

The Highland Council
City of Inverness Area Committee

1 September 2016

Agenda Item	10
Report No	CIA/38/16

City Centre Development Update

Report by Director of Development and Infrastructure

Summary

The report highlights ongoing investment, fund-raising and activity to address key priorities identified through recent public consultation on regeneration priorities in Inverness City Centre including the development of tourism and cultural facilities, improvements to city centre access and connections and the regeneration of Academy Street.

The report also highlights progress in updating the Inverness City Centre Development Brief.

1. Background

1.1 Recent public feedback has highlighted three priorities for city centre regeneration, which this Committee agreed should be the focus for land use and transport planning:

- redevelopment of key sites to create visitor and cultural attractions;
- improvements to City Centre access and connections; and
- development of Academy Street and its surroundings.

1.2 This report updates Members on Council initiatives, planned or underway, that address these priorities, which have been driven forward through the Inverness City task Force chaired by the Director of Development and Infrastructure. It also highlights re-development of properties and sites to increase the number of people living and working in the city centre.

1.3 Section 6 reports progress on updating the Inverness City Centre Development Brief.

2 Redevelop key sites to create visitor and cultural attractions

2.1 Inverness Castle

City-Region Deal funding announced in March 2016 provides the Council with significant financial support to transform the Castle into a substantial new visitor/cultural attraction, addressing a key priority for city centre regeneration. This follows confirmation in December 2015 that the Scottish Courts and Tribunals Service will vacate Inverness Castle by 2019 to set up a new justice

centre in the city.

- 2.2 The Castle is therefore closer than ever to fulfilling strong public interest in adapting it to a more appropriate use, facilitating wider public access and enjoyment. A public consultation on the future of Castle Hill undertaken in December 2015 indicated strong support for the creation of a museum and art gallery on the site.
- 2.3 A project delivery group was recently established to take the Castle project forward, succeeding the Ministerial Working Group that previously worked with the Scottish Courts and Tribunals Service to make the castle available for wider community and economic benefit. The project delivery group is jointly chaired by the Provost of Inverness and the Scottish Government's Cabinet Secretary for Rural Economy and Connectivity. In due course a range of community and local interest groups will be asked to input to the delivery process.
- 2.4 Inverness Castle: North Tower alterations and public realm improvements
Work is well underway to convert the North Tower of Inverness Castle from office space into a visitor attraction and viewpoint with spectacular views south over the river and north towards the Black Isle. Accommodation will include a new viewing platform and a tourist shop. Public realm improvements include new interpretation panels, seating and flood lighting, and repair and upgrading of footpaths, parking spaces and boundary railings.
- 2.5 The project will be completed in December 2016, a little later than expected due to necessary repairs to eroded stonework that came to light during the course of the works. This phase of work will be followed by an internal 'fit-out' period in early 2017 to prepare the Tower for visitors. The Tower will be managed by High Life Highland, which aims to open the attraction by Easter 2017.
- 2.6 Inverness Town House
Work is ongoing on a six year project to repair and conserve the external fabric of Inverness Town House at a cost of £4.2m. With the recent changes in the Council, office staff from elsewhere in the city are due to be relocated back into the Town House to ensure that vacant spaces are utilised and the city centre is supported.
- 2.7 Inverness Museum and Art Gallery
The decision to over-clad the façade of Inverness Museum and Art Gallery (IMAG) to improve its appearance is currently under review. This was granted planning permission in March 2016 and was to be funded through an initial allocation of City Region Deal funding from the UK Government. Alternative measures to enhance the surrounding public realm are now under consideration, including the potential to expand the current programme of streetscape improvements and give greater prominence to IMAG signage, these will be considered at a future meeting of the CIAC.

2.8 River Ness Flood Alleviation Scheme - Public Art Project

Over £0.75m has been raised to deliver six art projects in association with the city's new flood alleviation scheme. Five projects are progressing well and are due to be completed by spring 2017 under the governance of the Inverness City Arts Working Group (ICAWG). The sixth project, The Gathering Place, will be re-designed following agreement by this Committee in July 2016 that the ICAWG should not continue with the 'Tilting Pier' concept. Work is underway to develop a new design concept that is supported by the local community, stakeholders and project funders. The Public Art Project is funded by The Highland Council (£106k), Inverness Common Good Fund (£281k), Creative Scotland (£306k) and Highlands and Islands Enterprise (£66k).

