre to flourish, SPP recognises that it must encompass a variety of shops, wider economic and social activity, residential area integration and a good quality of environment.

- 3.2 SPP urges development plans to identify a network of centres, explaining the role of each and could be structured within a hierarchy; for example – town centres, commercial centres and other local centres. Changes to the role and function of specific network centres will evolve and should be done through the development plan, with justification in doing so coming from a health check.
- 3.3 Encouragement is given for the development plan to enable gaps and deficiencies in provision of shopping, leisure and other services to be remedied by identifying appropriate locations for new development and regeneration. Commercial realities should also be taken into account in the preparation of a new local development plan. Planning authorities should be able to respond to the needs of town centres, identifying suitable and viable sites whilst providing opportunities to improve the physical quality and sustainability of town and commercial centres through the development plan.
- 3.4 SPP emphasises the importance of layout, siting and design in the endeavour to improve town centres in the hope that they create public places that can improve the health, vitality and economic potential. The scale of development should be taken into consideration and how it impacts on the character and function of the centre, the amenity of nearby residents, as well as anti-social behaviour and crime.
- 3.5 Town centre strategies are promoted within SPP as a delivery method to support improvements in town centres and encouraging the creation of distinctive and successful places. Using the basic principles detailed in the development plan, a town centre strategy should provide further detail in how to achieve these objectives. The regular monitoring of town centre performance should inform the town centre strategy. Primarily, the strategies should indicate the capacity for change through redevelopment, renewal, alternative uses and diversification whilst it should identify clear actions, tools and delivery mechanisms to overcome constraints.
- 3.6 The sequential approach remains the preferred method promoted by SPP in selecting sites suitable for retail developments. The policy stance and processes associated with the sequential approach have not varied since SPP8 and the production of SG Retail1. The focus remains the same, sites should be preferred in the following order: town centre, edge of town centre, other commercial centres and then out of centre locations easily accessible by a choice of transport modes. SPP urges development plans to state whether retail or commercial development could be appropriate outwith existing centres and ensure suitable locations are identified.
- 3.7 Those retail and leisure proposals over 2,500 square metres gross floorspace outside a town centre and some smaller proposals that impact on vitality and viability will require a retail impact analysis. The retail impact analysis should take the form of a broad-based approach and it should consider the relationship between the proposal and the network of centres. Planning authorities and developers should work together to agree data and present information on areas of dispute in a succinct and comparable form.
- 3.8 With regards to sustainable transport and land use, NPF2 encourages retail activity to be situated in locations which minimise reliance on the private car. Consequently, this ties in with the requirements of SPP requesting a sequential approach and the aspiration of retail being clustered together within town centres.

- 3.9 PAN 52: Planning in Small Towns and PAN 59: Improving Town Centres provide further detailed planning guidance on successful retail planning. PAN 52 provides the context within which opportunities for positive change can be identified and promoted to help reinforce the character and identity of small towns. The latter, PAN 59, emphasises the importance of town centres and provides further detailed advice on how these can be enhanced by using illustrative examples of different approaches and actions used throughout Scotland.

#### Strategic/regional context

- 3.10 The Proposed Aberdeen City and Shire Strategic Development Plan promotes retail development as a key economic growth opportunity. It emphasises the importance of town centres and enhancing their vitality and viability. Again, the Proposed SDP promotes the use of a sequential approach in identifying sites for new retail development.
- 3.11 The Proposed SDP also recognises that the retail sector is one of the principal components in the creation of sustainable mixed communities and should be one of the main considerations when preparing masterplans and development briefs. Proposals for new retail development should therefore be assessed on their potential impact on existing retailers and in meeting the future needs of the local community.
- 3.12 Aberdeenshire Councils Framework for Regeneration 2010 is referenced within the Proposed SDP as a tool that encompasses the regeneration and improvement of town centre vitality throughout Aberdeenshire.

#### **4. Drivers of Change**

- 4.1 The completion of the Aberdeen Western Peripheral Route (AWPR) is scheduled for Spring 2018 and the potential detrimental impact this could have on the vitality and viability of our existing town centres should not be overlooked. It is anticipated that there will be developer demand for out of town retail centres with close proximity to the AWPR and associated junctions. The current policy, and the allocation of land for a major retail facility at Blackdog, addresses these issues; restricting potential impact on Aberdeen and the towns of Aberdeenshire.
- 4.2 As the market share of major supermarkets continues to increase, they diversify into wider and wider ranges of goods, and they continue to develop convenience store formats, competition is fierce for small independent retailers in town centres. Internet shopping is having an increased impact on the viability of “traditional” shops. Modern centres often have neither the profile or floor-plate sizes that are appropriate for modern retail demands. The policy response needed for town centres requires to acknowledge these issues and radical solutions may be required to address decline.
- 4.3 On 4 July 2013 the Scottish Government published the National Review of Town Centres, an independent report prepared by an external advisory group, which details key recommendations for re-energising Scotland’s town centres (The Scottish Government, 2013). The group scoped out potential solutions to the issues faced by Scotland’s town centres and to enable a measured, long-term approach to town centre regeneration by targeting these issues (The Scottish government, 2012). They believe that stronger ‘pro town centre’ planning policy which should be simple and positive with a guiding principle of enabling retail development. In addition, planning policy should

