Main Issues Report 2013

Town Centre Development Position Paper

1. What are the challenges facing Aberdeenshire town centres?

1.1 Town centres are recognised nationally as key economic and social hubs that provide a focus for civic activity through the provision of employment and services. They contribute to sustainable economic growth by having goods and services clustered together within close proximity of one another. Scottish Planning Policy (SPP) acknowledges that the planning system has a significant role in supporting successful town centres. This is done through its influence on the type, siting and scale of development, measuring the viability (continued investment) and vitality (use) of these centres giving an indication of the health of a town centre.

1.2. Town centres are so highly regarded that new retail proposals are required to follow a sequential approach, which demonstrates there are no suitable town centre sites before considering other locations; and that a retail uses outwith the centre will not adversely affect their vitality and viability. SG Retail 1 Town centres and Retailing extends the test for impact on viability to any non-retail or non-commercial developments within town centres.

1.3. However, limited retail growth, increasing competition from major supermarkets, internet shopping and the rise of e-commerce are all adversely impact the rate of growth of retail expenditure in town centres. Additionally, modern retailers increasingly want larger sites ("floorplates"), which can be very difficult to assemble in town centres as the mosaic of property owners makes it difficult to merge retail units together.

2. What are the key components that indicate town centre health and those factors that make the biggest contribution to these?

2.1. Town centre health checks are a monitoring tool used to measure the strengths, weaknesses and resilience of a town centre and its vitality and viability. They are undertaken every two years by the Planning Policy Team and are used to inform development plans and planning applications. The document: *Assessing the Impact of Retail Developments in Aberdeenshire (December 2004)* provides details of a method for undertaking town centre health checks. Its methodology provides a consistent basis for town centre studies within Aberdeenshire, and has been used to guide the previous town centre health checks.

2.2. Nine town centres in Aberdeenshire have been surveyed since 2003. These are Banff, Fraserburgh, Huntly, Turriff, Peterhead, Ellon, Inverurie, Banchory and Stonehaven. All nine towns have a population over 3,000 people, are main settlements in the Local Development Plan and have a defined town centre within the proposals maps.

2.3. The outcomes of these surveys are provided in a document titled *Technical Report: Results and Analysis*. The latest survey was undertaken in July 2013. Throughout the towns in Aberdeenshire which were surveyed each town centre is scored against 32 different indicators that indicate town centre health (i.e. its vitality and viability). These are grouped as follows:

- retailer representation (multiples and independents)
- accessibility
- diversity of uses

- quality
- vacant properties
- safety and security
- pedestrian flows
- commercial performance (rental values).

The results are not to be considered definitive of the well-being of a town centre, but rather they are intended to provide an evidence-based perspective on this matter.

2.4. The key factors that influence the vitality and viability of a town centre are pedestrian footfall, the diversity of uses, the number of vacant properties and accessibility. The town centre health checks of individual streets have identified that the number of pedestrians increases as the diversity of uses rises. However, to ensure there is a mix of uses, it is necessary for a town centre to include a level of vacant units to allow start-up businesses, although the duration these properties remain vacant can affect the quality of a town centre and its attractiveness. While many settlements will face similar challenges, certain issues may be more specific to a settlement or geographic area. Buchan Local Community Planning Group with input from IBP prepared a questionnaire which identified free car parking and improved bus services as key to attracting visitors. While free car parking may be desirable in parts of Buchan, in places such as Inverurie, where there is pressure on parking, this may not be as desirable.

3. What are the options for maintaining town centre health?

3.1 It has to be recognised that the majority of issues faced by town centres today are structural, related to changes in retail spending patterns, the culture that has developed relating to retailing in Scotland, and the nature of the shops that modern retailers are looking to provide. The scope for the land use planning system to resolve these kind of issues (the nirvana of local spend in small independent retailers) is very limited through action in the development plan. Fundamentally the development plan can only encourage development in these locations through their identification and the application of policies that act to avoid loss of opportunity to alternative locations.

3.2 The Scottish Government undertook a national review of town centres to scope out potential solutions to the issues faced by Scotland's town centres. Reporting in 2013, the external advisory group confirmed that a stronger 'pro town centre' planning policy approach is required. They recommended a "town centre first" principle should be adopted to extend the sequential test to all footfall-creating uses, from leisure and office, to public facilities and homes. A number of other initiatives were recommended, including bringing empty town centre properties back into use as affordable housing, business rates incentivisation schemes, and broadening the appeal of town centres with a mix of leisure, public facilities and homes.

3.3 Current national and Aberdeenshire Council Local Development plan policy has already addressed much of what this review is recommending. In SG Retail 1 the sequential test is extended to any retail or commercial proposals within settlements and policy BUS2 Office development identifies that class 2 uses ("Financial, professional or any other service expected in shopping areas e.g. betting office, lawyers, accountants, estate agents , health centres, surgeries of dentists, doctors and vets ") should be considered as though they were shops. This includes most of the major foot-fall generating uses other than Classes 3 Food and Drink and Class 11 Assembly and leisure uses.

