



Aberdeen City & Aberdeenshire
Councils

Retail Capacity, Turnover and
Opportunity in Aberdeen
City/Aberdeenshire

Final Report
Volume 1 Main Report

June 2024

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1. Introduction

Scope of Study

- 1.1. Hargest Planning Ltd (subsequently incorporated into Gravis Planning) have been commissioned by Aberdeen City and Aberdeenshire Councils to undertake a Retail Study, the key purpose of which study is to derive information concerning retail and related land uses that would be used for the Evidence Report for the preparation of the next Local Development Plans for the two Councils. The principal requirement is for empirically robust data to be provided on patterns of retail expenditure and to identify any deficiencies or capacity for additional retail growth that will occur during the duration of the study period i.e. to 2038.
- 1.2. In addition to these key requirements regard is also to be had to the requirements of NPF4 and Local Development Planning Guidance which:
 - require the identification of a network of centres within LDP areas;
 - emphasise the principles and importance of 20-minute neighbourhoods; and
 - highlight the importance of addressing both qualitative and quantitative retail deficiencies including those arising in new communities/residential neighbourhoods as well as in existing areas.
- 1.3. Additional requirements for the study are to:
 - identify locations where retail opportunities should be promoted;
 - forecast future retail trends;
 - forecast retail turnover and leakage;
 - use of household surveys to provide a foundation for the above analyses; and
 - provide statements for each centre including: characteristics of trade/catchment areas; actions and strategies for centres; and identification of specific development opportunities.
- 1.4. In responding to this brief the consultants have included an assessment of trends for commercial leisure activities as well as for retail within centres recognising that there is a close inter-relationship between retail and leisure service activities which will affect both current provision and future demand.
- 1.5. Reflecting the above, the approach adopted in responding to this Brief has been to:
 - Use up-to-date data to prepare a strategic retail model (“SRM”) for the period to 2038 using:
 - Household surveys
 - Detailed floorspace information provided through the Grampian Regional Assessor
 - Review of different modelling scenarios and sensitivity tests to reflect uncertainties
 - Make recommendations for the retail, leisure and town centre policies/proposals for consideration by the planning authorities for inclusion within the forthcoming LDPs including:
 - Identifying appropriate planning policies for inclusion in the LDP (in cognisance of policies in NPF4)
 - Reviewing market trends
 - Undertaking summary up to date town centre health checks
 - Reviewing the existing/proposed major housing developments
 - Identifying potential development opportunities.

Structure of Report

- 1.6. This Report sets out the findings of the Study. The main report is set out in this volume (Volume 1) whereas Volume 2 sets out a review of the principal centres. The Appendices and Executive Summary are provided in separate volumes. Volume 1 provides the following:
- Section 1 is the introduction (this section).
 - Section 2 sets out an overview of the study approach including data sources surveys, consultations undertaken and the Strategic Retail Model.
 - Section 3 provides a summary overview of short- and long-term trends in retailing and leisure, including reference to the long term impacts of the Covid-19 pandemic insofar as this is possible to ascertain at this stage.
 - Section 4 provides a review of retail provision within Aberdeen City and Aberdeenshire as a whole, including the network of centres.
 - Section 5 sets out an assessment of deficiencies in retail provision in terms of
 - access to food shops;
 - access to groups of retail/retail service provision linked to the concept of 20-minute neighbourhoods; and
 - quantitative and qualitative assessment of retail deficiencies (and capacity).
 - Section 6 provides the recommended strategy for retail and leisure for consideration for inclusion within forthcoming draft LDPs.
- 1.7. An Executive Summary of the report is provided separately. Volume 2 sets out a review and health checks of:
- Aberdeen City Centre
 - Town and District centres within Aberdeen
 - Principal town centres and selected other locations within Aberdeenshire.
- 1.8. The following appendices are also provided:
- Appendix A: Aberdeen City and Aberdeenshire Strategic Retail Model 2023
 - Appendix B: Experian Area Comparison Report (Expenditure) January 2024
 - Appendix C: New Residential Areas – Indicative Convenience Floorspace Capacity Calculations
 - Appendix D: NEMS Aberdeen City & Aberdeenshire Household Survey Questionnaire
 - Appendix E: NEMS Aberdeen City and Aberdeenshire Household Survey Results (Jan-Feb 2024)

2. Overall Study Approach

2.1. The Study has been undertaken using a range of techniques and data sources:

- Data review: existing and future population; existing retail and service floorspace; existing and future available expenditure forecasts; tourism expenditure.
- Household survey (including both Aberdeen City & Aberdeenshire residents) and from recent surveys of residents in Moray and elsewhere.
- Market trends and review including both long-term trends including assessment of impacts associated with the post-Covid-19 pandemic recovery.
- Development of the Strategic Retail Model (SRM) – including the use of different growth and development scenarios.
- Review of existing retail centres – surveys and summary town centre health checks (vitality and viability).

Data Review

2.2. The accuracy of forecasts from the SRM is dependent on the quality of the data that is used for the model and reliability of expenditure forecasts. Data sources for the study are as follows.

Existing Retail Floorspace.

2.3. Disaggregated data was provided by the Grampian Regional Assessor for all retail units within the study area. All properties were reviewed to identify whether the principal use was for: convenience goods retailing; general comparison goods retailing; bulky goods retailing; retail, leisure and business services; and vacant retail goods/service units. The working definitions for these categories is as follows:

- *Convenience Goods.* Experian/Precisely Bowes Retail Expenditure Guide definitions have been adopted i.e.: food; alcoholic and non-alcoholic drinks; tobacco; non-durable household goods¹; and newspapers and magazines.
- *General Comparison Goods.* Experian/Precisely Bowes Retail Expenditure Guide definitions have been adopted i.e. books; clothing and footwear; audio visual goods (excluding those identified as bulky); chemists goods; jewellery etc; recreational goods and other miscellaneous goods (excluding those identified as bulky).
- *Bulky Comparison Goods.* Furniture and floor coverings; domestic appliances; repair/maintenance materials; tools/equipment for home and garden; garden plants/flowers; and limited other goods.
- *Services.* These reflect the current Goad survey categories and are subdivided to include: retail services; leisure services and business services:
 - *Retail services include health & beauty; opticians, post offices etc*
 - *Leisure services include: bars; cafes/restaurants; fast food take away; sports & leisure facilities*
 - *Business services include: building societies/banks; employment/careers, property services*

¹ Experian includes only 90% on non-durable household goods as convenience.

Population

- 2.4. Base line population has been primarily derived from National Records of Scotland (NRS) 2021 mid-year population estimates for data zones as well as the 2011 Census. This has been aggregated to provide population estimates for strategic model zones. Population forecasts for the two Council areas as a whole were provided from the NRS 2018-based forecasts for the authority areas. Population for model zones within the study area were adjusted to reflect housing allocations and completions identified in the adopted LDPs and the 2023 joint Housing Land Audit.

Available Expenditure, Growth and Special Forms of Trading

- 2.5. *Base Data.* Base data for expenditure for both retail and leisure spend has been provided by Experian for each of the model zones (see Appendix B). This sets out estimated expenditure for 2021 as the most recent available. Expenditure data for the base year (2023) was identified by applying national (UK) changes in expenditure between 2021 and 2023 using Experian Retail Planner Briefing Note 21 (RP21), published at the end of January 2024.
- 2.6. *Expenditure Forecasts.* RP21 identifies actual changes in expenditure from 2021 to 2023. There remains significant uncertainty regarding long-term forecasts (for both retail and leisure) as a result of both the long-term effects of the pandemic on retail/leisure expenditure and also the impacts of global events including the war in Ukraine. These forecasts take into account impacts on short-term inflation and, in the long term, the proportion of expenditure directed through special forms of trading (SFT) which, primarily, is the purchase of goods and services through the internet without recourse to conventional physical shops. The SRM has, therefore, considered a series of alternative growth scenarios based on the most recent expenditure and SFT forecasts generated by Experian in RP21:
- RP21 Central Case.
 - RP21 Optimistic Case.
 - RP21 Severe Case.
 - RP21 Very Severe Case
- 2.7. The Experian RP21 Central Case has been adopted as the central case for the SRM on the basis that this is consistent with the base data used for the model. Precisely (formerly Pitney Bowes) no longer publish expenditure forecasts and their most recent forecasts were published during the pandemic in 2021 and these are not considered to be sufficiently reliable given the major economic changes that have occurred since that date.
- 2.8. Section 3 includes a short summary of the changes in available expenditure identified in the last full review of retailing in the study area (2013 Aberdeen City and Aberdeenshire Retail Study²) and, although this identifies an uplift in expenditure between 2013 and 2023 this is much lower than forecast in the 2013 study.
- 2.9. Available expenditure per capita has been obtained for four broad sub-areas:
- Highland Aberdeenshire (Zones 1+3, 2 & 4+5 – see Figure 2.1)
 - North Coast Aberdeenshire (Zones 6-12)
 - Commuter Aberdeenshire (Zones 13-22, 19shire and 31)
 - City (Zones 19city, 23-30 and 32)

² The 2018 study focussed on floorspace and development within Aberdeen City and did not include new base data for either available expenditure or household survey patterns of expenditure – it relied on the expenditure data from the 2013 study.

- 2.10. *Special Forms of Trading.* The Experian expenditure forecasts also include assumptions regarding the growth of special forms of trading³. As will be demonstrated in Section 3 it appears that the pandemic may have had only limited long term impacts on expenditure growth for special forms of trading with current levels (as a proportion of total expenditure) returning to close to pre-pandemic trends albeit with a modest uplift (see Section 3). Post pandemic changes in SFT have been assessed as part of Experian’s RP21 and these forecasts included in in the SRM.

Tourism

- 2.11. Estimates for tourism expenditure in shops were derived from the 2022 STEAM data for both Councils for comparison goods and estimates of convenience goods spend is made by reference to UK national average convenience goods spend per day and occupancy rates for different types of accommodation in the study area. Separate STEAM reports are available for Aberdeen City and Aberdeenshire. The STEAM reports provide only limited trend information since they consider only 2019 and 2022 tourist data, although it is noted that 2022 was an important year for recovery and the data shows that economic impacts in 2022 were significantly higher than in 2019 (post-compared to pre-pandemic) for both authorities.

Household Surveys

Introduction

- 2.12. For undertaking strategic retail studies the use of extensive household surveys provides key information for accurately understanding the operation of retail patterns and estimates of actual retail turnover. These surveys are used to establish both behavioural and attitudinal information about retail habits in the study area.
- 2.13. Whereas household surveys of residents in the Study Area can identify expenditure by residents to locations within Aberdeen City, Aberdeenshire and also locations outwith the study area (i.e. “leakage”) it cannot identify spend within study area shops by those living outwith the area. To a significant degree this can be identified by extending the scope of the household survey to include surrounding areas (although this requires a judgement of the potential catchment area before the survey is implemented) but this will not identify spend from visitors to the area either from tourists or from day-visitors travelling from further afield. It has already been noted that certain areas of study area are important tourist and day-visitor destinations. The only reliable way to identify spend from these sources is through the use of extensive in-street surveys and/or surveys of tourists.
- 2.14. To address these issues the current study included the following:
- Household surveys of Aberdeen City and Aberdeenshire residents.
 - Interrogation of similar household surveys undertaken by NEMS/Hargest Planning Ltd during 2022 for residents in Moray.
 - Information from other nearby areas pre-pandemic including Dundee & Angus, Moray and the Highlands.
 - STEAM data for tourists and day visitors for the study area.
- 2.15. The only significant gap in expenditure data is associated with potential inflows of expenditure from residents in Angus, Orkney & Shetland and, to a more limited extent, the Highlands, since this is reliant on relatively old survey information. Allowance for this additional expenditure has been included in the SRM based on pre-pandemic retail study information.

³ Figures used in this study are those provided by Experian adjusted to take account of online sales serviced through existing shops (RP21 App 3).

Household Survey

- 2.16. The household survey was implemented between 4th December 2023 and 22nd January 2024 with 2506 completed interviews undertaken. The design of the survey was undertaken jointly by Hargest Planning Ltd and NEMS Market Research.
- 2.17. The principal benefit of the household survey is that it allows a reliable assessment of expenditure by residents of the study area which is directed to centres located both within and outwith the study area and also expenditure on "special" forms of retailing (SFT). The questions included in the survey are provided in Appendix C.

Scope of Household Survey

- 2.18. The survey covered a range of issues relating to shopping habits and in particular sought to establish the following:

Food Shopping

- In which shopping centre and which individual shops do respondents buy most of their household's main and top-up food and grocery shopping. Questions also asked about second choice locations for both categories.
- How often respondents undertake their food shopping trip
- Journey time and mode for travel to the food shopping destination
- The approximate amount spent on the last main food/top-up shopping trip
- Any other supermarket/ shop used for main food shopping
- Purchases using SFT (e.g. internet, telephone etc)

Shopping for Fresh Food

- Questions regarding shopping for fresh food including: frequency; ease of access; range; and affordability

Comparison Goods Shopping

- Questions were asked in relation to the following categories of non-food shopping:
 - Personal goods
 - Bulky goods
- Questions addressed the following issues:
 - Location of shopping for these types of goods (main shopping destination, next most important location and other locations)
 - Frequency of shopping trip
 - Purchases using SFT
 - Average spend per month in centres and using SFT

Views of Centres

- 2.19. All respondents were asked about views of Aberdeen City Centre. For other centres only residents living within relevant postcode sectors were asked about views regarding Banchory, Banff, Ellon,

Fraserburgh, Huntly, Inverurie, Peterhead, Portlethen, Rosemount, Stonehaven, Torry, Turriff and Westhill town centres together. Residents were asked to rate the following aspects of the centre:

- Frequency of visit
- Choice of shops for clothing, footwear
- Choice of shops for other personal goods (e.g., CDs, china, glass, jewellery etc)
- Choice of shops for furniture, floor coverings and large household electrical items
- Easy to travel to by car
- Easy to travel to by public transport
- Easy and cheap to park
- As an attractive place to visit for a shopping trips
- As a good place to combine shopping with other leisure activities (e.g. visit friends, the cinema etc)
- As a good place to combine shopping with other personal business (e.g. visit the bank/building society)

Control Information

- To ensure verification that the survey sample was representative information was also requested concerning the age of respondents and postcode sector.

Sampling

2.20. Figure 2.1 indicates the number of interviews completed by zone.

Figure 2.1: Household Survey Samples

Zone	Postcode Sectors	Sample	Zone	Postcode Sectors	Sample	
Zone 1+3: Upper Deeside	AB35 5	70	Zone 19 Banchory & Culter	AB14 0 A'shire	80	
	AB34 4			AB31 5 A'shire		
	AB34 5			AB13 0		
Zone 2: Alford	AB33 8	70		AB14 0 Ab City		
	AB36 8			AB31 5 Ab City		
Zone 4+5: Huntly & Inch	AB54 4 A'shire	82	Zone 20E and W:Newtonhill + Chapelton, S deeside	AB31 6	80	
	AB54 8			AB39 3		
	AB55 5 A'shire		Zone 21: Stonehaven	AB39 2	80	
	AB52 6		Zone 22: Mearns	AB30 1 A'shire	80	
	AB54 6			DD10 0		
Zone 6: Turriff, Aberchirder	AB53 4	70		DD9 7 A'shire	69	
	AB54 7 A'shire		Zone 23: Bridge of Don	AB23 8 Ab City		
Zone 7: Banff & Macduff	AB44 1	80	Zone 24N: Dyce	AB21 0 Ab City	70	
	AB45 1			AB21 7 Ab City		
	AB45 2 A'shire		Zone 24S: Bucksburn	AB21 9	70	
	AB45 3		Zone 25: Danestone	AB22 8	81	
	AB56 4 A'shire		Zone 26: Old Aberdeen	AB24 1	100	
Zone 8: Gardenstown Rural	AB53 5	50		AB24 2		
	AB53 6			AB24 3		
	Zone 9: Fyvie Rural	AB51 8		53		AB24 4
AB53 8		AB24 5				
Zone 10: Fraserburgh	AB43 6	80	Zone 27: Cornhill	AB25 1	80	
	AB43 7			AB25 2		
	AB43 8			AB25 3		
	AB43 9		Zone 28: Northfield	AB16 5	100	
Zone 11: Peterhead	AB42 0	80		AB16 6		
	AB42 1			AB16 7		
	AB42 2	Zone 29N: Kingswells	AB10 7	100		
	AB42 3		AB15 7			
Zone 12: Mintlaw	AB42 4		70		AB15 9	
	AB42 5	Zone 29S: Hazlehead	AB15 4	100		
Zone 13: Ellon	AB41 7		80		AB15 5	
	AB41 8				AB15 6	
	AB41 9				AB15 8 Ab City	
Zone 14: Balmedie	AB23 8 A'shire		70		AB32 6 Ab City	
	AB41 6	Zone 30: Central Aberdeen	AB10 1	100		
Zone 15: Oldmeldrum - Kintore	AB21 0 A'shire		80		AB10 6	
	AB21 7 A'shire				AB11 5	
	AB51 0				AB11 6	
Zone 16: Inverurie - Kemnay	AB51 3		80		AB11 7	
	AB51 4				AB11 8	
	AB51 5				AB11 9	
Zone 17: Torphins	AB31 4	70	Zone 31: Portlethen	AB12 3 A'shire	70	
	AB51 7			AB12 4		
Zone 18: Westhill and rural	AB15 8 A'shire	81		AB12 5 A'shire	80	
	AB32 6 A'shire		Zone 32: Cove Bay	AB12 3 Ab City		
	AB32 7			AB12 5 Ab City		
Total					2506	

Strategic Retail Model

- 2.21. The purpose of the Strategic Retail Model (SRM) is to provide an analysis of the balance between demand and supply for retail expenditure/turnover within the study area for the period 2023-2038. The model is not a retail capacity model (i.e. based on the use of notional average levels of turnover achieved by retail floorspace) but identifies actual turnover levels achieved in existing/future floorspace.
- 2.22. *Retail Demand.* Retail demand is expressed through changes in available expenditure arising from residents and visitors to the study area. The primary focus is on expenditure directed to the purchase of goods through conventional retail floorspace and therefore account is taken of

expenditure demand that occurs through other “special forms” of retail trading including the internet. Demand also takes into account potential net inflows of expenditure from residents outwith the study area including Moray, Dundee & Angus and from tourists and day visitors.

2.23. *Retail Supply.* Retail supply is the retail turnover within existing and committed retail floorspace. It includes:

- Turnover in existing shops.
- Turnover in “committed” future retail floorspace. Committed floorspace is that benefitting from extant planning consent but is unimplemented – it should be noted, however, that the only committed retail floorspace identified in 2023 was:
 - Aberdeen Market
 - Aldi, Macduff
 - Farmfoods, Inverurie
 - Wickes, Westhill
 - Banchory retail park: Lidl, M&S Food and Home Bargains
 - Haudagain, Aberdeen - Porcelanosa
- Purchases of goods through special forms of trading – as noted, this is discounted in the model.
- Expenditure leakage – i.e. purchases of goods through shops outwith the study area.

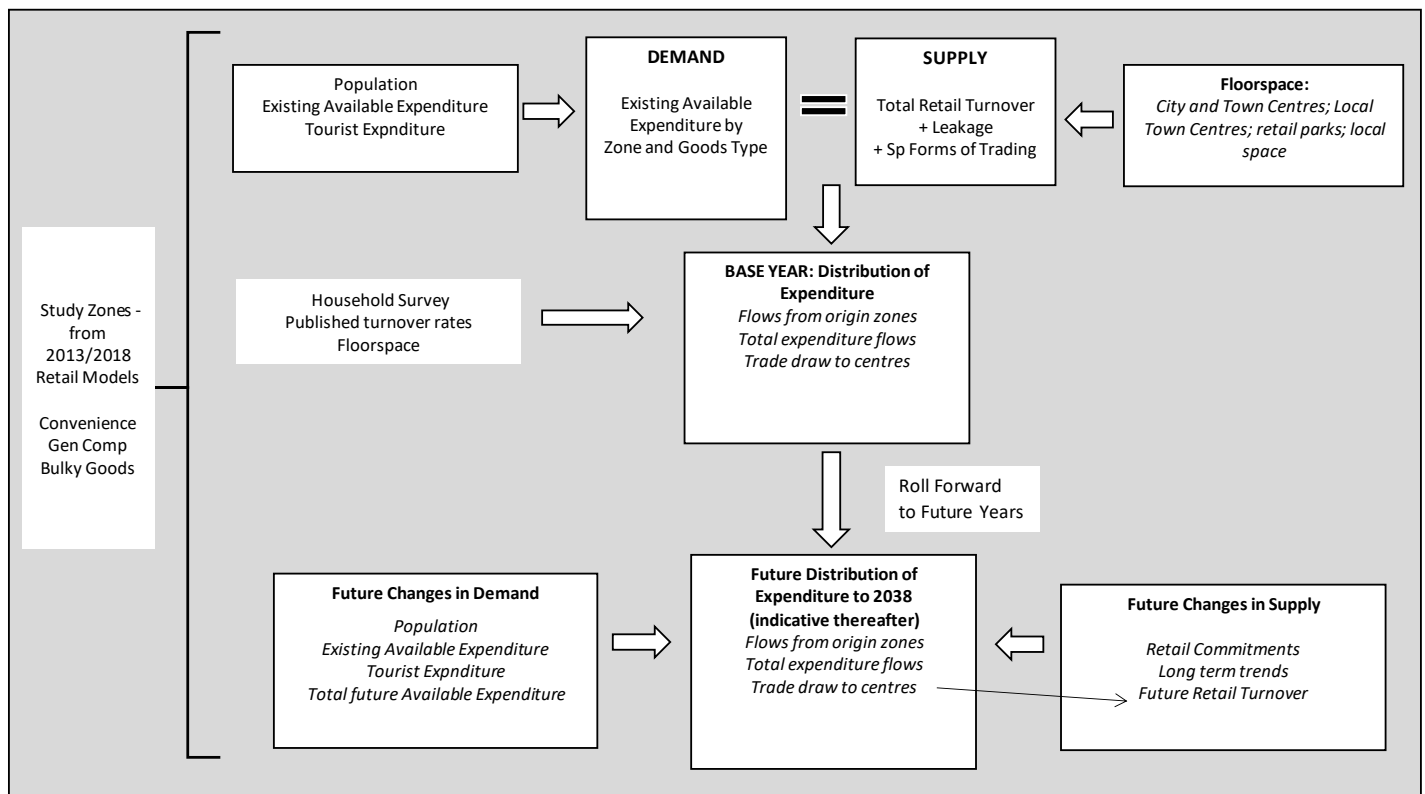
2.24. Changes in retail demand are identified in the model for future years in terms of new floorspace turnover and changes in turnover in existing retail floorspace (i.e. changes in sales densities).

2.25. The principal components of the model are as follows:

- Use of 34 zones within the study area. These are used to identify areas of broadly similar retail characteristics and form the basic units for the identification of both retail demand and supply. The zones adopted are those used in earlier retail studies for Aberdeen City and Aberdeenshire although Zone 19, which previously straddled the councils’ boundary has been split to Zone 19 Shire (i.e. Banchory town centre and areas east) and Zone 19 City (primarily Peterculter).
- Identification of demand through population forecasts and forecasts of changes in available expenditure per capita.
- Disaggregation of retail into three broad categories – convenience, general comparison and bulky goods. The study does *not* address the purchase of retail etc services nor other leisure spend.
- Identification of expenditure flows between study zones (and to/from external locations). These flows are estimates from a combination of: household survey data; existing/committed retail floorspace; and future changes in patterns of expenditure flow (as a sensitivity test).
- Broad distribution of retail expenditure to existing/committed floorspace within general retail locations.

2.26. These issues are considered in further detail below. The overall structure of the model is set out in Figure 2.2.

Figure 2.2: Structure of Strategic Retail Model



Model Zones

- 2.27. As noted above the study area has been divided into 34 Zones and reflect those used in previous retail studies for the area. Postcode sectors corresponding to these zones has been used as the basis for analysis (i.e. for each of the household survey, population, available expenditure and retail floorspace) for the SRM. Figures 2.3 (for the City) 2.4 (for Aberdeenshire) show the location of the Zones within the study area.

Figure 2.3: Aberdeen City - Strategic Model Zones

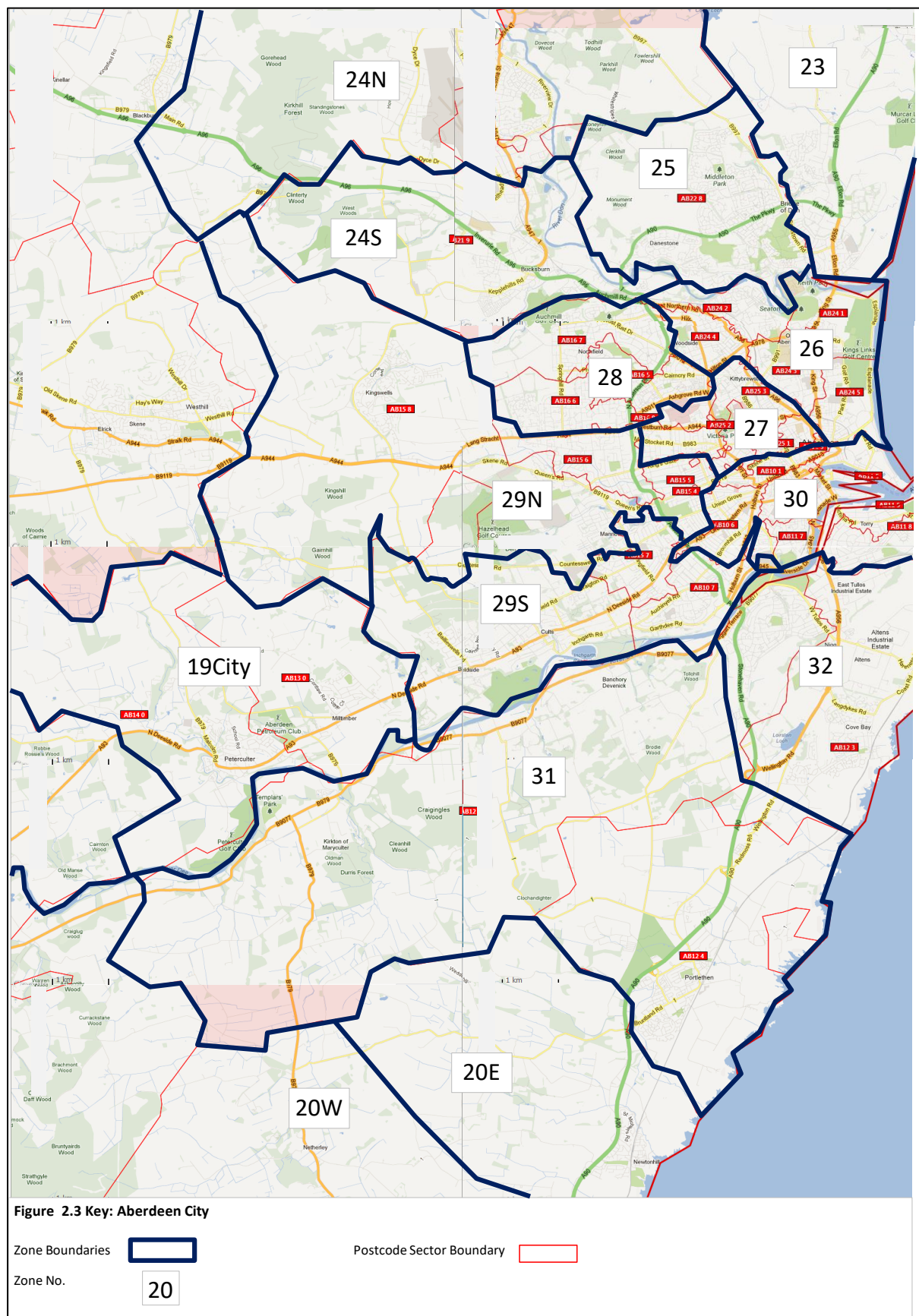


Figure 2.4: Aberdeenshire - Strategic Model Zones

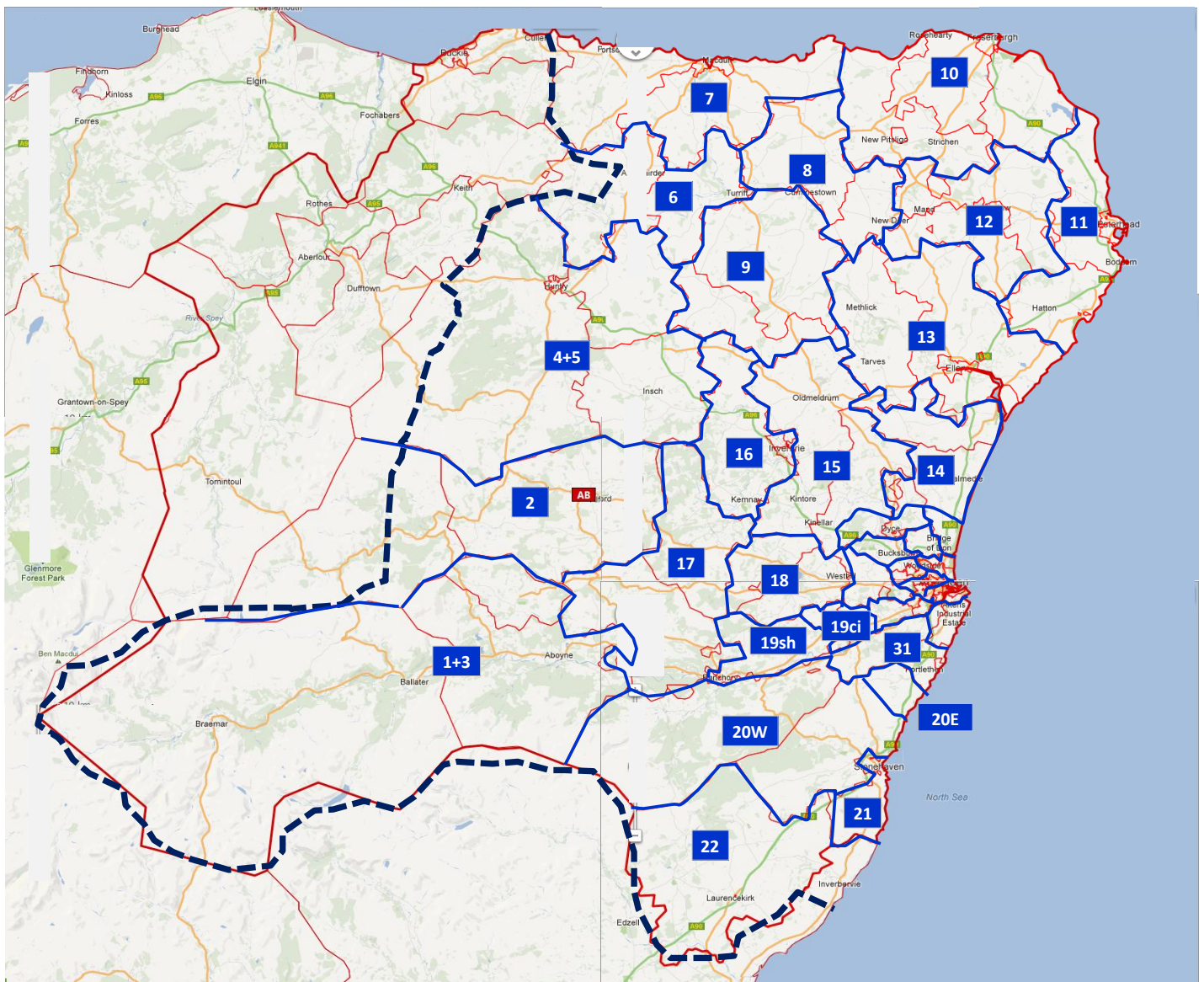


Figure 2.4 Key: Aberdeenshire

Zone Boundaries	
Zone Number	
Study Area Boundary (approx)	
Postcode sector boundary	

3. Retail and Leisure Trends

Overview of Retail and Leisure Sectors in Scotland

Retail Sales

- 3.1. Figure 3.1 sets out the latest available data on retail sales in Scotland published by the Scottish Government, which is only available up to 2019. The table shows that the average growth (value basis) was 2.3% per annum whereas, by way of comparison, the equivalent UK figure was 3.0% pa for the same period.

Figure 3.1: Scottish Retail Sales Index (Scottish Government)

Scotland, 2008 to 2019		2016=100	
	Total Retail Sales		
	Quantity (volume)	Value	Implied Deflator
2008	92.3	84.0	91.0
2009	93.2	86.6	92.9
2010	93.6	89.8	95.9
2011	92.0	92.2	100.3
2012	91.5	93.6	102.3
2013	94.5	98.3	103.9
2014	95.9	99.4	103.7
2015	97.8	99.2	101.4
2016	100.0	100.0	100.0
2017	100.9	103.3	102.4
2018	102.0	106.1	104.0
2019	103.1	107.9	104.6

Retail Turnover, Employment and Output

- 3.2. The Scottish Annual Business Survey (SABS) provides estimates of numbers of retail units, employment and output for Scotland as a whole and for individual authorities. Since this is based on a sample of businesses it is subject to some fluctuation from year-to-year, nonetheless the figure shows that there are clear patterns emerging:

Scotland

- There are over 22,000 retail units within Scotland but this has declined steadily since 2008 – a 7.5% decline over 14 years.
- Total employment, i.e. including both employees and self-employed, totals 238,000 in 2022 and this has also declined since 2008 – a total reduction in employment of 21,500 or 8.3%.
- Total retail turnover is broadly flat between 2008 and 2022. However, this should be treated with caution – there is significant variation from year to year and 2022 was still affected by the pandemic.
- GVA per capita increased to 2012 but has since declined and 2022 values are close to those identified in 2008. The lack of increases in efficiencies in output per head over this period is in marked contrast to the position for the Scottish economy as a whole (which grew at 1.0% per annum between 2008 and 2022⁴).

