

**REPORT TO: ECONOMIC DEVELOPMENT & INFRASTRUCTURE COMMITTEE
ON 23 FEBRUARY 2010**

SUBJECT: TOWN CENTRE HEALTH CHECKS

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

- 1.1 To seek Committee approval of expenditure to commission a consultant to assist in undertaking of a Town Centre Health Check Framework, consisting of the towns of Elgin, Keith, Forres, Buckie, Lossiemouth, Dufftown and Aberlour.
- 1.2 This report is submitted to Committee in terms of Section E (1 & 8) of the Council's Administrative Scheme relating to exercising the statutory functions of the Council as Planning Authority under the Planning Acts and dealing with all matters relating to industrial and commercial development.

2. RECOMMENDATION

2.1 It is recommended that the committee:

- i. **Approves the commissioning of a consultant to assist in the undertaking of a Town Centre Health Check Framework for the towns of Elgin, Keith, Forres, Buckie, Lossiemouth, Dufftown and Aberlour.**
- ii. **Authorises an expenditure of up to £45,000 from the 2010/2011 Economic Development budget to resource the Town Centre Health Check Framework, for those aspects requiring input from a consultant.**

3. BACKGROUND

- 3.1 Scottish Planning Policy 'Town Centres and Retailing' (SPP8) stresses the importance of monitoring the performance of town centres stating "*monitoring is essential to the effective planning and management of town centres... a healthcheck is the appropriate monitoring tool to measure the strengths and weaknesses of a town centre and to analyse factors that contribute towards its vitality and viability..*" (paras 34 and 35 of SPP8). Investment in this proposed project will be an opportunity to monitor the health of our town centres in line with national policy.
- 3.2 The Scottish Government commissioned Hargest and Wallace Planning Ltd and Donaldson LLP to provide clear and up-to-date good practice guidance on methodologies encouraged within the SPP8 policy document. The resulting 'Town Centre and Retailing Methodologies' (2007) report concluded that there is considerable merit in collecting Town Centre Health Check information. Regular collection of Vitality and Viability Indicators can provide the following key functions:

- provide an understanding of how town centres are performing and inform their future direction in an increasingly competitive environment
- support the monitoring of existing plans
- inform Development Plan formulation, Town Centre Strategies and Action Plans. Linked to this, they assist in promoting or justifying potential investment and monitoring the effectiveness of investment
- assist in the consideration of planning applications and subsequent appeals
- identify trends over time and to allow for benchmarking of other towns of a similar scale.

3.3 In addition to national policy to carry out Town Centre Health Checks, the Planning and Regulatory Services Committee at its meeting on the 25th February 2009 remitted to the Director of Environmental Services to undertake a study into retail leakage from Moray, to be funded from existing Departmental Budgets.

Geographical Coverage

3.4 The 2005 Donaldson report 'Towns Promotion and Development', commissioned by The Moray Council and Highlands and Islands Enterprise (HIE) recognised that whilst Elgin is the principal commercial and retail centre in Moray, the other four towns of Forres, Lossiemouth, Buckie and Keith "*need to have well defined, complementary roles in the regional hierarchy*".

3.5 It is also proposed to include audits for the settlements of Dufftown and Aberlour. This allows Speyside to be represented in this project.

3.6 A copy of the list of Vitality and Viability Indicators proposed for each individual settlement is attached as **Appendix I**.

Benefits

3.7 There is considerable merit in collecting Town Centre Health Check data, as noted generally in Paragraph 3.2. In particular, the establishment of a Health Check Framework will provide a baseline for assessing the impacts of retail developments on the town centre. Collected data will provide an evidence base of information, which can be utilised to make informed development management decisions.

3.8 The proposed Health Check Framework will assist in the development of future strategies which are proposed for the four towns (Buckie, Keith, Forres and Lossiemouth) involved in the 'Moray Towns Partnership'. Data obtained from Vitality and Viability Indicators will also assist in the development of future plans for Moray's principal towns.

3.9 Two separate funding sources have recently been secured by The Moray Council. The funded projects are:

- The 'Moray Towns Together' project successfully secured £670,000 from the Scottish Government's Town Centre Regeneration Fund for a series of capital (mostly streetscape) projects in Moray's town centres
- The 'Moray Towns Partnership' project secured part funding from the Moray LEADER programme for a series of economic development projects in the towns of Buckie, Keith, Forres and Lossiemouth.

Both these funding arrangements (i.e. the first phase of the Moray Town's Partnership and the Regeneration Fund) end on the 31st March 2010 and it is a condition of the grants that the project outcomes be evaluated. One of the outcome measures committed was that footfall and vacancy surveys be carried out.

(N.B. The 'Moray Towns Together' project has been selected by Scottish Government for an audit and a Ministerial visit to the project is being arranged (likely to be the end of March).