direct all 'footfall generators' into town centres, not just retail but a good mix of uses. Wright (February, 2013) asserts that this should be complimented by financial incentives and grant funding for repairs to buildings, site assembly and business investment which should focus on supporting enterprise and creativity in town centres. A number of recommendations are proposed, but of relevance to this report is the key action to extend the 'town centre first' principle (sequential test) to all footfall-creating uses, from leisure and office, to public facilities and homes. As such, this justifies investigating the opportunity to apply the sequential test for site selection for office development to aid regeneration and limit derelict space within our town centres.

- 4.4 Aberdeenshire Council has recently completed a Brownfield Capacity Study for Banff, Macduff, Fraserburgh and Peterhead to identify commercially viable sites within these settlements. This report identifies the acute commercial difficulties of developing potential sites within town centres that could be promoted within the LDP 2016.
- 4.5 Town Centre Health Checks are undertaken in Aberdeenshire biennially. These have shown significant changes in the fortunes of our town centres, with further decline in Banff, Fraserburgh and Peterhead, but a buoyant retail economy in Inverurie.
- 4.6 The rise of e-commerce is also another issue that is increasingly facing town centres. The UK e-commerce market is the most mature in Europe and there are 48.5 million mobile subscribers in the UK (Miller, 2013). Between 2011 and 2015, the proportion of all retail spending accounted for by the internet is expected to increase from 8.9% to 12.1% (Miller, 2013). Miller (2013) believes that town centres do not have to become derelict as a result to online shopping but instead they should learn to adapt to it and embrace it. Town centres should become proactive and find methods in how to embrace e-commerce.
- 4.7 Regeneration is the ultimate drive for change with regards to the demise of town centres. Whilst SPP encourage Town Centre Strategies to be produced in order to facilitate and deliver regeneration, these are much wider than land use planning tools and require town centre managers to oversee.
- 4.8 Encouraging a sequential test for site selection for office development could aid regeneration and limit derelict space within our town centres. If this is supported, hopefully more retail space will be occupied and mix of uses enhanced.

## **5. Recommendations**

- 5.1 In light of the AWPR being approved and expected to be completed by 2018, the creation of a more thorough and up to date Retail Planning Advice is recommended. This is due to the high probability of retail and commercial proposals being submitted within close proximity to the AWPR main junctions. Unnecessary out of town retail centres present further difficulties to the vitality and viability of town centres in Aberdeenshire. However, in settlements such as Ellon where demand is evident yet floorspace is minimal, out of town retail is a sound solution.
- 5.2 In line with the recommendation of the National Town Centre Review, the sequential test should be applied to office developments as a policy tool,

although further investigation should be undertaken to ascertain whether it should apply to class 4 as well as class 2 office developments.

- 5.3 The Aberdeen and Aberdeenshire Retail Study was published in 2004 and is therefore out-dated. It is proposed this collaborative study be revised to ensure the retail industry and town centres in Aberdeenshire remain competitive.
- 5.4 It should be made clear that retail uses are not employment uses to avoid any confusion and overlap with business development policies.
- 5.5 It is anticipated that 'Town Centres and Retailing' will be a topic for inclusion in the Main Issues Report. This is due to the demise of the town centre, the need for the delivery of regeneration and the potential impacts the AWPR will have on the retail sector within Aberdeenshire.

## **6. Summary of Main Points**

- 6.1 SG Retail1 remains a robust policy although town centres and retailing as a whole may appear as a main issue. Whilst SPP has replaced SPP8 which formed the base on which SG Retail1 was established, the ethos still intends to achieve the same broad objectives – protect and enhance the vitality and viability of town centres. It is envisaged that the AWPR will have a significant effect on the retail sector with an anticipated demand for out of town developments. The regeneration of existing town centres will have to be promoted and delivery mechanisms realised to ensure they retain their vitality and viability by accommodating a mixture of uses.

## References

Aberdeenshire Council (2012) *Aberdeenshire Local Development Plan 2012*

Miller, James (2013) *Preparing the high street for online shopping*. Journal of Urban Regeneration and Renewal, Vol6 No2 Winter 2012-2013, p122-130

Scottish Government (2010) *Scottish Planning Policy*

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Scottish Government (2013) *National Review of Town Centres: External Advisory Group Report: Community and Enterprise in Scotland's Town Centres*, 21 June 2013

Wright, Nick (2013) *Town centres: how can planning help?* Scottish Planner, No 151, February 2013