

THE HIGHLAND COUNCIL

CITY OF INVERNESS AREA COMMITTEE

Agenda Item	5
Report No	CIA/63/13

CITY CENTRE REGENERATION

Report by Director of Planning and Development

Summary

This report brings Members up to date with regeneration activity within the City Centre and emerging developments arising from the Scottish Cities Alliance and the Scottish Government's recent published Town Centre Action Plan.

This activity delivers on the Council's Programme commitment to support the development of urban centres and specifically to work with the Scottish Government to ensure that Inverness and the wider region realise the benefits of the 'Seven Cities Strategy'.

1. Background

- 1.1 Members will be aware that regeneration activity across the city is wide ranging and varies from activity that is directly focused on the city centre as well as activity which, while outwith the city centre, indirectly brings a positive benefit to it. The sustainable growth of the economy and the regeneration of the city are co-dependent.
- 1.2 Inverness as one of Scotland's cities is well placed to contribute to and benefit from investment linked to the Scottish Cities Alliance's City Investment Fund. There are various strands to this activity, attracting investment, creating the conditions for investment, and research and best practise. Progress includes:
 - In the area of Investment attraction there are a number of activities currently underway. PWC are working with all the cities on the development of individual City Investment Plans. They recently attended a meeting of the Highland Economic Forum in order to gain views from the business community of the infrastructure investment requirements for Inverness. The outcomes of this meeting will be reported to the Planning Environment and Development Committee in early 2014.
 - Inward investment promotion work is also ongoing with Inverness being featured in a number of publications as part of a series of Scottish Cities Alliance promotional events. The city will feature in World Class Scotland 2014, as well as in Estates Gazette's recent November issue. The cities will also feature in the Estates Gazette e-Newsletter. Cities Alliance Investment staff have also facilitated the production of a number of short life brochures in support of specific inward investment activities. These include attendance at a Sitematch event in London which presented the Council with the opportunity to promote Inverness and the region to the

London-based investment/developer community. Further Sitematch events are planned, as well as attendance at MIPIM international property investment show in March 2014 as part of the Scottish Cities Alliance stand.

- 1.3 The city has however other challenges and many within the city centre are shared with other town centres. The Scottish Government's recently produced Town Centre Action Plan, is therefore of particular interest and relevance to the city centre. Produced in response to the *Community and Enterprise in Scotland's Town Centres* report which was prepared by an External Advisory Group in July 2013, the Town Centre Action Plan sets out a cross-Government response to each of the themes identified in the Advisory Group's report. The Action Plan and the Town Centre First Principle which underpins it, is considered by the Government as a significant shift in policy giving a new focus to the changing scope of town centres and their fit in the modern day.

2. Town Centre Action Plan

- 2.1 As detailed above, the underpinning principle to the Advisory Group Report and the Action Plan is the need to place the health of town centres at the heart of decision-making. To this end the Scottish Government propose that a principle in favour of town centres rather than a duty be placed on public bodies and that when they are taking any decisions which affect the town centre, be that the location of services or offices, they consider as appropriate to local circumstances, the short, medium and longer term impacts. Clearly further work is required to determine how this can be enacted in an open, measured and transparent manner across the public sector and not just the Council. Work to this end will be progressed through CoSLA to determine how a town centre first principle will work in practice yet take account of the other governmental policy and duties placed on the Council.

2.2 Town Centre Living

Footfall is key to achieving thriving successful town centres, and footfall from residents, who use the local shops and facilities and help make places safer in the evenings and night, is vitally important. Inverness city centre, like most town centres throughout Scotland, has many flats sitting empty and unattractive above shops. The Scottish Government recognise that the public sector has a key role to play here, and propose to utilise its Town Centre Housing Fund as a means to test opportunities, and remove barriers to enable more town centre living.

- 2.2.1 The Council is already actively utilising Scottish Government Empty Homes Loan Fund finance to encourage property owners to bring back or convert property into residential use. The current redevelopment of the vacated RBS bank building on Kenneth Street is an example of this work. It is recognised that in addition to fit out costs, many city centre buildings are of historic value and in need of investment. Members will be aware that, to this end, the Council has identified £725k as its contribution towards a Townscape Heritage project in Academy Street, and is actively seeking Heritage Lottery and Historic Scotland support.