⁴ Scottish Government, Labour Productivity Statistics 2022 – July 2023

- GVA productivity per head is very low compared to the remainder of the Scottish economy – typically only about half of the Scottish average and indicates a relatively low wage economic sector.

Aberdeen City and Aberdeenshire

- 3.3. In general, SABS data indicates a similar pattern to that identified for Scotland as a whole but with a more rapid contraction of the sector:
- For Aberdeen City: no. of retail units is identified to have reduced by -12%; employment by -20%; turnover by -13% and GVA by -40%. Output per head is between 23% and 43% of the Council average.
 - For Aberdeenshire: no. of retail units is identified to have reduced by -17%; employment by -7%; turnover by only -1%; and GVA by 21%. Output per head is between 50% and 60% of the Council average.
- 3.4. The reduction in turnover for the City is consistent with the findings of the SRM and turnover reduction identified for the City Centre in particular.
- 3.5. In 2020 6.8% of total employment in Aberdeen City and 9.1% in Aberdeenshire was in retail – these are both lower than the national average (Scotland) of 9.5%. By way of comparison Dundee City, Angus and Moray all reported higher proportions of retail employment at 10.7%, 11.1% and 10.8% respectively.

Leisure Turnover, Employment and Output

- 3.6. SABS data is available for each of: accommodation; food and beverage service activities; and arts, entertainment and recreation.

Scotland

- In 2020 it was estimated that there were slightly more leisure businesses in Scotland than in the retail trade.
- Leisure units had *increased* in number between 2008 and 2019 – from 239, 000 to 258,000. There was, a significant drop from 2019 to 2020 due to the effects of the pandemic (reduction of 26,000).
- Total employment in leisure is now slightly higher than for retail.
- Gross value added for the leisure sector was particularly low, averaging only about 31% GVA per head of the Scottish average identified in SABS – this is significantly lower than for retail.

Aberdeen City

- 3.7. In 2020 it was estimated that there were significantly more leisure businesses in Aberdeen than in the retail trade (1087 compared to 838). In 2008 there were more retail businesses than leisure ones. In 2022 leisure accounted for 10% of total employment of the categories covered in the SABS survey.

Aberdeenshire

- 3.8. As with Aberdeen City there were significantly more leisure businesses in Aberdeenshire in 2020 than in the retail trade (922 compared to 835). In 2008 there were significantly more retail businesses than leisure ones. In 2022 leisure accounted for only 7% of total employment of the categories covered in the SABS survey.
- 3.9. In overall terms, and excluding the effects of Covid-19 on the 2020 data, it is apparent that there was significant growth in the leisure sector between 2008 and 2020, both at the Scottish level and in the study area.

Long Term Drivers of Change in Retailing

3.10. Retailing has been subject to a number of long term changes that have affected the structure of the industry and the location and size of retail units. Long term drivers of change in retailing up to 2008, which are still relevant today, include:

- For a long period between the 1960s and the commencement of the recession in 2008 there was sustained long term growth in expenditure. This supported substantial retail expansion in terms of numbers and sizes of retail units.
- The industry has always been typified by innovation and change. This included shifts in the location of retail units (e.g. growth of out-of-centre locations including freestanding stores and retail parks) and increased sizes of units – especially in superstores with a wider range of products for sale.
- Market concentration. This has manifested in a number of ways including: larger sizes of individual retail units; concentration in larger retail centres (both town/city centres and out-of-centre); and in terms of business concentration with fewer national/international businesses taking a larger market share.

3.11. The causes of this change include:

- Increasing consumer affluence driving increased demand and market expansion.
- Technological developments, supporting:
 - logistics improvements (supporting efficiencies in larger businesses);
 - IT – including knowledge of consumer spending habits and preferences through loyalty cards and similar
 - Support for product innovation through analysis of changing market demands
 - Support for the rapid growth of internet-based retail. This has grown to become a dominant factor affecting the rate and direction of future growth including, for example, underpinning multi-channel retailing.
- Globalisation supporting larger international retail operators present in different markets throughout the world benefitting from economies of scale.
- Changing consumer behaviour and priorities – whereas this previously supported out-of-centre retail and larger unit floorplates, more recently consumer pressure has shifted back to more individual, personal and local retail provision. Retailer flexibility in being able to respond to consumer changing preferences is key for the future success of retail businesses and includes factors such as:
 - the location and size of retail units (for example changing attitudes to large format stores);
 - ranges and types of goods sold (e.g. rise of vegan products; rise and decline of organic produce; ethical and sustainable trading practices; disposable fashion and so on).
 - focussing on the quality of the consumer experience or, alternatively, the importance of discount brands;
 - mixing retail with leisure and entertainment in one venue (i.e. the boundaries between retail and leisure, in particular, are increasingly less well defined).
 - Changing consumer preferences away from acquiring goods (dominant up to 2000s) to a greater focus on experience and the self – this has, arguably, shifted expenditure from spending on shops to entertainment and leisure.

3.12. The retail industry has been relatively quick in adopting new technology and this has influenced the above drivers of change. For example, technological developments in the 1990s and 2000s

strengthened the role of large multiple retailers who were able to exploit advantages of scale. However, continued technological development has, more recently, shifted the balance of power with retailing firmly into the control of the consumer, or at least those consumers who are actively engaged with the internet and social media. Now consumers can, even in a store, check prices and products in competitors (either physical or virtual) and have access to a far wider range of products than was previously possible, supplied from almost any location in the world. How the retail industry reacts to these changes is critical for the future of the industry, and this applies just as much to large national multiples in major city centres as to small independents serving local and rural markets.

Impact of Covid-19 on Retail & Leisure 2020-21

- 3.13. During 2020 and 2021 the disruptive effects arising from the social restrictions imposed during the Covid-19 pandemic had dramatic effects on the retail and leisure sectors. The impacts were profound and, although they appear to have been short-term, there remains a degree of uncertainty as to whether the restrictions have had longer term impacts on consumer behaviour. In overall terms it could be considered that the impacts on leisure were more straightforward than for retail – the closure of all leisure for much of the pandemic effectively froze commercial/indoor leisure activities and this was only initially relaxed in April 2021.

“Essential” Retail

- 3.14. A key factor underpinning the varying impacts of the pandemic on retail was the distinction between “essential” and other retail. Immediately following the imposition of restrictions in March 2020 approximately 75% of all retail units were deemed “non-essential” and were required to close. The principal categories permitted to remain open included:
- Convenience goods: food/grocery shops; newsagents
 - Comparison: bike shops; garden centres; baby equipment; homeware; chemists
- 3.15. This immediately created a significant variation in types of location that had open retail units. Savills identified that, whereas 61% of retail units were able to remain trading in out-of-centre locations (retail parks and freestanding large units) the proportion in High Street locations was only 37% and just 25% were permitted in shopping centres. As a result of this, lockdown restrictions adversely affected traditional town centre and shopping centres locations to a much greater degree than out-of-centre locations or local shopping. Larger town centres, which have a relatively high proportion of comparison goods retailing, services and purpose-built shopping centres, in effect, closed down. In contrast, supermarkets and superstores were busy (albeit with social-distancing restrictions).

Internet Sales

- 3.16. As a result of social restrictions in 2020 there was a surge in on-line sales which further increased with later stages of lockdown during 2021. Although the use of the internet as a major sales channel enabled many retailers to continue to trade, this reduced retailers’ margins – additional costs were associated with delivery services, need to manage staff for implementing click and collect/deliveries, higher levels of product returns, as well as the development and maintenance of online platforms. For comparison retailers with a well-developed internet presence prior to the start of the pandemic online sales compensated for loss of physical sales – for example Next reported only a 0.5% reduction in sales.

Impact on Vacancies

- 3.17. Data from the Local Data Company (LDC) indicates that vacancies increased from 12.4% in High Street locations to 14.5% at its highest during the pandemic (H1 2021). Peak vacancy rates in the pandemic for shopping centres were identified by LDC to be 19.4% which compared to 11.5% for retail parks.

- 3.18. Even if there were fewer closures than expected at that time, LDC data showed that the pandemic resulted in a suppression of new store openings – they identified 39,060 unit openings in 2020 which is the lowest recorded since 2013.

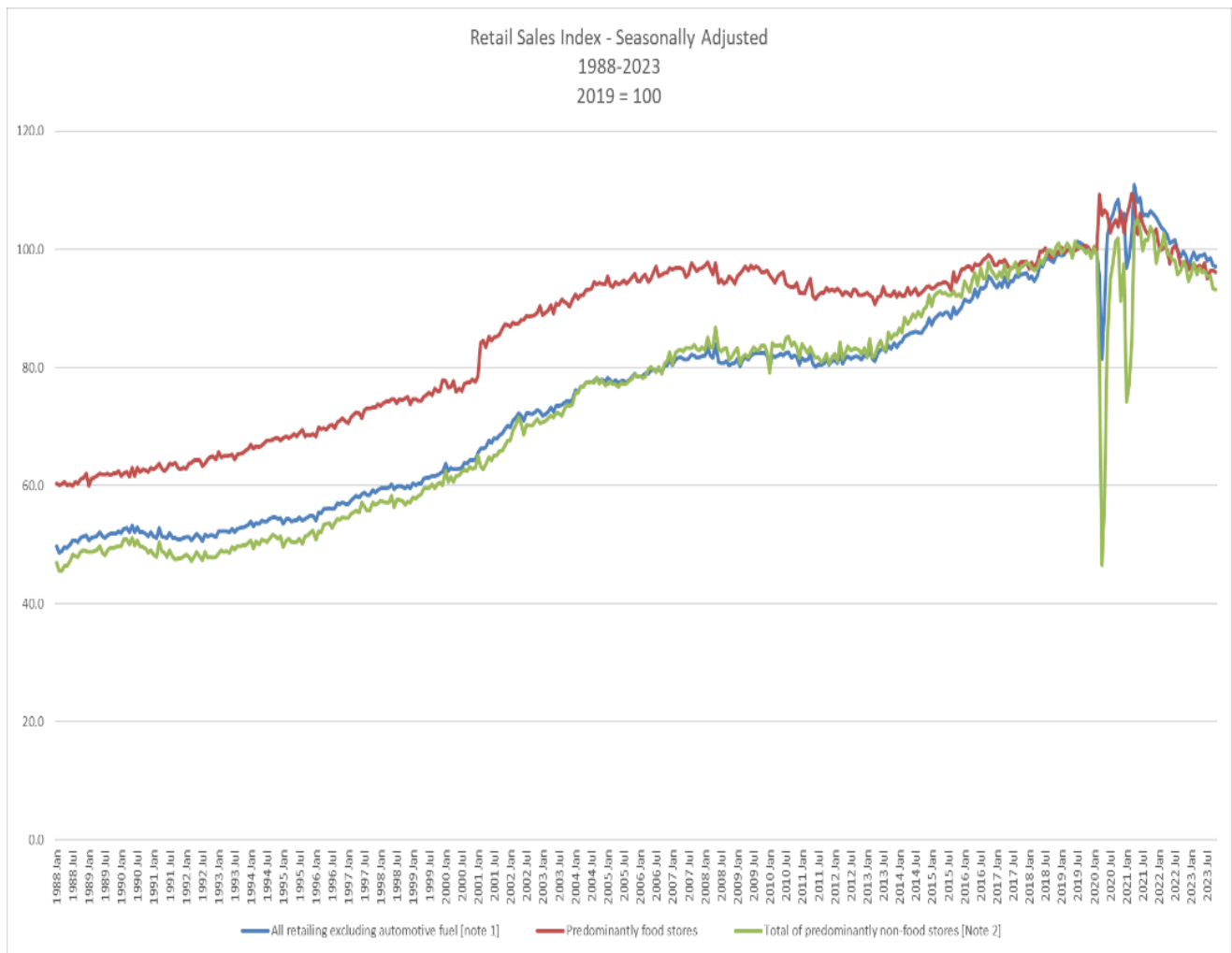
Impacts on Rents and Yields

- 3.19. The reduction in demand for premises during the pandemic resulted in a significant downward pressure on rents and, due to reduced expectation for future rental levels, on yields as well. The softening of yields across all categories resulted in a reduction in asset value especially if this is combined with reduced rents.
- 3.20. In overall terms, therefore, for the retail sector as a whole across the UK, the pandemic resulted in serious negative market impacts. However, these impacts appear to be short-term, not only in terms of overall vacancies but in other market indicators. In 2021 Savills reported a significant increase in numbers of lettings compared to 2020, presumably as a result of the release of suppressed demand. However, it is notable that whereas there was a resurgence in letting activity in 2022, rents were at significantly lower levels. Volume 2 illustrates this for Aberdeen City Centre, although it is also notable that in a limited number of cases prime rents have been identified to be returning close to pre-pandemic levels.

Retail Expenditure

- 3.21. Figure 3.2 identifies overall retail sales growth (current prices) for the period 2003 to 2023 (source: ONS). This figure illustrates the scale of the disruption that occurred during the pandemic lockdowns/social restriction measures in the context of overall growth and change in the long term. The graph identifies total retail sales (volume-based), including both petrol and online sales, and are seasonally adjusted. The figure shows:
- Steady growth in both food and non-food stores to 2007 i.e. prior to the “Great Financial Crisis” (GFC) in 2008. Average growth to 2008 equated to over 3.0% per annum (all goods) (volume-basis) with significantly higher growth rates for non-food goods compared to food goods.
 - Flattening/decline during and following the GFC and sustained recovery not occurring until 2015/2016 which continued up until February 2020.
 - Major disruption immediately following the onset of social restrictions associated with the pandemic – a sustained boost for grocery sales until late 2021 and a substantial adverse impact on non-food sales until Spring-Summer 2021 but with some “bounce-back” in the latter part of 2021.
 - Slight but sustained decline since the Summer 2021 to the present day. Further comment on the differences between the value and volume of sales and the impact of inflation is provided below.

Figure 3.2: NSO Retail Sales Index 2003-2018

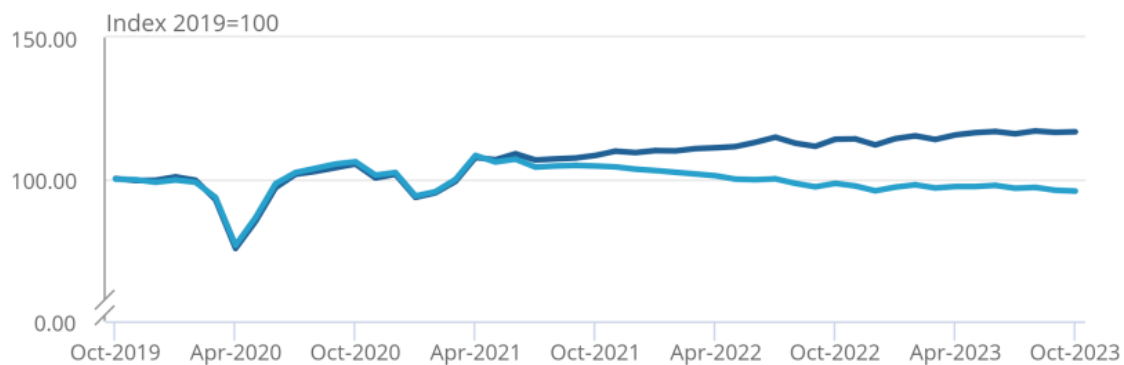


- 3.22. The period 2008-2013 exhibited generally slow growth in all retail sectors and, for certain years, significant decline in the volume of sales. This primarily reflected the impact of the GFC recession on household spending. The UK economy only reached its pre-recession GDP peak in late 2016. After 2013 there was a significant recovery. Overall economic growth was significant but the pressure on average earnings had been such that income, in real terms, only reached 2008 levels in 2018. The squeeze on income and expenditure meant that retailers were forced to be more competitive with the result that retail inflation between 2013 and 2018 was effectively nil (averaging 0.4% pa for convenience goods and 0.0% for comparison goods) which was assisted by increased sourcing of low cost goods from Asian countries. The inability of retailers to be able to raise prices at a time when their costs were steadily rising in line with, or greater than, general inflation (for example as a result of the National Living Wage) resulted in a serious profit squeeze on many retailers. This was a major factor in the struggles faced by many operators during that period. A second key factor was the continued growth of internet sales which is considered in detail below but, in summary, internet-based sales for retail goods rose from 9% of total sales in 2008 to 24% in 2018.
- 3.23. The period from 2018 up to the pandemic reflected a significant recovery – inflation returned for both convenience and comparison goods (although it remained at historic low levels) and there was significant growth in sales for comparison goods in particular.
- 3.24. Since the pandemic a key feature has been the impact of inflation, a factor which has largely been absent in retailing over the preceding 15 years. This has resulted in the *value* of retail sales in

current prices increasing since 2021 even though the *volume* of sales (i.e. in constant price terms) decreased. This is shown in Figure 3.3 for all goods.

Figure 3.3: impact of Inflation on Retail Sales (ONS)

Volume and value sales, seasonally adjusted, Great Britain, October 2019 to October 2023



Leisure Expenditure

- 3.25. Data on leisure expenditure is provided by Experian based on ONS data. Experian identify that, for 2012-2022 whereas all retail spend grew, on average, at 1.9% per annum (volume basis), leisure grew at only 0.8% per annum.

Expenditure Growth and Forecasts

Retail

- 3.26. The latest Experian forecasts of expenditure growth were published in January 2024 (RP21) whereas the last Precisely forecasts were published in November 2021 and therefore are not able to take into account the post-pandemic recovery nor the impact of other major global events that have affected the wider economy and inflation. The key points from these sets of forecasts are:
- Both Precisely and Experian forecast long term growth in available expenditure – that is they assume that the decline identified in the latest ONS data will be temporary.
 - Future expenditure growth in real terms for convenience goods will be low but there is a significant difference between the Precisely (0.8% pa) and Experian (0.03% pa) forecasts.
 - Expenditure growth for comparison goods is forecast to be significantly lower than identified prior to 2008 but, in this case, Experian has higher forecasts (2.7% pa) compared to Precisely (1.7% pa).
- 3.27. Experian also produce four different growth scenarios; Central; Higher; Severe and Very Severe. The expenditure forecasts for all goods per head ranges from +1.1% pa (2023-2040) to +1.7% pa for the (central is +1.5% pa).

Leisure

- 3.28. Latest Experian forecasts (Jan 2024) identify total leisure sales to grow at 0.8% pa from 2023 to 2030 and 0.9% for 2030 to 2040.

Recent Changes in the Retail and Leisure Sectors - UK

Changes in Numbers of Units and Vacancies

- 3.29. LDC identify changes in numbers and types of retail and leisure units at the UK level. The key changes identified include:
- On average there has been a net loss of 3000 retail and leisure units in the UK per year since 2014.
 - The greatest net loss of units has been for comparison goods retailing (averaging 2000 pa), the average loss for convenience shops is 550 pa, leisure 200 pa and other services is 185pa.
 - Vacancy rates:
 - These vary significantly between types of location with UK vacancies in 2023 running at 17.8% in shopping centres, 13.9% in High Streets and 8.1% in retail parks.
 - Vacancy rates peaked in H1 2021 and have since reduced for all locations although vacancies remain higher in shopping centres and High Streets compared to pre-pandemic levels whereas in retail parks they were lower in late 2023 than pre-pandemic levels.
 - Vacancies in Scotland were identified to average 16% in Scotland (14% in UK) and LDC identify Scotland to be the only part of Great Britain with increasing vacancy rates. Gravis/HPL surveys elsewhere in Scotland do *not* support this LDC finding but identify vacancy rates to have fallen since 2021.

Market Concentration

- 3.30. There has been a long term trend towards market concentration including a spatial concentration in the largest centres and cities. This includes:
- Continued market concentration favouring growth in the largest retail centres which will increase their market dominance and continue to attract investment.
 - Middle sized centres are likely to experience significant relative and absolute decline in demand for retail units and space. These centres are most likely to suffer as a result of administrations and CVAs leading to closure of existing multiple operators and demand from local and independent retailers is unlikely to compensate for this decline.
 - Small retail centres are likely to be largely resilient to change although there is likely to be a continuing shift from retail goods shops to retail and leisure services continuing a long-term trend which has been prevalent over the past 20 years or more. Their resilience reflects the importance of local/walk-in trade (especially for services) and reflects changing lifestyle and habits – especially in urban areas.
- 3.31. Greatest retail demand continues for prime pitches with secondary and tertiary pitches declining both relative to the prime pitches and in absolute terms. This has been most prominent with national and international multiple retailers, especially in fashion sectors. These businesses have typically invested heavily in multi-channel retailing (i.e. combining store-based with online sales) with the result that they (who are frequently major anchors in centres) see the need for fewer stores to reach the bulk of their market. They have, therefore, increasingly focussed on the largest centres but, in these centres, they are attracted to larger units in order to display their full product range. Despite this there is increasing recognition that the physical store network continues to play an important role in servicing their online presence, in effect through marketing their brand. Clearly not all operators have adopted this strategy (notably Gap closed all stores and focused its business online).

- 3.32. This trend of market concentration in larger centres predates the pandemic and is a key factor in the problems affecting shopping centres compared to other locations. Shopping centres have, traditionally, relied on multiples especially for comparison goods (i.e., predominantly clothing and fashion) who are the occupiers most likely to have “right-sized” their estate by reducing their presence in secondary markets. Therefore, shopping centres in market towns, suburban locations and weak locations within larger centres have seen greatest increases in vacancies as seen in the LDC data. A key challenge for these centres is to attract new occupiers who have increasingly been food retailers, non-food discounters, independent traders and non-retail, including leisure, uses. Where this has not been successful centres have been subject to proposals for complete or partial redevelopment.
- 3.33. Although this trend is particularly pronounced in shopping centres it is also prevalent in High Street locations and, to a lesser degree in retail parks, although the size and configuration of units in the latter makes them particularly attractive to food and non-food discounters, gyms and other leisure uses. This has been a key factor why retail parks have sought to derestrict the ranges of goods permitted to be sold to allow these operators to take space within retail parks.

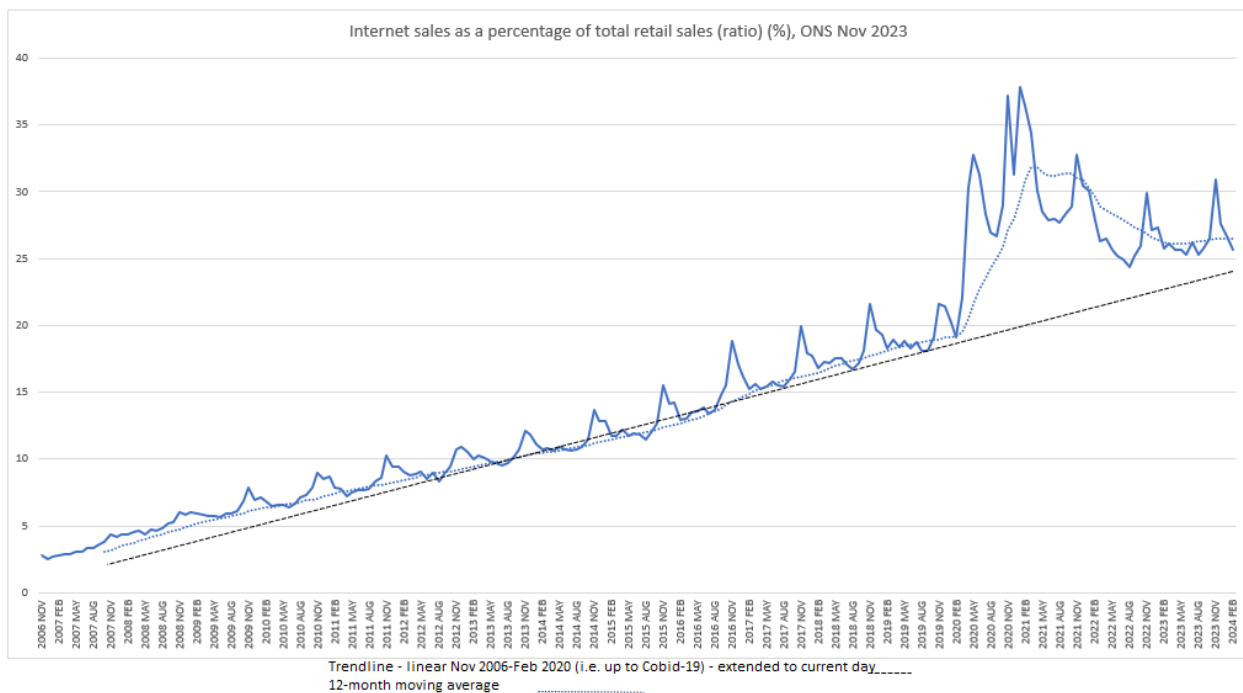
Internet-based Retail

- 3.34. The significance of the internet for retail activity (“online retail” or “e-retail”) has been apparent for the last two decades although over the past 10 years it has taken on a substantial proportion of total retail spend. Furthermore, the internet has also become increasingly important for the provision of services, or at least as a means of ordering leisure products (particularly food and drink and for e-tickets for entertainment). Whereas the internet results in a reduced need to visit shops for the purchase of goods, its impact on leisure services is less significant - with the notable exception of food and drink which can be ordered online and delivered direct to the home, most other forms of leisure still have to be “consumed” at the place the service is delivered (e.g. gym, hotel and so on).

Online Retail in 2023

- 3.35. The latest ONS data for internet sales (Feb 2024) identifies that 25.7% of all retail expenditure is undertaken online. During the pandemic this figure reached a peak of 37.2% (Nov 2020). Figure 3.4 identifies the growth of internet sales from 2006 to Feb 2024.

Figure 3.4: Internet Sales (ONS definitions)



- 3.36. The key feature from the figure is that the high levels of online retail experienced during the lockdown periods have *not* been sustained. Plotted on the figure is a simple linear regression based on online retail growth from 2006 to February 2020, i.e. immediately prior to the initial lockdown. This shows that recent levels of online retail are close to the position had the pre-covid trends continued. This would suggest, very tentatively, that, although online retail continues to grow in importance, the pandemic has not fundamentally affected its rate of growth. It is, however, important to stress that it is still too early to assess what the long term effects of the pandemic will be on this form of retailing.

Online Retail Forecasts

- 3.37. Prior to the pandemic it was already very difficult to forecast the growth of online retail in the UK because the country was already ahead of other countries in terms of online retail market penetration i.e. there was no other country to consider for assessing a future trajectory for growth. This difficulty remains in 2024. However, this is now further complicated by the fact is that, notwithstanding the comments above, it is still not possible to establish how the growth of online retail has been affected by changing consumer behaviour during and following the pandemic.
- 3.38. Unlike ONS estimates on online sales, Experian and Precisely forecasts of online sales growth exclude both major non-retail services (such as travel etc) and take account of the fact that much online sales trade is serviced through physical stores.
- 3.39. Despite the fact that the forecasts by Experian and Precisely have been generated at different stages of the post-pandemic recovery the long term forecasts for convenience goods are very similar at 7.4% to 7.9% of sales being online in 2039 (allowing for online sales serviced through existing shops). For comparison goods it is notable that, whereas the unadjusted figures are similar for these organisation (40% compared to 42% in 2038) only Experian makes an adjustment for online sales through shops. As a result, Experian figures are significantly lower with this adjustment (30% of total sales in 2039). Particularly significant is that both forecasting organisations assume that the proportion of sales made online will effectively plateau in the mid-2030s.

Retail and Leisure Market Sectors

Grocery and Convenience Retail

3.40. Key trends in grocery retail that have been apparent since 2008 include:

- Limited growth of grocery superstores – markets were largely saturated by 2008 limiting the potential for new sites and stores. It is notable that, following its sale by Walmart in 2021, ASDA is now seeking a limited number of new superstore sites (with 15 currently programmed for the UK).
- Increased consumer willingness to shop locally (whether from home or place of work) has resulted in reduced loss of convenience-format stores in the early 2000s and, more recently, significant numbers of new entrants into this market, including both independent chains and the “big-4” majors have expanded their presence in this market. These new stores are, primarily, located in urban areas but smaller rural communities and suburban locations have also been included.
- There has, therefore, been stabilisation in the c-format stores market. The Scottish Grocers Federation estimate there are 5171 convenience-format stores in Scotland - 70% are operated by independents (39% unaffiliated and 31% in Symbol groups); and 30% are multiples (23% operated as part of the “Big-4” and 7% are Co-op).
- Rapid growth of mid-sized supermarkets. This includes: Lidl; Aldi, M&S Food; Iceland (esp Food Warehouse format); and Farmfoods. These are for units typically between 750 and 2100 sq m GFA. The Co-op has actively developed stores at ca. 500 sq m GFA to serve rural markets in Scotland.

Discounters

3.41. Discounters include both food (e.g. Aldi, Lidl) but, perhaps even more important for centres, non-food discounters where there are numerous operators (e.g. B&M, Poundland, The Range etc). Demand for “value” retail continues not only from consumers but also landlords and investors. Notwithstanding the demise of Poundworld and Wilko, value retail in all sectors (food, home goods, fashion etc) has continued to be a driver of demand for retail space. Public attitudes to discounters has changed radically since 2008 to the extent that undertaking shopping in these can be seen as not only acceptable but even positive (in some respects the same trend has happened with charity shops). This supports the financial strength of these tenants with the result that they now provide some of the strongest retail covenants for landlords. In many cases food and non-food discounters can anchor retail developments and can be located adjacent to more aspirational brands (for example positioning a Home Bargains adjacent to an M&S Foodhall).

Department Stores

3.42. Department stores have been struggling for a number of years as their relevance as a single destination shopping location has steadily become less competitive compared to retail parks, large superstores and the internet. The demise of Debenhams is symptomatic of these challenges which were exacerbated with the pandemic restrictions. The closure of John Lewis in Aberdeen city centre may also reflect unique issues associated with a combination of high transport costs to Aberdeen (as reported in the press attributed to JL management) and a shift of the prime retail focus of the City Centre to Union Square and away from Bon Accord/union Street.

Shopping Centres

3.43. Shopping centres have been particularly adversely affected by the retrenchment of clothing and footwear multiples into larger centres as a result of their combining both physical stores within a strong online presence for achieving market penetration.

- 3.44. Within the study area the only covered shopping centres are located in the City Centre (i.e. Union Square, Bon Accord/St Nicholas, Trinity and, to an extent also, The Academy). Within these Union Square has quickly established itself as the dominant prime retail location with low vacancies and attracts national and international multiples. All the other centres have become secondary retail pitches in comparison to Union Square. Previously Bon Accord/St Nicholas was a key part of the prime retail pitch in the City Centre but the shift of retail focus to the south of the City Centre and closure of John Lewis which, prior to its closure, provided a key northern anchor to the City Centre retail pitch has, in effect, “stranded” Bon Accord with the result that, since the pandemic, vacancies have increased markedly. The impact of the closure of Debenhams on the Trinity Centre appears less dramatic but this may, in part, reflect that Trinity was, even with Debenhams trading, more of a secondary pitch than Bon Accord.

Retail Parks

- 3.45. Undoubtedly retail parks have suffered as a result of a number of the high-profile administrations and CVAs. However, unlike town centres, retail parks are normally under the control of a single owner/investor and have a simpler physical development profile which makes it a lot easier for retail parks to develop strategies for addressing weaknesses that arise. Strategies include changing from retail to leisure uses, derestricting permitted goods, subdivision of existing units and/or provision of mezzanine space to meet occupier requirements. Although town centre shopping malls are, likewise, normally under single ownership, the complexities of development and relationship to adjoining premises makes it more difficult and costly to undertake comparable changes.
- 3.46. Key market trends for retail park type space include:
- Vacancies in retail parks are significantly lower than town centres. This is seen clearly in each of Berryden (southern part), Kittybrewster, Boulevard and Bridge of Don RPs in the city and also Inverurie RP in Aberdeenshire.
 - Continuing attempts to derestrict retail parks to increase the range of potential occupiers. This reflects demand at the current time from both food and non-food discounters as well as leisure uses.
 - “Right-sizing” retail units to match demand - typically this can include smaller ground floorplates but the inclusion of, or capacity to install, mezzanines.
- 3.47. Development of “small” retail park formats. These are typically in the region of 5000-9000 sq m and anchored by food and non-food discounters with one or two additional mid-large retail warehouse units together with smaller “local” retail units. The development at Hill of Banchory is comparable to this form of retail park and other recent examples in Scotland include: Cupar; Barrhead; Blairgowrie. These retail parks are characterised by a full mix of convenience, general comparison and bulky comparison goods floorspace.

Local Shopping Provision

- 3.48. Even before the pandemic it was evident that there had been a degree of revitalisation in local provision for both retail (in particular the renewed strength of convenience-format stores) and services. This reflects a number of the factors highlighted earlier including changing lifestyles, changing priorities for younger age groups and the fact that many online distribution networks (especially for the return of goods) have local collection points. The pandemic has strengthened the role of local shopping and services provision further.
- 3.49. It is likely that importance attached to homeworking supporting local retail and leisure provision as advocated during the pandemic has been overstated, indeed, there is increasing pressure, in the private sector at least, to reduce levels of home working with a greater return to the office. Nonetheless, the greater flexibility in terms of employment location together with increased

consumer awareness of, and support for, local shopping will be factors that will assist local retail provision whether these are freestanding local shops and local/suburban shopping locations.

