

FALKIRK COUNCIL

**Subject: TOWN CENTRE REGENERATION STRATEGY:
UPDATE REPORT**
Meeting: EXECUTIVE
Date: 14 JANUARY 2014
Author: DIRECTOR OF DEVELOPMENT SERVICES

1.0 INTRODUCTION

- 1.1 This report advises the Executive of the progress of the Council's regeneration activities in each town centre, giving an update regarding the progress of work. The report suggests the next steps proposed for each centre and that an update of the regeneration strategy be prepared for Council approval.

2.0 BACKGROUND

- 2.1 The Council's Economic Strategy and Development Committee approved a report on town centre regeneration in February 2013 advising on the successful completion of Stenhousemuir Town Centre project, Bo'ness Townscape Heritage Initiative and confirming actions proposed in progressing all other town centre works.
- 2.2 The Council continues to actively promote its town centre regeneration activities and make progress in each of its town centres. The strategy continues to be significantly affected by the impact of national and regional economic performance, however, Scotland's economy has started to enjoy its most sustained period of growth in three years. Benefiting from a revival of consumer confidence, the Scottish economy is forecast to grow by 1.9% in 2013. This recovery is starting to have an impact on the retail sector and property market. In its recent market report, Ernst & Young confirmed total retail sales in Scotland have started to pick up, should increase strongly in 2014 and be in relative health over 2015/16. This growth is anticipated principally in large retailing centres with smaller centres continuing to have significant challenges.
- 2.3 The Council pursues its town centre regeneration activities in partnership with retailers, landowners and local communities. It works closely with Falkirk Towns Ltd – the town centre management and Business Improvement District. Town centre retailers also benefit from business support activities including the provision of training from retail specialists. The current position and progress of regeneration activity in respect of each town centre is set out in the next sections of this report. The report suggests that the Council should initiate work to update its town centre strategy with updated proposals in each centre reflecting the change in economic conditions, national policy, local circumstances and the success of the work to date.

3.0 NATIONAL REVIEW OF TOWN CENTRES

3.1 In July 2013 the National Review of Town Centres was produced by an external advisory group. The Group was chaired by architect, Malcolm Fraser, and had representation from a variety of sectors across Scotland including local authorities. The National Review reinforced the important need to protect and enhance the role of town centres and the Group's findings are reflected in key action themes:

- *Town Centres First Principle*
- *Town Centre Living*
- *Vibrant Local Economies*
- *Enterprising Communities*
- *Accessible Public Services*
- *Digital Towns*

3.2 The group emphasised that town centre regeneration continues to be an important aspect of work for local authorities with widespread recognition of the need to reinvigorate towns across Scotland where lack of funding remains a critical factor. The Scottish Government has prepared a proposed response to the review in the form of an action plan for Scotland's town centres. This sets out the Government's response to the review, in the first instance inviting local authorities, communities and other key sectors to contribute to its development.

3.3 It is worth noting that Falkirk Council is already implementing some of the findings that were recommended in the National Review. This includes its general commitment to town centre regeneration, the work of town centre management and the Business Improvement District (BID) supporting retailers through dedicated training/expert consultant support, and successfully securing Townscape Heritage Initiative status in Bo'ness and recently in Falkirk, attracting substantial awards from both Heritage Lottery Fund and Historic Scotland. The Council is also jointly delivering the VisitScotland Growth Fund promotional activity for the town centre and adjoining visitor attractions with a mobile phone app established for the town centre.

3.4 The National Review of Town Centres is welcomed and its recommendations reflect many of the Council's own commitments. There will however be more work needed to consider its implications in more depth (in particular the Town Centre First Principle) and further guidance is awaited from national level to clarify the means of delivery.