2.9 Visit Inverness Loch Ness

Visit Inverness Loch Ness (previously UniqueNess Tourism BID) has a business plan for activities to 2019. While their direct membership excludes those who are already Inverness BID members, the majority of activities within the business plan will support city centre businesses, notably marketing the city and area, and attracting conferences, meetings, and sporting events to the city.

2.10 Inverness city centre Wi-Fi

Work is underway to deliver the first public Wi-Fi service for Inverness city centre funded through an initial allocation of City Region Deal funding from the UK Treasury. This will mitigate gaps in 3G/4G mobile and Wi-Fi coverage while providing a means of promoting information about attractions and events in the region via the 'landing page' first accessed by Wi-Fi users. Increasing public access to Wi-Fi will promote digital participation, boosting the profile of Inverness as a connected and smart city and helping to attract investment. A City Wi-Fi Pilot Project will be rolled out in October 2016.

3 **Improve access and connections**

3.1 Inverness Railway Station

Abellio Scotrail (AS) plans to invest up to £2m on station improvements as part of its franchise agreement with Transport Scotland. In March 2016 AS submitted their business case for improving the station for approval by Transport Scotland. The business case was based on an options appraisal of costed design proposals for a wide range of station improvements to promote greater engagement with the travelling public, passers-by and the wider city environment.

3.2 The design proposals were developed by Dundee based architects NRS through a commission that was jointly funded by AS, the Council and HITRANS. Options included improvements to all three entrances and Station Square, a refurbished concourse, expanded commercial and retail opportunities, and upgrading the walking route between the Station, bus station and Rose Street car park.

3.3 In anticipation that additional funding will be needed to deliver the optimum range of station improvements, AS submitted a bid to the Scottish Stations

Fund (SSF) in June 2016. The SSF is a £30m grant pot administered by Network Rail on behalf of the Scottish Government. It is the responsibility of Scottish Ministers to agree which projects are supported by the fund and a decision on the Inverness Rail Station bid is expected shortly.

3.4 SSF grant is contingent on the availability of third party funding, albeit not match funding. Council officials and HITRANS continue to consider options to secure funding for improvements that are outwith the scope of the AS project. Already £320k of Inverness Townscape Heritage Project funding has been earmarked for improving the public realm of Station Square. More information on funding options will be reported to this Committee as soon as the outcome of the SSF bid has been clarified.

3.5 Streetscape improvements: Castle Wynd and Bridge Street
Preparations are ongoing to carry out streetscape improvements at Castle Wynd and Bridge Street following works on the external environment of Inverness Castle (Para 2.4), all resourced from an initial allocation of City Region Deal funding from the UK Government.

4 Develop Academy Street and surroundings

4.1 Inverness Townscape Heritage Project
Between now and 2020 the Inverness Townscape Heritage (TH) Project plans to invest £3m in regenerating the built environment of Academy Street through a grant scheme for repair and restoration of historic fabric. The project is funded by £1.49m from the Heritage Lottery Fund, £725k from the Council, and £946k from Historic Scotland via the Inverness City Heritage Trust.

4.2 Current project activity includes:

- regular meetings with property owners for the TH project's three Priority Projects: Station Square; Al Welders; The Phoenix;
- a series of heritage workshops themed around Academy Street's built heritage. These public events will take place over 18 months and will inform the content of a future digital heritage trail;
- best practice workshops on traditional shopfront design and conservation with a specific focus on Academy Street shopfronts, to take place in October 2016; and
- exploring options to create a dedicated TH shopfront grant pot to stimulate shopfront improvements on Academy Street.

4.3 Victorian Market
The Victorian Market is an asset of the Inverness Common Good Fund that is managed by the Council. The Common Good Fund recently spent £1M refurbishing the Market roof and installing new windows and heating. A Victorian Market Stakeholder Group was set up in August 2016 to explore future management options with a focus on delivering a vibrant and sustainable future for the Market. Group membership includes Councillors and local business representatives. The stakeholder group expects to report on management options in December 2016.