Leisure Sectors

3.50. The leisure sector is diverse comprising a myriad of different types of commercial leisure opportunities and experiences including public sector sports, leisure and recreational facilities. The focus in this section is limited to commercial leisure. Even with this limitation the sector is highly diverse and includes:

- Eating and drinking out: restaurants; cafes; coffee shops; public houses and bars.
- Health and fitness: gyms and spas – and this can be extended to include beauty including hairdressers, beauty parlours, tattoo establishments, tanning salons etc.
- Other sports – provided by a mix of public (sports centres, swimming pools etc), commercial private (especially golf clubs/resorts), and third-sector providers (the latter including local sports clubs - football, rugby, cricket, bowling and so on). Many providers are effectively a hybrid between commercial and local clubs.
- Other forms of entertainment including: cinemas; theatres; “competitive socialising” (e.g. ten pin bowling, laser centres and other more novel forms of entertainment); trampoline centres; and various children’s entertainment (e.g. soft play centres etc).
- Hotels and other visitor accommodation.

Comment on Leisure Sector Growth

3.51. There appears to be a contradiction in the evidence presented earlier regarding the growth of the leisure sector. On the one hand there is clear evidence that the numbers of leisure businesses and units, particularly in Scotland, has grown strongly since 2008. However, over this period Experian, using ONS data, identify only modest growth in expenditure on leisure services, typically averaging little over 1% per annum. Furthermore it is notable that the leisure sector (especially food and drink) experienced significant numbers of business failures in the years prior to the pandemic as a result of having to carry substantial increases in costs (reflecting for example, the role of the national living wage and reduced availability of low-cost overseas workers following Brexit).

3.52. Examination of the SABS data does show that, whereas numbers of businesses and employment both grew by +16-18% over the period 2008-2019 total turnover increased by only 9% i.e. quite close to the Experian figure for the growth of expenditure – in other words output per business and per employment both declined in real terms. In part it can be suggested that, for many leisure activities (notably health and beauty and some food & drink establishments), there are few barriers to entry for establishing new businesses in terms of skills and experience and/or set up costs. The data for Scotland suggests that many of these businesses are operating at low profit margins. If the expenditure growth identified by Experian is fulfilled this implies that the rate of new business formation (or at the very least levels of employment) will reduce, probably as a result of a high rate of business failure. Alternatively the rate of growth of the sector may be higher than Experian forecast which will support the growth of leisure businesses at the rates experienced since 2008. This is a plausible scenario in that leisure and entertainment are a form of “discretionary” spend and, as such, depend on overall levels of income which, in turn, depend on the strength of the local economy.

3.53. The following summarises the principal issues affecting key leisure sectors:

Food and Drink

- Over the period 2010-2020 the food and drink sector was particularly active with a steady number of new brands being introduced into the UK market. However, pressures of increased costs resulted in significant failures. There are, however, certain sectors that appeared

resilient and are expected to maintain positive growth including the food-led public house sector and the continued increase in food provision in non-specialists linked to other entertainment activities.

- Delivery services (Just Eat, Deliveroo, Uber Eats etc) have been described as a “disruptor” and these have experienced dramatic growth since 2016 which reflects consumer preference for both convenience and eating at home. However, these services have also been seen to benefit newly establishing chains in this sector allowing them to reach a wider consumer base than would have been possible if they had relied on new physical outlets to support growth.
- Reflecting the combination of these factors there appears to be a trend at the present time for downsizing restaurants, particularly in prime locations with operators taking smaller footprints to maintain profitability. Even taking these factors into account the role of food and drink within established retail centres continues to grow – with many shopping centres seeing diversification away from comparison retail to include increased food and drink as a key part of the strategy for shopping centre survival.

Public Houses

- The growth of a food-led offer has dominated development of public houses in the UK in recent years. This has resulted in increasing demand for large, good quality city centre and larger town centre pubs from both multiples and independents.
- There has been continued demand for family food/pub restaurant sector with sites acquired for various national brands. These require high visibility locations on main road locations with large car parks.
- A third growth sector has been the sale of premium “craft” products as well as food which drives higher margins attracted to locations with rapidly growing young urban populations – a classic example is Brew Dog which, although headquartered in Ellon, is now a dynamic international brand.
- The traditional wet-led pub sector’s general decline continues and, in terms of absolute numbers, closures exceed new openings with a net loss in numbers of public houses and bars in the UK.

Coffee Shops

- Coffee shops have grown rapidly – in 1999 there were only 590 branded outlets which grew to 7470 in the UK by 2017.
- Growth of non-specialist coffee shops that include cafés as part of a larger operation for example in supermarkets, bookshops and in public houses.
- Although additional economic and labour issues present challenges for this sector it does not appear that the market has yet reached saturation. Growth is likely to be lower than seen in the first 15 years of this century but there will be continuing demand for new coffee houses, in both primary and secondary locations.

Hotels

- The hotel market is, of course, tied closely to the growth of tourism, although it is important to recognise that for most hotels the key target is the domestic market and, in many larger urban areas, the business market. This is, therefore, a complex market that cannot be summarised briefly. At this stage, however, it is notable that CBRE’s 2023 Market Outlook notes that the hotel market has rebounded very quickly after the pandemic, particularly in the budget and luxury ends of the market. They consider that, as far as the long-term is concerned the fundamentals for long-term demand are strong supporting future long-term investment.

They also note that the market is very diverse with different pressures applying to different sectors and in regional markets complicating the overall picture.

Cinemas

- Significant growth in terms of numbers of cinema screens, sites and seats occurred between 2009 and 2020. Fastest growth has been in numbers of screens (+2% per annum) whereas numbers of sites has grown at 0.9% pa. There are now, on average, 6.85 screens per 100,000 population in the UK (increasing at about 1% per annum) and, on average, 1.26 cinemas per 100,000 population (but this figure has declined at a rate of 0.4% pa). A notable recent entrant into the market is Everyman which positions itself “at the premium end of the UK leisure/cinema market” and now has 41 cinemas with 141 screens. The company seeks space in the range of 750 to 1400 sq m GFA in a variety of locations.
- Cinema attendance has, however, remained generally flat since 2000 (declining per unit population) and also the pandemic had a dramatic impact of the pandemic on attendances in 2020 (data for 2021 and 2022 indicate only partial recovery of attendances which remain well below pre-Covid levels).
- The primary driver of growth is therefore greater provision of more screens but with reduced capacity per screen. This will favour multiplexes but the total space required for one multiplex is less than previously required.

Health & Fitness

- The estimated value of the health and fitness sector, comprising both private health clubs and public fitness centres was £5.1 bn in 2019 which was an 16% increase from 2016.
- LDC estimate that there were in 2019:
 - Gyms: 7239 gyms with 10.4 million members (increase of +14.7% since 2015)
 - Swimming: 3130 swimming sites and 4559 swimming pools
- Prior to the pandemic the key development was the growth of “budget” gym brands (e.g. Pure Gym, which opened 60 gyms alone in 2015).
- UK gym membership comprised 15.5% of all UK adults in 2020 (13.7% in 2015).
- Average membership per club was 1426 in 2016 but this ranged from an average of 726 per club for independent operators up to 3452 members per club for the budget chains.
- Current market expectations are for continued strong growth for the next few years with greatest growth occurring with both the budget and top-end boutique sector. Some boutique-gyms can be quite small with space requirements as little as 300 sq m.

Other Commercial Leisure Sectors

- *Casinos and Bingo.* A long established sector, particularly for Bingo dominated by Buzz and Mecca. Casino operators have grown significantly over the past two decades and attendances have increased slightly since 2010.
- *Ten Pin Bowling.* This is a relatively small sector but is fast growing – for example the two largest operators, Hollywood Bowl Group and Ten Entertainments Group recorded 4% and 7.7% like-for-like growth during 2017. These two companies have been opening between 2 and 4 new sites each year. Mintel estimated growth in this sector of 23% between 2016 and 2021 (4.2% pa).
- *Trampoline Centres.* This sector experienced initial rapid growth but is now facing more challenging conditions reflecting a combination of competition (from both other trampoline

operators and alternative leisure activities) and increased regulatory requirements. Growth in this sector is therefore expected to be more limited. The expectation is that there will be consolidation in the sector and one major operator, Oxygen, has already entered administration.

- *Competitive Socialising.* This covers a diverse range of activities based on a game/sports theme linked with eating and drinking. The sector is rapidly growing and diversifying and includes: urban mini golf; “bar and game” – including traditional games and new ones; virtuality reality and gaming; and against the clock experiences (e.g. Escape Rooms). These are predominantly concentrated in the largest centres and maximum market reach necessary to offset high investment costs for establishing the venues. However, it appears the “against the clock” experiences may be extended away from large cities to medium sized towns as the market matures.

Implications for Aberdeen and Aberdeenshire

General Trends

- 3.54. It is apparent that, over a significant period of time, the character and composition of city, town and other centres has been changing. Although the social-restrictions that were imposed as a result of the pandemic had profound impacts on both the retail and leisure sectors for all locations in the UK, the most recent evidence appears to suggest that these impacts were relatively short-term and there are good indications that current patterns are returning to pre-pandemic conditions. Regardless of the effects of the pandemic there were very strong trends in place that were affecting all retail locations and, in particular town centres associated with a combination of:

Retail

- Increased use of, familiarity with and access to the internet.
- Greater ability of retailers to achieve market penetration through a combination of physical stores and an active online presence (i.e. multi-channel retailing) reducing the need for the amount of space and number of stores.
- A shift in the balance of power between retailers and consumers in favour of the latter. This will affect the range of quality that will need to be provided by retailers while, at the same time, affecting profit margins. This implies greater potential for less successful retailers to fail.
- Changing social behaviours including greater importance attached by consumers to: environmental concerns including ensuring that goods and services consumed are increasingly environmentally sustainable; support for shopping locally and supporting independent traders.
- Need for retailers to be flexible to provide an enhanced offering to attract customers. This can include the importance of shopping experience and also the blurring of distinctions between retail and other services – often with multiple functions provided on one premises (e.g. shop, café and information provision all in one location).
- Long term growth in retail expenditure but at significantly reduced rates than pre-2008. This in part reflects long term economic uncertainty but, perhaps more significantly, more opportunities for consumers to spend on other services and experiences rather than goods. Latest forecasts for convenience goods are negligible long term growth per capita.
- Ongoing sustained growth in special forms of trading reducing the availability of expenditure growth being directed to shops. Nonetheless the proportion of expenditure directed to online sales will plateau with the best estimates currently available suggesting that this will be in the mid-2030s.

- There is a long term reduction in the number of retail shops nationally (both Scotland and the UK) – declines in numbers have been identified in all types of location and vacancies have increased.

Leisure

- There is uncertainty as to the prospects for growth. Some commentators forecast sustained strong growth especially in key sectors such as coffee shops and gyms. Other forecasts are more circumspect identifying only modest expenditure growth and reduced margins resulting in a high susceptibility to business failure.
- Leisure spend is, inherently, discretionary and is, therefore, likely to be more volatile according to the wider economic situation.
- The sector is rapidly evolving with new formats and experiences coming forward each year, often linked to new advances in technology.
- Although there will continue to be opportunities for leisure activities to be purchased on line and consumed in the home there is, generally, a lower potential impact of the internet affecting the location of leisure services. This would imply greater potential for ongoing requirement for space for the provision of leisure services than for retail.

Development Implications for Sub-Sectors

3.55. In summary key trends for different retail sectors include:

Comparison Goods

- Continued strong growth from the non-food discounters (e.g. Home Bargains, B&M, the Range etc). These include new build freestanding units from 1500-5000 sq m (depending on operator), occupation of vacant retail warehouse units (where planning restrictions permit these operators) and occupation of vacant town centre units (e.g. former Woolworths stores). This reflects a strong trend in recent years for consumers to focus on value and there is no reason to expect this to change following the easing of restrictions post-pandemic. Discounters have increasingly taken units in what are considered to be prime retail locations.
- The bulky comparison goods sector remains strong and reflects, in part, post-Covid “catch-up” investment by bulky retailers with a focus on opening units in retail parks. The bulky goods sector (especially brown- and white- goods) is, of course, highly dependent on housing market activity. A number of established retailers ceased trading following the GFC recession with the result that now, with the housing market having, in general, re-established itself, this has created opportunities for new retailers. However, for a number this will be a focus on online rather than new stores.
- Many comparison goods retailers will continue to combine shop floorspace with other retail channels. This leads to a lot of diversity in the operations between retailers including, at one extreme, the use of shops purely as showrooms rather than locations for the purchase of goods.

Clothing and Fashion

- The sector has been under considerable pressure over the past few years with mid-market retailers in particular struggling. This included failures such as Edinburgh Woollen Mill, Forever 21, Gap, Arcadia. In a number of instances brands have been/are being retained but being transferred to an online presence only (e.g. Arcadia brands, Gap and M&Co), and others are reducing their store portfolio (e.g. New Look). These brands are traditionally the stalwart of mid-sized town centres and shopping centres and both of these locations could experience higher vacancies as these brands depart.

Convenience Goods

- Development of major superstores has effectively stopped following the GFC. For certain operators the focus has been on better use of the space available including the incorporation of non-retail uses within the stores whereas others (e.g. Tesco) has, in some stores, refocused on core grocery markets and, in certain stores reduced sales area and/or licensed space to other complementary brands rather than own label goods. Tesco has even started trialling the conversion of parts of stores to flexible office space.
- The reduction in new build superstores reflects a combination of major factors: (i) the large quantity of superstore space developed between 1990 and 2010 which leaves very few untapped market opportunities; (ii) changing lifestyles and a greater willingness of shoppers, especially millennials and other younger generations, to undertake smaller, but more frequent shops. This has supported the increasing popularity of the food discounters and convenience stores; and recently (iii) food price inflation combined with economic uncertainty resulting in a significant squeeze on household incomes. Superstores, as a whole have experienced declining market share compared to other types of convenience retail⁵.
- In time there will be a need for refurbishment and further “right-sizing” of supermarkets/superstores. This includes stores built in the 1990s (e.g. Lidl and Farmfoods are active in refurbishing/relocating their estates). In the longer term it is likely that the “Big 4” operators are likely to experience the same pressures.
- There are tentative signs that the self-imposed moratorium on new superstores is being reviewed – under new ownership ASDA has identified a programme of building 15 new superstores across the UK including a 5000 sq m GFA store in Stirling.
- Notwithstanding Tesco rebranding its Metro stores as either Express or Superstores, it evident that the mid-sized supermarket is being actively developed:
 - M&S continues to develop its foodhalls in the range of 1100-2000sq m GFA
 - Both Farmfoods and Iceland are also actively developing units of this size (typically 1000-1500 sq m GFA) primarily in out-of-centre locations (including Iceland’s Food Warehouse brand)
 - the Co-op, although these units are smaller typically in the range of 400-750 sq m GFA
 - Lidl and Aldi continue to develop new stores although not at the rate seen 5-10 years ago.
- There continues to be support for new convenience-format stores with investment by each of the Big-4, the Co-op, symbol groups and other chains. This includes growth with Scottish based companies/symbol groups including DayToday and USave (both of which are headquartered in Glasgow).

Development Implications for Retail & Leisure Locations

The Traditional “High Street”

- 3.56. There is no clear consensus regarding the prognosis for traditional “High Street” locations. On the one hand the lack of modern sized units, interrupted floorplates and lack of parking has been seen as a major disadvantage and multiple ownership and lack of control/responsibility for the public realm has been considered to result in these traditional locations being at a significant disadvantage compared to shopping malls and out-of-centre retail locations. However, these

⁵ Retail Rankings identifies that, between 2012/13 and 2019/20 (pre-covid) Tesco superstores turnover has declined by -3% in actual price terms (decline would be greater at constant prices) but Tesco Express has grown by +31% and Premier convenience stores have grown by +13%. Similarly at Sainsbury the superstores have declined by -2.2% but Sainsbury Local has grown by +80%. Asda, dominated by large superstores has grown by 1% but Lidl has grown by +97% and Aldi by +215%

locations could be attractive for new independents and for leisure uses. In contrast shopping centres are expensive, owned by institutions seeking maximum returns with additional management costs and difficult to adapt units.

- 3.57. This is particularly important for smaller and mid-sized centres (typically less than 400 retail/retail service units) which would apply to all centres in Aberdeen City and Aberdeenshire outwith the City Centre. Even in the more optimistic scenario (i.e. that independents for retail and leisure uses) are attracted into centres these businesses will experience high rates of failure.
- 3.58. Notwithstanding these caveats, the effect of this process would be that “High Streets” in mid-sized centres and in secondary/tertiary locations within major centres, will change in two key ways: first with higher “churn” of occupiers but with, inevitably, higher overall vacancies; and second with a continued shift away from retail goods shops to a greater retail and leisure services and hybrid units mixing retail with services within the same unit. There are strong indications that this process is already well-established, certainly in terms of the mix of units within centres with the proportion of retail goods shops declining relative to the total number of units being observed in Scottish centres over at least the past 20 years.
- 3.59. This potential trend would be most significant for centres that have a higher proportion of multiples which are limited, primarily to Fraserburgh, Peterhead and Inverurie town centres and, even for these centres, impacts are likely to be limited:
- In the case of Fraserburgh and Peterhead the number of multiples retailing fashion, clothing, electricals and similar are limited (they have, to a degree, already left the centres).
 - For Inverurie it appears that, notwithstanding its relatively limited size in terms of numbers of units, the centre is increasingly developing a sub-regional role which is reinforced by the inclusion of a significant number of retail warehouse-format units (including those in the retail park).
 - For other town centres in both Aberdeenshire and Rosemount & Torry the centres are dominated by independents and not multiples.
 - District centres in Aberdeen do not have a “traditional” town centre layout but are mostly dominated by large-format units (including superstores and/or retail warehouse units).
 - The City Centre is, as noted already, subject to different development pressures and, in part, should benefit from market concentration as the regional centre for NE Scotland.

Purpose Built Shopping Centres

- 3.60. The evidence on vacancy rates indicates that purpose-built shopping centres have been hardest hit by changes in retailing – both in terms of sectoral changes (e.g. decline of mid-market fashion and clothing) and also through the restrictions imposed as a result of the pandemic. In these locations high rents have had a compounding effect on the total cost of occupation having pushed up the rates liable for the space together with additional management fees. This has combined with the sectors prominent in these centres (especially clothing and fashion) experiencing a greater shift to sales online. This is most acute in mid-sized town centres and in secondary locations within large urban centres.
- 3.61. The key challenge is for owners to accept the changing retail circumstances and adopt a more flexible approach to tenants. For many centres there is less incentive for owners to do this because tenants are often locked into historic lease agreements with upward-only rent reviews. While tenants remain solvent there is, therefore, no incentive for owners to review their strategy for the use of space. However, this has created enormous pressures for tenants in the changing retail landscape and renegotiation of lease agreements has been a key feature of CVAs in recent years.

- 3.62. Where owners do not benefit from long lease agreements they are increasingly forced to reconsider the mixture of tenants within shopping centres having to accept either lower rents, and/or weaker covenants resulting in softening of yields and reduction in capital values. In many the proportion of non-multiple occupiers has increased significantly while, at the same time, vacancies have also increased.
- 3.63. It has been noted that these trends are affecting what are now secondary pitches within the City centre, notably Bon Accord/St Nicholas and Trinity. Bon Accord is affected most acutely and it is evident that recent letting strategies by the new owners have, in the short-term at least, adopted a reasonably flexible approach for securing tenants including those that would not normally be able to provide very strong covenants. It is assumed that the purchase price paid by the new owners (for both Bon Accord and John Lewis) reflected its weaker prospects for attracting prime retail tenants.
- 3.64. At this stage it is not known how EP Properties, as new owners of both Bon Accord and John Lewis plan to approach the future development and use of these two, closely linked, properties which, in combination, form a fundamentally important part of the commercial heart of the City Centre.

Retail Parks

- 3.65. Retail parks appear to have fared relatively well during the pandemic reflecting a higher proportion of “essential” retailers (which includes the non-food discounters that have a very large presence in retail parks at the current time). The ease of parking and larger unit sizes also makes them attractive for operators for servicing “click and collect” which will become more important as online sales continue to grow.
- 3.66. However, all retail sectors have been under pressure and it is expected that retail park operators will, wherever possible, continue to seek further de-restrictions on the types of retail floorspace permitted.

Local Shopping Provision

- 3.67. Even before the pandemic it was evident that there had been a degree of revitalisation in local provision for both retail (in particular the renewed strength of convenience-format stores) and services. This reflects a number of the factors highlighted earlier including changing lifestyles, changing priorities for younger age groups and the fact that many online distribution networks (especially for the return of goods) have local collection points. The pandemic appears to have strengthened the role of local shopping and services provision further.
- 3.68. It appears that the strength of home-working and the impact that this has on local shopping/service provision following the pandemic has been overstated but, nonetheless, there is a significantly higher level of working from home in 2023 compared to before the pandemic. This has implications for town and city centres which have traditionally relied on custom from those working in the centre losing trade and for local shops and services which are likely to benefit from increased trade.
- 3.69. There is no clear delineation as to the size that determines “local” floorspace. In both Aberdeen City and Aberdeenshire, with the possible exceptions of Inverurie, Fraserburgh, Peterhead and, of course, the City Centre (and excluding the district centres based on large format stores), town centres are small when compared to other parts of the UK and all could benefit from the potential for greater trade directed to “local” centres. The household surveys confirm that respondents generally visited their nearest town centre on a regular basis implying that they have an important “local” function for the provision of goods and services.

Repurposing Retail Space

- 3.70. Section 4 identifies that, although there has been some growth in available expenditure for retail trade undertaken through physical retail floorspace this growth has been much slower than was

forecast in 2013. Combining this slower growth with both additional new floorspace developed since 2013 (particularly for convenience-goods stores) and increasing turnover efficiency results in pressure to reduce of “repurpose” retail floorspace to other uses. This trend has been identified across the UK, in Scotland and is also apparent in the study area. Changes in the Use Classes Order, particularly in England and but also in Scotland, supports greater flexibility permitting changes from retail to other service uses without the need for express planning consent. Surveys of centres within the study area confirm that, well before the advent of the changes in the UCO, there has been a significant and sustained reduction in the numbers of retail goods shops in centres in favour of other retail and leisure services and also, in many locations, long term increases in vacant units.

4. Retail & Leisure Provision in the Study Area

Introduction

4.1. This Section provides an overview of retail and services provision within Aberdeen City and Aberdeenshire both as a whole and for each of the principal retail locations within the study area. The Section therefore provides the following:

- An overview of the distribution of retail and leisure floorspace and turnover (retail only) within the study area as a whole.
- Identification of key changes in provision and turnover compared to that identified in earlier studies.
- Assessment of the network of centres within Aberdeen City and Aberdeenshire.

Overall Distribution of Retail & Leisure Floorspace

4.2. Figures 4.1 and 4.2 provide a summary of retail floorspace and turnover, by principal retail goods category together with all retail, leisure and business services, for the both Council areas. They also identify the floorspace located in City Centre, Principal and Other town centres (as defined in the LDPs) and Commercial Centres, together with local and rural floorspace. All floorspace information is provided through the Grampian Assessors office combined with planning authority records of the floorspace of major retail units. Information on retail turnover (expressed in 2021 prices) is derived from combining data on available expenditure and detailed analysis of the household survey responses together with known average and typical sales density information as set out in the Strategic Retail Model (App A Table 18).

4.3. The principal features of the distribution of retail and service floorspace shown in Figures 4.1 and 4.2 are as follows:

- In 2023 the total of retail and retail/leisure/business service uses comprises:
 - 651,827 sq m floorspace in 2126 units in Aberdeen City. Total retail space is 449,587 sq m (543 units) which is 69% of the total. Retail and other services account for 149,548 sq m GFA (in 1062 units) and there are 200 vacant units totalling 52,692 sq m GFA. The estimated total retail turnover (retail goods shops only) is £1,738.7m
 - 393,746 sq m floorspace in 1812 units in Aberdeenshire. Total retail space is 295,017 sq m (819 units) which is 75% of the total. Retail and other services account for 83,421 sq m GFA (in 837 units) and there are 156 vacant units totalling 15,308 sq m GFA. The estimated total retail turnover (retail goods shops only) is £1,032.3m.
- The principal concentration of retail/service uses is within the City Centre. This accounts for 172,958 sq m GFA (23% of study area) of retail floorspace, 25% of retail turnover and 22% of total retail units within the Study Area. These figures indicate that, although, the City Centre is clearly the most important location for retail goods floorspace and turnover within north east Scotland it does not dominate provision. Nonetheless, it is a number of times larger than the next largest individual location for retail which (not shown in Figures 4.1 and 4.2) for example its turnover is close to four times greater than Inverurie town centre.

Figure 4.1: Summary of Retail and Services Provision in Aberdeen City – 2023

ABERDEEN CITY 2023		No.	Convenience				General Comparison				Bulky Goods				All Goods		
			GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
City Centre	Retail Goods Shops	377	47033	30573	£4,981 psm	£152.29m	114658	75140	£6,326 psm	£475.34m	11267	7615	£8,545 psm	£65.07m	172958	113329	£692.69m
	Retail Services	503													93729		
	Vacant	111													55300		
	Total	991													321987		
Town Centres Rosemount Torry	Retail Goods Shops	57	3619	2352	£7,776 psm	£18.29m	2838	1845	£5,038 psm	£9.29m	932	606	£4,668 psm	£2.83m	7388	4802	£30.41m
	Retail Services	77													5648		
	Vacant	22													1483		
	Total	156													14519		
District Centres Danestone Dyce Middleton Park Rousay Drive Berryden	Retail Goods Shops	24	26412	15357	£11,135 psm	£171.01m	26269	16451	£5,850 psm	£96.23m	5830	3892	£11,348 psm	£44.17m	58511	35700	£311.41m
	Retail Services	24													2786		
	Vacant	6													1333		
	Total	54													62630		
Commercial Centres Garthdee Kittybrewster Links Road/Boulevard Denmore Road Bridge of Don RP	Retail Goods Shops	32	20170	12062	£9,947 psm	£119.98m	24083	15021	£5,575 psm	£83.73m	47714	37047	£3,211 psm	£118.94m	91967	64129	£322.66m
	Retail Services	5													2555		
	Vacant	3													2463		
	Total	40													96984		
Remainder Aberdeen	Retail Goods Shops	366	50534	32931	£6,774 psm	£223.07m	26500	18575	£2,387 psm	£44.33m	21438	15732	£2,014 psm	£31.68m	98472	67238	£299.08m
	Retail Services	445													43440		
	Vacant	58													8173		
	Total	869													171766		
Total Aberdeen City	Retail Goods Shops	856	147768	93276	£7,340 psm	£684.63m	194347	127031	£5,581 psm	£708.93m	87181	64893	£4,048 psm	£262.69m	429296	285199	£1,656.24m
	Retail Services	1054													148158		
	Vacant	200													68752		
	Total	2110													667887		

Figure 4.2: Summary of Retail and Services Provision in Aberdeenshire – 2023

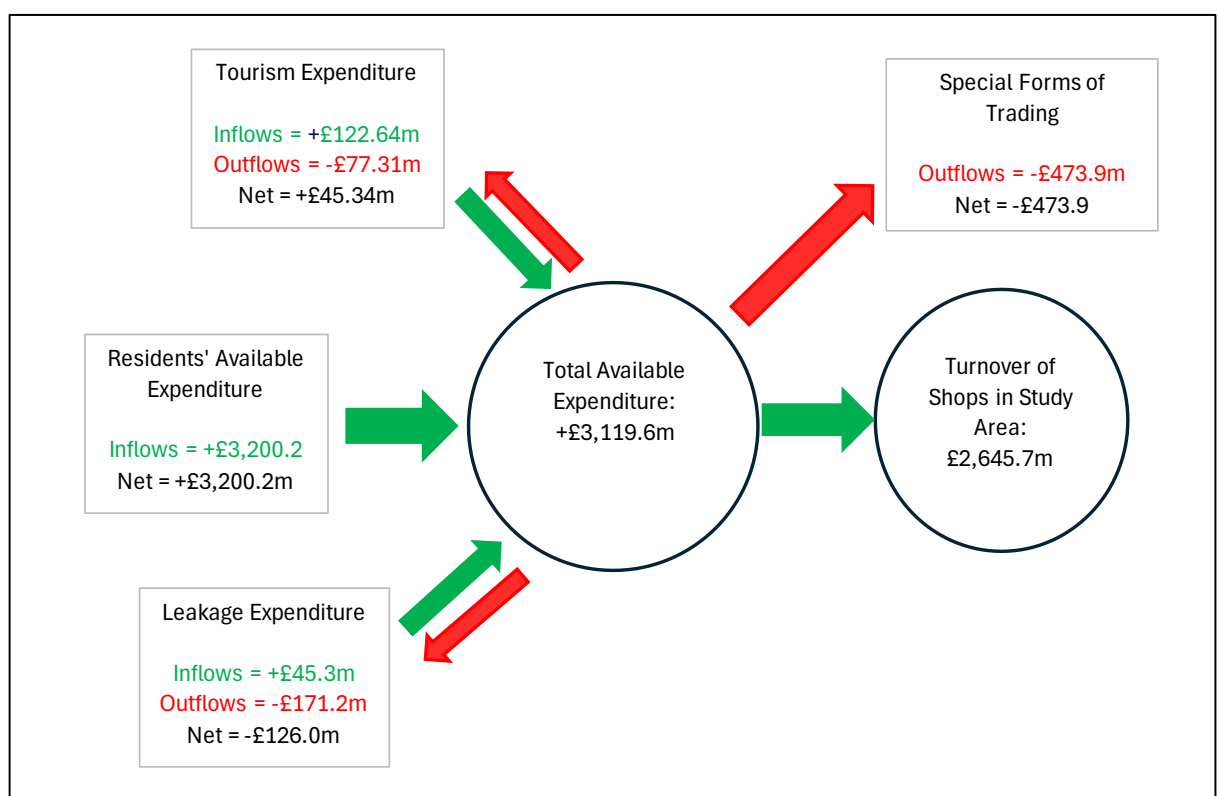
ABERDEENSDHIRE 2023		No.	Convenience				General Comparison				Bulky Goods				All Goods		
			GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Turnover Rate £/Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
Principal Town Centres Banchory Banff Blackdog Ellon Fraserburgh Huntly Inverurie Peterhead Stonehaven Turriff	Retail Goods Shops	359	26452	18235	£9,116 psm	£166.23m	39757	25839	£4,405 psm	£113.83m	24347	17078	£3,493 psm	£59.65m	90555	61152	£339.70m
	Retail Services	377													39278		
	Vacant	71													5736		
	Total	807													135569		
Other Town Centres Aboyne Alford Insch Kemnay Macduff Mintlaw Newmachar Portlethen Portsoy Oldmeldrum Westhill	Retail Goods Shops	119	26023	16316	£7,648 psm	£124.79m	17394	11485	£3,860 psm	£44.33m	5738	3645	£2,419 psm	£8.82m	49155	31445	£177.93m
	Retail Services	136													13554		
	Vacant	17													1892		
	Total	272													61648		
Other Commercial Centres Buchan Gateway, Peterhead Corskie Drive/B9026, Macduff Portlethen Retail Park South Harbour Road, Fraserburgh Steven Road, Huntly Waterton, Ellon Windmill Road, Peterhead	Retail Goods Shops	11	14648	9881	£8,406 psm	£83.06m	7917	5280	£5,181 psm	£27.36m	5558	4389	£1,902 psm	£8.35m	28124	19550	£118.77m
Remainder Aberdeenshire	Retail Goods Shops	330	54454	36099	£7,739 psm	£279.39m	37901	24486	£3,149 psm	£77.12m	36752	24898	£1,508 psm	£37.54m	129108	85483	£394.04m
	Retail Services	324													30589		
	Vacant	68													7679		
	Total	733													196529		
Total Aberdeenshire	Retail Goods Shops	819	121578	80531	£8,114 psm	£653.46m	102969	67090	£3,915 psm	£262.63m	72395	50009	£2,286 psm	£114.35m	296942	197631	£1,030.44m
	Retail Services	837													83421		
	Vacant	156													15308		
	Total	1812													393746		

- 4.4. The two tables group floorspace and turnover information by type of centre. Information on individual centres is provided in Table 18 of Appendix A and in Volume 2. In general the following can be noted:
- Within the City the two town centres account for only a small proportion of retail and services floorspace and turnover and are significantly smaller than the District and Commercial centres.
 - The City Centre accounts for approximately 40% of the retail turnover of the City as a whole. However this varies considerably between types of goods: it accounts for 21% of convenience turnover, 24% of bulky goods turnover but 64% of general comparison goods turnover.
 - In total within Aberdeen City the Town, District and Commercial Centres have a turnover similar to (but less than) the City Centre.
 - Within Aberdeenshire, whereas the Principal Town centres are the most important locations for retail floorspace accounting for 33% of total turnover, there is a very wide distribution of floorspace, especially in both rural locations and in other commercial centre-type locations (not all of which are formally identified as such in the adopted LDP).
- 4.5. In overall terms existing retail/service provision is widely distributed throughout the two Councils. Further comments on the distribution and function of centres is set out in the review of centres provided in Section 5.

Expenditure Flows

- 4.6. The Strategic Retail Model identifies expenditure flows into and out of the study area. This is summarised in Figure 4.3.

Figure 4.3: Study Area – Retail Expenditure Flows and Turnover 2023 (2021 prices)



- 4.7. The expenditure figures identified in the model indicate that: although tourism expenditure is in its own terms significant, it is relatively modest for the study area as a whole whereas “loss” of expenditure through special forms of trading (i.e. principally internet trade) is very significant. “Leakage” of expenditure is relatively limited and is, mostly, accounted for by expenditure on

general comparison goods directed to other major cities (notably Glasgow and Edinburgh). In local areas, especially the highland parts of Aberdeenshire, retail spend from tourism accounts for over 20% of available expenditure for general comparison goods (net of special forms of trading). Tourism therefore makes a major contribution to retail sales in these areas.