4.0 FALKIRK TOWN CENTRE

4.1 The Council is committed to improving the strength and viability of Falkirk town centre. During 2013 an independent retailer and town centre group involving the Provost, Portfolio Holder and other elected members was established to consider additional assistance that Falkirk Council and its partners could bring to the wider Falkirk town centre trading environment. Called "Think Falkirk", and arranged through Falkirk Delivers (the BID trading name), the group has met on several occasions considering and giving focus to such matters as:

- *management of the High Street environment in terms of A-boards, litter, illegal trading,*
- *compliance with Conservation Area shop front and building alterations*
- *introduction of free car parking assistance in the town centre to encourage footfall*

- *wider regeneration opportunities for Falkirk including east end of the High Street and the prospects for the Municipal Buildings.*

- 4.2 Think Falkirk seeks to encourage increased footfall to the town centre retailing environment and an early action measure is being proposed offering a targeted period where car parking charges are not levied in Council town centre car parks.
- 4.3 It is suggested that the 'Free after Three' scheme be promoted in partnership with Falkirk Delivers and introduced from mid January providing free car parking after 3pm within the Council's town centre car parks until April 2014. The scheme will be evaluated with local retailers and the Howgate Shopping Centre to ascertain any improvement gained in footfall and spend patterns. The scheme is set out in further detail within *Appendix 1*.
- 4.4 The impact on Council income is as follows:
- Amendments to Car Park signs to validate 'Free after Three' – £4.5k.
 - 'Free after Three' trial – £11k (January to March inclusive).
 - Estimated annual income reduction (if continued long term) – £53.7k.
- 4.5 Further to the above early action, it is proposed that, through Think Falkirk, additional work on the promotion of Falkirk town centre be taken forward and reported further to the Executive.

5.0 STENHOUSEMUIR TOWN CENTRE

- 5.1 The regeneration strategy process at Stenhousemuir has effectively been completed. Property agents acting on behalf of McLagan Investments Ltd., the property holding arm of Asda, have in April 2012 leased a 9,150sqft unit (formerly Acorn Pets) to B&M. Within Block A, Unit 1 is now let to Topaz Beauty (1,153sqft) and Units 2 & 3 to Strathcarron Hospice Furniture (3,465sqft) with the balance of the space in Block A (7,446 sq ft) continuing to be actively marketed.
- 5.2 The Council continues to promote Stenhousemuir town centre through the Shop Local initiative and business initiatives involving retailers to enable progress of all opportunities in the new town centre. It also maintains links with McLagan Investments Ltd to secure updates on letting activity over its vacant premises.
- 5.3 The Council, in partnership with Larbert and Stenhousemuir Community Council, is installing interpretation signage within Crownest Park adjacent to the pond. This is to highlight the ongoing investment made by the Council following the pond's remodelling as part of the regeneration plans.

6.0 BO'NESS TOWN CENTRE

- 6.1 The Council continues to promote the regeneration of Bo'ness town centre. The Council's regeneration proposals for the harbour and foreshore were postponed due to the significant impact of the economic downturn on the viability of the regeneration site. Whilst the site remains attractive in terms of location and aspect, there remains high remediation costs associated with this area's industrial past. These costs continue to have a significant impact on the ability to deliver future development in the area.

- 6.2 Notwithstanding the above and reflecting improving market conditions, some interest in new retail development has recently been expressed. This would require to be in line with opportunities identified for Bo'ness town centre contained in the Local Development Plan. It is therefore proposed that such further opportunities are explored to ascertain developer interest in master planning a proposal that assists the Council's future development aspirations of the foreshore area and helps retain retail expenditure within Bo'ness. A feasibility exercise requires to be conducted to establish developer interest and the means of this being delivered and it is proposed that this would be initiated.

7.0 GRANGEMOUTH TOWN CENTRE

- 7.1 On 15th July 2011, the Council put the regeneration opportunity at Grangemouth town centre to competitive tender, in accordance with the Public Contracts (Scotland) Regulations 2006. Responses from prospective developers were received and assessments carried out on the submissions.
- 7.2 Of two responses received, only one was taken forward as the other was unable to supply sufficient information. Stage 2 of the procurement process for the regeneration of Grangemouth Town Centre was initiated with this developer and a formal invitation to participate in the procurement process was issued in November 2012, requiring a detailed submission to be submitted in April 2013. A detailed proposal has not been able to be provided by this single developer interest.
- 7.3 Two options were presented by the developer as part of their final submission, both proposing a substantially reduced regeneration opportunity that does not comply with the Council's original regeneration aspirations for the town centre as set out in the original marketing brief.