4.4 Falcon Square

In June 2016 the owners of Eastgate Shopping Centre submitted three separate planning applications to expand and develop new restaurants and carry out improvements to the public open space at Falcon Square. These include proposals to extend both the shopping centre and the Filling Station restaurant at ground floor level.

5 New office and residential accommodation in the city centre

5.1 Midmills Campus

Planning permission was granted in August 2016 to re-develop the former Inverness College UHI complex to form a creative hub, new sheltered and affordable housing (comprising 83 residential units) and associated infrastructure. The proposed development is a joint venture between the Council, retirement home specialists McCarthy & Stone and Wasps Artists' Studios.

5.2 Proposed new residential development: Raining's Stairs

An application for planning permission was submitted in July 2016 to develop the gap site abutting the southern edge of Raining's Stairs to form one commercial unit and 18 residential flats.

5.3 Proposed new residential development: Glebe Street

Planning permission was granted in January 2016 for erection of 60 new privately owned residential units at this riverside site, formerly occupied by a municipal swimming pool, which has lain vacant since the pool was demolished in the 1980s.

5.4 Office refurbishment: 1-5 Church Street

Work has been completed on a £1.8m renovation of this 1970s office building, including refurbishment of the façade, funded by Inverness Common Good Fund. Part of the property has been let to Skills Development Scotland, bringing 25 jobs to the city centre, and creating a skills hub. Progress is ongoing to let the remaining two upper floors.

5.7 Office and service centre: 1-5 Union Street

In autumn 2015 the former Santander Bank building at the corner of Union St and Academy St was brought back to use as a service centre for Serco, the international service company that runs the Caledonian Sleeper train. Serco created 20 high quality jobs in the city centre by re-locating its booking office and customer call centre to Inverness and has subsequently increased its employment in the city centre to circa 32 staff.

6 Inverness City Centre Development Brief

6.1 The review and update of the Inverness City Centre Development Brief (ICCDB) is nearing completion. This brief is Supplementary Guidance that guides decisions on development, including planning applications, in Inverness city centre. It also identifies and promotes development

opportunities. The current ICCDB was adopted in March 2013, having been approved by this Committee in October 2012 as Supplementary Guidance to the Highland-wide Local Development Plan.

6.2 The updated brief will feature an outcomes-based approach to promoting Inverness as:

- a great place for business;
- a great place to visit;
- a great place to live;
- accessible, easy and safe to move around; and
- distinctive and attractive.

It will focus on action to deliver these outcomes, highlighting relevant achievements to date.

6.3 The brief will also identify place-making principles to shape the visual and spatial character of new development including site-specific parameters for key sites addressing height, massing, materials, elevational treatment, access etc.

6.4 Prior to finalising the draft brief the Development Plans team will consult sectoral interest groups to secure feedback on how it addresses current city centre priorities.

6.5 The draft brief will be presented to this Committee on 1 December 2016. Subject to Committee approval, it will be issued for public consultation early in 2017. During the consultation period every effort will be made to facilitate feedback from organisations and individuals and to encourage people to take part.

7 Implications

7.1 Equality

There are no known direct equality implications arising from this report.

7.2 Environmental

Strategic Environmental Assessment has not been undertaken as the City Centre Action Plan would not be considered a qualifying plan, programme or strategy under the Environmental Assessment (Scotland) Act 2005.

7.3 Resource, Climate Change/Carbon Clever, Legal and Risk Implications

Given the nature of this report, there are no direct implications immediately arising with respect to these matters. However, such is the subject matter that significant implications will arise and will need to be considered as integral to decision making going forward.

Recommendation

The Committee is invited to:

- note progress in address city centre priorities detailed in Sections 2 – 5, which identify current or planned initiatives to improve access and connections, create new visitor and cultural attractions and regenerate Academy Street and its surroundings; and
- agree to the preparation of a draft Inverness City Centre Development Brief by December 2016, involving consultation with sectoral interest groups.

Designation: Director of Development and Infrastructure

Date: 17 August 2016

Author: Una Lee; Malcolm Macleod