2.3 Vibrant Local Economies

Town centres need vibrant businesses and entrepreneurs. It is recognised that the role of the public sector is to create the necessary conditions for businesses to thrive, and in particular give support to enable them to adapt, to prove resilient to the challenges faced, and equipped to identify and increase investment opportunities. Business rates in particular are seen as critical in this regard, and the Scottish Government has identified a number of rate relief initiatives that it seeks to maintain and build upon: Business Rates Incentivisation Scheme, Small Business Bonus Scheme, Fresh Start (expansion to pubs, hotels and restaurants), and Town Centre Investment Zones. Other commitments have also been made relating to Business Improvement Districts (BIDS) and business support (Business Gateway).

- 2.3.1 The Council has already stated its intention to work towards the establishment of a City Centre Investment Zone, and will actively work to this end with the Scottish Government as more details emerge on the pilot scheme. This will build on existing good work whereby the Council, working together with business, has secured a very high take up of the Small Business Bonus Scheme. Members will know that the Council is a strong supporter of BIDS and earlier this year voted in favour of the Inverness City BID re-ballot, and has directly supported a number of BID projects over the past five years. Since taking over the Business Gateway service the Council has opened up support to retail business, and they are now able to access the full range of support, including online, face to face, or workshop activity including workshops that are specifically tailored to the retail sector.

2.4 Enterprising Communities

Across Highland, including within the city centre, community groups play a central role bringing culture, enterprise and services to their communities. The Scottish Government recognise this and outline a series of actions that will support enterprising communities and individuals to assist with the problems of vacant and empty properties and meeting local demand for new activities, events and services.

- 2.4.1 The impact of community-led regeneration on town centres will typically be more significant and obvious in smaller centres but nevertheless, increasingly the city centre is home to a growing number of social enterprises, for example, Artysans café, Velocity café/bike workshop, and New Start. While such businesses can access Business Gateway support, there is also a wider programme of support in place to enable such business to become established and to trade. With funding support from the Scottish Cities Alliance, the Council is about to commence an investigation by WASPS Artists' Studios into the demand for and the provision of affordable business space for the creative industries within the city centre.

2.5 Accessible Public Services

Closely linked to the Town Centre First Principle, the Advisory Group Report advocated that there is a democratic right of access to public services, that these public services should be town centre based, and the financial models influencing decisions affecting the location of offices and services should be

amended accordingly. The Scottish Government recognise and support this presumption and have outlined actions which will progress this, drive forward the 'place' agenda and ensure there are sustainable transport options for people to access town centres.

- 2.5.1 As detailed in paragraph 2.1 the Council must balance a number of competing demands and duties when making decisions that impact on office and service locations, but the recent consolidation of staff in the Town House and the planned investment in the Church Street office, is a positive demonstration of current Council support for the city centre.
- 2.5.2 A number of green transport initiatives, with implications for Inverness, are also currently underway as a result of the activities of the Scottish Cities Alliance. A consultant's report into the options for smart ticketing throughout Scotland has brought together public authorities and transport operators from all of Scotland's cities with a view to developing a multi-modal, multi-operator smart ticketing infrastructure that will encourage more travellers to use public transport either locally, or between cities. Plans by Aberdeen City Council to introduce a fleet of hydrogen fuelled buses has led to the development of a further city-wide initiative that looks at potential commercialisation and the development of a network of fuel cell buses. This initiative is seen as an important opportunity to accelerate the de-carbonisation of public transport for economic, environmental and social reasons. Commercialisation can only be achieved through deployment at scale, hence the need for all the cities to potentially be involved as well as national transport operators and the Scottish Government. There are also ongoing initiatives aimed at addressing key city alliance objectives around energy use such as the development of energy efficient street lighting, non-domestic energy efficiency, opportunities for district heating schemes as well as heat mapping. The main Council lead on these initiatives is through the Chief Executive's office and the Housing and Property Service. The promotion of cycling as part of the Council's Carbon CLEVER initiative is also on the agenda of this committee.