Option 1: Foodstore (15,000 sq.ft.) Discount Food Store (11,600 sq.ft.) and Retail (8,800 sq.ft.)
The foodstore unit is a new build located in the Union Road car park removing 60 existing spaces. The discount foodstore would be a refurbishment of 1-3 York Square presently affected by a ground lease and the retail unit would be developed as refurbishment and extension of Council owned units in York Square and 2-4 York Arcade (all units have varying lease terms and would require tenant relocation during development).

Option 2: Pub/Restaurant, Discount Food Store (11,600 sq.ft.) and Retail (8,800 sq.ft.)
The second option is similar to the first with the only change being the provision of a pub/restaurant unit in place of the foodstore.

Both options have a new development within the Union Road car park reducing existing provision by 60 spaces with Option 1 increasing parking requirements by 90 spaces and Option 2 by 112 spaces. The Council has already identified a shortage of parking spaces in the town centre on the basis of current national standards. The developers themselves have not confirmed the deliverability of the discount food store. The proposed new retail space would require extensive negotiations with existing tenants to agree early lease termination and temporary relocation. The developer has confirmed that they have not developed a comprehensive re-masterplanning of the town centre as it would involve a medium to long term capital commitment which they could not support at this stage given the lack of occupiers which would be needed to underpin the scheme.

- 7.4 While the Council might choose to progress either of these options further, neither of the proposals offered by the developer are considered to attract additional retailer/investor interest in Grangemouth that would facilitate and deliver a regeneration project for the town centre at this point in time. This may be reflective of current market conditions for town centres with more significant investment challenges.
- 7.5 At this time the measures available for Grangemouth town centre are to continue to manage the Council's existing town centre portfolio along with the two other major property portfolio holders Miller Ltd and the new purchasers or Administrators of the former Baronsgate Estates portfolio. It should be stressed that, whilst trading conditions for retailers in the town centre remain challenging, the Council has recently secured several lettings with independent retailers and continues to provide management and promotion of the town centre retail offering.
- 7.6 Meantime, in updating the Council's regeneration strategy, it is recommended an independent commercial review of the town centre's regeneration opportunity is commissioned. This should take cognisance of the commercial investment and redevelopment sector and Grangemouth town centre's opportunity to take advantage of the two significant economic projects secured since the original regeneration proposals for the town centre were taken forward. The Helix and TIF initiatives both offer potential to attract additional economic activity to the area and the centre should look to these as levers for investment.

8.0 DENNY TOWN CENTRE

- 8.1 At the Council meeting on 5 October 2011, it was agreed to progress the regeneration project in Denny through a Council led phased option, terminating the partnership agreement between the Council and Henry Boot Developments Ltd.
- 8.2 The Council led scheme involves:-
- Securing planning approval;
 - Finalising the acquisition process and relocation strategy;
 - Progressing demolition of the Church Walk blocks;
 - Provision of a first phase block on Stirling Street, accommodating existing retailers and a library, with associated improvements to parking, creation of a town square (with relocated war memorial) and additional public realm improvements; and
 - Marketing of the remainder of the site to other interests (including foodstore operators for Phase 2 of the Scheme).
- 8.3 The Council submitted two planning applications in April 2012 for the regeneration of the town centre:-
- a detailed planning application providing detailed plans, elevations and artists' impressions for Phase 1 including the car park, library, shops, town square and public realm, approved in January 2013
 - an application for planning permission in principle, detailing the overall regeneration masterplan for the town centre with the intention that Phase 2 and 3 sites be marketed for retail development including a foodstore. This application was approved in June 2013.

