
TOWN CENTRE CORE ACTIVITY AREA PILOT STUDY

Report by Service Director Regulatory Services

PLANNING AND BUILDING STANDARDS COMMITTEE

4 November 2019

1 PURPOSE AND SUMMARY

- 1.1 In July 2018 the Planning and Building Standards Committee approved a Pilot Study (Appendix A) for a trial period of one year in respect of amendments to current planning practice for processing planning applications for proposals within core activity areas within town centres in the Scottish Borders. The purpose of this report is to inform the Committee of any impacts the Pilot Study has had in the determining of planning applications within the trial period.**
- 1.2 The primary purpose of the study was to examine ways to revitalise and reinvigorate the town centres of Hawick and Galashiels by adding more flexibility to policy ED4 (Core Activities in Town Centres) within the adopted Local Development Plan (LDP) 2016. It suggested a number of options, identifying potential advantages and disadvantages for each. In essence the study recommended the removal of the core activity area in Hawick. It also recommended the retention of the core activity area in Galashiels whilst proposing a wider and more flexible range of uses which could be supported.
- 1.3 The study also set out policy guidance relating to policy ED4 to be applied more broadly within other core activity areas within Scottish Borders towns i.e. Galashiels, Peebles, Kelso, Melrose, Jedburgh, Selkirk, Eyemouth and Duns. As this Pilot Study proposed to remove the core activity area from Hawick this was not be relevant to Hawick. The guidance stated that if premises have been vacant for 6 months and evidence is submitted which confirms it has been adequately advertised for a substantial period of that time, then that will carry much weight in the decision making process. Policy ED4 also makes reference to the need to give consideration of any "significant positive contribution" in relation to proposals within the core activity. The study expanded upon examples of what are considered to be factors determining "significant positive contribution".
- 1.4 In order to monitor the impacts of the recommended courses of action it was considered the study should operate as a Pilot Study for a trial period of one year. This allowed the opportunity to draw conclusions as to the success or otherwise of these amendments and also allowed the findings to be brought forward and considered for incorporation into the proposed new Local Development Plan.

2 RECOMMENDATIONS

2.1 I recommend that the Planning and Building Standards Committee agrees to:

- a) Note the findings of the Pilot Study – which are summarised in Appendix B.**
- b) Consider extending the Pilot Study period until the new town centre retail policy is confirmed in the new Local Development Plan.**

3 BACKGROUND

- 3.1 Retailing is a feature of daily life providing jobs and services in the local community. Retail development in particular can act as a catalyst to further investment in addition to creating employment opportunities and associated growth, partly due to the pedestrian footfall and economic activity it generates. The Scottish Government acknowledges that town centres are a key element of the social and economic fabric in Scotland. Scottish Planning Policy (SPP) encourages the improvement of town centres to create distinctive and successful places which are a focus for a mix of uses including retail, housing, leisure, entertainment, recreational, cultural entertainment and community facilities.
- 3.2 The Scottish Government's Town Centre First Principle 2014 asks that government, local authorities, the wider public sector, businesses and communities put the health of town centres at the heart of proportionate and best-value decision making, seeking to deliver the best local outcomes regarding investment and de-investment decisions, alignment of policies, targeting of available resources to priority town centre sites, and encouraging vibrancy, equality and diversity. The adopted SESplan Strategic Development Plan (SDP) 2013 acknowledges that town centres make a significant contribution to the SESplan area as centres for employment, services and a focus for civic activity and identifies a network of centres.
- 3.3 The adopted LDP 2016 follows these principals by allowing a wide range of uses within town centres. To further these principals, at ground floor level within the central core area of these town centres, policy ED4 - Core Activity Areas in Town Centres seeks to encourage commercial uses which increase footfall and economic activity which in turn helps prevent the gradual loss of essential town centre activities which are important to the vitality and viability of the town centres. In order to achieve this policy ED4 seeks to safeguard shop uses and allow food and drink outlets which are considered appropriate complimentary uses. The policy does, however, offer a degree of flexibility which can be applied to decision making across the Scottish Borders for any relevant planning application. This allows consideration of, for example, how the particular town centre is performing, cognisance of current vacancy and footfall rates, opportunities for joint shopping trips and the longevity of vacancy and marketing of the vacant retail unit. If a town centre is performing well there may be little justified need to lose retail premises. However, if there are significant factors which result in town centres underperforming, there may be a case for allowing an alternative use.
- 3.4 It is acknowledged that the role of town centres is changing due to a number of factors, most notably completion from online shopping. Whilst this is being more fully addressed via the process for producing the next LDP, given particular issues in Galashiels and Hawick in terms of reduction in footfall and higher vacancy rates it was considered an alternative policy practice should be adapted with immediate effect for these 2 towns via the one year Pilot Study.

