REPORT TO: **PLANNING AND TRANSPORTATION COMMITTEE - 8 JANUARY 2007**

REPORT ON: **DUNDEE CITY REGION SHOPPING STUDY**

REPORT BY: **DIRECTOR OF PLANNING & TRANSPORTATION**

REPORT NO: **8-2007**

1 PURPOSE OF REPORT

1.1 To advise the Committee of the findings of the Dundee City Region Shopping Study carried out by the leading planning and retail consultants, Colliers CRE, and to seek its authorisation to commence next steps involved in implementing the relevant provisions of the study.

2 RECOMMENDATION

2.1 It is recommended that

a the Committee notes the findings of the Study; and

b the Director of Planning and Transportation is remitted to bring a separate report to the March 13 meeting of the Committee which will assess the implications of the study findings and advise on appropriate implementation measures for the relevant elements of the study.

3 FINANCIAL IMPLICATIONS

3.1 The cost of the study was met from the Planning and Transportation Department's 2005/2006 Revenue Budget.

4 SUSTAINABILITY POLICY IMPLICATIONS

4.1 The report covers the following sustainability principles:

Compliance with Environmental Legislation
Transport and Travel
Built Environment
Strategic Environmental Assessment
Anti Poverty

5 EQUAL OPPORTUNITIES IMPLICATIONS

5.1 The study which is the subject of the report includes recommendations which seek to ensure that the population as a whole has convenient access to a suitable standard of shopping provision.

6 BACKGROUND

6.1 At its meeting held on 12 December 2005 the Committee agreed to appoint the consultants Colliers CRE to undertake the Dundee City Region Shopping Study. The need for the study stemmed from the need for comprehensive and updated advice to assist in meeting future retail requirements and to guide future policies. It also arose from the need to follow up on certain recommendations arising from the Reporters'. Findings from the public local inquiry into the Dundee Local Plan Review.

6.2 For nearly 20 years, the shopping policies covering a significant part of the City Region area have been influenced by the general approach and philosophy set out in the 'Tayside Shopping for the Future' study undertaken by Hillier Parker. Although a number of further studies have been undertaken since then, none has had the broad comprehensive scope of the Hillier Parker study. The Colliers study offers the opportunity for a fundamental reappraisal of retail policy and strategy within the City Region and to have regard to evolving national policy when planning for future needs.

7 THE STUDY BRIEF

7.1 The study brief required the consultants to undertake the following:

- A review of existing key policies against relevant national trends, commercial pressures and the potential implications of revised national policy on town centres and retailing (SPP8).

- A quantitative statistical analysis of retail floorspace requirements over the periods 2005-2011 and 2012-2017.

- An Indication of how any floorspace requirements which may be identified can be accommodated in a manner which does not harm the vitality and viability of the city, town and district centres.

- A qualitative assessment of the city region's main shopping centres (including district centres) and major out of centre shopping facilities (including the retail parks). This exercise to cover the settlements of Alyth, Arbroath, Blairgowrie, Brechin, Carnoustie, Coupar Angus, Cupar, Dundee, Forfar, Glenrothes, Kirriemuir, Montrose, St. Andrews.

- In the case of Dundee's city and district centres, carry out an assessment of the contribution of small speciality shops towards the vitality and viability of these centres.

- In the light of the above assessment, consider the future of these shopping centres and indicate measures which could assist their attraction and competitiveness.

- Carry out a review of the goods range restrictions applying to the retail parks and other out of centre shopping locations within the city region and indicate where there is a need for any adjustments to the current approach to these controls.

- Assess the Gas Holder site in Dock Street, Dundee and advise upon its possible contribution towards meeting future retail requirements.

8 CONCLUSIONS AND NEXT STEPS

8.1 The key findings from the study are summarised in the Appendix to this report. Copies of the full study are available for inspection in the Members' lounges. Given the significant implications of the study's findings, further consideration and analysis will be necessary before it is possible to decide on next steps and formulate a package of implementation measures. This will be the subject of a separate report to a future meeting of the Committee.

9 CONSULTATIONS

9.1 The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance) and Assistant Chief Executive (Community Planning) have been consulted and are in agreement with the contents of this report.