Approach

- 3.10 The proposed approach is based on a combination of Moray Council staff and consultants undertaking the survey work. Planning staff will be directly involved in collecting key information together with specialist firms to collect information on specific specialist areas. This combined approach will require both financial resources and significant staff time.
- 3.11 The work programme can be broken into three distinct categories:
- Surveys which can be carried out solely by The Moray Council Planning staff
 - Aspects of the Health Check Framework that require consultancy input at design stage
 - Elements which will require continuous funding, should the Council wish to continue collecting these Indicators in future years.
- 3.12 Indicative costs have been obtained for the required consultancy work, and these can be contained within the overall budget. The elements of the study which require consultancy input will be obtained in line with The Moray Council's Procurement Policy.
- 3.13 The work carried out by specialist consultants will be undertaken in close consultation with Planning staff as a form of training, with a view to Moray Council leading the Town Centre Health Check Framework in future years. For the establishment of a long term Town Centre Health Check system, it is considered that the combined approach outlined above, would create a sound framework for Vitality and Viability Indicators specifically designed to the needs of Moray, which can then be implemented by Moray Council Planning staff in future years.

Work Programme

3.14 The activities which will require input from consultants are:

- Pedestrian Flow survey
- Town Centre Turnover survey
- Assistance in the design and analysis of consumer surveys, including shopper and business surveys.

3.15 The Town Centre Turnover survey will also include a study of expenditure leakage, to meet the remit of the Planning and Regulatory Services Committee's instruction from February last year (para. 3.3)

3.16 Many of the selected Vitality and Viability Indicators will be surveyed by Moray Council Planning staff, including:

- Space in use surveys (work has already commenced on this task)
- Vacancy rates (work has already commenced on this task)
- Retailer representation
- Retailer intentions
- Accessibility data
- Environmental quality
- Tourism data
- Crime and safety information

3.17 A brief description of the above mentioned Vitality and Viability Indicators is attached as **Appendix II**.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The establishment of a Town Centre Health Check Framework is in accordance with Outcome 2 of the Single Outcome Agreement ("We realise our full economic potential") and Outcome 10 of the Single Outcome Agreement ("We live in well designed, sustainable places where we are able to access the amenities and services we need").

The project also fits with Moray Council's economic development policy, as most recently set out by the Community Planning 'Wealthier & Fairer' theme in February 2009. A strategic approach was agreed, with rural development focussing on the Moray LEADER programme, Elgin development focussed on the Elgin BIDS scheme and development in the four other main towns focussed on the Moray Towns Partnership.

(b) Policy and Legal.

Scottish Planning Policy 'Town Centres and Retailing' (SPP8) stresses the importance of monitoring the performance of town centres.

There are no legal implications as a result of this report.

(c) Resources (Financial, Risks, Staffing and Property)

Much of the work (as detailed in **Appendix I**, Table 1) will be undertaken within existing staff resources.

Also detailed in **Appendix I** (Table 2) are the elements of the survey work which will require consultancy input, due to the specialist nature of the data required to be collated and analysed. The elements of the survey which require consultancy input will be obtained in line with The Moray Council's Procurement Policy.

The £45,000 will be found in the 2010/2011 Economic Development budget, which has sufficient uncommitted funds (with reference to the Council's budget decision for 2010/2011 taken at its meeting on the 11th February 2010).

(d) Consultations

Lorraine Paisey, Principal Accountant has been consulted and agrees with the financial implications of this report.

5. CONCLUSION

- 5.1 Investment in this proposed project would be an opportunity to monitor the health of our town centres in line with national policy (SPP8). There are considerable merits in collecting such information, namely: to inform plan formulation, aid in the monitoring of existing plans and to assist in the consideration of planning applications and subsequent appeals.**
- 5.2 The proposed approach is based on a combination of Moray Council Planning staff and specialist consultants undertaking the survey work. For the establishment of a long term Town Centre Health Check system, this would create a sound framework of Vitality and Viability Indicators specifically designed to the needs of Moray, that can subsequently be implemented by Moray Council Planning staff in future years.**
- 5.3 This project complements the two externally funded projects of Moray Towns Partnership (part funded by the Moray LEADER Programme) and Moray Towns Together (part funded by the Scottish Government). Collecting Town Centre Vitality and Viability Indicators will meet the commitments to evaluate the effectiveness of these projects.**
- 5.4 The recommended approach is more cost effective than the footfall study originally budgeted for, as the output will be significantly wider in its scope.**

5.5 Certain elements of the project will require budgetary allocations in future years should the Council wish to pursue these, namely: the Pedestrian Footfall Study, the Consumer Surveys and the Town Centre Turnover Study.

