REPORT TO: PLANNING AND TRANSPORTATION COMMITTEE
30 APRIL 2001

REPORT ON: DTZ PIEDA RETAIL STUDY

REPORT BY: DIRECTOR OF PLANNING AND TRANSPORTATION

REPORT NO: 70-2001

1 PURPOSE OF REPORT

1.1 The purpose of the report is:

a to advise the Committee of the key findings of the retail study;

b to advise on the implications of the study for current and future development plan work and for the consideration of non-food retail development proposals.

2 RECOMMENDATIONS

2.1 It is recommended that the Committee:

a has regard to the study's findings in the course of finalising the Dundee and Angus Structure Plan prior to its submission to the Scottish Ministers;

b has regard to the study's findings in relation to the forthcoming review of the Dundee Local Plan;

c takes account of the study's retail capacity findings when considering future non-food retailing proposals;

d refers this report and the Consultant's findings to the Development Quality Committee as a material consideration in dealing with future planning applications.

3 FINANCIAL IMPLICATIONS

3.1 There are no financial implications directly associated with this report.

4 LOCAL AGENDA 21 IMPLICATIONS

4.1 The Local Agenda 21 implications of this report cover the following key themes:

- <u>Resources are used efficiently and waste is minimised</u>: The study defines the scale of non-food retail floorspace that the City can realistically expect to support over the next 5-10 years. This framework will assist the City Council in resisting pressures for over-provision of floorspace which could have damaging consequences for the vitality and viability of existing shopping centres both within and outwith the City.

- <u>Local needs are met locally</u>: The study provides an objective assessment of the potential for different types of retail provision within the City. This includes the scope for retailing not currently available within the City. This could help offset the need for trips to other shopping destinations outwith the City by meeting these requirements locally.

- Diversity and local distinctiveness are valued and protected: As indicated earlier, the Study provides evidence to assist the protection of existing shopping centres and ensure that they continue to provide a valuable service to the community.

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The study will assist the City Council in providing a development plan policy framework to address future pressures for non-food retail developments. This includes ensuring that policies direct new development to locations accessible to the community as a whole, including those without access to a car.

6 BACKGROUND

6.1 Following their earlier appointment by the City Council in 1996, the consultants Pieda undertook a study to assess the capacity for non-food retail floorspace in Dundee over the period up to 2001. Following the completion of the study in February 1997, its findings were adopted by the City Council. These formed the basis of its approach to non-food retailing over the ensuing period.

At its meeting of 28 August 2000 the Planning and Transportation Committee authorised an appointment for a follow up to the earlier study. This study would roll forward the guidance on non-food retailing capacity for the period beyond 2001 and provide advice on certain related retailing matters. The Committee also authorised an approach to DTZ Pieda to invite a proposal for the study.

Following receipt of an acceptable proposal DTZ Pieda were appointed in September 2000 to undertake the study. Their work is now complete and an outline of the key findings together with their recommendations are set out in the remainder of this report. Copies of the study are available for inspection in the Member's lounges.

7 THE STUDY

7.1 The broad objectives for the study can be summarised as follows:

- The provision of updated advice on future expenditure capacity to support additional non-food (comparison) retail floorspace in Dundee.

- An assessment of the impact of the new Overgate Centre on perceptions of the City Centre and views on related spin-off potential.

- A reassessment of the site allocated for retail warehouse development in East Marketgait and advice regarding measures to stimulate development progress.

- An overview of retailing trends.

- A review of the present position relating to older ‘stand alone’ retail operations and their locations with the aim of enhancing the overall quality of the City’s retail offering by phasing out unattractive, outdated and poorly located units.

The broad findings of the Study can be summarised as follows:

General

7.2 **Retailing Trends and Market Perspective**

In undertaking the study, the consultants have drawn on survey and other evidence obtained from their retail consultancy colleagues and from other sources including work undertaken on behalf of Fife Council and market research undertaken by other consultants. Against this background DTZ Pieda have concluded that Dundee’s retail catchment has broadened. As a result they have adjusted Dundee’s trade draw for 2000 and beyond to reflect the greater contribution of the tertiary (outer) catchment to the City’s retail turnover.

The Study includes a broad overview of retailing trends and an outline of the response of the retail market in terms of retail formats and locations sought. General conclusions are that in Scotland the revision of National Planning Policy Guidance on Town Centres and Retailing (NPPG 8 – Revised 1998) has resulted in:

- a much stronger focus by the market on city centre retail developments;
- growing demand by retailers to sell town centre type goods from out of centre retail parks;
- declining opportunities to accommodate these requirements due to tougher policies restricting the out of centre retail parks to bulky goods.

Specific Locations

7.3 **City Centre**

- Given the implementation of existing retail commitments there is unlikely to be spare capacity available to support additional City Centre comparison floorspace until after 2006, but expenditure growth is projected to continue over the 2006-2011 period.