10 BACKGROUND PAPERS

10.1 The Dundee City Region Shopping Study 2006 (Colliers CRE)

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Director of Planning & Transportation

Ian Mudie
Head of Planning

IGSM/AB/ES

14 December 2006

Dundee City Council
Tayside House
Dundee

APPENDIX

KEY FINDINGS FROM THE DUNDEE CITY REGION SHOPPING STUDY

1 POLICY REVIEW

1.1 This section of the study examined the existing planning policy framework relevant to town centres and retailing and considered the implications of the evolving national policy in respect of these matters. It was concluded that the current development plans covering the city already largely reflected the revised national policy (SPP8: Town Centres and Retailing 2006). However, it was noted that future policy will need to have regard to certain additional considerations arising from SPP8:

- the need to prepare town centre strategies; and

- the need to recognise commercial centres' within the sequential approach and to define the role and function of such centres within the wider network of centres.

1.2 The study notes that investment in Dundee's City Centre has increased and the market now views Dundee positively. Development plan policies are seen to have encouraged such investment and the city has benefited as a result. While the out of centre retail parks are also noted as successes, it is recognised that certain district centres have suffered a decline. The study highlights the need for further action. This should be based on a partnership approach involving local retailers, developers and the City Council. The preparation of town centre strategies for the declining district centres is advocated as a means of involving the different stakeholders in their revitalisation.

2 COMMERCIAL TRENDS

2.1 The study outlines a number of national trends which may in due course have implications for the City Region. Key among these are the following:

- there has been a slowdown in retail expenditure in recent times which has had an impact on the demand for retail floorspace;

- whilst developers and retailers will continue to seek extensions to existing out of centre developments, there is a growing acceptance that new retail developments will need to comply with the sequential approach (i.e. town centres are the locations of first choice);

- there is a growing trend towards the creation of 'retail trade parks' comprised of business, storage and distribution uses as well as an element of retail use (e.g. tile and carpet retailers and plumbing suppliers); and

- there is a decline amongst towns and cities of the independent trader - whilst it is difficult in planning terms to prevent this in Dundee, future policies should recognise their important role in complementing the service provided by the multiple traders.

3 QUANTITATIVE RETAIL NEED ASSESSMENT

3.1 The quantitative need assessment is a crucial element of the study. It provides a forecast of the future need for retail floorspace within the city and its individual centres. In doing so, it provides an estimate of the amount of retail floorspace which the City can hope to support in the forecast years of 2011 and 2017.

3.2 This is broken down into convenience goods (food and other day to day purchases) and comparison goods (non food). The comparison goods forecasts are broken down further into bulky goods (furniture, carpets, etc.) and non bulky goods (clothing, footwear and other personal purchases, etc). The assessment involves three broad stages of analysis:

- forecasting consumer demand;
- forecasting retail supply; and
- the conversion of (any) surplus expenditure into a retail floorspace requirement.

3.3 The assessment involves a fairly detailed series of calculations taking account of a range of information including data on current consumer expenditure flows derived from a household telephone survey and estimates of locally available expenditure within the different goods categories. It also involves building in assumptions regarding factors such as the future share of expenditure attracted by internet purchases and other special forms of trading.

3.4 The assessment concludes by comparing available future expenditure against the projected turnover of existing and currently committed retail floorspace for the years in question. These figures are then converted into floorspace equivalents. This allows the potential scope (if any) to support new retail floorspace at these dates to be estimated. The results of this exercise for the different goods categories are indicated below. It should be noted that the requirement for the period dup to 2017 is additional to that for the period up to 2011.

a <u>Future Bulky Comparison Goods Floorspace Requirement in Dundee</u>

	2011	**2017**
	(sq m net)	**(sq m net)**
City Centre	12,699	13,050
District Centres/Local Shops	-115	-136
Out of Centre	11,329	11,805
Total	**23,913**	**24,719**

b Future Non Bulky Comparison Goods Floorspace Requirement in Dundee

	2011	2017
	(sq m net)	**(sq m net)**
City Centre	9,631	10,461
District Centres/Local Shops	-3,015	-3,091
Out of Centre	14,160	-14,063
Total	**-7,544**	**-6,693**

c Future Convenience Goods Floorspace Requirement in Dundee

	2011	2017
	(sq m net)	**(sq m net)**
City Centre	-1,921	-1,988
District Centres/Local Shops	-6,585	-6,869
Out of Centre	-6,743	-7,732
Total	**-15,249**	**-16,589**