Changes in Available Expenditure for Retail 2004 – 2023

- 4.8. The preceding figures identify the retail and services floorspace and turnover for 2023. Figure 4.4 summaries the principal changes identified within the study area for each of 2004, 2013 and 2023. Data for 2018 is not included because this study used the base data and expenditure forecasts from the 2013 study. The figure highlights notable changes.

Figure 4.4: Retail Market Changes Study Area

	Year			Change to 2023	
	2004	2013	2023	2004-2023	2013-2023
Available Expenditure Including SFT:					
Convenience	£1,385m	£1,172m	£1,432m	+3%	+22%
All Comp Goods	£1,434m	£1,769m	£1,814m	+26%	+3%
<i>Total Goods</i>	<i>£2,820m</i>	<i>£2,941m</i>	<i>£3,246m</i>	<i>+15%</i>	<i>+10%</i>
Net of SFT:					
Convenience	£1,353m	£1,141m	£1,366m	+1%	+20%
All Comp Goods	£1,235m	£1,476m	£1,406m	+14%	-5%
<i>Total Goods</i>	<i>£2,588m</i>	<i>£2,617m</i>	<i>£2,772m</i>	<i>+7%</i>	<i>+6%</i>
No. of Units					
Total Retail Goods	2384	2049	1683	-29%	-18%
Retail Services	1512	1523	1899	+26%	+25%
Vacant	361	301	357	-1%	+19%
TOTAL	4257	3873	3939	-7%	+2%
Gross Floor Area sq M					
Convenience	189815	223881	269377	+42%	+20%
All Comparison	495195	499001	454768	-8%	-9%
<i>Total Retail Goods</i>	<i>685010</i>	<i>722882</i>	<i>724146</i>	<i>+6%</i>	<i>+0%</i>
Retail Services	188373	175642	232969	+24%	+33%
Vacant	66922	47150	67999	+2%	+44%
TOTAL	940305	945674	1025114	+9%	+8%
Net Floor Area (Goods Only) Sq M					
Convenience	117922	148923	173806	+47%	+17%
All Comparison	328568	329166	307710	-6%	-7%
<i>Total Retail Goods</i>	<i>446490</i>	<i>478089</i>	<i>481517</i>	<i>+8%</i>	<i>+1%</i>
Turnover (2021 Prices) (Goods Only)					
Convenience	£1,340m	£1,129m	£1,338m	-0%	+19%
All Comparison	£1,240m	£1,496m	£1,349m	+9%	-10%
<i>Total Retail Goods</i>	<i>£2,580m</i>	<i>£2,625m</i>	<i>£2,687m</i>	<i>+4%</i>	<i>+2%</i>

4.9. The figure shows the overall changes within north east Scotland, notably:

- For convenience goods, the last decade has seen continued growth in available expenditure both gross and net of SFT which has been matched by changes in total retail floorspace. This contrasts with the preceding 10 years (2004 – 2013) when there was limited growth in expenditure for these goods but a rapid increase in floorspace reflecting that this was a period of rapid supermarket development.
- For comparison goods almost the reverse picture emerges. Net expenditure (i.e. that available for sale of goods in shops taking into account SFT) has slightly *declined* since 2013 but grew rapidly in the preceding decade (even taking into account the growth of SFT) and, reflecting this, floorspace for comparison goods has also declined (but more rapidly). However, floorspace also declined in the earlier period despite expenditure growth reflecting strong market concentration factors. Retail turnover in shops grew between 2004 and 2013 (despite reductions in floorspace) but has declined since 2013. This reduction in turnover is more than accounted for by the loss of retail floorspace and turnover in the City Centre.
- For retail and related services both numbers of units and floorspace have increased strongly to the extent that there are now significantly more service units in the study area whereas in 2004 there were almost 60% more retail goods shops than services.
- Vacancies reduced significantly in the earlier period but in 2023 have now returned to 2004 levels.

Network of Centres

4.10. NPF4 and the Local Development Plan Guidance (LDPG) requires the identification of a network of centres within a planning authority area. The LDPG suggests that this network may be organised as a hierarchy and could include:

- city centres;
- town centres;
- local centres;
- commercial centres; and
- emerging or new centres

4.11. It also provides advice as to characteristics that may define town centres as being locations that display:

- a diverse mix of uses, including shopping;
- a high level of accessibility;
- qualities of character and identity which create a sense of place and further the wellbeing of communities;
- wider economic and social activity during the day and in the evening; and/or
- integration with residential areas (*LDPG p140*).

4.12. It identifies commercial centres as those which have a more specific focus on retailing and/or leisure uses, such as shopping centres, commercial leisure developments, mixed retail and leisure developments, retail parks and factory outlet centres.

Characteristics of Existing Retail Locations in the Study Area

- 4.13. The LDPG/NPF4 is not prescriptive as to what should be included within the network of centres and it is important that this reflects local circumstances. Consequently the two current LDPs identify different networks as follows:

Aberdeen City:

- Regional Centre (City Centre) – this also includes a defined Retail Core
- Town Centres – only Rosemount and Torry
- District Centres – 5 named
- Neighbourhood Centres – identified on the Proposals Map
- Commercial Centre – 5 named

Aberdeenshire:

- Principal Town Centres - 9 existing larger town centres plus proposed town centre for Blackdog
 - Other Town Centres – these are identified in 13 smaller settlements and vary significantly in terms of numbers, types of units and floorspace.
 - Neighbourhood centres
 - Commercial centres and retail parks – 8 are identified
- 4.14. The characteristics of each of the named locations identified in the networks, in terms of numbers of units, principal retailers, floorspace and turnover, are identified in Table 18 of Appendix B. The centres (apart from neighbourhood centres) are also named in Figures 4.1 and 4.2.
- 4.15. The SRM and household survey have provided important information as to the current characteristics of existing centres within the study area both in terms of their physical characteristics and how they are used by residents, including information on the frequency of visit to the City and Principal (Aberdeenshire)/Town Centres.
- 4.16. As in earlier retail studies for Aberdeen City and Aberdeenshire, it is appropriate to review the characteristics of retail locations to confirm whether or not their classification and role within the identified networks remains appropriate. Similar reviews of the network of centres were undertaken in the 2013 study for Aberdeenshire and the City, and in the 2018 study for the City only. Relevant characteristics for this review include:
- The number, floorspace and turnover of retail units.
 - The range of the retail goods offer – by types of shops and ranges of goods within shops within the location.
 - The extent of retail, leisure, business services.
 - The extent of non-commercial services and facilities including both public services and facilities and also other commercial services and facilities.
 - Accessibility of the centre to nearby/surrounding communities in particular with reference to access by walking and by those dependent on public transport.
 - Regularity/frequency of use of centres as evidenced from the household survey.
- 4.17. Some of these factors have been summarised in Figures 4.1 and 4.2 for the principal locations. From a retail planning perspective (as distinct from town centre planning) the extent of the retail

offer as expressed in terms of both numbers of units and turnover is particularly useful in that the number of units is indicative of the range and choice of services and facilities available to the community and turnover (for retail goods at least) indicates the extent to which retail goods shops are used and their relative importance to the wider community. Figures 4.5-4.9 illustrate the relationships between size of centre (numbers of units) and floorspace/turnover for all significant retail locations within the study area. It should be noted that the city centre is not included in the figures.

Aberdeen City

4.18. Figures 4.5 and 4.6 illustrate, in broadly similar ways, the following:

- That the two town centres of Torry and Rosemount have very different characteristics from other locations within the City – notably in terms of large numbers of units but with modest turnover and low floorspace.
- In terms of numbers of units, turnover and floorspace the District Centres and Commercial Centres are not clearly distinguishable from each other. The principal difference, not identified in the figures, is that District Centres are typically anchored by food superstores – however, even this is not a clear distinction with both Boulevard and Garthdee anchored by major superstores, and Bridge of Don Retail Park also have a significant M&S supermarket.
- The figures only identify the larger neighbourhood centres identified in the LDP Network of Centres. In total there are 32 neighbourhood centres identified in the APG Hierarchy of Centres – the remaining 24 not identified in Figures 4.5 and 4.6 are smaller and would all be clustered close to the origin points in both figures. Even those that are included in the figures, with the exception of King Street, are clustered indicating comparable characteristics in terms of numbers of units, floorspace and turnover.
- King Street is a clear outlier. This area was previously within the defined City Centre but its physical separation would confirm that it is not appropriate for inclusion as part of the City Centre. In the 2018 retail study it was recommended that this area was removed from the City Centre and identified as a separate neighbourhood centre and this recommendation was adopted in the 2023 LDP. However, Figures 4.5 & 4.6 show that this area is significantly larger in terms of floorspace, turnover and numbers of units compared to the larger other Neighbourhood Centres within the City, and the King Street area has characteristics more comparable to District Centres except that the area has significantly greater numbers of retail and service units. It is therefore recommended that King Street is reclassified. Although the location does have a significant number of smaller units its floorspace and turnover is dominated by Morrisons and, for this reason, it is recommended that it is identified as a District Centre within the network of centres.

4.19. No other changes to the City network of centres is recommended

Figure 4.5: Aberdeen City – Centres – Number of Units by Floorspace

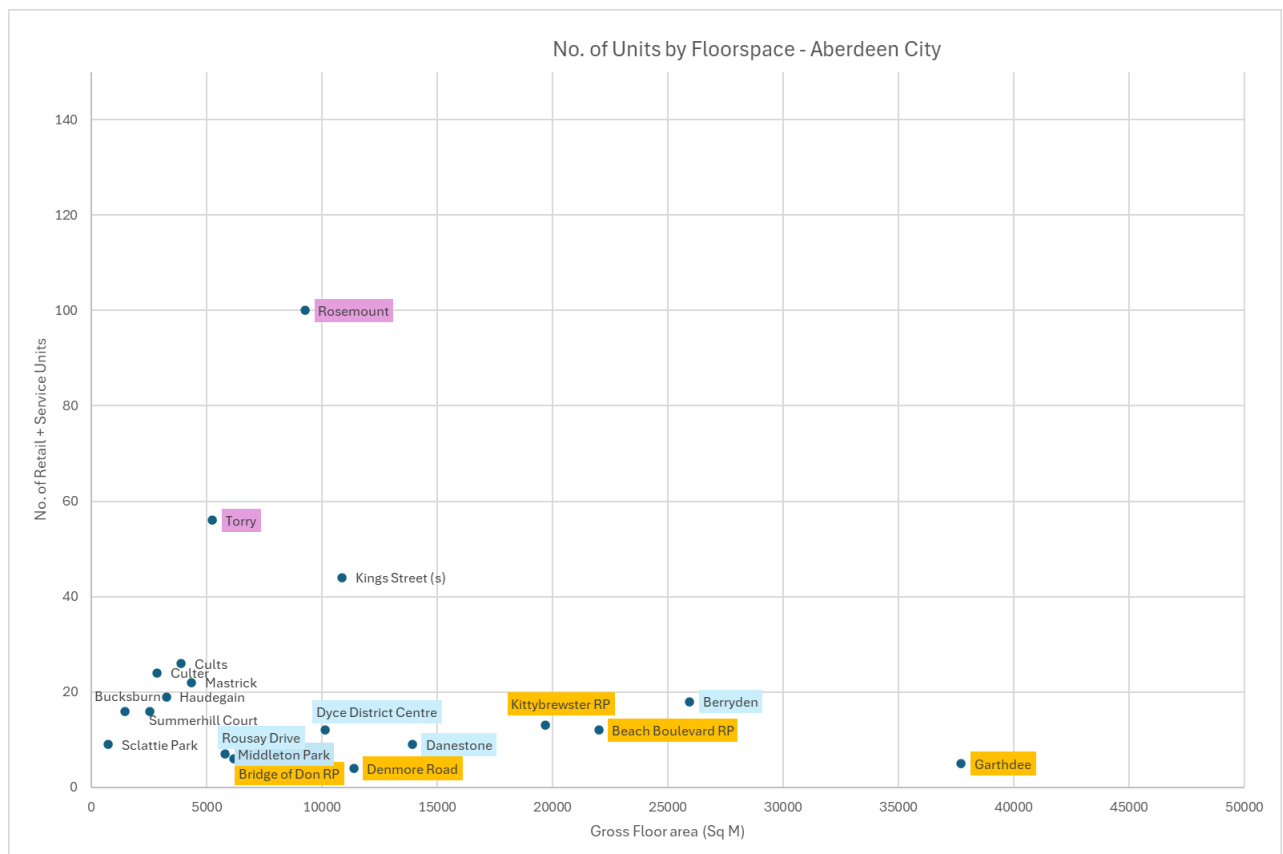
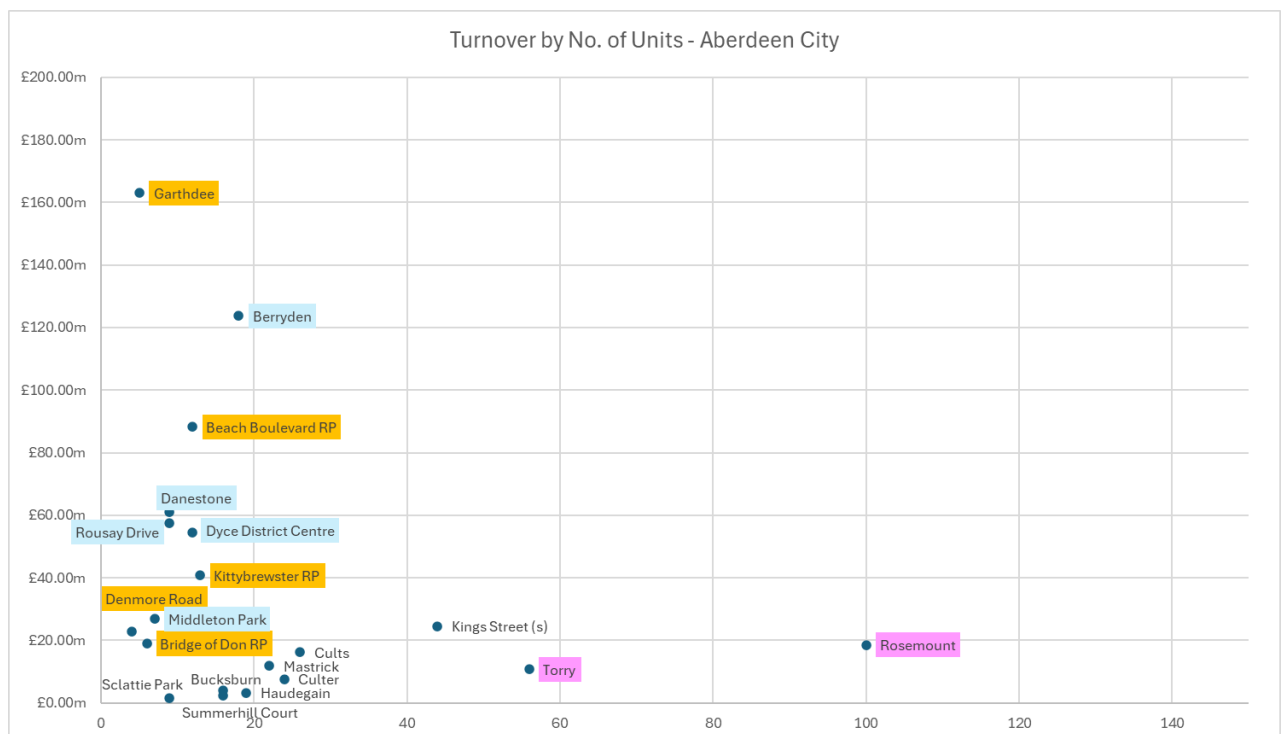


Figure 4.6: Aberdeen City – Centres – Turnover by Number of Units



Aberdeenshire

4.20. Figures 4.7 to 4.9 illustrate the following:

- The overall separate grouping of both the Principal Town Centres and Other Town Centres.
- Inverurie, Peterhead and Fraserburgh town centres are significantly larger than other Principal Town Centres.
- The dominance of Inverurie in terms of turnover. This reflects the inclusion of Inverurie Retail Park, Tesco and Aldi within the town centre but the fact remains that this grouping of retail facilities has a significance within Aberdeenshire substantially greater than the next largest retail locations. Consideration should, therefore, be given to whether Inverurie town centre should have an enhanced position within the network as a sub-regional centre (cf Livingston town centre within West Lothian). This is reviewed in Section 6.
- The Commercial Centres identified have clearly different characteristics from town centres. The figures show, however, that consideration should be given to including other locations as Commercial Centres, namely: Watermill Road, Fraserburgh, Hill of Banchory (including both Tesco and the current new development). This is also reviewed in Section 6.
- Steven Road, Huntly and Waterton (Ellon) are identified as Commercial Centres in the LDP. Both comprise a single shop (supermarket). It is evident that these stores are important in providing access to groceries for their respective catchments but this appears to be their principal role. It is therefore recommended that the status of these stores as Commercial Centres should be reviewed: either both locations together with Deveron Way, Huntly (the Tesco supermarket) are all identified as Commercial Centres, or none are. One reason for designation as Commercial Centres would be if there is a prospect of additional future retail/leisure development to serve these market areas, and there are no opportunities for this development within/adjacent to town centres, then a location adjacent to the existing supermarkets would be preferred on sequential grounds (cf Hill of Banchory development).
- Other locations have the characteristics of Commercial Centres but are not designated as such: Fraserburgh Watermill Road; and Hill of Banchory. It should be noted that the above figures *do not* include the turnover/floorspace of the consented floorspace at Hill of Banchory.
- The position of Westhill lies between the groups of Principal and Other Town Centres. At this stage it is considered appropriate for Westhill to remain as an “Other” Town Centre but it clearly has a more significant role in the provision of retail and other services to its local catchment than the remaining OTCs.
- It is noted that both Balleter and Braemar, although within Aberdeenshire, lie within the national park. However, the figures illustrate that it is appropriate that both should receive comparable policy protection to the OTCs identified in the LDP.

Figure 4.7: Aberdeenshire: Centres – Number of Units by Floorspace

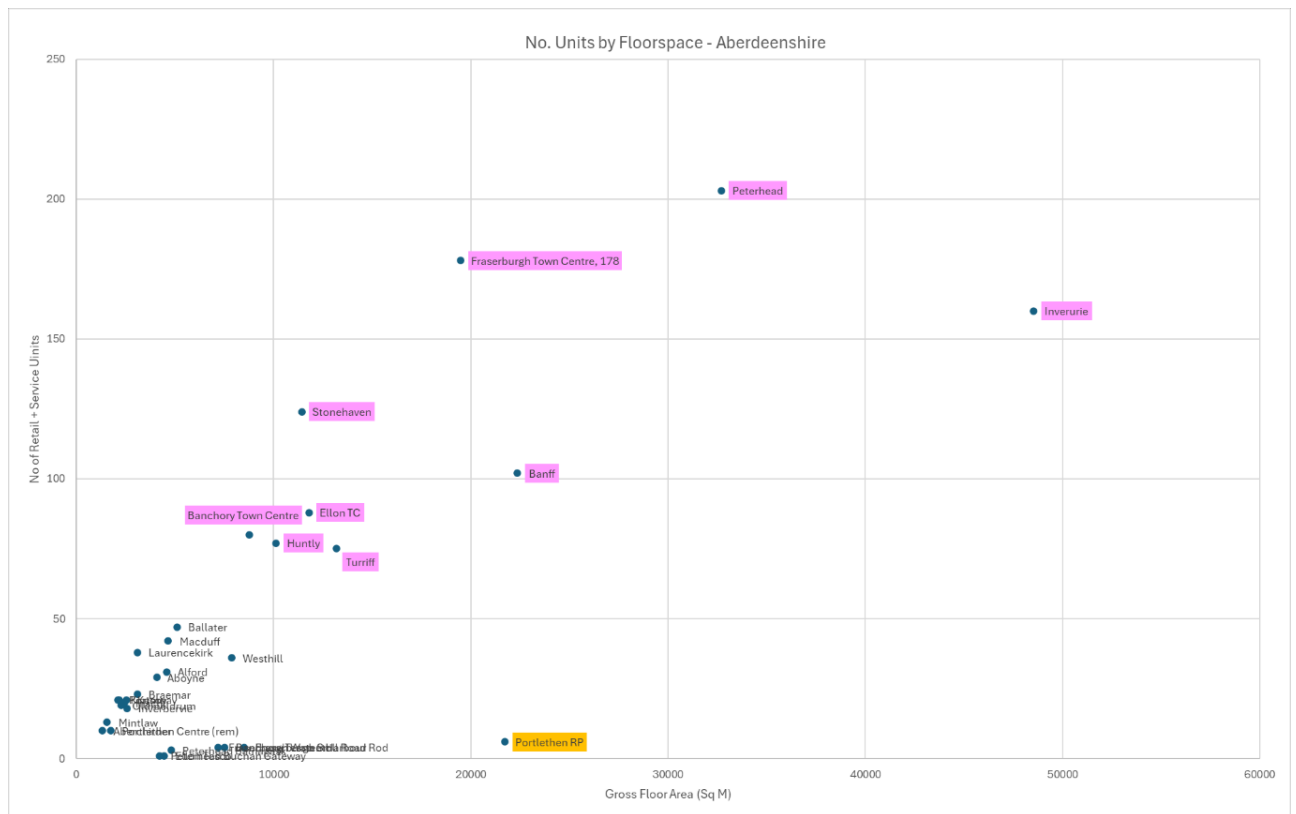


Figure 4.8: Aberdeenshire: Centres – Turnover by Number of Units

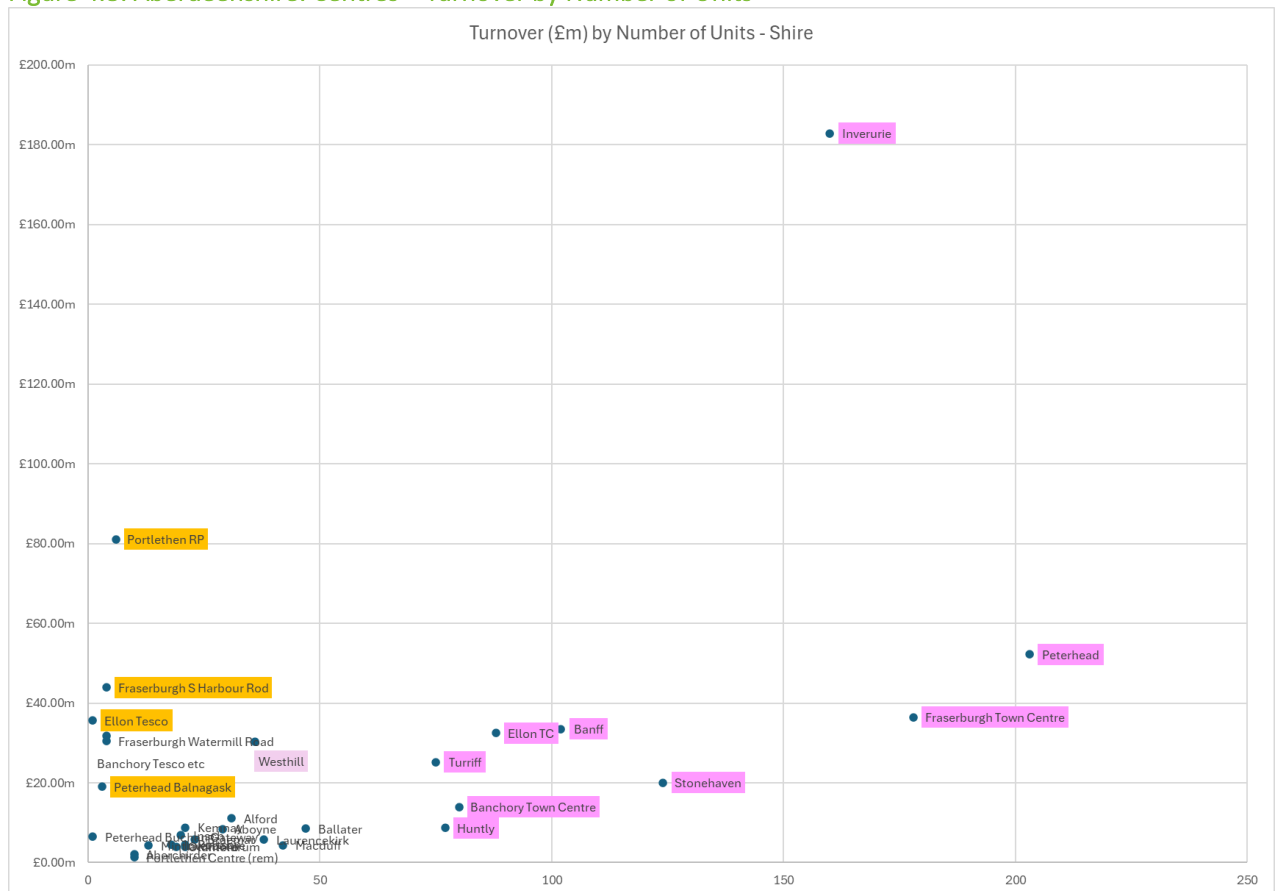
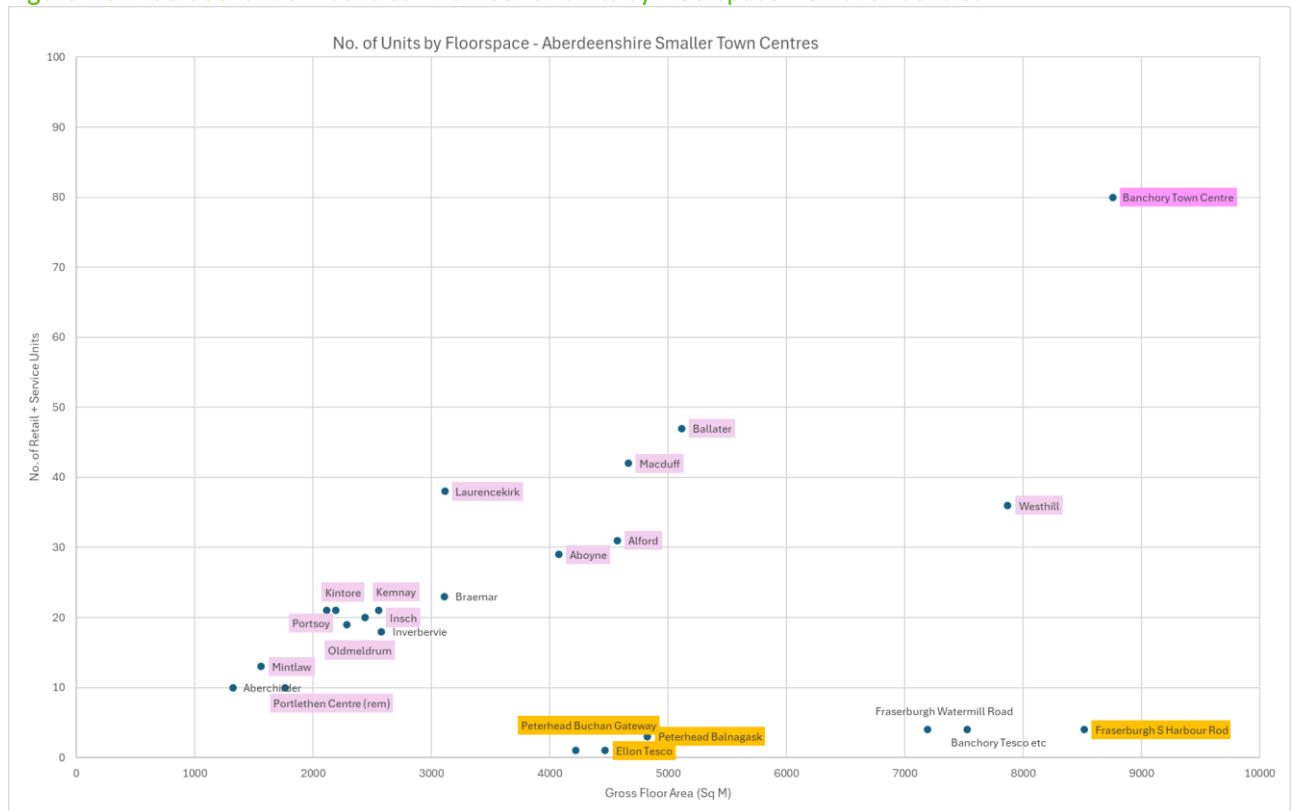


Figure 4.9: Aberdeenshire – Centres – Number of Units by Floorspace – Smaller Centres



Proposed Network of Centres

- 4.21. Based on the analysis of retail/service locations Figure 4.10 sets out the recommended changes to the networks of centres for both Aberdeen City and Aberdeenshire.

Figure 4.10: Recommended Changes to Networks of Centres

Location	Recommended Change to Network	Reason
<i>Aberdeen City</i>		
King Street	Identification as District Centre (from Neighbourhood Centre)	To reflect importance of Morrisons superstore together with comparatively wide range of retail and service units providing a range of facilities to local community.
<i>Aberdeenshire</i>		
Inverurie	Review whether town centre should be identified as Sub-Regional Centre	In recognition of its significance as a major retail/service location serving a significant part of Aberdeenshire
Steven Road, Huntly Deveron Road, Huntly Waterton, Ellon	Review whether all, or none, should be identified as Commercial Centres	Currently each of these locations has a single large supermarket and no other retail or service units/facilities. They should be treated in a similar manner. In accordance with NPF4 Policy 28 locations outwith defined Commercial Centres are not identified for new retail floorspace.
Hill of Banchory	Identification of current retail development with Tesco as Commercial Centre	To reflect range of retail provided in the location once the current development is completed.
Watermill Road, Fraserburgh	Identification of current retail development (ASDA and Home Bargains) as Commercial Centre	To reflect range of retail provided in the location.
Westhill	Review categorisation as Principal or Other Town centre.	Current recommendation is no change but the review should recognise that Westhill has a significantly more important function as a retail and service centre compared to other OTCs and when other, non-retail, considerations are considered an uplift to a Principal TC status may be appropriate.
Arnhall Business park, Westhill	Review of current retail, trade counter, health centre and related uses as a Commercial Centre	To reflect the range of retail and services located in this area.

5. Addressing Retail Deficiencies

Overview

5.1. This section reviews the extent of retail/service deficiencies within the study area. This encompasses a range of separate issues:

- Quantitative and qualitative retail deficiencies and the related concept of “retail capacity”.
- Access to food shopping provision.
- The extent to which existing retail/service provision supports the principle of local accessibility to retail facilities and services as embodied in the “20-Minute Neighbourhood” principle set out in NPF4.

Retail Deficiencies and Capacity

Quantitative Retail Deficiencies

5.2. The conventional approach to assessing quantitative deficiencies and, in particular, quantitative retail need has been based on the use of “retail capacity” calculations. In essence these calculations are based on a direct comparison between the turnover of existing floorspace (typically based on notional average sales densities) and available expenditure. These calculations are often adapted to take into account expenditure leakage and inflows between the study area and neighbouring areas.

5.3. It is important to recognise that the use of these types of conventional retail capacity-type calculations present a wide range of methodological difficulties to the extent that their value for identifying a quantum for floorspace requirements is limited. These difficulties concern issues such as:

- Identifying an appropriate “average” sales density for floorspace – average densities for retailers within the same retail sector can vary by as much as four-five times between those retailers with the highest and lowest while, at the same time, remaining viable.
- The results of the capacity calculations are extremely sensitive to variations in data assumptions – for example small changes in estimates of expenditure growth or sales densities can result in very large changes in identified “capacity” and even switch expenditure “surpluses” to “deficits”. Given the uncertainties relating to forecasting expenditure growth this is a major problem for capacity assessments.
- Most retail capacity calculations have no regard to the realities of the market place – for example identifying “capacity” for comparison goods floorspace in smaller towns when there is no prospect of future demand from occupiers and, conversely, identifying no capacity for convenience space despite strong market demand.
- Retail capacity calculations are, typically, based on a static view of the relationship between supply and demand in an area whereas the retail industry is highly dynamic. To a degree this can be tested through a modified approach which adopts existing expenditure retention or leakage (and, similarly, market share) as an initial point and then tests the potential with changes in assumptions increasing net inflows of expenditure to produce a range of capacity calculations.
- The importance of multi-channel retailing has altered the relationship between sales area and store sales such that, for many retailers, there is no longer a direct link between sales area and turnover.

- 5.4. Notwithstanding these issues, undertaking a comparison between existing and future expenditure and notional average sales from existing and committed future floorspace, when carried out at a strategic level (in this case study area-wide) can assist in providing an indicative quantitative basis for assessing the general level of retail deficiencies (or surplus of retail floorspace). However, it is important that the limitations of the methodology are understood so that the results of the assessments are properly qualified.
- 5.5. Given the difficulties with the methodology the analysis presented here adopts a series of different approaches to assessing capacity in order to establish the extent to which these provide a consistent view as to future requirements for retail floorspace. The SRM allows this type of analysis to be undertaken to identify potential existing and future retail deficiencies including analysing each of the following:
- Comparing available expenditure within defined zones with both the forecast actual turnover and notional average turnover of floorspace within the defined Zone, identified catchment areas (particularly relevant to convenience goods retailing) and for the study area as a whole.
 - Undertaking a similar analysis but allowing for the potential to increase expenditure retention and/or increase net inflows of expenditure. Because altering expenditure flows directly affects neighbouring study zones (i.e. increasing retention in one zone will have the opposite impact on other zones) this is only appropriate at the study area level of analysis.
 - Comparison of forecast “actual” turnover with notional average turnover to ascertain the extent to which existing/committed floorspace would be trading above (or below) notional average levels.
- 5.6. In addition, reference can be made to the operation of the commercial retail and leisure markets although it should be noted that market considerations are generally dominated by short-term concerns rather than adopting a long-term perspective (which is necessary for development planning looking over the next 10-15 years to 2033-2038). The SRM does not consider leisure activities – a comparable assessment is not possible for leisure floorspace as a result of the huge variation in types of commercial leisure activities and more limited data availability.
- 5.7. The results of these analyses are presented in detail.