8.4 The Council is now progressing delivery of the first phase through the following actions:

- the acquisition of all outstanding interests
- provision of a temporary retail village
- relocation of existing occupants to the retail village
- demolition of the last remaining Church Walk block
- Commencement of construction works for the Phase 1 development

This work is progressing in accordance with the programme agreed by the Council, with construction works planned to commence in 2014.

8.5 Design of the Town Square

The introduction of a town square to this traditional town centre is regarded as a crucial element in connecting the upper and lower levels of the masterplan to improve accessibility to the town centre shops and facilities for the community. Prior to finalising the town square proposals the Council has sought to engage with the wider Denny community on aspirations for the town square in terms of anticipated use, materials, heritage and public art opportunities. Working in partnership with Falkirk Community Trust and Creative Scotland, a design team, Icecream Architecture, were appointed to undertake full engagement activity, to be completed by September 2014. The project has been established within the context of Falkirk Council Public Arts strategy and the outcome of the engagement exercise and recommendations will be reported back to the Executive.

8.6 Denny War Memorial

The Denny War Memorial group was established in March 2008 to bring together Falkirk Council and interested local people to determine an action plan for the design and location of a new war memorial in the regenerated town centre/town square. The group continues to meet regularly and invites individuals and organisations that can offer advice and information such as Forth Valley College, Royal British Legion and the War Memorials Trust. Denny High School and local church representation are recent additions to the group.

As part of the regeneration proposals, early consideration was given to the creation of a new memorial location originally indicated within the proposed new town square area. The group wishes to see the Church Walk bronze plaques incorporated into any future design but recognise their views will be fed into the wider community ideas and aspirations for the town square. A separate consultation exercise will be undertaken to determine the community's aspiration for the siting of the new memorial whether in the town square or at an alternative favoured location in Denny. This consultation will be undertaken during development of Phase 1 of the town centre.

8.7 Temporary Re-siting of Memorial

Falkirk Council has made provision for the temporary re-siting of the existing town centre memorial, during the regeneration project's demolition and construction phase to Broompark Community Centre cemetery adjacent to the existing town centre. Following a briefing event in May 2013 to advise Local Members, the Community Council, schools and interested parties of the temporary relocation proposals, further consultation has been undertaken on the overall design proposals for this temporary relocation.

Broad support has been expressed in favour of the proposals. Some comments were made with 110 of 132 submissions confirming general agreement with the proposals for the temporary re-siting. In relation to the suitability of Broompark for Centenary Armistice Day during 2014 and future Armistice Day parades, concerns were raised, prior to the formal consultation process, which included limited access for pipe band entry and limited standing room for those involved in the parade.

These concerns have been addressed and the proposals amended as follows:

- standing capacity increased from 150 to 450 people
- memorial pedestrian access increased to accommodate 3-4 abreast parade members

Further changes have been made following the consultation exercise including provision of seating and bins. It is not feasible to extend CCTV provision for the relevant period and regard will be had to appropriate elevation of the memorial. It should be noted that the physical costs and external funding required to contribute to the temporary re-siting of the memorial require to be finalised and identified. A note of the comments included in the consultation results is contained in Appendix 2 together with a blank copy of the form. The comments are reproduced verbatim.

Phase 2

- 8.8 As Phase 1 delivery of the Denny Town Centre Regeneration project is progressed, development opportunities for Phase 2, to be achieved in line with planning permission in principle require to be progressed. This will include marketing the development including a foodstore. A marketing brief reflecting current planning policy and the agreed masterplan has been prepared. Following the success of the acquisition strategy, the Council has recently acquired ownership of the phase 2 site. The site can therefore be declared surplus to operational requirements and proceed to the marketing stage.

9.0 **IMPLICATIONS**

Policy Implications

- 9.1 Town centre regeneration is a key priority of the Strategic Community Plan, My Future's in Falkirk and related policies.

Legal Implications

- 9.2 Delivery of the regeneration projects in each town centre is governed by formal development agreements or building contracts, negotiated with the support of the Council's Legal Services and, where necessary, external legal advisors.