3.5 There are a number of important conclusions to be drawn from the above which have significant implications for retail planning purposes. These can be summarised as follows:

a Bulky Comparison Goods

- there is significant scope to accommodate additional bulky goods floorspace provision over the period till 2011 and also between 2011 and 2017; and
- in addition to out of centre provision, this includes a generous provision for city centre bulky goods floorspace.

b Non Bulky Comparison Goods

- there is scope for steady growth in the City Centre's non bulky goods floorspace over both the period up to 2011 and from 2011 till 2017;
- future available expenditure will be insufficient to support additional non bulky goods floorspace provision in out of centre locations; and
- it is also likely to be insufficient to support additional non bulky floorspace provision in the district centres.

c Convenience Goods

- future available expenditure does not indicate any scope for significant additional convenience goods floorspace provision (i.e. beyond existing commitments) within the city over the period up to 2017; and

- it also suggests that the city now has the benefit of a good supply of convenience goods floorspace and that additional foodstore provision is not required to meet a capacity requirement (although there may be further opportunities to improve the distribution of that provision).

4 QUALITATIVE ASSESSMENT

4.1 As indicated earlier, the study brief included the requirement to undertake a qualitative assessment of the City Region's shopping centres. However, the main focus of this exercise was on Dundee and this included assessments of not only the city centre but also the district centres and retail parks. Key conclusions from the assessments are summarised as follows:

4.2 Dundee

4.2.1 City Centre

Dundee

- Dundee City Centre is healthy and prosperous. It appears to be attracting significant investment and continues to flourish as one of Scotland's major retail destinations.

- Further investment in the Overgate Centre will ensure that the city retains its position as the fourth top retail destination in Scotland.

- Although vacancy rates at are present slightly above the national average, this is not seen by the consultants to be a real cause for concern, particularly given the current economic climate.

- The city centre does not have major crime issues, is well served by public transport and has ample private car parking, particularly in comparison with other cities.

- While Debenhams is an important store for both shoppers and other retailers, the city centre is lacking in its department store provision. It could benefit from the presence of major operators like John Lewis or House of Fraser.

- In addition to a number of multiple retailers the city centre also offers a range of independent retailers that also contribute to its vitality and viability and provide goods and services not available from the multiples. While it may be difficult to formulate special planning policies to support their retention, development plans should nevertheless recognise their important contribution.

- The Forum Centre represents an opportunity to provide attractive additional retail floorspace within the city centre. This is already recognised by the Dundee Local Plan Review (2005).

- Future planning policy should continue to protect the city centre as the major retail destination within the region, in keeping with national policy guidance (SPP8).

<u>District Centres</u>

a Lochee

- While the district centre has reasonable mix of shops for its size, the number of vacancies within the two managed centres is a matter for concern.
- While unlikely to attract many more large or mainstream multiple retailers, the district centre may have scope to interest discount multiples.
- A major refurbishment or redevelopment of a site in the district centre could be a catalyst for the regeneration of the area. Opportunities for this exist at the Weaver Village and Highgate Centre. There is potential to extend the latter into the car parks to the west.
- Improvements should also be made the entrances to Lochee from Sinclair Street car park in order to encourage visitors to the area.
- Given that planning permission has been granted for bulky goods retailing at the Stack Leisure Park, it is vital that improved pedestrian linkages are provided along Methven Street in order to integrate the new development with the district centre.
- The masterplan currently under preparation for Lochee could feed in to a future town centre strategy for the district centre.

b Hilltown

- The district centre is underperforming significantly and can be regarded as a retail centre with considerable problems.
- The main development-led opportunity would be to draw one or more retailers to the former Scotmid foodstore site in Main Street (where Fitness First is located). This could present an opportunity for a discount food retailer and could bring wider benefits for the area by generating footfall in the heart of the district centre.
- Future planning policy should give encouragement to the occupancy of existing retail units and encourage a diversity of uses within Hilltown.
- Consideration should be given to reducing the boundaries of the district centre to the south.
- A town centre strategy should be produced for the centre in line with guidance in SPP8 and the forthcoming planning advice note.

c Albert Street

- The new edge of centre Lidl supermarket in Dura Street will help to draw trade into the area and provide scope for linked trips to the district centre shops. However, this is dependant upon ensuring high quality pedestrian linkages with the district centre.