3.4 If it is accepted that issues of land assembly and creation of parking facilities are not matters for the development plan (except when there are specific proposals to take such developments forward) then increasing footfall through a continued policy of the strict application of the sequential approach remains a valid approach. This has the specific objectives of incentivising private sector land assembly and avoiding the loss of opportunity provided by out of centre developments. Additional measures could be adopted to increase footfall and therefore the vitality and profitability of town centre shops. Through extending the sequential approach to other uses a greater peak footfall, greater convenience expenditure and thus greater sustenance for town centre businesses could be achieved.

3.5 As referred to above, it would be possible to increase footfall through the introduction of food and drink uses (Class 3 uses) into the town centre through requiring them to submit to a sequential approach to site selection. A number of uses associated with this use class are generally already found within town centres and the IBP survey identified that almost half of users of Peterhead town centre visit there to eat and drink. As such, town centres generally attract pubs, cafes and restaurants and there is unlikely a need for further planning control on these uses. Success of the town centre attracts additional class 3 uses, but too many Class 3 uses can have an adverse impact on site availability for other uses, and issues associated with the vitality of the centre.

3.6 The location of demand for assembly and leisure uses is much more diffuse. For example the IBP survey identified that 60% of those questioned never use Peterhead town centre for leisure services (gym etc). Generally the uses covered by this use class have similar characteristics to shops (large floorplates, convenient parking) but without the needs of prominence or location associated with shops themselves. If Class 11 uses were required to adopt a sequential approach then it is likely that they would be competing for the valuable town centre sites that could accommodate modern retail facilities. This may be counter productive and instead it may be best to allow demand led forces to determine the location of these facilities. Some will inevitably find niches within the town centre itself, but they should not be required to compete with shops through the application of a sequential approach.

3.7 As noted above the sequential test already applies to Class 2 office developments (financial and professional) under supplementary guidance SG Bus2 and consideration could be given to extending this to Class 4 office developments. However, Class 4 offices tend to produce footfall at peak times (lunchtime, closing time) and are currently not typically found in town centres due to the creation of business and industrial parks, and their access requirements (and in particular all day free parking).

3.8 Town centres also offer the opportunity for start-up businesses due to the small floor plate and that they can be located on the upper floors, which often tend to be vacant. Furthermore, attracting further offices into town centres could utilise derelict or underused land and buildings, creating a more pleasant environment. Office developments are least likely to be constrained by floor plate sizes, location and car parking provision. The required size of an office is led by its intended use, from banking to a start-up business. Additionally, offices have the flexibility of being located on any floor and do not necessarily have to be in a prime ground floor location. As such, they are able to increase footfall in town centres by utilise more derelict or underused land and buildings in a broader location.

3.9 A policy that promotes a sequential approach for office developments may be seen as a constraint on business development. However, the benefits of the additional footfall and boost to the vitality of town centres at peak times may be worthwhile to pursue, particularly as the sequential approach would allow development off-centre if town centre sites were not available without any requirement to demonstrate no impact on vitality and viability. Thus large office developments are likely to be unable to meet the sequential approach (due to the scale of sites available in the town centre) and would be legitimately locate on alternative, non-centre sites.

4. What are the policy options?

4.1 Doing nothing remains a valid policy alternative. Criterion 3 of SG Bus 2 asserts that developments under the Class 2 category of the Use Classes Order must demonstrate that a sequential approach to site selection has been followed, as Class 2 services should ideally be located within the town centres' main retail hub. This encourages retail services to locate in centres. While valid this approach does not directly effect the causes of lack of retail investment, whether due to lack of opportunity for development or lack of available retail expenditure.

4.2 Assembly of town centre sites is another approach that could be adopted, to provide the retail industry with sites that would be attractive for investment. Such an approach carries great financial risk and would largely be dependant on its delivery through means other than the development plan. The use of site assembly as part of a regeneration strategy for those towns which suffer acute issues should not be discounted.

4.3 To maximise the opportunities to regenerate town centres, the preferred policy option is to promote a "town centre first" principle for all office developments (Classes 2 and 4). A revised policy should protect the town centre from impact of this approach on prime retail floor space. In addition it should not stifle economic development and where it can be demonstrated that there are no sites within the town centre that can accommodate broadly the same scale and format of development proposed by the developer, policy should permit out of centre locations.

5. Conclusions

5.1 In conclusion, Class 4 office developments can make a significant contribution to town centre viability and vitality by utilising more vacant land or buildings, especially on secondary locations. It is imperative that both convenience and comparison retail continues to be supported in town centres and are not disadvantaged by office developments. The Scottish Government recognises that business development should be occurring in sustainable locations, where the development can be easily accessible via sustainable modes of travel. As such, a "town centre first" principle adheres to this principal and should be considered for all office developments.