Comparison of Expenditure and Notional Average Turnover

- 5.8. The SRM provides forecasts of future available expenditure for Aberdeen City & Aberdeenshire as a whole and individual zones for a range of alternative growth scenarios. In addition, the data for the model identifies actual sales area for different goods categories to which notional average sales densities⁶ can be compared.
- 5.9. Two assessments have been undertaken. Figure 5.1 sets out a “simplified” analysis which compares forecast available expenditure (net of SFT) with notional average turnover for each of: the study area as a whole; Aberdeenshire; and Aberdeen City. The following scenario combinations have been tested for each retail goods category:
- B1. Experian RP21 (Jan 2024) “Central” expenditure forecasts with two, alternative, assumptions regarding sales density changes:
 - C1. No change on average sales densities
 - C2. Change in sales densities identified in Experian RP21

⁶ The notional “average” turnover has been derived from the latest Retail Ranking figures (2023) for named operators (taking into account differences in sales densities for types of goods in supermarkets) controlled to the national (UK) average sales density identified by Experian for all centres covered by Experian Goad surveys.

- B2. Experian RP21 “Higher” expenditure forecasts with the same two alternative assumptions regarding sales densities changes (C1 and C2).
 - B3. Experian RP21 “Severe” expenditure forecasts with the same two alternative assumptions regarding sales densities changes (C1 and C2).
- 5.10. Figure 5.2 sets out the same analysis for individual Zones and Figure 5.3 for groups of Zones, for the central forecast (B1, C1).
- 5.11. Figure 5.1 identifies that, whichever forecast scenario is adopted, for the study area as a whole, (i.e. Aberdeenshire and Aberdeen City combined), there is no quantitative retail deficiency by 2038 for convenience goods. The situation is different for both general comparison and bulky goods:
- For general comparison goods there is very wide diversion in the assessments and between authorities. In general, for the study area as a whole this is identified only to have a deficiency in 2038 assuming no increase in sales densities. However, this primarily reflects a significant deficiency identified for Aberdeenshire and a “surplus” of floorspace in Aberdeen City. Little significance can be attached to this result because this calculation fails to take into account the strategic importance of the City Centre serving the whole of the study area for these types of goods.
 - For bulky comparison goods significant retail deficiencies are identified for the study area as a whole, for Aberdeenshire and for the City (apart from the scenario which adopts “severe” growth forecast combined with increases in sales densities).

Figure 5.1: Retail Capacity Calculations – Simplified Analysis (2021 Prices) - All Study Area, Aberdeenshire and Aberdeen City

RETAIL CAPACITY CALCULATIONS - SIMPLIFIED ANALYSIS														
A. ACARS STUDY AREA WIDE														
2021 Prices														
SECTOR: CONVENIENCE			Available Expenditure £m				Average Turnover £m				Notional Capacity £m			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£1,367.6	£1,350.9	£1,354.6	£1,359.3	£1,763.19	£1,813.90	£1,813.90	£1,813.90	-£395.56m	-£462.99m	-£459.30m	-£454.61m	
	B2. Increase sales dens	£1,367.6	£1,350.9	£1,354.6	£1,359.3	£1,763.19	£1,804.96	£1,818.95	£1,853.73	-£395.56m	-£454.06m	-£464.35m	-£494.45m	
A2. Experian RP21 Higher	B1. No change	£1,367.6	£1,350.9	£1,354.6	£1,360.4	£1,763.19	£1,813.90	£1,813.90	£1,813.90	-£395.56m	-£462.99m	-£459.30m	-£453.47m	
	B2. Increase sales dens	£1,367.6	£1,350.9	£1,354.6	£1,360.4	£1,763.19	£1,804.96	£1,818.95	£1,853.73	-£395.56m	-£454.06m	-£464.35m	-£493.30m	
A4. Experian RP21 Severe	B1. No change	£1,369.9	£1,337.5	£1,343.7	£1,353.6	£1,763.19	£1,813.90	£1,813.90	£1,813.90	-£393.24m	-£476.35m	-£470.17m	-£460.34m	
	B2. Increase sales dens	£1,369.9	£1,337.5	£1,343.7	£1,353.6	£1,763.19	£1,804.96	£1,818.95	£1,853.73	-£393.24m	-£467.41m	-£475.22m	-£500.17m	
SECTOR: GENERAL COMPARISON			Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£1,002.6	£1,076.7	£1,225.9	£1,399.2	£1,072.52	£1,089.32	£1,089.32	£1,089.32	-£69.95m	-£12.63m	£136.54	£309.88	
	B2. Increase sales dens	£1,002.6	£1,076.7	£1,225.9	£1,399.2	£1,072.52	£1,136.17	£1,306.98	£1,500.11	-£69.95m	-£59.48m	-£81.12m	-£100.91m	
A2. Experian RP21 Higher	B1. No change	£1,002.6	£1,096.3	£1,273.5	£1,460.5	£1,072.52	£1,089.32	£1,089.32	£1,089.32	-£69.95m	£6.94	£184.16	£371.13	
	B2. Increase sales dens	£1,002.6	£1,096.3	£1,273.5	£1,460.5	£1,072.52	£1,136.17	£1,306.98	£1,500.11	-£69.95m	-£39.91m	-£33.50m	-£39.66m	
A4. Experian RP21 Severe	B1. No change	£1,002.6	£1,039.9	£1,135.9	£1,283.7	£1,072.52	£1,089.32	£1,089.32	£1,089.32	-£69.95m	-£49.47m	£46.62	£194.36	
	B2. Increase sales dens	£1,002.6	£1,039.9	£1,135.9	£1,283.7	£1,072.52	£1,136.17	£1,306.98	£1,500.11	-£69.95m	-£96.32m	-£171.04m	-£216.43m	
SECTOR: BULKY GOODS			Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£399.86	£426.36	£482.82	£548.14	£300.08	£305.10	£305.10	£305.10	£99.78	£121.26	£177.72	£243.04	
	B2. Increase sales dens	£399.86	£426.36	£482.82	£548.14	£300.08	£318.22	£365.51	£419.52	£99.78	£108.14	£117.31	£128.62	
A2. Experian RP21 Higher	B1. No change	£399.86	£434.38	£502.33	£573.25	£300.08	£305.10	£305.10	£305.10	£99.78	£129.28	£197.23	£268.15	
	B2. Increase sales dens	£399.86	£434.38	£502.33	£573.25	£300.08	£318.22	£365.51	£419.52	£99.78	£116.16	£136.82	£153.73	
A4. Experian RP21 Severe	B1. No change	£399.86	£411.27	£445.96	£500.81	£300.08	£305.10	£305.10	£305.10	£99.78	£106.17	£140.86	£195.71	
	B2. Increase sales dens	£399.86	£411.27	£445.96	£500.81	£300.08	£318.22	£365.51	£419.52	£99.78	£93.05	£80.45	£81.29	
RETAIL CAPACITY CALCULATIONS - SIMPLIFIED ANALYSIS														
B. ABERDEENSHIRE														
2021 Prices														
SECTOR: CONVENIENCE			Available Expenditure £m				Average Turnover £m				Notional Capacity £m			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£728.7	£720.4	£720.7	£721.5	£792.97	£837.23	£837.23	£837.23	-£64.22m	-£116.79m	-£116.52m	-£115.73m	
	B2. Increase sales dens	£728.7	£720.4	£720.7	£721.5	£792.97	£833.88	£838.91	£851.50	-£64.22m	-£113.44m	-£118.20m	-£130.01m	
A2. Experian RP21 Higher	B1. No change	£728.7	£720.4	£720.7	£722.1	£792.97	£837.23	£837.23	£837.23	-£64.22m	-£116.79m	-£116.52m	-£115.13m	
	B2. Increase sales dens	£728.7	£720.4	£720.7	£722.1	£792.97	£833.88	£838.91	£851.50	-£64.22m	-£113.44m	-£118.20m	-£129.40m	
A4. Experian RP21 Severe	B1. No change	£730.0	£713.3	£715.0	£718.5	£792.97	£837.23	£837.23	£837.23	-£62.99m	-£123.88m	-£122.27m	-£118.76m	
	B2. Increase sales dens	£730.0	£713.3	£715.0	£718.5	£792.97	£833.88	£838.91	£851.50	-£62.99m	-£120.53m	-£123.95m	-£133.03m	
SECTOR: GENERAL COMPARISON			Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£524.8	£565.1	£642.4	£731.7	£369.16	£381.83	£381.83	£381.83	£155.66	£183.24	£260.55	£349.90	
	B2. Increase sales dens	£524.8	£565.1	£642.4	£731.7	£369.16	£398.25	£457.45	£525.05	£155.66	£166.82	£184.93	£206.68	
A2. Experian RP21 Higher	B1. No change	£524.8	£575.2	£667.0	£763.4	£369.16	£381.83	£381.83	£381.83	£155.66	£193.39	£285.19	£381.53	
	B2. Increase sales dens	£524.8	£575.2	£667.0	£763.4	£369.16	£398.25	£457.45	£525.05	£155.66	£176.97	£209.57	£238.31	
A4. Experian RP21 Severe	B1. No change	£524.8	£546.0	£595.8	£672.1	£369.16	£381.83	£381.83	£381.83	£155.66	£164.15	£214.01	£290.26	
	B2. Increase sales dens	£524.8	£546.0	£595.8	£672.1	£369.16	£398.25	£457.45	£525.05	£155.66	£147.73	£138.39	£147.04	
SECTOR: BULKY GOODS			Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£210.75	£225.15	£254.57	£288.36	£121.11	£125.32	£125.32	£125.32	£89.64	£99.83	£129.25	£163.04	
	B2. Increase sales dens	£210.75	£225.15	£254.57	£288.36	£121.11	£130.70	£150.13	£172.31	£89.64	£94.45	£104.44	£116.05	
A2. Experian RP21 Higher	B1. No change	£210.75	£229.39	£264.86	£301.57	£121.11	£125.32	£125.32	£125.32	£89.64	£104.07	£139.54	£176.25	
	B2. Increase sales dens	£210.75	£229.39	£264.86	£301.57	£121.11	£130.70	£150.13	£172.31	£89.64	£98.69	£114.73	£129.26	
A4. Experian RP21 Severe	B1. No change	£210.75	£217.19	£235.14	£263.46	£121.11	£125.32	£125.32	£125.32	£89.64	£91.87	£109.82	£138.14	
	B2. Increase sales dens	£210.75	£217.19	£235.14	£263.46	£121.11	£130.70	£150.13	£172.31	£89.64	£86.49	£85.01	£91.15	
RETAIL CAPACITY CALCULATIONS - SIMPLIFIED ANALYSIS														
C. ABERDEEN CITY														
2021 Prices														
SECTOR: CONVENIENCE			Available Expenditure £m				Average Turnover £m				Notional Capacity £m			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£638.9	£630.5	£633.9	£637.8	£970.22	£976.66	£976.66	£976.66	-£331.34m	-£346.20m	-£342.78m	-£338.88m	
	B2. Increase sales dens	£638.9	£630.5	£633.9	£637.8	£970.22	£971.08	£980.03	£1,002.23	-£331.34m	-£340.62m	-£346.16m	-£364.44m	
A2. Experian RP21 Higher	B1. No change	£638.9	£630.5	£633.9	£638.3	£970.22	£976.66	£976.66	£976.66	-£331.34m	-£346.20m	-£342.78m	-£338.34m	
	B2. Increase sales dens	£638.9	£630.5	£633.9	£638.3	£970.22	£971.08	£980.03	£1,002.23	-£331.34m	-£340.62m	-£346.16m	-£363.90m	
A4. Experian RP21 Severe	B1. No change	£640.0	£624.2	£628.8	£635.1	£970.22	£976.66	£976.66	£976.66	-£330.25m	-£352.46m	-£347.90m	-£341.58m	
	B2. Increase sales dens	£640.0	£624.2	£628.8	£635.1	£970.22	£971.08	£980.03	£1,002.23	-£330.25m	-£346.88m	-£351.27m	-£367.14m	
SECTOR: GENERAL COMPARISON			Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£477.8	£511.6	£583.5	£667.5	£703.36	£707.49	£709.13	£650.26	-£225.61m	-£195.88m	-£125.65m	£17.21	
	B2. Increase sales dens	£477.8	£511.6	£583.5	£667.5	£703.36	£737.92	£849.54	£975.05	-£225.61m	-£226.31m	-£266.06m	-£307.59m	
A2. Experian RP21 Higher	B1. No change	£477.8	£521.0	£606.5	£697.1	£703.36	£707.49	£709.13	£650.26	-£225.61m	-£186.45m	-£102.67m	£46.83	
	B2. Increase sales dens	£477.8	£521.0	£606.5	£697.1	£703.36	£737.92	£849.54	£975.05	-£225.61m	-£216.88m	-£243.08m	-£277.96m	
A4. Experian RP21 Severe	B1. No change	£477.8	£493.9	£540.1	£611.6	£703.36	£707.49	£709.13	£650.26	-£225.61m	-£213.61m	-£169.04m	-£38.66m	
	B2. Increase sales dens	£1,002.6	£1,039.9	£1,135.9	£1,283.7	£703.36	£737.92	£849.54	£975.05	£299.21	£301.93	£286.40	£308.63	
SECTOR: BULKY GOODS			Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038	
A1.Experian RP21 Central	B1. No change	£189.11	£201.21	£228.25	£259.78	£178.98	£179.79	£179.79	£179.79	£10.13	£21.42	£48.46	£79.99	
	B2. Increase sales dens	£189.11	£201.21	£228.25	£259.78	£178.98	£187.52	£215.39	£247.21	£10.13	£13.69	£12.86	£12.57	
A2. Experian RP21 Higher	B1. No change	£189.11	£204.99	£237.48	£271.68	£178.98	£179.79	£179.79	£179.79	£10.13				

Figure 5.2: Retail Capacity Calculations – Simplified Analysis (2021 Prices)- Study Zones - Central Case/No Density Increases

ANALYSIS FOR STUDY ZONES		Available Expenditure				Average Turnover				Notional Capacity			
Current Position Re Zones: Experian Assumptions (Central case growth; no increase in densities)		2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038
Zone 1+3: Upper Deeside	Conv	£26.33	£25.25	£25.34	£25.25	£19.18	£19.18	£19.18	£19.18	£7.15	£6.07	£6.16	£6.07
	G Comp	£22.17	£23.22	£25.54	£28.55	£14.70	£14.70	£14.70	£14.70	£7.47	£8.52	£10.84	£13.85
	BG	£5.99	£5.97	£6.41	£7.05	£0.16	£0.16	£0.16	£0.16	£5.83	£5.81	£6.25	£6.89
Zone 2: Alford	Conv	£17.51	£16.79	£16.34	£16.24	£7.68	£7.68	£7.68	£7.68	£9.83	£9.11	£8.66	£8.56
	G Comp	£14.48	£15.15	£16.30	£18.19	£3.14	£3.14	£3.14	£3.14	£11.34	£12.01	£13.16	£15.05
	BG	£4.01	£4.01	£4.15	£4.56	£0.33	£0.33	£0.33	£0.33	£3.68	£3.68	£3.82	£4.23
Zone 4+5; Huntly & Insch	Conv	£41.20	£38.89	£37.66	£37.17	£50.80	£50.80	£50.80	£50.80	-£9.60m	-£11.91m	-£13.14m	-£13.63m
	G Comp	£28.62	£29.03	£30.85	£34.27	£24.71	£24.71	£24.71	£24.71	£3.91	£4.32	£6.14	£9.56
	BG	£10.31	£10.21	£10.64	£11.68	£3.19	£3.19	£3.19	£3.19	£7.12	£7.02	£7.45	£8.49
Zone 6: Turriff, Aberchirder	Conv	£19.35	£18.92	£19.55	£20.61	£21.68	£21.68	£21.68	£21.68	-£2.33m	-£2.76m	-£2.13m	-£1.07m
	G Comp	£11.93	£12.33	£13.82	£16.35	£20.41	£20.41	£20.41	£20.41	-£8.48m	-£8.08m	-£6.59m	-£4.06m
	BG	£5.03	£5.18	£5.78	£6.80	£0.79	£0.79	£0.79	£0.79	£4.24	£4.39	£4.99	£6.01
Zone 7: Banff & Macduff	Conv	£43.18	£40.32	£39.42	£39.13	£41.61	£56.29	£56.29	£56.29	£1.57	-£15.97m	-£16.87m	-£17.16m
	G Comp	£31.10	£31.42	£33.72	£37.61	£11.81	£13.86	£13.86	£13.86	£19.29	£17.56	£19.86	£23.75
	BG	£10.62	£10.36	£10.87	£11.97	£7.59	£7.59	£7.59	£7.59	£3.03	£2.77	£3.28	£4.38
Zone 8: Gardenstown Rural	Conv	£8.86	£8.31	£8.17	£8.04	£1.29	£1.29	£1.29	£1.29	£7.57	£7.02	£6.88	£6.75
	G Comp	£5.35	£5.30	£5.66	£6.26	£0.16	£0.16	£0.16	£0.16	£5.19	£5.14	£5.50	£6.10
	BG	£2.32	£2.29	£2.43	£2.67	£0.36	£0.36	£0.36	£0.36	£1.96	£1.93	£2.07	£2.31
Zone 9: Fyvie Rural	Conv	£11.06	£10.29	£9.96	£9.82	£2.86	£2.86	£2.86	£2.86	£8.20	£7.43	£7.10	£6.96
	G Comp	£7.52	£7.51	£7.97	£8.84	£0.11	£0.11	£0.11	£0.11	£7.41	£7.40	£7.86	£8.73
	BG	£2.83	£2.76	£2.88	£3.16	£0.00	£0.00	£0.00	£0.00	£2.83	£2.76	£2.88	£3.16
Zone 10: Fraserburgh	Conv	£63.25	£59.58	£58.01	£57.14	£99.32	£99.32	£99.32	£99.32	-£36.07m	-£39.74m	-£41.31m	-£42.18m
	G Comp	£41.01	£41.17	£43.75	£48.49	£54.65	£54.65	£54.65	£54.65	-£13.64m	-£13.48m	-£10.90m	-£6.16m
	BG	£16.24	£16.09	£16.88	£18.52	£15.54	£15.54	£15.54	£15.54	£0.70	£0.55	£1.34	£2.98
Zone 11: Peterhead	Conv	£66.82	£63.28	£62.63	£63.20	£104.52	£104.52	£104.52	£104.52	-£37.70m	-£41.24m	-£41.89m	-£41.32m
	G Comp	£43.30	£43.66	£47.09	£53.39	£53.34	£53.34	£53.34	£53.34	-£10.04m	-£9.68m	-£6.25m	£0.05
	BG	£17.40	£17.35	£18.53	£20.86	£23.34	£23.34	£23.34	£23.34	-£5.94m	-£5.99m	-£4.81m	-£2.48m
Zone 12: Mintlaw	Conv	£27.46	£27.58	£27.92	£28.77	£6.18	£6.18	£6.18	£6.18	£21.28	£21.40	£21.74	£22.59
	G Comp	£17.61	£18.72	£20.60	£23.81	£1.38	£1.38	£1.38	£1.38	£16.23	£17.34	£19.22	£22.43
	BG	£7.16	£7.58	£8.28	£9.52	£0.97	£0.97	£0.97	£0.97	£6.19	£6.61	£7.31	£8.55
Zone 13: Ellon	Conv	£47.31	£45.59	£46.36	£47.79	£50.92	£50.92	£50.92	£50.92	-£3.61m	-£5.33m	-£4.56m	-£3.13m
	G Comp	£34.71	£35.36	£39.00	£45.09	£14.44	£14.44	£14.44	£14.44	£20.27	£20.92	£24.56	£30.65
	BG	£15.61	£15.85	£17.40	£20.02	£4.03	£4.03	£4.03	£4.03	£11.58	£11.82	£13.37	£15.99
Zone 14: Balmedie	Conv	£21.30	£24.00	£26.39	£26.35	£3.81	£3.81	£3.81	£3.81	£17.49	£20.19	£22.58	£22.54
	G Comp	£16.05	£18.99	£22.56	£25.30	£0.08	£0.08	£0.08	£0.08	£15.97	£18.91	£22.48	£25.22
	BG	£6.98	£8.30	£9.86	£10.99	£0.00	£0.00	£0.00	£0.00	£6.98	£8.30	£9.86	£10.99
Zone 15: Oldmeldrum - Kintore	Conv	£66.62	£67.39	£69.46	£69.98	£37.25	£37.25	£37.25	£37.25	£29.37	£30.14	£32.21	£32.73
	G Comp	£48.90	£52.20	£58.32	£65.97	£1.32	£1.32	£1.32	£1.32	£47.58	£50.88	£57.00	£64.65
	BG	£22.02	£23.47	£26.13	£29.38	£1.87	£1.87	£1.87	£1.87	£20.15	£21.60	£24.26	£27.51
Zone 16: Inverurie - Kemnay	Conv	£52.22	£52.86	£54.90	£55.08	£96.74	£105.28	£105.28	£105.28	-£44.52m	-£52.42m	-£50.38m	-£50.20m
	G Comp	£39.32	£42.06	£47.35	£53.34	£66.84	£66.84	£66.84	£66.84	-£27.52m	-£24.78m	-£19.49m	-£13.50m
	BG	£17.23	£18.38	£20.61	£23.08	£37.90	£37.90	£37.90	£37.90	-£20.67m	-£19.52m	-£17.29m	-£14.82m
Zone 17: Aboyne, Torphins	Conv	£19.71	£18.14	£17.51	£17.36	£3.40	£3.40	£3.40	£3.40	£16.31	£14.74	£14.11	£13.96
	G Comp	£14.28	£13.89	£14.56	£16.21	£0.12	£0.12	£0.12	£0.12	£14.16	£13.77	£14.44	£16.09
	BG	£6.54	£6.34	£6.61	£7.31	£3.17	£3.17	£3.17	£3.17	£3.37	£3.17	£3.44	£4.14
Zone 18: Westhill and rural	Conv	£38.50	£36.10	£34.67	£34.10	£81.60	£81.60	£81.60	£81.60	-£43.10m	-£45.50m	-£46.93m	-£47.50m
	G Comp	£27.92	£27.65	£28.82	£31.85	£22.56	£22.56	£22.56	£22.56	£5.36	£5.09	£6.26	£9.29
	BG	£12.77	£12.62	£13.08	£14.36	£12.11	£12.11	£12.11	£12.11	£0.66	£0.51	£0.97	£2.25
Zone 19 City: Culter	Conv	£25.35	£25.18	£25.51	£25.87	£5.40	£5.40	£5.40	£5.40	£19.95	£19.78	£20.11	£20.47
	G Comp	£20.59	£21.78	£24.04	£27.31	£1.15	£1.15	£1.15	£1.15	£19.44	£20.63	£22.89	£26.16
	BG	£7.11	£7.42	£8.09	£9.12	£0.25	£0.25	£0.25	£0.25	£6.86	£7.17	£7.84	£8.87
Zone 19 Shire: Banchory	Conv	£27.03	£27.91	£27.74	£27.32	£46.54	£67.59	£67.59	£67.59	-£19.51m	-£39.68m	-£39.85m	-£40.27m
	G Comp	£19.20	£20.93	£22.52	£24.85	£20.78	£31.40	£31.40	£31.40	-£1.58m	-£10.47m	-£8.88m	-£6.55m
	BG	£8.07	£8.78	£9.43	£10.36	£4.76	£4.76	£4.76	£4.76	£3.31	£4.02	£4.67	£5.60
Zone 20E: Newtonhill + Chapelton	Conv	£19.77	£21.59	£23.64	£26.19	£10.64	£10.64	£10.64	£10.64	£9.13	£10.95	£13.00	£15.55
	G Comp	£14.21	£16.34	£19.36	£24.01	£1.07	£1.07	£1.07	£1.07	£13.14	£15.27	£18.29	£22.94
	BG	£5.88	£6.77	£8.01	£9.91	£1.95	£1.95	£1.95	£1.95	£3.93	£4.82	£6.06	£7.96
Zone 20W: S Deeside	Conv	£5.22	£6.21	£6.58	£6.87	£0.00	£0.00	£0.00	£0.00	£5.22	£6.21	£6.58	£6.87
	G Comp	£4.51	£5.55	£6.36	£7.39	£0.00	£0.00	£0.00	£0.00	£4.51	£5.55	£6.36	£7.39
	BG	£1.46	£1.85	£2.12	£2.46	£0.00	£0.00	£0.00	£0.00	£1.46	£1.85	£2.12	£2.46
Zone 21: Stonehaven	Conv	£32.18	£31.53	£30.98	£30.52	£21.25	£21.25	£21.25	£21.25	£10.93	£10.28	£9.73	£9.27
	G												

Figure 5.3: Retail Capacity Calculations – Simplified Analysis (2021 Prices) - Catchment Areas - Central Case/No Density Increases

SIMPLIFIED RETAIL CAPACITY FOR CATCHMENT AREAS

CONVENIENCE GOODS

ANALYSIS FOR CATCHMENT AREAS

Current Position Re Zones: Experian Assumptions (Central case growth)

CENTRE	ZONES	TEST	Available Expenditure £m				Average Turnover £m				Notional Capacity £m			
ABERDEENSHIRE			2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038
Banchory	1+3, 50% 17+18; 19shire	No change in Efficiencies 0.12% Growth Efficiencies PA	£82.47	£80.28	£79.17	£78.30	£108.22	£129.27	£129.27	£129.27	-£25.75	-£48.99	-£50.10	-£50.97
Banff	7	No change in Efficiencies 0.12% Growth Efficiencies PA	£43.18	£40.32	£39.42	£39.13	£41.61	£56.29	£56.29	£56.29	£1.57	-£15.97	-£16.87	-£17.16
			£43.18	£40.32	£39.42	£39.13	£41.61	£59.75	£63.42	£67.32	£1.57	-£19.43	-£24.00	-£28.18
Huntly	2, 4+5	No change in Efficiencies 0.12% Growth Efficiencies PA	£58.71	£55.68	£53.99	£53.41	£58.48	£58.48	£58.48	£58.48	£0.23	-£2.80	-£4.49	-£5.07
			£58.71	£55.68	£53.99	£53.41	£58.48	£62.07	£65.89	£69.94	£0.23	-£6.39	-£11.90	-£16.53
Turriff	6, 9	No change in Efficiencies 0.12% Growth Efficiencies PA	£30.41	£29.21	£29.51	£30.43	£24.54	£24.54	£24.54	£24.54	£5.87	£4.67	£4.97	£5.89
			£30.41	£29.21	£29.51	£30.43	£24.54	£26.05	£27.65	£29.35	£5.87	£3.16	£1.86	£1.08
Fraserburgh	8, 10	No change in Efficiencies 0.12% Growth Efficiencies PA	£72.10	£67.89	£66.19	£65.18	£100.61	£100.61	£100.61	£100.61	-£28.51	-£32.72	-£34.42	-£35.43
			£72.10	£67.89	£66.19	£65.18	£100.61	£106.79	£113.36	£120.32	-£28.51	-£38.91	-£47.17	-£55.14
Peterhead	11, 12	No change in Efficiencies 0.12% Growth Efficiencies PA	£94.29	£90.86	£90.55	£91.97	£110.70	£110.70	£110.70	£110.70	-£16.41	-£19.84	-£20.15	-£18.73
			£94.29	£90.86	£90.55	£91.97	£110.70	£117.50	£124.72	£132.39	-£16.41	-£26.64	-£34.18	-£40.42
Ellon	13, 14	No change in Efficiencies 0.12% Growth Efficiencies PA	£68.62	£69.59	£72.75	£74.14	£54.73	£54.73	£54.73	£54.73	£13.89	£14.86	£18.02	£19.41
			£68.62	£69.59	£72.75	£74.14	£54.73	£58.09	£61.66	£65.45	£13.89	£11.49	£11.09	£8.69
Inverurie	15, 16, 50% 17+18	No change in Efficiencies 0.12% Growth Efficiencies PA	£147.95	£147.37	£150.45	£150.79	£176.49	£185.03	£185.03	£185.03	-£28.54	-£37.66	-£34.58	-£34.24
			£147.95	£147.37	£150.45	£150.79	£176.49	£196.40	£208.47	£221.28	-£28.54	-£49.03	-£58.02	-£70.50
Stonehaven/Portlethen	20E, 20W, 21, 22, 31	No change in Efficiencies 0.12% Growth Efficiencies PA	£132.25	£132.14	£132.92	£135.13	£117.59	£117.59	£117.59	£117.59	£14.66	£14.55	£15.33	£17.54
			£132.25	£132.14	£132.92	£135.13	£117.59	£124.82	£132.49	£140.63	£14.66	£7.33	£0.44	-£5.50
ABERDEEN CITY														
City - North & North West	23, 24N, 24S, 25	No change in Efficiencies 0.12% Growth Efficiencies PA	£118.39	£121.40	£127.35	£132.31	£154.61	£154.61	£154.61	£154.61	-£36.22	-£33.21	-£27.26	-£22.30
			£118.39	£121.40	£127.35	£132.31	£154.61	£164.11	£174.20	£184.90	-£36.22	-£42.71	-£46.85	-£52.60
City - Centre + North	26, 27, 28	No change in Efficiencies 0.12% Growth Efficiencies PA	£218.10	£205.81	£202.13	£199.58	£200.28	£200.28	£200.28	£200.28	£17.82	£5.53	£1.85	-£0.70
			£218.10	£205.81	£202.13	£199.58	£200.28	£212.59	£225.65	£239.52	£17.82	-£6.77	-£23.52	-£39.94
City - West	19CITY, 29N, 29S	No change in Efficiencies 0.12% Growth Efficiencies PA	£160.85	£158.81	£161.96	£166.64	£152.93	£152.93	£152.93	£152.93	£7.92	£5.88	£9.03	£13.71
			£160.85	£158.81	£161.96	£166.64	£152.93	£162.33	£172.30	£182.89	£7.92	-£3.52	-£10.35	-£16.26
City Central	30	No change in Efficiencies 0.12% Growth Efficiencies PA	£95.53	£89.73	£87.20	£84.81	£418.72	£422.24	£422.24	£422.24	-£323.19	-£332.51	-£335.04	-£337.43
			£95.53	£89.73	£87.20	£84.81	£418.72	£448.19	£475.73	£504.97	-£323.19	-£358.46	-£388.53	-£420.16
City South	32	No change in Efficiencies 0.12% Growth Efficiencies PA	£47.09	£48.44	£50.12	£51.76	£43.67	£43.67	£43.67	£43.67	£3.42	£4.77	£6.45	£8.09
			£47.09	£48.44	£50.12	£51.76	£43.67	£46.35	£49.20	£52.23	£3.42	£2.09	£0.92	-£0.47

GENERAL COMPARISON GOODS		Available Expenditure £m				Average Turnover £m				Notional Capacity £m			
		2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038
City Centre	No change in Efficiencies	£429.95	£461.74	£525.71	£600.05	£385.58	£391.34	£391.34	£391.34	£44.38	£70.40	£134.37	£208.70
Assumes no change in market share for TAE - 42.9% for City Centre	1.96% Growth Efficiencies PA	£429.95	£461.74	£525.71	£600.05	£385.58	£431.23	£475.18	£523.61	£44.38	£30.51	£50.53	£76.44
Remainder City	No change in Efficiencies	£237.77	£255.35	£290.73	£331.84	£316.15	£316.15	£316.15	£316.15	£-78.38	£-60.79	£-25.42	£15.69
Assumes no change in market share for TAE - 23.7% for remainder of City	1.96% Growth Efficiencies PA	£237.77	£255.35	£290.73	£331.84	£316.15	£348.37	£383.87	£423.00	£-78.38	£-93.02	£-93.14	£-91.16
Aberdeenshire	No change in Efficiencies	£245.49	£263.64	£300.17	£342.61	£369.16	£381.83	£381.83	£381.83	£-123.67	£-118.19	£-81.66	£-39.22
Assumes no change in market share for TAE - assumes 24.5% for Aberdeenshire	1.96% Growth Efficiencies PA	£245.49	£263.64	£300.17	£342.61	£369.16	£420.75	£463.63	£510.88	£-123.67	£-157.10	£-163.46	£-168.27
BULKY COMPARISON GOODS		Available Expenditure £m				Average Turnover £m				Notional Capacity £m			
		2023	2028	2033	2038	2023	2028	2033	2038	2023	2028	2033	2038
City Centre	No change in Efficiencies	£49.42	£52.69	£59.67	£67.74	£29.51	£29.51	£29.51	£29.51	£19.90	£23.18	£30.15	£38.23
Assumes no change in market share for TAE - 12.4% for City Centre	1.96% Growth Efficiencies PA	£49.42	£52.69	£59.67	£67.74	£29.51	£32.52	£35.84	£39.49	£19.90	£20.17	£23.83	£28.25
Remainder City	No change in Efficiencies	£211.07	£225.06	£254.86	£289.34	£189.11	£194.09	£210.83	£237.35	£21.96	£30.97	£44.03	£51.99
Assumes no change in market share for TAE - 52.8% for remainder of City	1.96% Growth Efficiencies PA	£211.07	£225.06	£254.86	£289.34	£189.11	£213.87	£255.99	£317.57	£21.96	£11.19	£-1.13	£-28.22
Aberdeenshire	No change in Efficiencies	£113.39	£120.90	£136.91	£155.44	£210.75	£217.19	£235.14	£263.46	£-97.36	£-96.28	£-98.22	£-108.02
Assumes no change in market share for TAE - assumes 28.4% for Aberdeenshire	1.96% Growth Efficiencies PA	£113.39	£120.90	£136.91	£155.44	£210.75	£239.32	£285.51	£352.50	£-97.36	£-118.42	£-148.60	£-197.07

- 5.12. Figure 5.2 provides a similar analysis (for the central growth forecast with no increase in sales densities) for each study zone.
- 5.13. Again, it is considered that limited weight can be attached to the findings of these simplified retail capacity calculations even on a zone by zone basis. This is because for both convenience and comparison goods one has to take into account the fact that retail locations serve different market areas within the study area. The analysis in Figure 5.3 seeks to address this issue.
- For convenience goods the principal town centres within Aberdeenshire will serve more than one zone within their principal catchment areas. Figure 5.3 therefore groups Zones based on the principal town centre (with Zones 17 & 18 split between Inverurie and Banchory).
 - For both comparison goods categories catchment areas overlap substantially, to the extent that the City Centre serves the regional market encompassing, in effect, the whole of the study area. Figure 5.3 therefore adopts a market share approach i.e. it compares the notional average turnover to the available expenditure based on current market share of available expenditure (using information from the SRM and household survey). This is undertaken for only three general areas/locations: the City Centre; the remainder of the City; and for the whole of Aberdeenshire.
- 5.14. The analysis presented in Figure 5.3 shows:
- For **convenience goods** the only quantitative retail deficiencies within Aberdeenshire are in Turriff and Ellon. The potential for Turriff is quite limited whereas it is more significant in Ellon. The Figure also identifies a quantitative deficiency in Stonehaven/Portlethen but this *does not take into account turnover from the proposed store at Ury Estate*. The development of this store (or an alternative) would remove the deficiency. Within Aberdeen City the only quantitative retail deficiency identified is in Aberdeen South (Zone 32) (but, as with Stonehaven, this does not treat any new floorspace at Loirston as a commitment).
 - For **general comparison goods** the analysis identifies:
 - significant quantitative retail deficiencies within the City Centre
 - no capacity in the remainder of the City (results vary between scenarios but the overall indication is a lack of capacity to 2038)
 - no capacity in Aberdeenshire
 - For **bulky comparison goods** the analysis identifies:
 - some quantitative retail deficiencies within the City Centre increasing to 2038
 - some capacity in the remainder of the City (results vary between scenarios but the overall indication is a positive capacity identified to 2038)
 - no capacity in Aberdeenshire

Analysis Allowing for Changes in Expenditure Flows

- 5.15. It is important to recognise that the analysis set out in Figure 5.3 assumes that existing patterns of expenditure flow (i.e. inflows and leakage) and market share remain the same in the future. As such it can be criticised in that it assumes conditions remain static, which is highly unlikely given the nature of change within retailing. At a study area-wide level the implications of altering net inflows of expenditure can be tested in a more refined approach to assessing quantitative retail deficiencies. This cannot be undertaken at a more detailed level of analysis for individual zones or catchment areas because, in most instances, increasing net inflows into one retail location will be at the expense of decreasing net inflows in other locations within the study area.
- 5.16. To address this one can identify net inflows/leakage of expenditure in the assessment (effectively this can be considered a proxy for existing market realities) and to adopt an optimistic assumption that it would be possible to increase net inflows of expenditure. This approach is typically adopted by Roderick MacLean Associates in their “optimistic” scenarios for calculating retail capacity for

convenience goods planning authorities in Scotland. This analysis is set out in Figure 5.4. The “low” estimate assumes no changes in expenditure retention/inflows whereas the “high” estimate assumes reductions in leakage and increases in inflows of expenditure.