- There is a lack of continuous retail frontage in parts of the retail core. Consideration could therefore be given to supporting conversion of ground floor uses to retail in these sections.

- A town centre strategy should be produced for the centre in line with guidance in SPP8 and the forthcoming planning advice note.

d Broughty Ferry

- The district centre performs an important 'top up' shopping role for its catchment.

- It is vibrant and performing well and offers a good range of shops which underpin its attraction for local consumers.

- Due to its distance from the city centre it appears to have its own catchment and is not disadvantaged by competition with the city centre.

- Unlike the other district centres it benefits from tourist and visitor trade.

- The recent environmental improvements in Broughty Ferry will further enhance its attraction.

- While there are few significant problems there, the number of charity shops in the centre is a slight matter for concern. An over representation of such shops can prove unattractive to prospective shoppers and other retailers.

- At the time of their survey the consultants noted 4 vacant units within the district centre. They considered this normal for a centre of its size and felt it to be indicative of its strength.

e Perth Road

- While the centre is reasonably healthy there are few opportunities to create new retail floorspace.

- Although not a key destination for major shopping trips, the district centre has a low vacancy rate.

- Its attraction for many shoppers would seem to lie in the unique products for sale in some of its speciality shops.

- The speciality shops and independent retailers are an important component of the centre and offer goods including arts and crafts, bicycles and antiques.

- Future planning policy should seek to encourage the retention of its independent retailers and protect its role as a focus for local and speciality shop.

f General Conclusions on the District Centres

- The district centres present a contrasting picture, with Broughty Ferry and Perth Road appearing healthy and vibrant whereas Lochee, Hilltown and Albert Street have issues of vacancy and dilapidation.

- The struggling centres require to be the focus of carefully formulated planning policy regimes to encourage their regeneration and revitalisation.

- Environmental improvements should be undertaken in the district centres (although it is noted that these been completed in Broughty Ferry).

- Consideration should be given to the appointment of a district centre manager to oversee improvements and to provide the link between the local community, the traders and the City Council. While the remit should cover all of the district centres, particular emphasis should be placed on Lochee, Hilltown and Albert Street.

4.2.2 <u>The Retail Parks</u>

a Kingsway West

- Kingsway West features as number 33 in the FPD Savills Top 100 retail parks in the UK (based upon floorspace). Only three retail parks in Scotland are ranked higher - Fort Kinnaird, Edinburgh (No 3), Forge, Glasgow (No 16) and Glasgow Fort, Glasgow (No 18).

- Rental levels are in line with, if not higher than, those for similar bulky goods retail parks elsewhere in Scotland.

- While three units were vacant at the time of (the consultants) survey, this was not felt to be of concern and these are expected to be occupied in due course.

- The retail park has excellent access from the Kingsway and the car is the most popular mode of transport for shoppers there. However, the park is also served by a number of bus services.

- While it is considered to be reasonably pedestrian friendly, there is a degree of conflict between pedestrians and vehicles navigating the park.

- The park offers a pleasant environment but it is important that landscaped areas are well maintained since these are important to the overall environment of the park.

b Kingsway East

- The retail park has been developed sporadically over time and as such suffers from a disjointed layout.
- At the time of survey there was only one vacancy at the park.
- The demand for retail space at the park is considered to be healthy.
- Vehicular access from Kingsway is good and the park is also served by a number of bus services.
- Pedestrian access is relatively poor.
- Differing land levels together and the nature of the internal road network mean that the park is poorly integrated. Linked trips between units on foot is inhibited by these factors and also by pedestrian access issues.
- Although the overall environment is reasonable, many of the buildings are of little architectural merit. Landscaping does not appear to be particularly well maintained.