4 PILOT STUDY

- 4.1 In order to consider the most appropriate means of taking forward the Pilot Study for Hawick and Galashiels four options for each town were considered. Retaining the current status quo was not considered to be a realistic option given the particular conditions being experienced in the towns. The four options were:
- Reduce the size of the core activity area
 - Retain the core activity area but allow a more flexible approach to potential uses
 - Amalgamation of above options
 - Remove the core activity area completely
- 4.2 Advantages and disadvantages for each of these options were considered separately for both Hawick and Galashiels, taking cognisance of a range of matters including relevant footfall, vacancy rates and any other material issues. It was considered Hawick required a radical approach. However, in Galashiels there was concern that if the Pilot Study was too flexible in allowing uses which would reduce footfall and economic activity in the town centre this could have serious impacts on the ability to maximise the economic opportunities the Borders Railway and the Tapestry offer.
- 4.3 Members concluded that the core activity area in Hawick should be removed and that the core activity area should be retained in Galashiels but a wider range of uses should be allowed. These uses were identified within Appendix 3 of the Pilot Study and it was stated that a case should be submitted for the support of each specific proposed use. Members also considered there should be a general presumption in both Hawick and Galashiels against anti-social uses within this area which may have detrimental impacts on the amenity of residential properties and other uses. In order to encourage redevelopment in Galashiels, consideration and agreement was given to removing the requirement for Development Contributions relating to residential development on upper floors within the core activity area of the town centre. This would relate to affordable housing and education provision. Contributions towards the Borders Railway must remain as they are a statutory requirement. There are no current Development Contributions required within Hawick town centre.
- 4.4 Members also agreed that the study should give further guidance to policy ED4 which would be relevant to towns within the Scottish Borders. This was in respect of information to be provided in support of proposals within core activity areas which would not normally be supported. This included in instances where premises have been vacant for at least 6 months, adequate marketing must have taken place within this period for a substantial period of time, detailed evidence of marketing publications and interest should be provided, and an independent valuation must confirm the selling or lease price was reasonable (this is to ensure instances where no third party interest was lost due to unrealistic overpricing).
- 4.5 The Pilot Study also gave further clarity to policy ED4 text which referred to the need to give consideration to the *significant positive contribution* a planning application may have on the core activity area. This includes consideration of matters relating to the economic benefits of the proposal,

the footfall it is likely to generate and how active the frontage is in terms of how it can help improve the public perception of successful town centres in terms of safety, comfort, sociability and liveliness.

5 FINDINGS FROM PILOT STUDY

- 5.1 All planning applications submitted within core activity areas of town centres within the Scottish Borders were noted within the 1 year Pilot Study period from 17th July 2018 to 17th July 2019. In total 15 applications were submitted within the trial period. This is perhaps a surprisingly low number, although it should be noted that many changes of uses of premises can take place without the need for planning permission
- 5.2 With regards to the 15 application submitted, 2 were withdrawn during their processing, 2 were withdrawn before validation, and 11 were approved, either by Planning Officers or via appeal by the Local Review Body. The breakdown of these decisions can be seen in Appendix B. As Appendix B confirms the majority of the approvals could have been approved under the existing policy ED4 and therefore the Pilot Study had a fairly limited role in allowing proposals which otherwise would not have been granted.
- 5.3 It was minuted that the findings of the 2019 footfall studies should be reported back to the Committee. The footfall studies are carried out annually late September and early October and therefore the findings have not been concluded at this stage. There will be a verbal presentation on these findings at the Committee meeting although given the few approved applications it is unlikely the Pilot Study will have had impacts on town centre footfall.
- 5.4 Whilst it is acknowledged that the Pilot Study has had a fairly limited role in influencing decisions, it is considered that given the changing role of town centres the Pilot Study has proved useful in allowing more flexibility to decision making in order to help regenerate town centres and providing a more accommodating approach to business development. Whilst the final policy position will not be settled until the next Local Development Plan is adopted it is considered the added policy criteria tests within the Pilot Study are a satisfactory approach in addressing town centre vacancy and footfall issues and that the Pilot Study should therefore be continued in practice in the interim period until the new Plan is adopted.

6 IMPLICATIONS

6.1 Financial

There are no cost implications arising for the Council in respect of the Pilot Study. However, in order to encourage the re-use of upper floor premises within the core activity area Development Contributions will not be sought.

6.2 Risk and Mitigations

- (a) *Risk of not extending Pilot Study period*
Galashiels and Hawick town centres may continue to underperform which would be a major concern given the key strategic economic roles these towns have within the Scottish Borders

(b) *Risk of extending Pilot Study period*

Extending the Pilot Study period may not generate significant footfall or economic activity and therefore may have a longer term impact on the vibrancy of the town centres.

6.3 **Equalities**

An Equalities Impact Assessment has been carried out on this study and it is not anticipated there will be any adverse equality implications.

6.4 **Acting Sustainably**

(a) **Economic Growth**

The Pilot Study will assist in promoting stronger more vibrant town centres

b) **Social Cohesion**

The proposals contained within the proposed Pilot Study will help to meet the diverse needs of people in the local communities.

c) **Protection of the Environment**

There will be no adverse impacts on the environment. There is no requirement to carry out an Environmental Report

6.5 **Carbon Management**

It is not considered the study brings any impact on the Council's carbon emissions.

6.6 **Rural Proofing**

It is anticipated the study will have a neutral impact on the Council's carbon emissions

6.7 **Changes to Scheme of Administration or Scheme of Delegation**

There are no changes to be made.

7 CONSULTATION

7.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR, the Clerk to the Council, Communications have been consulted and any comments received have been incorporated into the final report.

7.2 The Chief Officer Economic Development, the Depute Chief Executive Place, the Corporate Transformation and Services Director, and the Service Director Assets and Infrastructure have been consulted and any comments received have been incorporated into the final report.

Approved by

Service Director Regulatory Services Signature

Author(s)

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Background Papers: None

Previous Minute Reference: None

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