- While the overall current level of vacant floorspace is not excessive, given the recent substantial additions to floorspace the fact that half of this involves prime retail floorspace is indicative of demand.

- Some of the spare expenditure capacity available up to 2006 will support the take-up of a proportion of currently vacant floorspace, particularly in the Overgate and Wellgate Centres (the Consultants did not have a specific remit to examine the Wellgate Centre).

- The remaining balance of expenditure could be taken up by the East Marketgait retail park site and by currently vacant floorspace at City Quay.

Overgate Centre

- The redeveloped Overgate has strengthened the retail offering in Dundee and attracted major new retailers including H & M and Gap.

- The Overgate has also contributed to a growth in rentals – but this is unlikely to continue.

East Marketgait Site

- The current retail mix defined for the site by the City Council's Review of Range of Goods Restrictions cannot be supported in terms of the likely available expenditure capacity.

- The preference of retail warehouse operators for a non city centre location also presents the case for a review of the mix of uses at the site.

- The lack of demand and perceived locational weakness of the site (from a market perspective) reinforce the case of revising the format.

- In order to adequately provide for city centre related retail warehousing there is a need to allow for a limited number of units smaller than those permitted at the existing retail parks but larger than those sought by traditional city centre retailers.

7.4 **Out of Centre Retail Warehouses and Retail Parks**

Potential Future Provision

- Aside from the proposed redevelopment of Kingsway West Park, there is insufficient expenditure capacity available to support the development of any additional retail park locations before 2006 (although there is limited capacity to support minor additions to the existing retail parks).

- While expenditure projections up to 2011 point to scope for additional bulky goods retailing this could be offset by gains in floorspace efficiency.

Older Free-Standing Retail Warehouses

- Experience elsewhere points to the difficulty of resolving the issue of older free-standing retail warehouse units – while no single solution will suit every situation special opportunities may arise in certain instances, eg with the recent closure of Landmark at Old Glamis Road.

- The suggested solutions include encouraging alternative use of sites through reallocation to profitable alternative uses and encouraging relocation to the retail parks (including, in due course, East Marketgait) – these measures will be addressed in more detail through the Dundee Local Plan Review.

- In certain instances it may be necessary to explore what scope exists for enforcement action aimed at terminating unauthorised retail uses and in other cases to consider potential legal remedies.

- The use of "Planning Gain" opportunities to extinguish older consents along with time limitation on new ones may be explored in relation to future applications for retail developments. All these measures will be explored in an effort to increase the overall quality and standing of the retail offer in the City and enhance its reputation.

7.5 **Non Food (Comparison) Goods**
Sales in Major Out of Centre Foodstores

- Given the increase in comparison floorspace associated with existing planning consents, the additional provision of this type of floorspace associated with the Linlathen and Myrekirk foodstore proposals could have adverse impact on traditional shops outside the city centre. A definitive policy on comparison floorspace within such developments may be necessary.

8 CONCLUSIONS

8.1 To sum up, the Consultants key conclusions are as follows:

- Over the period until 2006, projected spare comparison expenditure will be largely taken up by existing commitments – in the case of city centre goods ranges, this will support the take up of currently vacant floorspace in the City Centre.

- The remaining balance would support the East Marketgait Retail Park (subject to a review of the goods range and related controls) and contribute to the uptake of vacant floorspace at City Quay.

- Out of centre bulky goods expenditure would support the proposed redevelopment of Kingsway West Retail Park over this period and possible limited retail park expansion.

- Additional expenditure to support city centre type retailing is unlikely to be available until the post 2006 period.

- While scope could exist for additional bulky goods retailing over the 2006 to 2011 period, the extent of this may be offset by changes in floorspace efficiency.

- Given the limited scope for additional floorspace commitments over the coming years, caution will be required in considering future major retail proposals.

8.2 The Committee will recall that the Consultative Draft Structure Plan advocates City, Town and District Centres as the locations of first choice for new retail developments. Given the more restricted site opportunities for major new central area related developments (beyond already identified sites) there would be merit in examining the scope offered by the District Centres for accommodating future demands.

8.3 Given the Consultants advice on the East Marketgait Retail Park proposal, there is a need to reconsider the goods range and unit size restrictions currently applying to this site. The aim of this would be to provide greater encouragement for retail warehouse uses complementary to the City Centre while redirecting household and bulky goods provision to the Kingsway East and West Retail Parks.

8.4 In the light of the issue of potential retail impact associated with comparison goods floorspace in food superstores this issue will need to be borne in mind when considering the controls over such floorspace in future foodstore proposals.

8.5 Finally, it is encouraging to note the Consultants view that Dundee's regional shopping role is growing. This will necessitate however that future retail development potential is carefully assessed and managed in a manner that will ensure further enhancement of the City's regional role.

9 CONSULTATIONS

9.1 The Chief Executive, Director of Finance, Director of Support Services, and Director of Corporate Planning and Director of Economic Development have been consulted and are in agreement with the contents of this report.

10 BACKGROUND PAPERS

10.1 None.

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