Financial Implications

- 9.3 The Council's approach to the delivery of town centre regeneration has involved realising its own assets for reinvestment in the town centre. The regeneration process aims to lever additional private sector funds to upgrade the facility and create new community assets. Where necessary additional Council and externally funded resources have been applied to aid delivery of these schemes. Due to the imperatives in the delivery of the Denny project, the Council has committed to fund this project through its General Service capital programme, involving disposal of existing assets and redirection of resources from the Portfolio Management Plan as approved by Council in October 2011. The cost of delivering the updated town centre regeneration strategy is estimated at £40,000 and will be met from Growth and Investment Unit budgets.

In relation to the introduction of the Free After Three car parking initiative (mentioned in para 4.3) within Council operated Falkirk town centre car parks the revenue impact has been determined as £11,000 over the trial period or £53,700 if extended annually.

Planning Implications

- 9.4 Town centre regeneration is a key tool in the delivery of the Council's Local Development Plan commitment to enhance the role of town centres and regenerate district centres. Each proposal has involved extensive consultation with the Council's Planning and Transportation Division with a view to achieving planning consent for the delivery of the scheme.

10.0 CONCLUSION

- 10.1 Town centre regeneration is an important Council and Scottish Government priority. Through bringing investors, retailers and the local community together, supporting Falkirk Towns Ltd and the Falkirk BID and contributing its own assets, the Council is playing a vitally important role in renewing each centre and enhancing their economic and civic function for each community. The Council's regeneration strategy and actions accord with many of the recommendations of the Scottish Government Town Centres Review. While it is recognised all town centres have been adversely affected by the impact of the recession and trading remains difficult for the retailing community the Council has:-

- secured the successful regeneration of Stenhousemuir town centre;
- concluded the Bo'ness THI as a national exemplar project regenerating the town's historic core in line with the original aspirations of the community
- commenced delivery of the regeneration of Denny town centre;
- secured £3.6m from the HLF and Historic Scotland to deliver a Falkirk THI
- Through the Business Gateway, delivered dedicated retailer support and master classes.
- Continued support for Falkirk Towns Ltd and the Falkirk BID
- Established *Think Falkirk* business engagement group to support Falkirk regional retailing hierarchy.

- 10.2 Policy & Resources Committee in 2001 approved the regeneration of the Council's district centres by market testing and identifying redevelopment opportunities using Council owned land and property assets to lever and secure private sector investment. This formed the basis of the Council's Town Centre regeneration strategy. This work has progressed significantly as outlined above.

10.3 It is important to update the Council's Town Centre strategy giving recommendations on all centres, to determine if further improvements can be made in the implementation of policy and delivery for each town centre. It is proposed that a consultant be appointed to provide an update of the Council's Town Centre Regeneration Strategy approach and prepare and present a strategy review document for Council's consideration. This exercise would, in particular, address the issues raised in this report:

- The response to the national review of town centres
- To assist in progressing the work of Think Falkirk
- Prepare development options for Bo'ness town centres
- Prepare development options for Grangemouth.
- Confirm the next steps in the regeneration of Denny town centre.

10.4 The progress of the next phases of work in town centres including the updated strategy and other works set out in this report will be the subject of further reports to the Executive.

11.0 RECOMMENDATIONS

11.1 It is recommended that the Committee agrees:-

- (i) to note the progress of the Council's actions relating to town centre regeneration;**
- (ii) to approve the introduction of free car parking to Council operated Falkirk town centre car parks after 3 pm until April 2014 and further evaluation thereafter**
- (iii) to approve the revised proposals for the temporary resiting of Denny War Memorial**
- (iv) to declare the Phase 2 site in Denny town centre as outlined in para 8.8 surplus to operational requirements and approve disposal of the site on the open market for development.**
- (v) to appoint a consultant to review the Council's Town Centre Regeneration Strategy**
- (vi) to receive further reports on town centre regeneration as this work progresses.**

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Director of Development Services

Date 3rd January, 2014

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LIST OF BACKGROUND PAPERS

1. Town Centre Regeneration Files – not for publication