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Background Papers: Scottish Executive (2006) '**Scottish Planning Policy (SPP8) Town Centres and Retailing**'
Hargest and Wallace Ltd and Donaldson LLP (2007) '**Town Centre and Retailing Methodologies**'
Donaldson LLP (2005) '**Towns Promotion and Development**'

Ref:

Appendix I- Identification of Vitality and Viability Indicators

Table 1: Indicators to be collected by The Moray Council Planning staff

Indicator	Measure	Frequency	Elgin	Keith	Forres	Buckie	Lossiemouth	Dufftown	Aberlour
Space in Use Surveys	Ground Floor & Upper Floors	Annual	√	√	√	√	√	√	√
Vacancy Rates	No. of vacant units	Annual	√	√	√	√	√	√	√
Retailer Representation	-No of multiple -No. of Independents	Annual	√	√	√	√	√	√	√
Retailer Intentions	-Aspiring Retailers	Biennial	√						
	-Existing Retailers	Five years	√	√	√	√	√		
Accessibility Data	-Car Parking Provision -Bus & Rail Access	Biennial	√	√	√	√	√	√	√
Environmental Quality	-Litter/Cleanliness -Amenity -Street furniture -Pedestrian Space -Building Condition	Biennial	√	√	√	√	√	√	√
Tourism Data	-Available Services	Biennial	√	√	√	√	√	√	√
Crime and Safety Information	-Crime, Accidents and Perception of Safety in town centre	Biennial	√	√	√	√	√	√	√

Table 2: Work to be carried out by specialist consultant

Indicator	Measure	Frequency	Elgin	Keith	Forres	Buckie	Lossiemouth	Dufftown	Aberlour
Pedestrian Footfall *	Measure of pedestrians movement in key locations at different times	Four times a years	√	√	√	√	√		
Town Centre Turnover* - (including expenditure leakage)	Assessment of retail turnover, including expenditure leakage	Five years	√	√	√	√	√		
Design of Surveys* -In Street Interviews -Household Surveys -Business Surveys	Will require input from retail consultant to ensure issues that affect estimates of turnover and leakage are addressed effectively.	Five years	√	√	√	√	√		

* Surveys marked with an asterix will require budgetary allocations in future years should The Moray Council wish to pursue these

Appendix II- Brief Description of Vitality and Viability Indicators

Definitions of key Vitality and Viability Indicators paraphrased from Hargest and Wallace and Donaldson LLP 'Town Centre and Retailing Methodologies' (2007)

Pedestrian Flow Survey
Pedestrian flow can be defined as the movement of people past a particular location over a specified period of time (e.g. average hourly counts). Information is typically collected at different times of day (peak/off peak) and on different days of the week in pre-selected locations. The pedestrian counts are generally focused on the main shopping streets and also to/from destinations such as key town centre car parks.
Town Centre Turnover (including leakage survey)
Information on the turnover of centres provides a direct assessment of the commercial viability of a centre. Assessments of the existing catchment population and available expenditure will provide an indicator of the centre's commercial potential and a comparison of the two will indicate the extent to which a centre is effectively serving the market available. Linked to this is the role of competing investment. This is investment in other towns and in out-of-centre locations that will directly compete with the town centre under consideration.
Consumer Surveys
The views of consumers and others (including town centres businesses and employees) on a range of issues associated with the town centre are useful as a contribution to understanding the vitality and viability of a centre. The total resources required for comprehensive surveys will be significant and reflecting this, it is considered that surveys should be undertaken only every 2-5 years. Nonetheless the value of surveys should not be underestimated since they provide direct evidence of the views of people who are most directly concerned with the future of the centre.
Space in Use Survey
The assessment of this indicator involves identification of forms of use/occupation for different units in a town centre, recorded and reviewed over time to assess changes taking place. When assessed over time, the information can provide a useful insight into changes taking place in the balance of uses in a centre to assist in informing both development management decisions and town centre strategy work.
Vacancy Rates
Retail and retail service vacancy rates can be defined as either the number of units or amount of vacant floorspace not in occupation, expressed as a percentage of the total number of units or floorspace in a centre.
Retailer Representation
Retailer representation is a recording and assessment of those retailers located within the town centre in terms of identity and type (e.g. multiple or independent retailers).

Retailer Intentions
Retailer intentions can be defined as intentions of existing retailer to relocate/occupy more or less space in a centre and those of currently unrepresented retailers to take space in a town centre should appropriate units be available.
Accessibility Data
Accessibility to and from a centre is a key factor in the attractiveness of a centre and is an important underpinning town centre viability. Indicators should encompass most of the following: public and private transport modes, congestion issues, and provision for the disabled and cyclists.
Environmental Quality
Environmental quality is a key factor which contributes directly to the vitality of a centre and, indirectly, to town centre viability. SPP8 identifies town centre environmental quality as a specific issue covering both positive and negative aspects of the environment.
Tourism Data
Tourism indicators are not relevant to all town centres in Scotland. Indicators need to be identified which are relevant to the centre under consideration. Information on tourist related activity will already be collected through indicators such as space in use (for example identifying restaurants and key tourist facilities) and consumer survey information. Information on other factors is also important, including: visitor attractions and accommodation and information from special events aimed at tourists and day-visitors.
Crime and Safety Information
Crime, safety and perceptions of both are identified in SPP8 as indicators of vitality in a centre. The assessment of crime information is particularly relevant to Health Check work, helping to identify any problem areas in a town centre and how these might best be addressed or influence improvements. For example issues relating to the evening economy, management and security in the town centre, the role of residential accommodation in the town centre, environmental/access issues and the design of new development.