5.17. The analysis provided in Figure 5.4 identifies:

- **Convenience goods:** for the study area as a whole, even with the optimistic scenario, there is no quantitative retail deficiency even up to 2038.
- **General and bulky Comparison goods:** this analysis indicates that there is a substantial capacity for both general comparison and bulky comparison goods in the high estimate up to 2038.

5.18. In making the assumptions in this refined analysis one has to consider the market realities of significantly altering expenditure inflows required to support the high estimates. The fact is that the Aberdeen market area is relatively isolated and, to increase net inflows, would require consumers travelling significant distances in choosing to shop in Aberdeen rather than Dundee, Elgin or Inverness. Whereas there are strong market forces supporting market concentration these are not likely to favour Aberdeen substantially when compared to Dundee (which is generally comparable in terms of scale of retail offer). Greatest potential would be to increase penetration in the Elgin/Moray market but, in order to do this, the retail offer within the City would need to attract shopping trips of greater than 100 miles round trip (Inverurie would only remain similarly attractive to Elgin in terms of retail offer). This seems unrealistic and it is more likely that shoppers in Moray are more likely to increase internet spend rather than make other than occasional trips to Aberdeen.

5.19. A further factor should be noted is whether developers and retailers would be prepared to invest in Aberdeen to the extent that the retail offer would be sufficiently enhanced to attract a wider market. This did happen with the development of Union Square but it now appears that, in recent/current market conditions the principal impact of this development has been to increase competition internally within the City Centre having shifted the retail focus of the City Centre to the south. If the press reports from 2021 are correct regarding the reason for the closure of John Lewis, then the geographical location of Aberdeen at the northern end of very long distribution networks, will also be a significant factor is deterring major new investment to support new retailers to enter the Aberdeen market.

Figure 5.4: RMA Methodology for Retail Capacity

RMA METHODOLOGY FOR RETAIL CAPACITY

Based on Scenario - RP21 central growth and no increase in densities

2021 Prices

	2023			2028			2033			2038		
	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG
Resident's Expenditure Potential	£1,346.6	£976.5	£403.2	£1,328.0	£1,041.0	£430.1	£1,329.6	£1,178.5	£487.0	£1,331.8	£1,338.1	£553.0
Add inflows	£21.2	£59.4	£10.0	£23.0	£69.1	£10.0	£25.1	£80.7	£10.0	£27.5	£94.6	£10.0
	1.6%	6.1%	2.5%	1.7%	6.6%	2.3%	1.9%	6.8%	2.1%	2.1%	7.1%	1.8%
Less Outflows	-£29.7m	-£105.3m	-£36.2m	-£29.3m	-£104.9m	-£37.8m	-£29.1m	-£118.6m	-£42.1m	-£29.4m	-£134.9m	-£47.6m
	-2.2%	-10.8%	-9.0%	-2.2%	-10.1%	-8.8%	-2.2%	-10.1%	-8.6%	-2.2%	-10.1%	-8.6%
Retained Expenditure (turnover)	£1,338.1	£930.6	£377.0	£1,321.7	£1,005.1	£402.3	£1,325.6	£1,140.6	£455.0	£1,330.0	£1,297.7	£515.4

	2023-2028			2023-2033			2023-2038		
	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG
(a) Current under (-) or over-(+) trading	-£425.1m	-£49.2m	£130.8m	-£425.1m	-£49.2m	£130.8m	-£425.1m	-£49.2m	£130.8m
(b) Growth in retained expenditure	-£16.4m	£74.6m	£25.3m	-£12.5m	£210.1m	£77.9m	-£8.1m	£367.1m	£138.3m
(c) Less Planning Commitments	-£47.8m	-£18.4m	-£5.0m	-£47.8m	-£18.4m	-£5.0m	-£47.8m	-£18.4m	-£5.0m
Low Estimate	-£489.3m	£6.9m	£151.0m	-£485.4m	£142.4m	£203.7m	-£481.0m	£299.5m	£264.1m
(d) Add Potential to reduce outflow Assume Clawback of Leakage 75% conv; 35% GC & 75% BG	£22.0m	£36.7m	£28.4m	£21.8m	£41.5m	£31.6m	£22.0m	£47.2m	£35.7m
(e) Add: potential to increase inflow 25% conv; 15% GC & 25% BG	£5.3m	£8.9m	£2.5m	£5.7m	£10.4m	£2.5m	£6.3m	£12.1m	£2.5m
High Estimate	-£462.0m	£52.5m	£181.9m	-£457.8m	£194.3m	£237.8m	-£452.7m	£358.8m	£302.4m

Conclusion: Quantitative Retail Deficiencies – Results of Capacity Calculations

5.20. A series of different types of retail capacity calculations have been undertaken using the SRM model. The results of these assessments differ, as follows:

- **Convenience Goods.** The simple method identifies that, at the study area level, there is no capacity or quantitative deficiency for additional convenience floorspace throughout the study period for the study area as a whole and for the two authorities. However, it does identify that there are local areas that do have quantitative deficiencies:
 - Turriff (very limited)
 - Ellon
 - Loirston/south Aberdeen (Zone 32)
 - Stonehaven – although this only exists assuming the proposed supermarket at Ury Estate is not implemented. If this store, or an alternative, is developed then there is no quantitative deficiency in this area.

Both of the alternative analyses provide the same conclusions in relation to quantitative deficiencies for convenience goods for the study area as a whole.

- **General Comparison Goods.** The analysis from both the simple capacity calculations for the study area as a whole indicate that there is a substantial quantitative deficiency/capacity for general comparison goods. However, the scale of this deficiency varies substantially according to the assumptions adopted (from -£216m to +£371m turnover equivalent per annum by 2038 depending on method adopted and scenario tested). However, the simple approach identifies that there is a substantial “capacity” within Aberdeenshire and over-supply in Aberdeen City which is not compatible with the role of the City Centre serving the regional market. The market share approach identifies the reverse, i.e. that there is substantial capacity in the City Centre (up to +£200m equivalent in 2038) but, in contrast an existing over-supply of floorspace in the remainder of the City and Aberdeenshire.

The implications of these results is that, in overall terms, there is no clear quantitative retail deficiency for general comparison goods within the study area as a whole. However, any significant new retail floorspace proposals for comparison goods should be directed to locations within the City Centre consistent with the market share-based analysis and away from locations elsewhere in the City and in Aberdeenshire. This approach would be consistent with the Network of Centres and Sequential Approach which directs major comparison floorspace development to the City Centre in the first instance, as identified in the current Local Development Plans.

- **Bulky Comparison Goods.** The different approaches to calculating capacity/quantitative retail deficiencies provide contrasting results:
 - The simplified approach identifies capacity in each of the Study Area as a whole and for both Aberdeen City and Aberdeenshire although there is considerable variation in the scale of the deficiency depending on scenario adopted (ranging from +£80m to +£270m turnover equivalent per annum by 2038).
 - The market share approach identifies only modest “capacity” within the City Centre by 2038 (+£28m to +£38m pa equivalent), some quantitative deficiency in the remainder of the City but no deficiency in Aberdeenshire.
 - The method amending expenditure flows identifies a substantial deficiency for the study area as a whole ranging from +£264m to +£302m equivalent. However the high growth test is considered to be unrealistic.

Overall it is considered that these assessments identify that, up to 2038, there is a quantitative retail deficiency for bulky comparison goods but this should be directed to locations in either the City Centre or elsewhere in the City rather than to locations in Aberdeenshire. This

conclusion would support the continued allocation of land at Denmore Road as a potential location for additional bulky goods floorspace.

Qualitative Retail Deficiencies

- 5.21. Access to retail and leisure facilities can be considered to be an important factor in assessing the presence of qualitative deficiencies. For convenience goods, these qualitative deficiencies can reflect the absence of important subsectors of retailing (such as convenience-format stores, discounters, freezer centres, other specialist stores or superstores) and the age/quality of the stores within a local area. In this way proposals for new investment to upgrade, expand or relocate existing older units may provide opportunities for improving the quality of provision, especially where the existing stock is limited.
- 5.22. The diversity of both the comparison goods and leisure sectors renders it difficult to consider deficiencies and consideration should also be given to the size of the settlement/community under consideration i.e. one should accept that a small community is unlikely to have immediate access to the full range of retail and leisure facilities. This is complicated by the fact that it is a matter of judgement and perspective as to what would be considered acceptable levels of accessibility, for example, in Aberdeen City/Aberdeenshire most communities (with the notable exception of the remoter rural areas) have direct access by public transport to the principal towns. Recognising these limitations the following should be noted:
- Within Aberdeen City as a whole there is a wide choice of retail and leisure facilities including located within the City, town and district centres and in the retail parks. Public and private leisure facilities are also widely available within the urban area.
 - Similarly it can be considered that each of Inverurie, Peterhead and Fraserburgh also have a good range of retail and leisure facilities available and, generally, easily accessible.
 - Elsewhere in Aberdeenshire the choice available to residents for convenience goods and, especially, comparison goods retailing is more limited. Almost all principal towns have (or are about to have) access to supermarkets/food discounters except the locations with reduced choice are: Stonehaven (no modern supermarket/discounter); Turriff (no discounter or larger supermarket); and Banff (no larger supermarket but a new discounter will be open soon in Macduff).
 - In the principal towns elsewhere in Aberdeenshire the range of comparison goods shops is more limited although most day-to-day needs for comparison goods are available within each town. Each town has a limited range of commercial leisure facilities (notably for eating/drinking-out and health & beauty).
 - In smaller settlements and rural areas, the range and choice for convenience, comparison and leisure is more restricted. This reflects the smaller settlements and markets that are served.
- 5.23. Qualitative deficiencies are, by their nature, subjective and many will consider that a lack of large floorplate or modern supermarkets/comparison goods units should not be considered a deficiency. Nonetheless, as will be noted in the review of centres in Volume 2, there was a widespread view from respondents to the household survey in many parts of Aberdeenshire that there is a significant lack of choice for both general and bulky comparison goods. Provision of additional larger floorplate units can assist in meeting this deficiency. However, there are no clear opportunities for development of this size to be accommodated within, or on the edge of existing town centres, and the market potential for these units to be provided will be limited.

Market Potential

5.24. *Comparison Goods.* The review set out in Section 3 identified that:

- For many multiple retailers, particularly for clothing and fashion, the review of the existing portfolio could result in closures, especially in mid-sized centres in favour of concentration in largest centres.
- There continues to be strong growth from non-food discounters – the preferred location will continue to be locations with easy vehicular access and parking.
- Bulky goods retailing is linked closely to the strength of the housing market.

5.25. These, relatively short-term, market considerations differ from the findings of the quantitative retail deficiency assessment set out above. The implication is that, generally, there is likely to be reduced demand for space apart from in locations other than in Aberdeen and Inverurie, although there could be demand in out-of-centre locations. Even in these locations demand may well be limited and, lack of progress at sites such as Buchan Gateway, are indicative of limited demand outwith the commuter areas of Aberdeenshire. In contrast, the size of the market within Aberdeen would indicate potential market demand should sites be forthcoming except where this is tempered by the logistical constraints for individual operators associated with the length of supply routes to the city.

5.26. *Convenience Goods.* The review has highlighted that, in general, there is unlikely to be further demand for major superstores – the only foreseeable possibility would be a major operator seeking to enter the Aberdeen City or Aberdeenshire market. This is, however unlikely given the established presence of each of ASDA, Sainsbury, Tesco and Morrisons in various locations in the study area. Stonehaven has long attracted market interest but this is focussed on sites with strong commercial, rather than planning, merits.

5.27. There is, however, ongoing demand for mid-sized supermarkets (1500-2500 sq m GFA) particularly for discounters. At present both Lidl and Aldi are well represented in the study area and there are also a number of M&S Foodhall stores. It is likely that there will be ongoing demand in the principal settlements for further foodstores of this size or slightly smaller (e.g. for frozen food specialists) and this will include relocations/redevelopment of older format units.

5.28. *Leisure and Services.* Section 3 noted that the leisure sector is diverse and is based on discretionary spend but has grown rapidly and is expected to grow strongly in the long term. Space requirements are varied and a significant proportion of this is expected to be directed to the City Centre and principal town centre/district centre locations. Tourism is also strong which should support requirements, particularly in Deeside and the National Park but also in other parts of Aberdeenshire and the City Centre. Leisure and tourism has the potential to take space released by retail units closing in centres.

Conclusions

5.29. The conclusions from the analysis of deficiencies are:

Convenience Goods

- For the study area as a whole no significant quantitative retail deficiency is identified to support additional convenience goods floorspace.
- However, in local areas, notably Turriff, Ellon, Stonehaven and Loirston/south Aberdeen additional floorspace can address local deficiencies in floorspace.
- Significant new convenience floorspace serving local markets is, however, expected to adversely impact on existing foodstores in the study area.

- It is unlikely that there will be requirements for operators not present within the study area. More significant could be from existing operators with what are considered to be suboptimal units to relocate to more commercially attractive units and from mid-sized supermarket operators including discounters.

General Comparison Goods

- 5.30. In overall terms the capacity calculations do not identify a clear quantitative retail deficiency for general comparison goods for the study area as a whole. However, it is also evident that, insofar as there is a quantitative deficiency then this occurs within the City Centre rather than in other parts of the study area. Similarly market trends would support a focus of investment into the City Centre but proposals are also expected to seek to direct development into major retail parks in the Aberdeen and Inverurie areas. Given the uncertainties regarding growth in expenditure and capacity, any new development outwith the City Centre is likely to result in either further loss of trade from the City Centre or undermine the potential to support new investment in retail floorspace within the City Centre.
- 5.31. A significant issue affecting the attractiveness of Aberdeen as a regional centre for new investment is its relatively remote location and, for new entrants into this market area, the cost of logistics serving floorspace. The loss of John Lewis has been attributed to this factor and it could also apply to the lack of proposed investment to date in both Bon Accord and even in extensions to Union Square. Future plans for the John Lewis/Bon Accord from EP Properties are therefore very significant to assess the extent to which the City Centre is seen as attractive for commercial retail & leisure investment.
- 5.32. At this stage, therefore:
- Market demand is, therefore, unlikely to support the scale of deficiency identified. The indications are, at the moment, that the City Centre will remain attractive to comparison retail but that this is unlikely to replace the scale floorspace that has been lost in recent years.
 - Inverurie continues to be attractive to investment serving a sub-regional role. This will attract those retailers already with well-established supply networks and see Inverurie as serving an affluent market area benefitting from of significant population growth. However, significant investment in Inverurie, and any other location outwith the City Centre, will undermine the long term growth of the City Centre.
 - In the other principal town centres and district centres it is not expected that there will be any significant change in comparison space provision.

Bulky Comparison Goods

- 5.33. In general the assessments identify both a broad level of quantitative retail deficiency for bulky goods as well as market demand for these goods directed to, in particular, major retail parks located within Aberdeen and Inverurie. At this stage it is not known whether the scale of market demand, which tends to reflect conditions in the house building industry, will meet the scale of deficiency identified up to 2038. The conclusions of the assessments are:
- Market demand and growth in expenditure would support some additional bulky goods floorspace to 2038. The preferred location for this would be within the City Centre and existing commercial centres/retail parks within the City and major Aberdeenshire towns.
 - Potential long term market demand and expenditure growth supports the continued allocation of land for bulky goods floorspace close to Denmore Road.

Leisure Space

- In the long term demand for commercial leisure space is expected to grow significantly in the City, town and district centres. Increased demand for leisure and other service uses has the

potential to offset the decline in comparison goods retailing, which could be particularly significant in a number of the town and district town centres.

- There is also the significant potential for additional leisure space to serve the long term growth of tourism especially in Deeside and other rural areas of Aberdeenshire.

Local Accessibility to Retail and Related Services

Introduction

- 5.34. Local accessibility to retail and related services within neighbourhoods is embodied in the 20-Minute Neighbourhood principle (20MN) set out in NPF4. This states that the general principle underlying 20MNs is to create *“connected and compact neighbourhoods where people can meet the majority of their daily needs within a reasonable distance of their home, preferably by walking, wheeling or cycling or using sustainable transport options”*. To support this principle an assessment of the distribution of retail/retail service units in the study area has been undertaken.
- 5.35. In undertaking this assessment it is important to establish a benchmark for identifying whether a group of retail/service units provides a sufficient range of goods and/or services that supports the principle of local accessibility. Neither NPF4, Development Plan Guidance nor the Local Living and 20 Minute Neighbourhoods planning guidance set out an indication of the appropriate minimum level of service that should be considered as suitable for this. The position adopted in this analysis is as follows:
- Whereas individual retail/service units can provide important facilities or services for the local area, typically they can only provide only a limited range of goods/services. On this basis they have not been considered to be sufficient to support the principle of local living envisaged in NPF4.
 - The exception to this is in supermarkets, or large stores, which retail a relatively wide range of goods.
 - Therefore, the assessment undertaken has been based on the identification of local groups of retail/service units which are considered to provide a minimum range of types of goods and services:
 - Minimum no. of 4 retail and retail/leisure service units, provided at least one of these units retails convenience goods in a clearly defined urban location or, in rural areas, within a village as a whole.
 - Otherwise minimum no. of 5 retail/service units.
 - All supermarkets (minimum ca. 700 sq m GFA) are considered to provide an acceptably wide range of goods for sale suitable for supporting the principle of local living.
 - All identified town centres.
 - All identified retail parks.
- 5.36. This is, of course, a simplistic working definition in that, for example, units could combine or subdivide changing the number of units present, they could be large or small units and no account is taken of the market area that the units actually serve.
- 5.37. In draft versions of NPF4 the principle of 20MNs was based on 10-minute walking to, plus 10-minutes walking back, from the service provided i.e., broadly based on an 800m catchment area. However, other approaches have adopted different distances. In this context the key requirement is whether or not the location is within easy walking distance. If one extended this principle to cycling and/or sustainable transport (as noted in NPF4) the geographical extent of the catchment areas will, of course, be much wider. In rural areas it is not considered that walking distances are relevant when considering accessibility, especially in remoter areas.

- 5.38. Recognising these limitations to the analysis areas have been assessed identifying those that are generally within/outwith easy walking distance of groups of shops/service units. The location data for these groups has been provided by the Regional Assessor and Aberdeenshire Council's Planning Information delivery (PID) team. In the assessments 800m has been identified as a direct linear distance – in fact the actual walking distance will, in many cases be greater than this due to the pattern of road/path networks and barriers to movement and so the catchment areas identified must therefore be regarded only as indicative.

Aberdeen City

Foodstores

- 5.39. Although foodstores, by definition, focus on the retail of groceries and related goods, they are of fundamental importance for providing access to basic necessities. In Aberdeen the RA database identifies:
- 216 food shops <750 sq m GFA. These include convenience-format stores, newsagents and specialists (bakers, butchers, greengrocers, fishmongers etc).
 - 84 large format stores retailing convenience goods – the vast majority of these are supermarkets/superstores (with the latter including a significant range of comparison goods) but also larger specialist stores (e.g. freezer centres), food discounters and also foodhalls within larger stores (notably the two M&S GM stores in the City Centre).
- 5.40. The general pattern is, as expected, that there are strong concentrations of food shops within the City Centre and the older, denser residential areas to the north and west of the City Centre. In newer parts of the City the density of food shops reduces such that a number of modern residential developments – north of Bridge of Don, parts of Kingswells, Milltimber and southern parts of Cove Bay, are located further than 800m walking distance from the nearest food shops.
- 5.41. The figures also identify the location of larger food stores. These are reasonably well distributed around the City with the exceptions being:
- Communities along the North Deeside Road (Peterculter to Bieldside)
 - Cove Bay
 - Central west Aberdeen
 - Kingswells
 - Northfield

Concentrations of Existing Retail and Service Units

- 5.42. Figures 5.5 and 5.6 provide information on the concentrations of retail/service units together with indicative 800m catchments and the location of the principal residential/masterplan area allocations in the adopted LDP. As noted above, although certain major barriers have been accounted for (such as rivers/bridge crossings), actual walking distances will be slightly greater than indicated. In this sense the areas identified can be considered to be slightly wider than a 20MN area. It is, however, considered that this is reasonable in the context of a strategic assessment of retail/service deficiencies within the City.
- 5.43. Where catchments overlap this is shown as darker shading. This is only of limited significance since centres with multiple shops and services are identified as only a single catchment and therefore the shading will appear to understate the facilities and services within easy walking distance. The plans do not include walk-in catchments to the retail parks. For most of these this is not significant because the RPs include supermarkets which are assessed (e.g. Bridge of Don, Boulevard). The principal exception is Berryden RP which is located in a part of the City with easy walking access to a range of different locations.

Figure 5.5: Location of Retail/Service Concentrations & Major Residential /Masterplan Areas – Aberdeen North

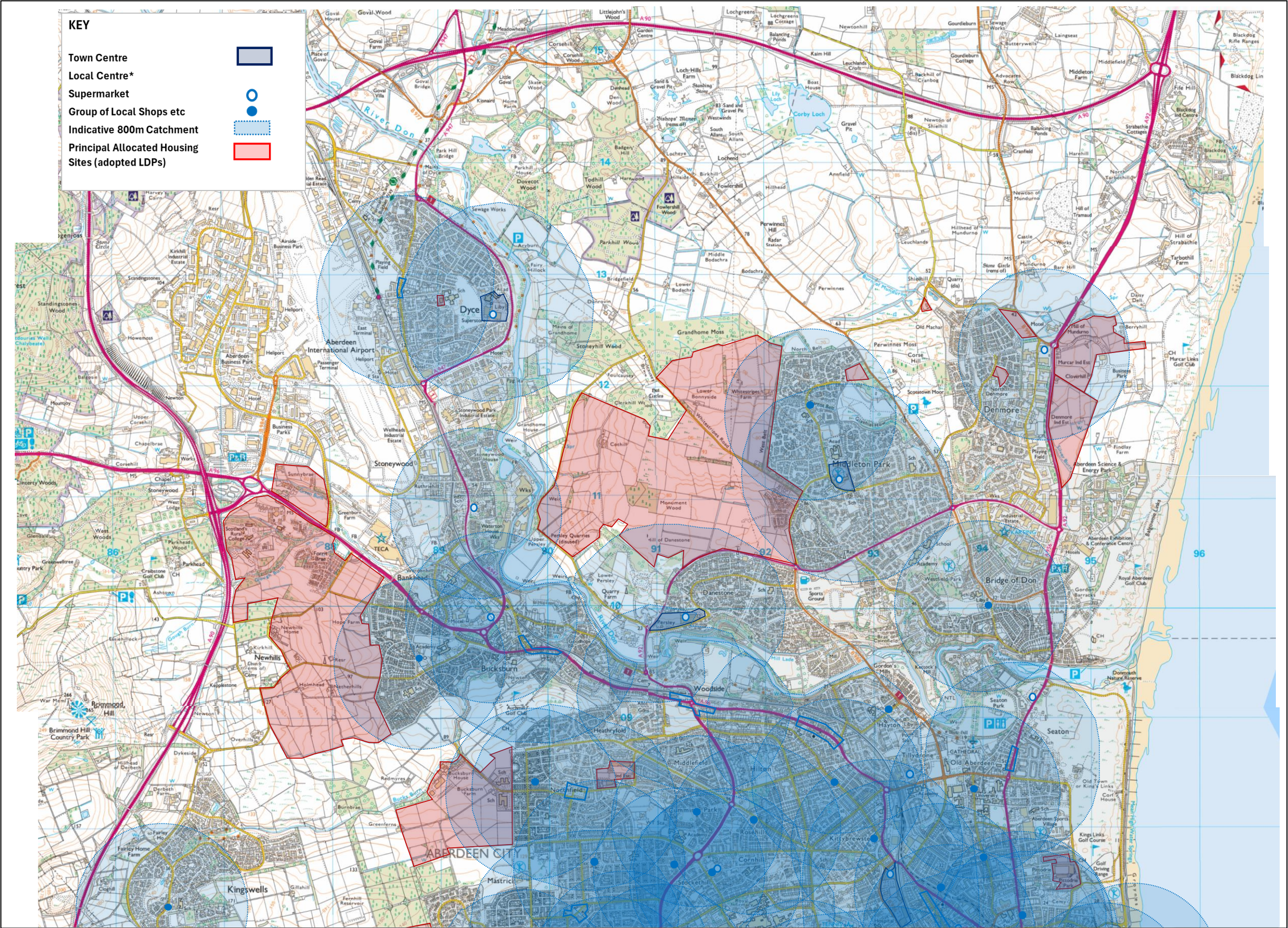
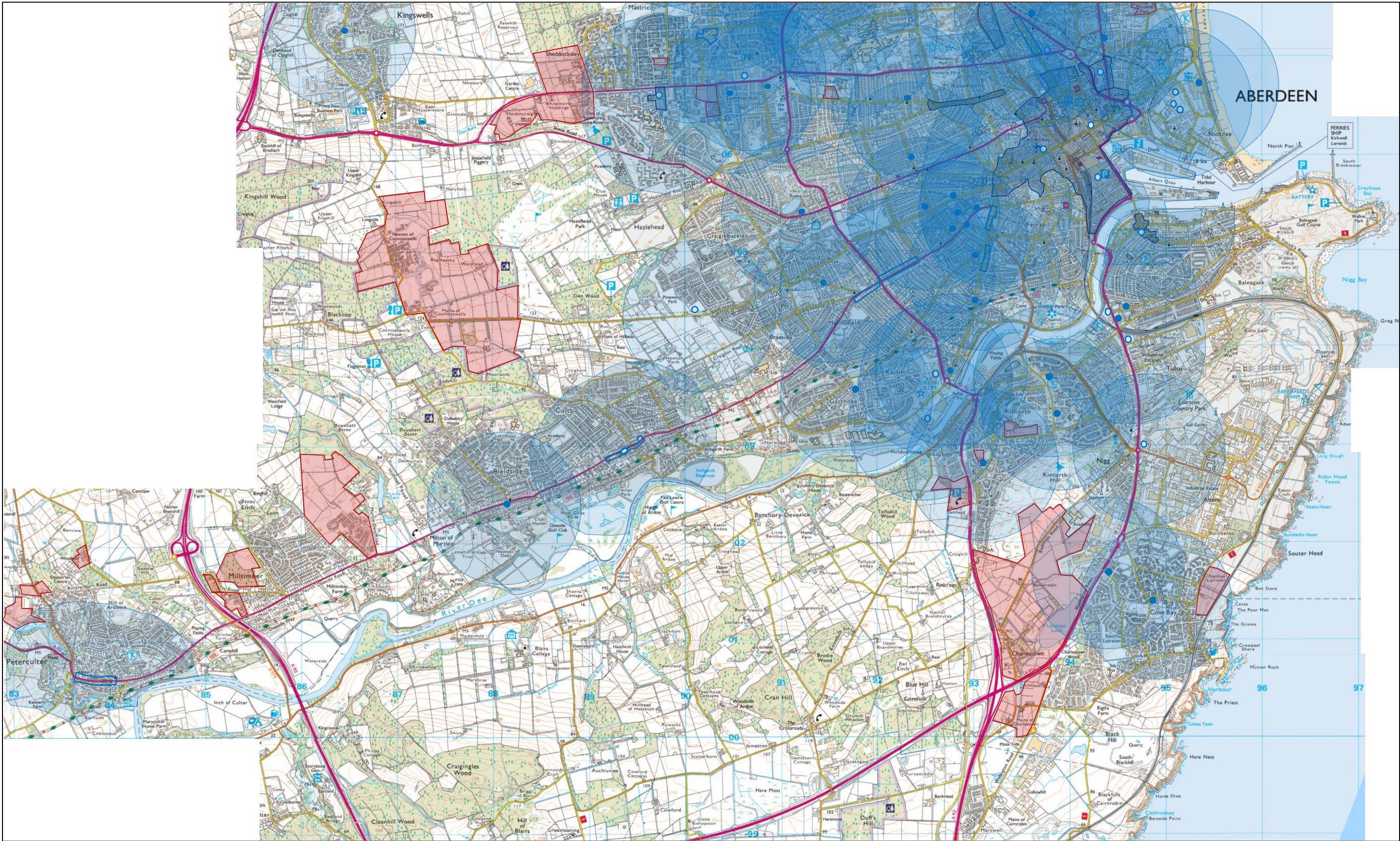


Figure 5.6: Location of Retail/Service Concentrations & Major Residential /Masterplan Areas – Aberdeen South



Existing Residential Areas

5.44. Figures 5.5 and 5.6 show that only very limited residential parts of the City are not within ca. 800m walking distance of at least one concentration of retail/service facilities. These are:

- Southern parts of Denmore
- Balgownie Road (southern part) and limited areas west of the Bridge of Don
- Northern and southern parts of Kingswells
- Limited parts of Sheddocksley
- Parts of Balnagask
- Southern areas of Cove Bay
- Milltimber
- Limited parts of Peterculter

Proposed New Housing Areas

5.45. The figures also show that a number of the major housing allocations/masterplan areas are located outwith easy walking distance of existing concentrations of retail/service facilities.

- Loriston-Charleston. OP59-OP60 This area is outwith 800m of existing facilities and is separated from existing residential areas and local facilities by a major transport route. A supermarket has been proposed for this development area but regard can be given to providing a wider range of services and facilities to serve this area.
- Oldfold. OP48 The nearest services are located in Bieldside and Peterculter. The LDP does identify site OP114 for mixed use including retail which could address local access issues for this site.
- Countesswells. OP38. The LDP identifies a new town centre to serve this community and a Sainsbury Local has now commenced trading.
- Maidencraig. OP31-OP32. Local Centres have been proposed in the masterplan to serve this site although it is not apparent that they have been included in planning applications for the development.
- Rowett-Greenferns. OP18-OP22. The 2014 planning permission in principle for the development included a mixed-use neighbourhood site although only two units have been approved in approvals for matters specified in conditions.
- Grandholm. OP9. Phase 2 of the development is identified to include a new town centre but this has not yet progressed.
- Cloverhill. OP1-OP2. The A92 acts as a barrier to pedestrian access to the Bridge of Don RP. No local provision has been proposed to date.