2.6 Digital Towns

The digital revolution is impacting on everyone and it has been profound and swift on town centres. E-commerce means there is now a different way to buy and sell things and a different way of seeing, promoting and using town centres. The Scottish Government wants Scotland to be at the forefront of the digital revolution and sees the potential that this offers town centres and their businesses. The provision of superfast broadband is central to this; as is the need to provide a digital infrastructure that enables connectivity at anytime, anywhere, by any device; and that support is given to help small businesses better utilise digital technology.

- 2.6.1 Superfast broadband access is increasingly available throughout Inverness city centre. In addition to this, the Scottish Cities Alliance has facilitated meetings between the mobile telephone operators and planning services with a view to developing protocols to enable the smooth introduction of Wi-Fi services to city centres. Together with HIE and Business Gateway, city centre businesses are able to access free one-to-one advice in the form of Digital

Health Checks, workshops, ranging from Cyber Security to use of Social Media, Digital Marketing, Ecommerce and using the Cloud, on line guides, and the latest information on superfast broadband access. Workshops and advice can be tailored to specific needs of the city business community. Citizens Online UK, is also working with HIE and Business Gateway to provide free workshops to our citizens to motivate and help people on line for the first time. See <http://www.hie.co.uk/about-hie/events/archive/19-11-2013-our-digital-zone.html>

2.7 Pro-active Planning

Planning policy for town centres should be simple, encouraging and proactive. This is a recommendation from the Review that the Scottish Government fully embraces as this approach fits with its wider programme of modernisation of the planning system. A series of actions are proposed including an updated town centre first planning policy and associated 'sequential test', Master-planning Toolkit specific for town centres and greater encouragement of the use of compulsory purchase powers to promote sustainable economic growth.

2.7.1 Members will be well aware that the Council endorses this approach and seeks to ensure planning policy for the City is clear, encouraging and proactive. A number of Development Briefs have been prepared for the City including the City Centre and when the Council approved the Inner Moray Firth proposed Local Development Plan in September 2013 for consultation, it was one of the first local authorities in Scotland to adopt the sequential approach that prioritises growth and investment to all existing centres and specifically, it proposed that the Inverness City Centre boundary was widened to include sites for redevelopment and to enable greater diversification of uses.

2.7.2 It is encouraging that development schemes are being promoted and progressed within the city centre. As well as the redevelopment of the vacant RBS building on Kenneth Street, consent has recently been granted for the conversion of the former Parrot Pine unit to a ground floor retail unit and 10 flats. A number of other potentially significant city centre schemes are also currently under consideration. The city centre development brief will be further strengthened, updated, and focussed on delivery when the outcomes of the Inverness Land Use and Transport Strategy (which was reported to the last CIAC) work is completed.

3. **Summary**

3.1 Inverness shares the challenge of regeneration with many towns across Highland and Scotland, and while, as demonstrated in this report, good work across the themes is already underway, much more is required. This challenge cannot be underestimated and while the Town Centre Action Plan marks a significant shift in Scottish Government policy towards town centres, it is seen as a framework to create the conditions for regeneration rather than as a solution. Each city or town centre must choose and find their own way. In this regard, Inverness is well placed to do so, as the City in the Highlands and as a strong, vibrant and growing place.

4. Implications

- 4.1 Given the nature of this report there is no direct Resource, Legal, Equalities, Climate Change/Carbon Clever or Risk implications immediately arising. However, such is the subject matter that significant implications will arise and will need to be considered as integral to decision-making going forward.

5. Recommendation

5.1 The Committee is invited to:-

- i. welcome the regeneration activity within the City Centre and emerging developments arising from the Scottish Cities Alliance and the Scottish Government's recent published Town Centre Action Plan; and
- ii. agree to engage with Scottish Government on the implementation of the actions contained within the Town Centre Action Plan as far as they relate to the City of Inverness and Area.

Designation: Director of Planning and Development

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