c Gallagher Retail Park, East Dock Street

- While there are certain pedestrian obstacles between the retail park and the city centre, it is considered to be an edge of centre location as defined in SPP8.
- Unlike the Kingsway East and West retail parks it precludes the sale of bulky goods and allows the sale of goods more commonly associated with the city centre. As such it is geared to retailers requiring large footplates which are not readily available in the city centre.
- At the time of survey there were three vacant units at the park (these have subsequently been occupied.)
- The park has good vehicular access from East Dock Street and is also accessible by a number of bus services.
- Internal pedestrian circulation within the park is good and relatively unimpeded.
- The overall environment of the park is of high quality and the incorporation of the A listed building into the development contributes to this quality.
- The Dundee Local Plan Review presents the opportunity to extend the site on to the Travel Dundee site to the east. While this offers the opportunity to

further enhance the city's retail provision care will be needed to avoid negative impact on the city centre.

d General Conclusions on the Retail Parks

- The retail parks are performing well and remain well occupied.
- Future development plans should recognise the retail parks as 'commercial centres' (as defined in SPP8) and recognise their status within the retail hierarchy when adopting the sequential approach.

4.3 Other Retail Centres Outwith Dundee

- In addition to the assessments of Dundee's centres, the study also carried out assessments of the retail centres of a number of towns outwith the city but which could in due course fall within the designated city region. A list of these is provided in para 7.1 of the report. These will be taken into account as appropriate during the preparation of the Strategic Development Plan for the Dundee City Region.

5 REVIEW OF GOODS RESTRICTIONS

5.2 The study included a reassessment of the range of goods restrictions applying to City's retail parks and other out of centre retailing provision. The Kingsway East and West retail parks have, from the outset, been subject to controls which confine them largely to the sale of bulky goods. This is with a view to ensuring that they that they are not involved in the sale of fashion and other 'city centre type' goods which are vital to the roles of the city centre and the district centres. The uncontrolled sale of such goods from the retail parks could lead to a damaging diversion of retail expenditure from these centres and threaten their vitality and viability.

5.3 The Gallagher Retail Park in East Dock Street is, by contrast, restricted to the sale of city centre goods. This stems from its edge of centre location which allows for a complementary relationship with the city centre involving mutually beneficial linked trips. In this way the need for retail warehousing specialising in city centre goods is accommodated in a suitably central location.

5.4 Conclusions from the assessment included the following:

<u>Kingsway East and West</u>

- The goods range restrictions have been successful in preventing the occupation of units by more traditional 'high street' occupiers.
- The sale of books should continue to be directed to the city centre and district centres.
- The sale of pet supplies at the parks is compatible with their bulky goods roles.
- The existing restrictions are appropriate and should not be changed.

Gallagher Retail Park

- The restrictions have played a positive role in creating a successful retail park.
- The availability of this type of retail park may have assisted in retaining certain retail operators within the city.
- The existing restrictions are appropriate and should not be changed.

Other Out of Centre

- Research by the consultants has concluded that, nation wide, the growth of non food sales within supermarkets can impact upon existing shopping centres, particularly where no restrictions are in place.
- It is therefore considered positive that Dundee has these restrictions in place.
- The existing restrictions are appropriate and should not be changed.

6 POTENTIAL RETAIL SITES AND THE GAS HOLDER SITE, DOCK STREET

6.1 A significant element of the study comprised an examination of the site options to accommodate future bulky goods floorspace needs which had been identified and, in this context, to consider the potential of the Gas Holder site in Dock Street. Having examined the options in the context of SPP8 and the relevant structure and local plan policies the consultants concluded the following:

- There are limited opportunities in the city for in-centre and edge-of-centre provision for large scale bulky goods retailing.
- Most of the available options suffer from weaknesses including conflict with retail policy and wider regeneration aims, locational shortcomings, potential threat to existing provision and access and traffic problems.
- The Gas Holder site is the most suitable site in the city which is not already allocated for retail development.
- The site should be identified for bulky goods retailing in the longer term following redevelopment at the Stack and the Travel Dundee bus depot site.