Aberdeen City - Summary

5.46. The review of local accessibility has identified that there are few existing residential areas that are not within easy walking distance of facilities and shops providing a reasonable range of shopping and other local services. However, the major new proposed housing areas (a number of which have commenced development) are not within easy walking distance of a minimum level of provision. Section 6 includes an assessment of the extent to which these residential areas would be able to support new local shopping and services that would assist in meeting the principles of 20 Minute Neighbourhoods.

Aberdeenshire

- 5.47. Aberdeenshire comprises a series of discrete towns (including those with Principal Town centres and those identified with Other Town Centres) and extensive rural areas with numerous small communities. The application of 20MNs based on access by walking is not appropriate in rural areas and this is also recognised in NPF4 which notes that the distribution of shops and services in rural areas will be different from urban areas. The analysis in this study has therefore considered access within the Principal and Other towns within Aberdeenshire.

Overall provision in Aberdeenshire Towns

- 5.48. Figure 5.7 identifies overall numbers of retail and service units within each of the major settlements in Aberdeenshire. Nearly all of the facilities identified are located within the defined town centres although there are also a limited number of commercial areas, freestanding supermarkets and, particularly in Peterhead, Fraserburgh and Inverurie, a limited number of small local shops.

Figure 5.7: Numbers of Retail and Retail Service Units in Aberdeenshire Towns

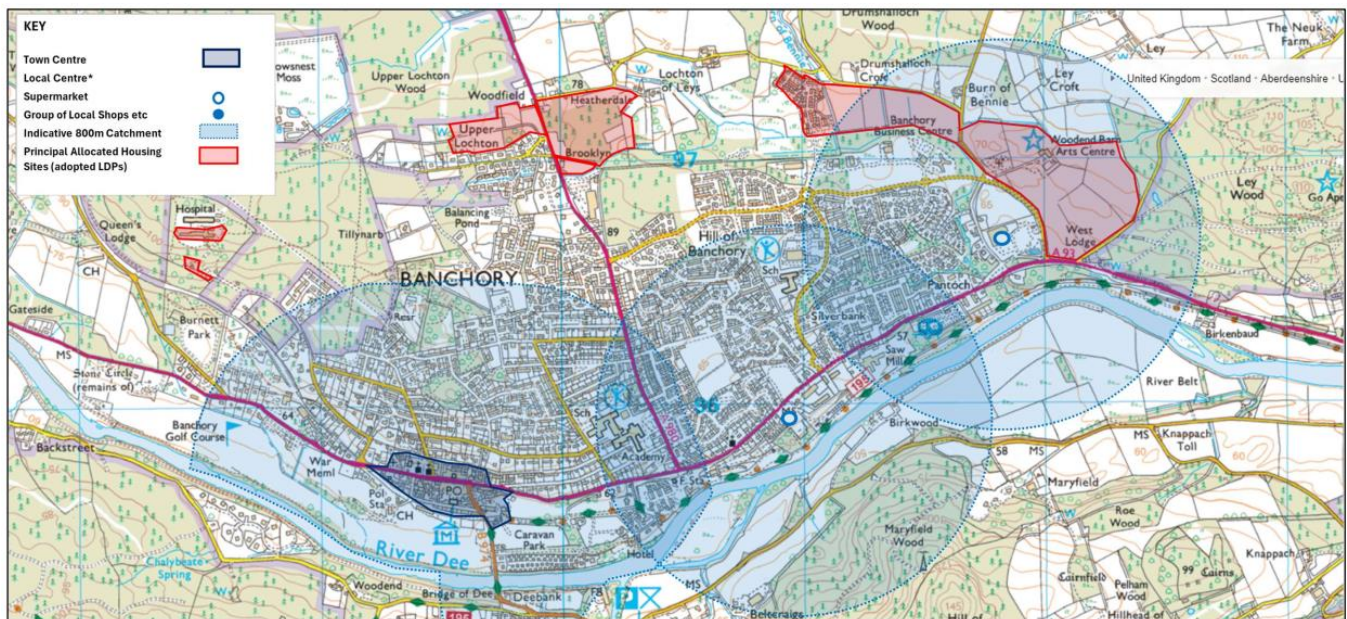
Settlement	Number of Retail & Service Units					
	Supermarkets	Other Convenience	Comparison	Services	Vacant	Total
PRINCIPAL TOWN CENTRES						
Banchory		7	28	35	9	79
Banff	2	10	26	39	25	102
Ellon	1	9	21	47	7	85
Fraserburgh	1	14	54	87	16	172
Huntly		4	20	30	23	77
Inverurie	6	14	58	68	6	152
Peterhead	2	21	58	93	19	193
Stonehaven		12	41	66	4	123
Turriff	2	9	28	33	3	75
OTHER TOWN CENTRES						
Aboyne	1	4	7	13	1	26
Alford	1	3	12	13	1	30
Ballater	1	5	21	18	1	46
Insch	1	4	4	9	1	19
Kemnay	1	4	3	11	1	20
Kintore		4	1	14	1	20
Laurencekirk	1	3	9	22	3	38
Macduff		3	7	22	5	37
Mintlaw		4	2	7		13
Newmachar		1	1	5		7
Oldmeldrum		4	2	6	1	13
Portsoy	1	2	5	12	1	21
Portlethen	1	1	5	7		14
Westhill	3	3	9	16	6	37

- 5.49. The same analysis used for Aberdeen City has been adopted for Aberdeenshire towns. The results from this analysis are summarised below, however only maps of those towns identified to have areas not within easy walking distance of groups of shops/services are presented in this report.

Banchory

- 5.50. Only limited parts along the northern edge of Banchory (Hill of Banchory area) are outwith easy walking distance of either the town centre shops, Morrisons or Tesco. For those areas within 800m distance there are, nonetheless, significant levels differences between the two supermarkets and residential areas in the north of the town which will affect pedestrian accessibility.
- 5.51. New housing allocations in the east are mostly within easy walking distance of Tesco but those to the north are not within easy walking distance of existing concentrations of shops. The most significant housing site outwith easy walking distance of existing shops is:
- OP2 Lochside of Leys is identified as capacity for 345 dwellings in the LDP.

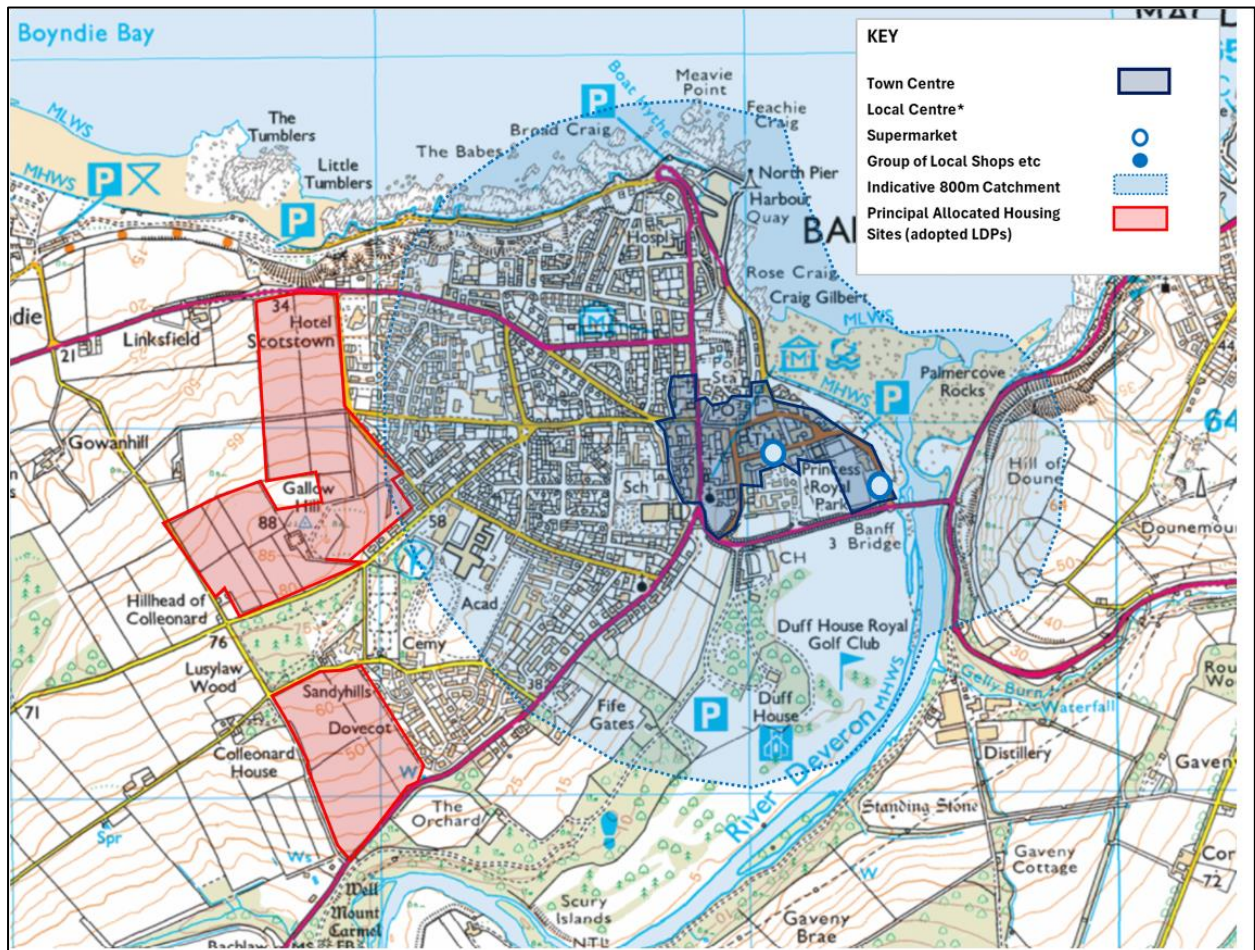
Figure 5.8 Access to Retail/Service Concentrations in Banchory



Banff

- Only the southern edge of the existing urban area is outwith easy walking distance of either the town centre shops or supermarkets.
- New housing allocations in the west are not within easy walking distance of shops/services. OP1 Goldenknowes is identified for 400 dwellings and OP2 Colleonard Road for 200 dwellings within the LDP. Both sites are outwith easy walking distance of existing shops.

Figure 5.9 Access to Retail/Service Concentrations in Banff



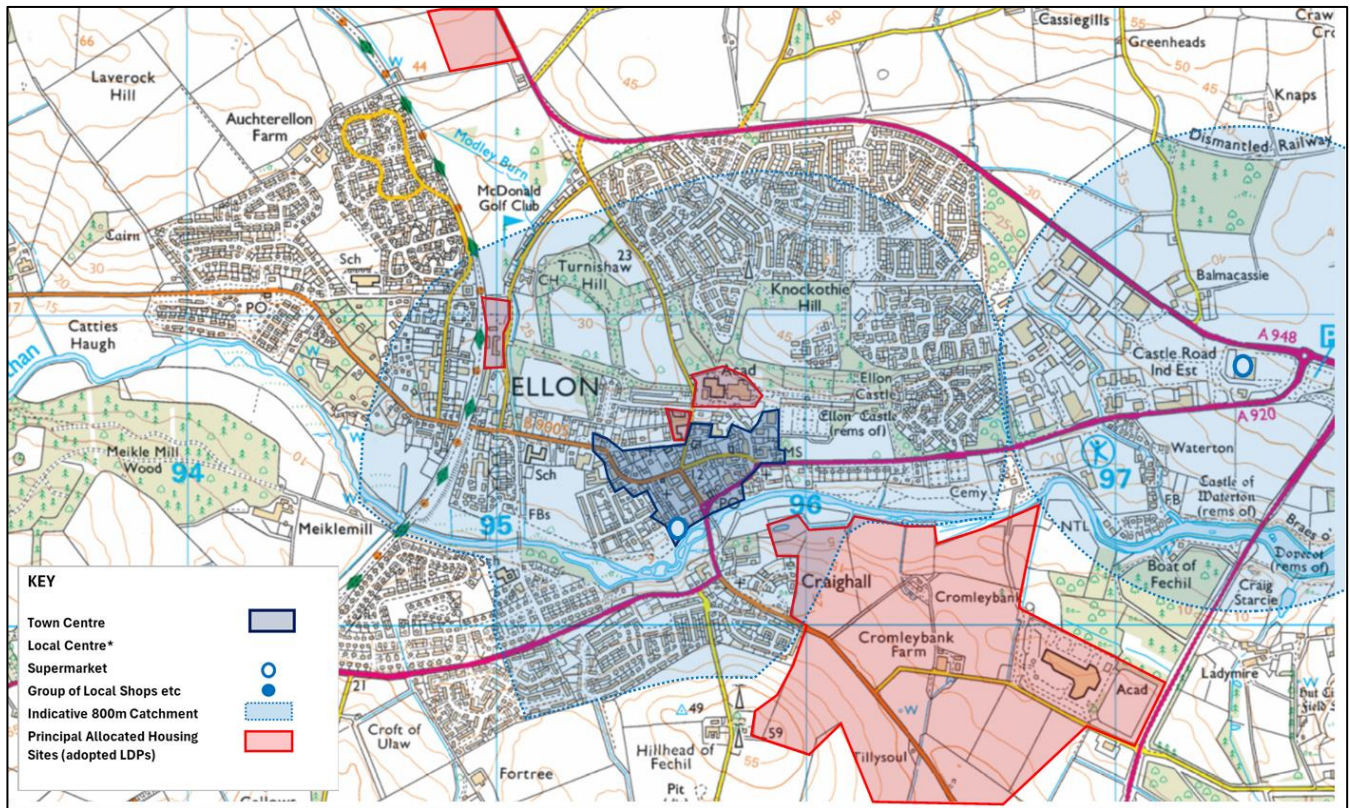
Blackdog

- Only the southern edge of the proposed urban area is outwith easy walking distance of the proposed town centre shops/supermarkets. This southern area comprises largely existing woodland and is unlikely to provide significant new housing.
- The proposed centre is, therefore, well located to supported the principle of 20MNs.
- There appears to be some uncertainty as to what will be delivered in the town centre given the previous proposals for a regional food hall.
- Blackdog is identified to have capacity for 600 dwellings in the LDP. This limits the market potential for new retail/commercial space to meet local needs.

Ellon

- The northernmost edge of the town and residential areas to the west and south west are all located outwith an easy walking distance to shops and services – including both those in the town centre and Tesco.
- The major housing allocation at Cromleybank is mostly located outwith easy walking distance of the town centre. Cromleybank (OP1) is a major allocation comprising new housing, a new primary school and associated facilities, and 2ha employment land with an agreed development framework.

Figure 5.10 Access to Retail/Service Concentrations in Ellon



Fraserburgh

- The south western parts of the town are located outwith an easy walking distance to shops and services – including both those in the town centre, Tesco/Lidl and ASDA.
- The major housing allocations at Kirkton and west of Boothby Road are mostly located outwith easy walking distance of the town centre/major stores.
 - Kirkton (OP1) is a major allocation comprising 600 homes, a school and health centre with a masterplan agreed.
 - West of Boothby Road (OP2) is allocated for 590 dwellings with a masterplan agreed.

Figure 5.11 Access to Retail/Service Concentrations in Fraserburgh



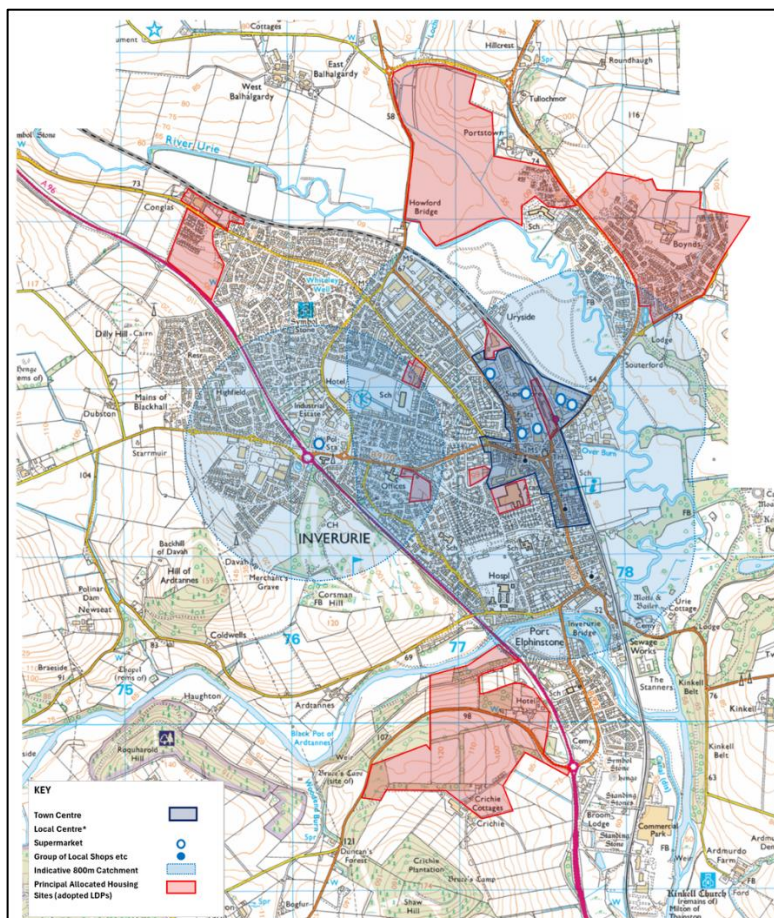
Huntly

- The whole of the town is identified to be within easy walking distance of either the town centre or the two supermarkets. This takes into account that shops/services do not extend as far west as indicated by the current LDP boundary for the town centre.
- No major housing allocations are proposed for the town and both the existing allocations are within easy walking distance of Tesco.

Inverurie

- The existing residential areas north/western parts of Inverurie are located outwith easy walking distance of the shops/services provided in the town centre and the Morrisons supermarket.
- Port Elphinstone is also located outwith easy walking distance of the town centre.
- Major new housing allocations at Conglass, Uryside, Portstown and Crichtie are all outwith an easy walking distance to shops and services – including those in the town centre, and the supermarkets:
 - OP1/OP15 Conglass – in combination allocated for 187 dwellings.
 - OP4/R2 Portstown – allocated for 416 dwellings.
 - OP5 Crichtie – is for allocated 737 dwellings.
 - OP7 Uryside – allocated for 681 homes.

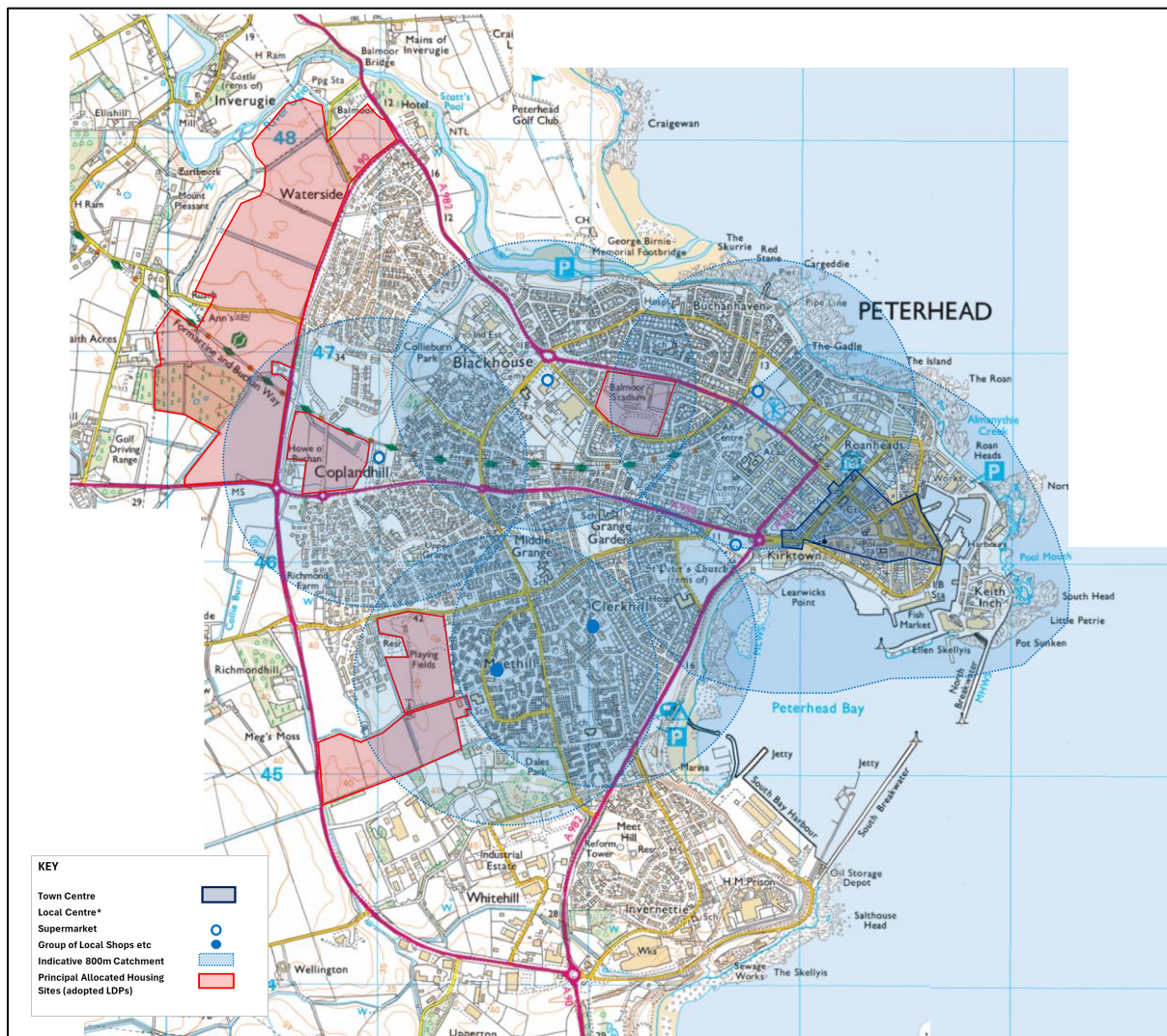
Figure 5.12 Access to Retail/Service Concentrations in Inverurie



Peterhead

- The southern area of Invernettie is the only part of existing residential areas that is not within easy walking distance to shops and services – including both those in the town centre and the supermarkets.
- The major housing allocation Inverugie Meadows (OP1) is allocated for 1265 dwellings with masterplan agreed for Phase 1. The site is located mostly outwith easy walking distance of shops and supermarkets (the exception being the SE corner which is accessible to ASDA subject to crossing the A90).
- Other residential allocations at Wester Clerkhill and West Road at Kirkton and west of Boothby Road are generally located within easy walking distance of the local shops or ASDA.

Figure 5.13 Access to Retail/Service Concentrations in Peterhead

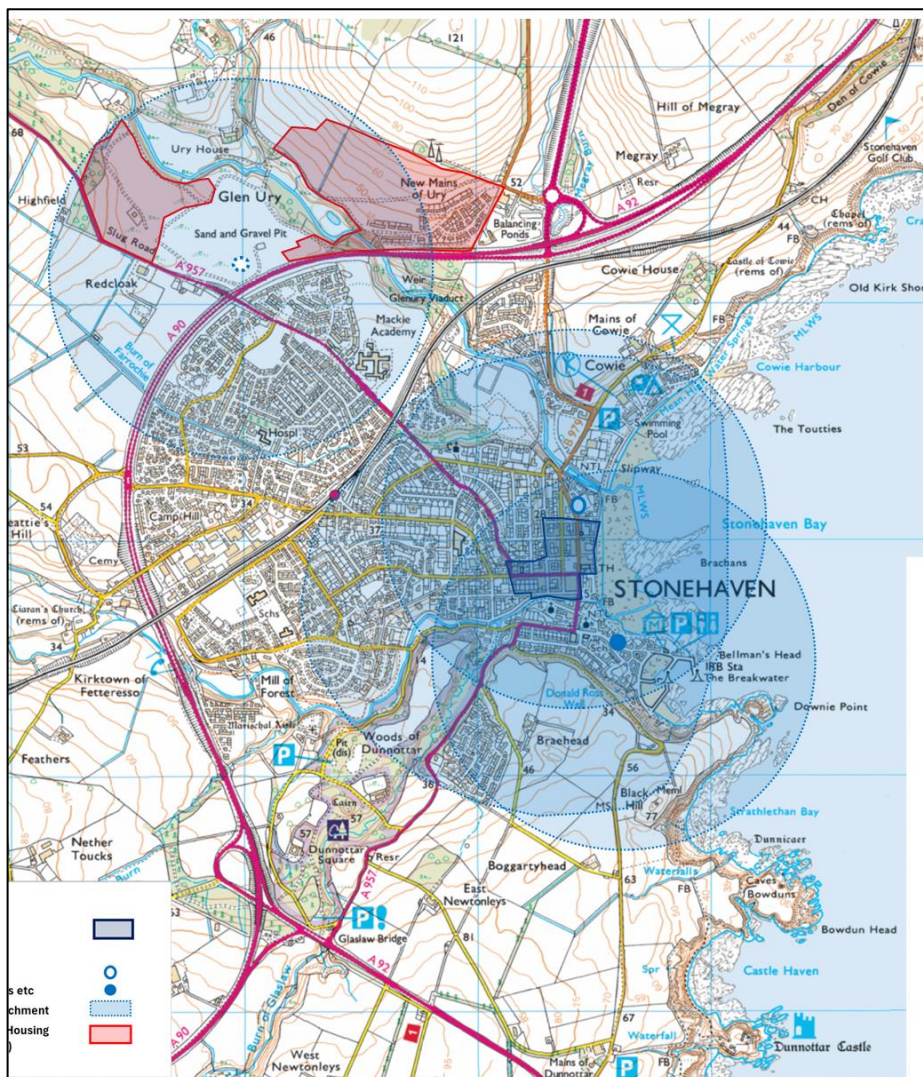


Stonehaven

5.52. The analysis for Stonehaven assumes the development of the consented supermarket at Ury House/Slug Road.

- This Ury House proposed store is, if built, within 800m walking distance of parts of NW Stonehaven but this route requires crossing over the A90 dual carriageway which may reduce the attractiveness of this as a walking route.
- The south western parts of the town (Camphill) are located outwith an easy walking distance to shops and services – including both those in the town centre and the proposed supermarket at Slug Road.
- The major housing allocations at Ury (OP2 and OP3) are located within 800m of the proposed new supermarket.
- Tesco have proposed a new supermarket site west of the A90 Fastlink interchange. If proposed as a replacement to Ury House then this would improve access for those living in the north east of Stonehaven but result in all dwellings west of the railway being outwith easy walking distance to a supermarket/group of shops.

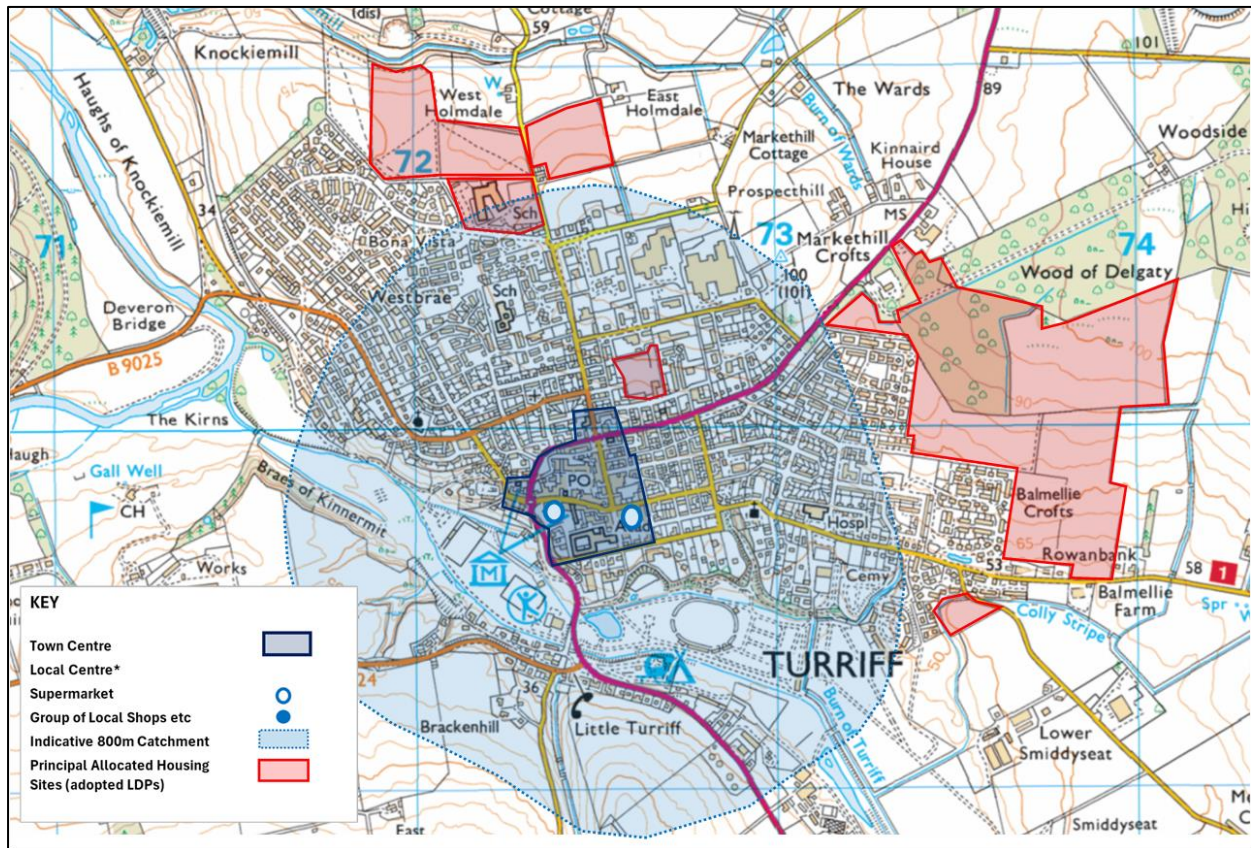
Figure 5.14 Access to Retail/Service Concentrations in Stonehaven



Turriff

- The western and eastern edges of the town are located outwith an easy walking distance to shops and services.
- The major housing allocations at Wood of Delgaty (OP1) and north of Shannocks View (OP2) are located outwith easy walking distance of the town centre.
 - The LDP identifies that the Wood of Delgaty (OP1) site is proposed for 450 homes plus employment and community facilities.
 - The Shannocks View site (OP2) is allocated for 227 dwellings.

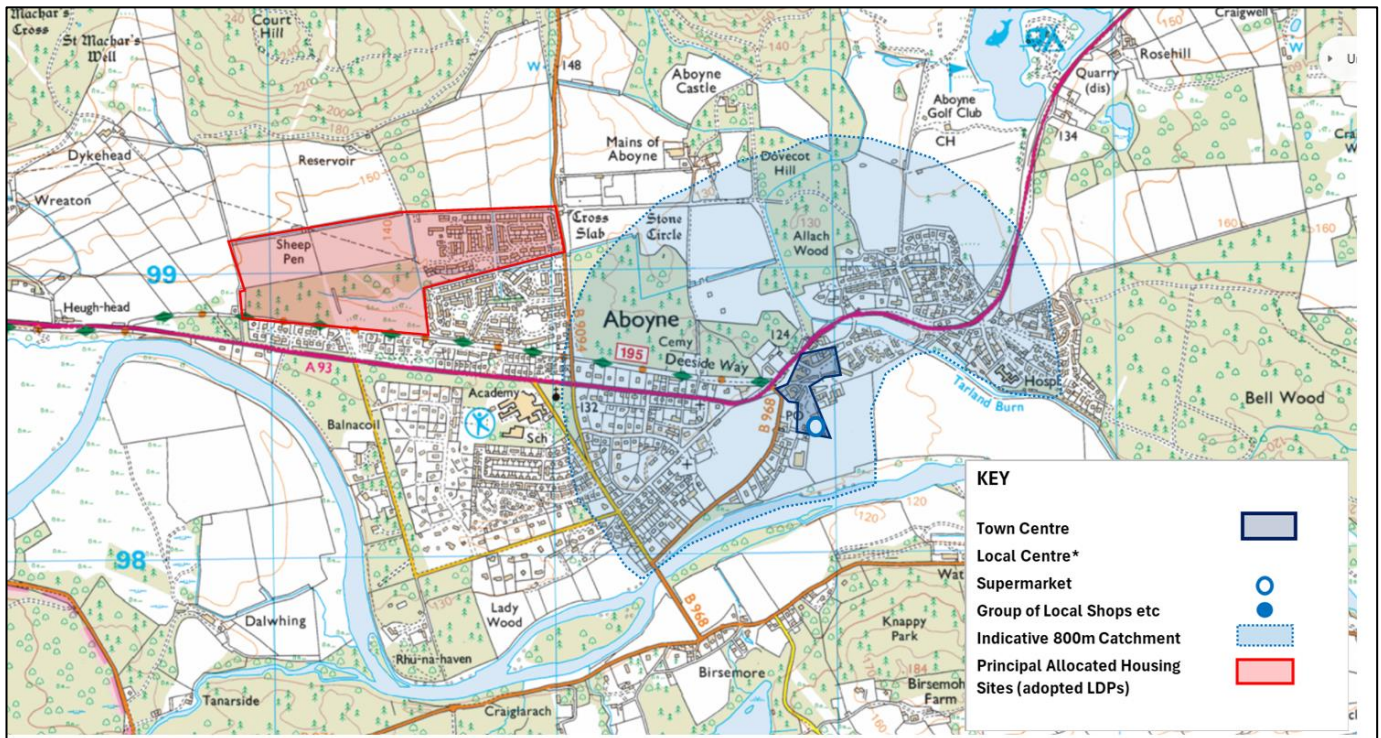
Figure 5.15 Access to Retail/Service Concentrations in Turriff



Other Aberdeenshire Towns

- 5.53. In relation to each of the other towns identified in the Aberdeenshire network of centres (i.e.: Aboyne; Alford; Insch; Kemnay; Kintore; Laurencekirk; Macduff; Mintlaw; Newmachar; Oldmeldrum; Portlethen; Portsoy; and Westhill) in most cases residential areas are located within 800m walking distance of the town centres. The exceptions are Aboyne, Kintore, Mintlaw and Westhill.
- 5.54. *Aboyne.* Aboyne town centre is located in the eastern part of the settlement with the result that residential areas in the west are not located within easy walking distance of the town centre. This area includes one housing site under development at Tarland Road.

Figure 5.16 Access to Retail/Service Concentrations in Aboyne



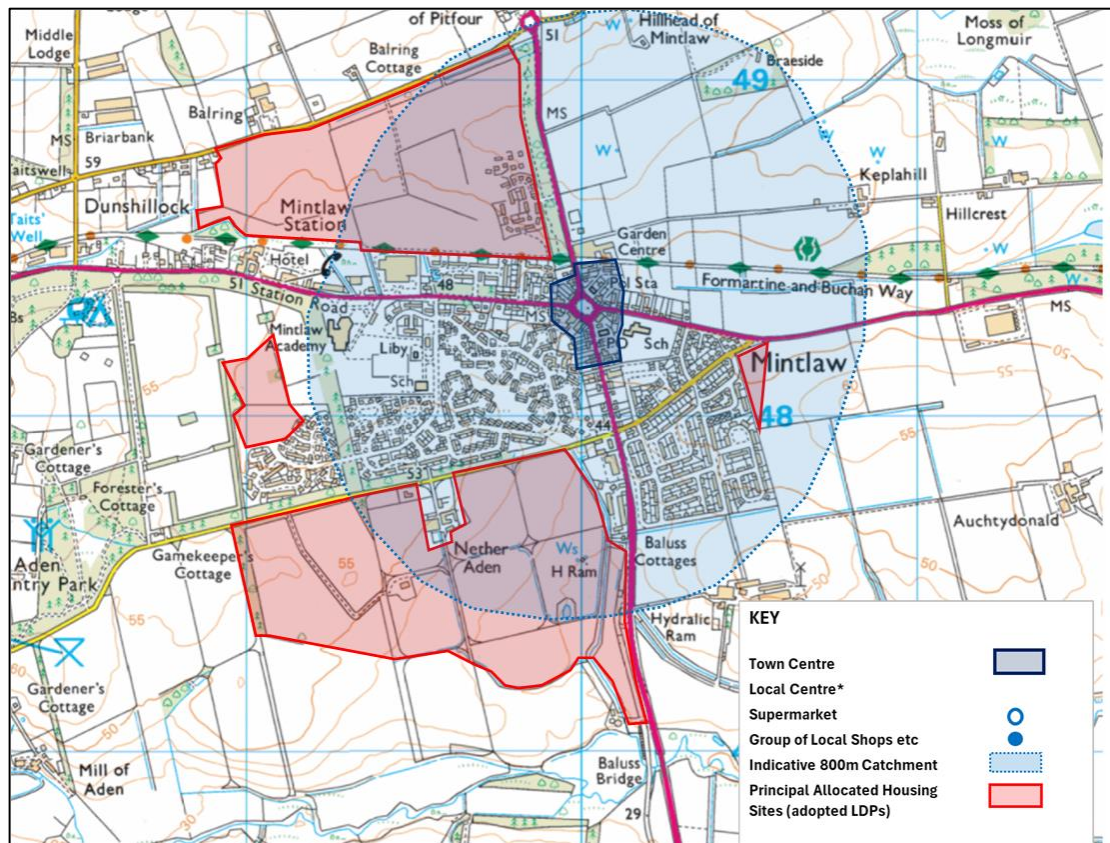
5.55. *Kintore*. The existing residential areas in the southern part of Kintore are not located within easy walking distances of the town centre. In addition major new housing sites are allocated to the south of the town none of which are within walking distance of the town centre and therefore do not support the principle of 20MNs in this respect:

- Kintore East (OP1) is allocated for 1000 homes.
- Woodside Croft (OP2) for 150 homes

5.56. Planning permission has been granted for part of OP1 development which includes a new neighbourhood centre located central to the expanded settlement (OP5). Figure 5.17 shows the location of this neighbourhood centre. This centre would serve the existing residential areas not within walking distance of the town centre

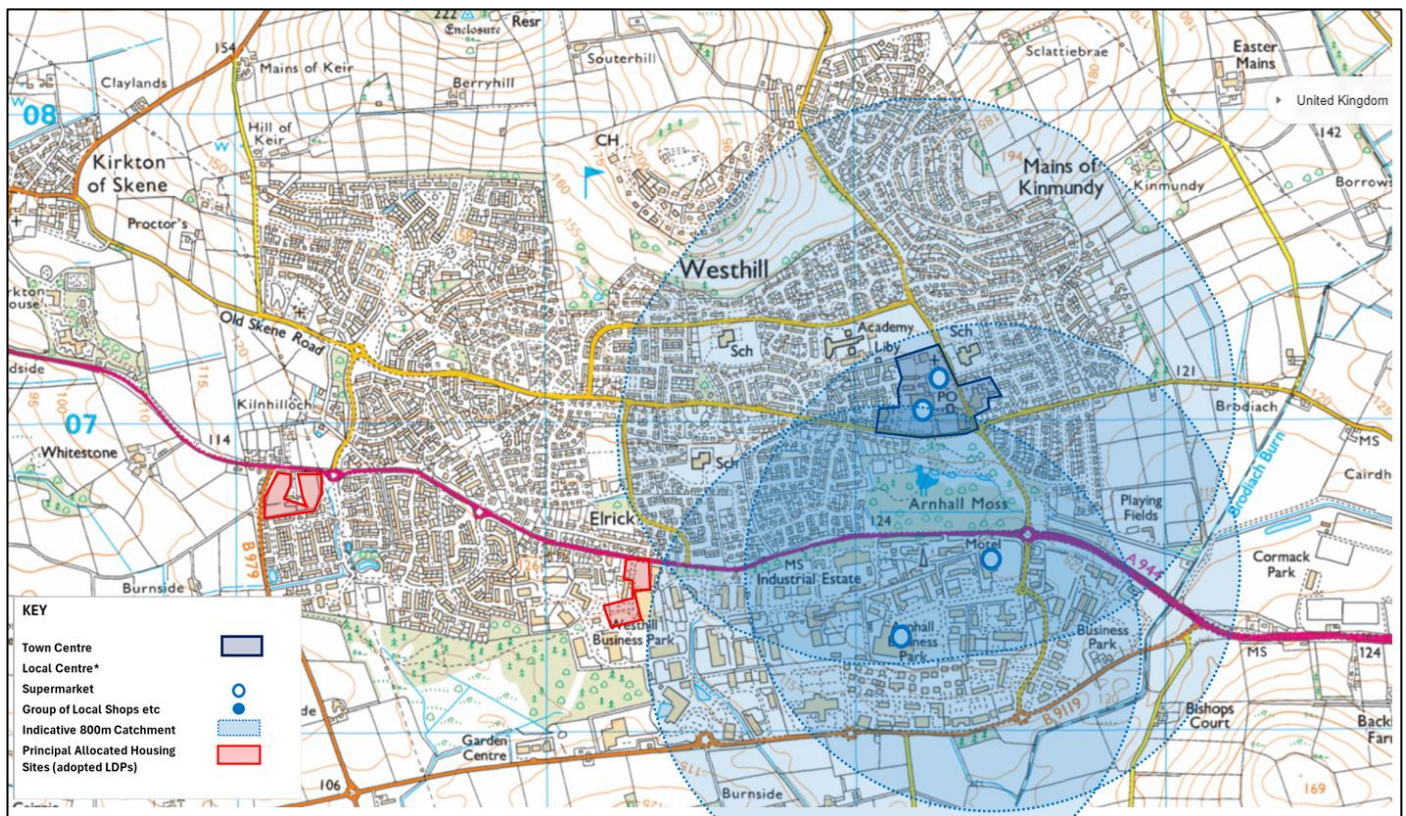
- 5.57. **Mintlaw.** The existing small town centre area is easily accessible by walking for most of the existing residential areas of the town. However, two major housing sites are allocated in the LDP: Nether Aden (OP1) for 500 homes and for neighbourhood retail; and land at Northwoods (OP2) for 600 homes. Site OP1 is identified to include neighbourhood retail. Most of site OP2 is within 800m of the town centre but approximately one third would remain beyond this distance from the centre.

Figure 5.18 Access to Retail/Service Concentrations in Mintlaw



- 5.58. **Westhill.** The principal issue for Westhill is that the western half of the town is not located within 800m of existing retail (including both the town centre and Tesco/Costco). Two small housing sites are allocated but these would not be capable of accommodating local retail/service facilities without compromising their capacity for housing.

Figure 5.19 Access to Retail/Service Concentrations in Westhill



Local Accessibility to Retail and Related Services - Conclusions

- 5.60. In Aberdeen only limited parts of existing residential areas within the City are not located within easy walking distances of a groups of shops/service units, foodstores or defined centres. More significant is that most of the proposed new housing allocations, including those under development at the present time, do not have easy walking access to these types of facilities and services.
- 5.61. Within Aberdeenshire, unsurprisingly, rural parts of the Council area do not have easy access to retail facilities and services consistent with the 20MN principle. This is inevitable given low population densities throughout much of the Council area. Within the towns within Aberdeenshire a number of locations have been identified that do not have easy access to these facilities including, amongst others, parts of Fraserburgh, Peterhead and Inverurie. With the proposed new housing allocations a number of these are, currently, within easy walking distance of centres whereas others are not.

Summary

- 5.62. This section has considered the extent to which there are deficiencies in retail/service provision within Aberdeen City and Aberdeenshire and the extent to which they need to be addressed. This has considered three main aspects to deficiencies:
- Quantitative and qualitative retail deficiencies/capacity.
 - This has identified that there are no significant quantitative retail deficiencies for convenience goods for the study area as a whole but, within local areas, notably in Turriff, Ellon, Stonehaven and south Aberdeen (Cove/Loirston) there are local deficiencies. In the case of Stonehaven and Loirston there are existing proposals for new foodstores/supermarkets that would address the quantitative deficiencies within these local areas.
 - For comparison goods the conventional “capacity” analysis identifies that there are significant deficiencies for general and bulky comparison goods for the study area as a whole. However, there is significant market uncertainty as to whether Aberdeen with its catchment area is able to attract significant new investment that would address in part or in full this deficiency.
 - Qualitative deficiencies, in terms of access to the full range of retail/service provision are present in limited parts of the study area and this view was expressed quite strongly in the views of residents in the household survey.
 - Local accessibility to retail and services – analysis supporting the application of 20-Minute Neighbourhoods. This analysis shows that, in Aberdeen, there are only limited areas that do not have access to a minimum choice of provision within easy walking distance. The most significant deficiency in this respect relates to the new major housing areas which emphasises the importance that these new developments should include a minimum level of provision to support the principles of local living. Within Aberdeenshire the principles of local living and 20MNs are not able to be supported in the rural areas of the authority because low population density does not support significant numbers of rural shops. Within the Aberdeenshire towns the analysis demonstrates that certain areas within the principal towns, including Inverurie, Fraserburgh and Peterhead, and other towns, are located outwith easy walking distance to local shopping provision providing a minimum range of choice/services. This also applies to some of the major housing sites proposed for Aberdeenshire towns.
- 5.63. In most parts of Scotland, including the study area, new purpose-built development for local shopping and other facilities with small unit shops is either unviable or the financial returns are modest and would not justify the risk associated with new development. However, there is an opportunity that, for major new housing developments at least, new local retail/service provision

can be incorporated as part of the overall development. The opportunities for this, based on an analysis of potential markets served by new floorspace, is included within Section 6 of this report.

6. Recommendations for Retail & Leisure Planning

Introduction

- 6.1. This section sets out the recommendations for the retail and leisure strategy to be considered by Aberdeen City and Aberdeenshire Councils for inclusion within the emerging draft of the next versions of the Local Development Plans for the two council areas. It considers each of the following:
- The network of centres
 - Specific retail and leisure planning issues for individual centres including:
 - *Quantitative and Qualitative retail deficiencies*
 - *Market potential*
 - *Potential amendments to the boundaries of defined centres*
 - *Development sites (City Centre)*
 - Provision for retail and leisure in major residential developments
 - Broad policy recommendations for inclusion within the LDP
 - Other issues including town centre health checks, monitoring and review
- 6.2. The key issues to be addressed in the recommended Retail Strategy are identified in the following box. These have been identified taking into account the context of each of: the anticipated population and expenditure growth within the study area; changes in the structure of retailing and leisure and future changes; and the policy framework provided through National Planning Framework 4.

Key Issues to be addressed through the Retail Strategy

1. **The protection and enhancement of the City Centre, town and district centres.** *This reflects the importance of these centres providing services and facilities to the wider community consistent with a “town centres first” policy approach. In addition the importance of protecting, where possible, local shopping provision in the towns and in rural areas to support local access to shopping facilities. This will support social inclusion and assist the minimisation travel of demand and reduction in overall carbon emissions.*
2. **Encouraging new investment in retail and leisure in both existing retail centres (including both new floorspace and the re-use of existing space, including vacant space) and in new local centres which serve new residential areas.**
3. **Ensuring that new retail and leisure developments contribute towards supporting local access to these facilities incorporating the principles embodied in 20-Minute Neighbourhoods and similar.** *This will support reducing the need to travel and encouraging people to walk, cycle or use public transport by making these attractive choices.*
4. **Addressing identified existing retail deficiencies (qualitative and quantitative).**
5. **Addressing the retail needs of new major residential areas in both Aberdeen City and Aberdeenshire towns where major growth is proposed, insofar as this is practical.**
6. **Facilitating and supporting the growth of retail, leisure and related services within the City Centre.** *This will support maintaining and strengthening the vitality and viability of the city centre and to maintain its position as the principal retail and leisure location serving north east Scotland. The primary focus of the City Centre will be for comparison goods retailing. However, it is recognised that the delivery of new sites within the City Centre is a difficult and protracted process reflecting a range of development constraints including complex land ownership. Therefore, in order to provide the maximum opportunity for City Centre development to proceed, some restraint is proposed for out-of-centre retail proposals elsewhere.*
7. **Supporting leisure, entertainment, tourism and cultural activities to complement retail in the City Centre.** *This involves encouraging uses that support the City Centre vitality and viability in locations throughout the City Centre, including in the “heart” of the City centre along Union Street, with appropriate policies and investment/interventions that increase the attractiveness of the City Centre allowing it to adapt as retail demand for older premises becomes more limited.*
8. **Identifying general policy principles to be applied for all new retail and leisure development consistent with National Policy Framework 4 provided this is consistent with meeting the local needs of Aberdeen and Aberdeenshire.**

Network of Centres

- 6.3. Section 4 set out an analysis of centres within the study area and identified matters to be considered relevant to any amendments to the network. The following summaries these potential changes.

Aberdeen City – Potential Changes

District Centres

- 6.4. The 2018 retail Study Update included information on each of Haudagain, Cults and Mastrick and each has been included as Neighbourhood Centres in the 2023 LDP Hierarchy of Centres. Figures 4.5 and 4.6 identify these centres in terms of numbers of units, floorspace and turnover in comparison to other locations in the City and, although each of these locations are significant in providing local shopping and service facilities for the locality in which they are situated, they are all significantly smaller than the identified District Centres. None are therefore recommended to be identified as District Centres.

King Street Area

- 6.5. The King Street area was removed from the City Centre in the current LDP and is identified as a Neighbourhood Centre. Primarily as a result of the inclusion of the Morrisons superstore within this area, King Street has significantly larger floorspace, turnover and numbers of units than other neighbourhood centres and is closer to either the District or Town Centres (see Figures 4.5 and 4.6). It is recommended that this wider role is recognised in the network of centres and the King Street is identified as a *District Centre*.

Aberdeenshire – Potential Changes

Inverurie

- 6.6. Analysis in Section 4 (see Figures 4.7 and 4.8) and Volume 2 confirm that Inverurie has a much wider catchment area, larger floorspace and higher turnover, than other Principal Town Centres in Aberdeenshire. It is evident that its role has continued to evolve to the extent that Inverurie has a wider sub-regional function which is distinct from that of the remaining town centres. Consideration should, therefore, be given to recognising this in the network of centres i.e. that Inverurie should be designated a sub-regional centre (comparable to, for example, Livingston in West Lothian).
- 6.7. The benefit of such a designation is that it could, under the application of the sequential approach, be considered the preferred location for retail, leisure or other proposals that generate significant levels of footfall and serve the wider Aberdeenshire market area rather than a local market area (focussed on a single town). Inverurie is, of all the principal towns in Aberdeenshire, the most centrally located.
- 6.8. However, an important disadvantage of this approach is that it could encourage the location of major development in Inverurie which would be appropriate for Aberdeen City Centre and, given the recent changes observed in the City Centre and the potential availability of City Centre sites which would be easily accessible by a wide choice of public transport services.
- 6.9. There would be no advantages in designating Inverurie town centre as a sub-regional centre in terms of protection than would occur with its current designation.
- 6.10. On balance it is recommended that no change is made to the designation of Inverurie town centre.

Portlethen

- 6.11. Portlethen is designated both as an Other Town Centre (OTC) and, in part at least, a Commercial Centre. The boundaries of the Commercial Centre are not identified on the LDP Proposals Map. In effect Portlethen functions at two levels – the major part comprises the retail park with a mix of

major convenience and, mostly general, comparison floorspace. This is a major retail location with significant floorspace, turnover and catchment area. The remaining parts are a combination of local shopping parades, limited additional facilities, and the site of the Premier hotel with adjoining land. Some clarity is needed as to the role of Portlethen centre within the network:

- In floorspace and turnover terms it is significantly larger than many of the designated principal Town Centres (see Figures 4.7 and 4.8).
 - It does not have the range and variety of shops that are characteristic of the existing Primary Town Centres within Aberdeenshire.
 - Portlethen is a significant community that developed rapidly in effect as a series of housing estates and, as a result, lacks a conventional focus for the community that would be provided by a “traditional” form of town centre. Nonetheless, it does need such a focus.
 - Land at the Premier Inn, although potentially available for development, does not link well to the community due to the barrier of the A90(T) dual-carriageway. Development of this land for retail/commercial uses is therefore unlikely to address the need for a clear focus for the community for these types of uses. It is not, therefore, considered appropriate that this area should be identified as part of the town centre. Current LDP allocations OP5 and OP6 identify these sites for health & fitness and garden centre and, in general, it is not considered that these allocations would conflict with removal of the town centre designation.
- 6.12. These matters are not straightforward to address. The current designation as an Other Town Centre sits uncomfortably with the existing network of centres although, given that the current LDP Policy B1 does not appear to provide policy protection to Commercial Centres but focuses on their role within the sequential/town centres first approach, it can be argued that it is appropriate to provide protection to this area of Portlethen and, as such, it should be designated a Other Town Centre.
- 6.13. Notwithstanding the floorspace and turnover of Portlethen centre, it is not considered appropriate for this area to be identified as a *Principal* Town Centre nor is the designation of part as a Commercial Centre is neither necessary nor appropriate.
- 6.14. In summary, it is recommended:
- The role and function of the current designation of Portlethen within the network is reviewed. On balance it is considered that the Other Town Centre designation should remain but, if this continues, it is not appropriate for it to be identified as a Commercial Centre.
 - It is not considered appropriate that land on the west side of the A90 should be included within the town centre boundary.

Westhill Town Centre

- 6.15. Figures 4.7 and 4.8 illustrate that Westhill town centre is significantly larger than the remaining Other Town Centres and therefore consideration has been given as to whether this should be redesignated a Principal Town Centre (PTC). On balance it is considered that Westhill town centre, notwithstanding its current characteristics, remains significantly smaller than the PTCs and, as such, should remain an OTC.

Commercial Centres

- 6.16. Comment has been made about the role of Commercial Centres in Policy B1 and this is addressed further below. However, at this stage, *if* it is considered that Commercial Centres should benefit from policy protection, in a manner similar to that identified for those in Aberdeen City, then consideration should be given to the inclusion of additional locations as Commercial Centres, in recognition that these provide an important role on the provision of, primarily, retail floorspace serving the areas in which they are located:
- Deveron Road, Huntly (Tesco) – comparable to ASDA at Steven Road, Huntly

- Watermill Road, Fraserburgh (ASDA and Home Bargains)
- Hill of Banchory, Banchory (Tesco and, in progress, Lidl, M&S and Home Bargains)

Summary of Recommendations

6.17. In summary, it is recommended:

- Aberdeen City:
 - The King Street area, identified on the proposals map, should be designated a **District Centre**
 - No further changes are recommended
- Aberdeenshire:
 - Consideration should be given to the role of Inverurie as a sub-regional centre although, based on the evidence in this report, it is **not** recommended that it should be changed from a Principal Town Centre.
 - The role of Portlethen centre should be reviewed. Based on this study it is recommended that it remains designated as an Other Town Centre, that the retail park should **not** be identified as a Commercial Centre and the area west of the A90(T) excluded from the town centre boundary.
 - Consideration is given to the role of Commercial Centres and whether additional sites in Fraserburgh, Huntly, Banchory and Westhill included as Commercial Centres.

6.18. Amendments to centre boundaries are addressed separately below.

Addressing Retail Deficiencies

Overall Assessment of Deficiencies

6.19. Section 5 included an assessment of quantitative and qualitative retail deficiencies for the study area as a whole in combination with an assessment of long-term market potential. The conclusions from the analysis were:

Convenience Goods

- For the study area as a whole no significant quantitative retail deficiency is identified to support additional convenience goods floorspace.
- However, in local areas, notably Turriff, Ellon, Stonehaven and Loirston/south Aberdeen additional floorspace can address local deficiencies in floorspace.
- Significant new convenience floorspace serving local markets is, however, expected to adversely impact on existing foodstores in the study area.
- It is unlikely that there will be requirements for operators not present within the study area. More significant could be from existing operators with what are considered to be suboptimal units to relocate to more commercially attractive units and from mid-sized supermarket operators including discounters.

Comparison Goods

- In terms of a simple assessment there is a substantial quantitative retail deficiency for comparison goods floorspace throughout the study area and in the City Centre in particular. Market demand is, however, unlikely to support the scale of deficiency identified. The indications are, at the moment, that the City Centre will remain attractive to comparison retail but that this is unlikely to replace the floorspace that has been lost in recent years.

- Inverurie continues to be attractive to investment serving a sub-regional role. This will attract those retailers already with well-established supply networks and see Inverurie as serving an affluent market area benefitting from significant population growth.
- In the other principal town centres and district centres it is not expected that there will be any significant change in comparison space provision.

Leisure Space

- In the long term, demand for commercial leisure space is expected to grow significantly in the City, town and district centres. Increased demand for leisure and other service uses has the potential to offset the decline in comparison goods retailing, which could be particularly significant in a number of the town and district town centres.
 - There is also the significant potential for additional leisure space to serve the long term growth of tourism especially in Deeside and other rural areas of Aberdeenshire.
- 6.20. From these conclusions the key opportunities for addressing retail deficiencies relate to the potential for retail and leisure development in:
- the principal City Centre development/opportunity sites;
 - development to meet the needs of major residential expansion areas both within the City and also at Blackdog and Chapelton in Aberdeenshire; and
 - the potential to address local shopping requirements linked to the analysis of 20 Minute Neighbourhoods associated with the development of major housing sites.
- 6.21. Local provision in major new housing sites can also assist in addressing the limited quantitative deficiencies identified for Turriff, Ellon and south Aberdeen. In Stonehaven the deficiency would be addressed by the proposed supermarket at the Ury Estate.

Aberdeen City Centre and Other Opportunity Sites

- 6.22. Figure 6.1 sets out a summary of the Opportunity Sites in the adopted City LDP that relate to retail, leisure and related uses. The first part identifies sites within the City Centre and the second part to other sites and locations elsewhere in the City but not including major residential expansion areas which are addressed separately below.
- 6.23. The figure identifies the site allocation reference, location and a summary of the current allocation/other factors noted in the LDP. The final two columns provide a summary review of the site in terms of the role and potential and the site and recommendations as to its allocation in the next LDP.
- 6.24. The principal recommendations that affect sites within the City Centre are:
- **Site OP84 Resource Centre, City Hospital.** Any retail use of this site will be limited reflecting its off-pitch location and this could be noted in the “Other Factors” part of the LDP listing.
 - **OP102 George Street & Crooked Street.** As noted earlier this area is largely under the control of a single ownership which includes Bon Accord, the former John Lewis and large parts of the block on the west side of George Street/north of Crooked Lane. This is a critical site for the long term development of the city centre and provides a major opportunity to counter the shift of the City Centre retail focus towards Union Square. Any development in this area is likely to involve a range of uses in addition to retail including leisure and some residential however, as noted in its allocation as part of the retail core, retail should continue to be the prime focus of redevelopment proposals. Given the significance of the site early and continued engagement with the owners of the site should be encouraged.
- 6.25. It is not considered that amendments are required to the remaining Opportunity Sites within the City Centre.

Figure 6.1 Review of Aberdeen City Opportunity Sites (Excluding Major Housing Sites)

Site	Site Name	Retail & Related Proposal	Relationship to Identified Deficiencies	Conclusion
ABERDEEN CITY CENTRE AND OTHER SITES				
OP96	Castlegate and Castlehill	Retail Core, mixed use and residential	Range of uses and development proposed identified will support vitality and viability of City Centre	No change to proposal
OP100	North Dee City Centre	Business & Mixed Use	Range of uses and development proposed identified will support vitality and viability of City Centre and improve linkages to River Dee	No change to proposal
OP102	George St & Crooked Lane	Retail Core	Retail proposals would support retail core but demand anticipated to be limited to specialised use and development costs may be challenging. May need review when direction for Bon Accord and John Lewis is clearer.	Consideration should be given to wider mix of commercial uses that support vitality of this part of the City Centre. Consideration should now be given to linking with former John Lewis and Bon Accord to provide comprehensive approach to this part of the City Centre.
OP110	Heart of the City	Retail Core	Refurbishment of properties on Union Street. Mix of uses proposed, esp ground floor retail, to support V&V of City Centre	No change to proposal
OP70	Denburn Valley	Mixed use	The principle of mixed use is supported but site has limited accessibility from remainder of the City Centre and is, therefore likely to have limited market potential for retail - primarily for either local/neighbourhood retail services or more specialist retailers.	No change to proposal
OTHER SITES AND LOCATIONS				
OP48/OP114	Milltimber (Oldfold)	Residential allocation at OP48 (in progress). Mixed use at OP114	Supports lack of existing local retail facilities within walking distance of Milltimber.	OP114 provides the best opportunity for new local neighbourhood centre to serve Milltimber. To include local convenience (ca. 500-600 sq m GFA plus other local comparison and retail services). Continue proposal as in LDP
OP65	Haudegain Triangle	Mixed use	Mixed use development supported.	Site is close to existing Haudegain shops - proposals for additional retail should physically connect and integrate with existing retail. Scale of retail should be limited to reflect lack of retail deficiencies in this part of the city.
OP80	Mastric Clinic	Uses that would support neighbourhood centre	Proposals that enhance local retail and services will support the V&V of the local centre. Scale of retail should, however, be limited not to alter the character of the centre.	No change to proposal

6.27. In terms of the remaining sites in Figure 6.1:

- The importance of OP114 for providing Milltimber with needed local shopping/services should be emphasised.
- OP65 is located close to the Haudagain neighbourhood shopping area and there is the opportunity for linkages between this opportunity site and existing retail.

Improving Local Accessibility to Retail & Services – Major Housing Developments

Introduction

6.28. Section 5 has highlighted that NPF4 places a priority on improving local accessibility to retail and related services within neighbourhoods in accordance with the 20-Minute Neighbourhood Principle. In the context of Aberdeen City and Aberdeenshire this needs to be considered in terms of both:

- Identifying the appropriate level of retail and services provision to meet the needs of major new residential areas – this includes the major expansion areas in Aberdeen City and also the new communities at Blackdog and Chapelton in Aberdeenshire. In these areas regard needs to be given to addressing principal shopping requirements, notably for main food shopping requirements as well as local access to top-up/local shopping and services.
- Addressing deficiencies in local retail/service provision in the context of 20 Minute Neighbourhoods and the extent to which additional small-scale retail/service provision included in new residential developments can assist in meeting identified deficiencies.

6.29. The analysis in Section 5 identifies locations where there are identifiable deficiencies in existing provision. The recommendations set out below are based on additional analysis to identify the appropriate *scale* and *type* of provision within these areas. This is based on each of the following:

- Experience with other major residential developments in progress or recently completed in Scotland to provide evidence of market demand for retail and commercial space within these types of developments and the timing for the delivery of commercial/retail space.
- Information from the SRM as to the level of retail provision (in particular convenience space) and potential requirements/deficiencies in the areas in which the masterplan areas are located.
- Turnover potential based on market share of expenditure generated by new dwellings and, where appropriate, existing residential areas.
- Broader evidence of market demand for retail/commercial space.

6.30. This section therefore considers the potential for major residential development sites/masterplan areas to include additional retail and services provision that would support the principle of local accessibility to these services for residents – including those living within existing residential areas currently without easy local access and also the residents of the new residential areas.

6.31. However, it is recognised that, notwithstanding the market potential to provide these facilities and the need for improved local provision, many of the sites and masterplan areas identified are already well advanced either in terms of agreed masterplans/development briefs/planning consents and, in some cases, they are already progressing on site. In these situations the practical opportunities for the planning authority to introduce requirements for local retail/service provision into these developments will be limited. Nonetheless, developers and landowners should be encouraged to provide new retail/service provision in accordance with the recommendations set out below, and, should there be an opportunity through the preparation of updated masterplans, planning consents and/or LDP allocations, then it is recommended that additional retail/service floorspace should be provided in line with the results of the analysis set out below.

Key Issues for the Provision of Retail/Commercial Space

Evidence from Comparators

- 6.32. A range of comparator residential developments in Scotland have been examined that are at different stages of development. These included examples of the following types of development:
- Urban Extensions
 - New Settlements
 - New Centres serving Recently Completed Urban Extensions
- 6.33. The comparators examined are set out in Figure 6.2 together with information on the variation in scale of proposed retail and commercial floorspace provision. The principal conclusions from this review are:
- Only very limited retail and retail service floorspace has been developed at the early stages of major residential developments. Indeed, they have shown that even where new settlements are proposed which are located some distance from existing urban areas and existing shops/facilities (e.g. Tornagrain and Chapelton) take-up of commercial space is reliant on significant levels of housing completions within the developments to provide a market for the new commercial space. Chapelton now includes a limited range of small commercial units provided in temporary accommodation as a means to overcome balancing development costs with limited market potential at early stages of development.
 - There is considerable variation in commercial responses to these opportunities and these responses depend on the views of individual proprietors and the terms on which space is offered. It is, therefore, quite likely that, in a few instances, foodstores may well open even when there is a very limited market that would be served (e.g. Bertha Park, Perth). Certain comparator developments have assumed the development of major retail floorspace (e.g. food superstores) to support the overall commercial return of the development (e.g. Corton, Ayr).
 - For retail and leisure service uses, small units can be successful after the completion of relatively low numbers of dwellings – typically in the region of 100-300 dwelling completions. However, a more significant guide is that the Co-op have stated in developments in the north of Scotland that they would trade from new convenience-format/small supermarket stores following the development of ca. 900 dwellings (i.e. an implied new residential population of 2000+ residents).

Figure 6.2: Comparison of Approved Major Developments

Site	Location	Type of Development	Total Development		Phasing			
			Housing	Retail/Retail Services Floorspace	Initial Phases		Later Phases (<i>incl earlier</i>)	
Bertha Park	Perth	Urban extension	2961	3197 Sq M	317	1882 Sq M	1061	3197 Sq M
Broomhall	Dunfermline	Urban extension	2150-2450	n/a	High Street identified as Phase 4 - i.e. 266-494 units completed			
Corton	Ayr	Urban extension	750	10403 Sq M	No phasing info available			
Craibstone	Aberdeen	Urban extension	700	772 Sq M	450	772 Sq M	None	
Knockroon	Cumnock	Urban extension	753		32	130 Sq M	n/a	
Wallyford	Musselburgh	Urban extension	2250	4231 Sq M				
St Andrew's West	St Andrews	Urban extension	900	800 Sq M	early	400 Sq M		
Blindwells	Tranent/ Prestonpans	Partially detached new settlement	1506	1035 Sq M +LC	55	1035*	433	Fs + local centre
Chapelton	S of Aberdeen	New settlement	4042	26520 Sq M	1845 545	6067 Sq M 2 units	26520 Sq M	
Tornagrain	Inverness/Nairn	New settlement	4960	20000 Sq M	344	1500 Sq M	1631	10500 Sq M
Greenlaw Centre	Newton Mearns	New Local centre	Greenlaw expansion area: 364 W NM (mkt) 8369 Sq M					
Hairmyres Cent	East Kilbride	New Local centre	SW EK 3075 Sq M					
Hilton	Rosyth	Mixed/resi development Serves part of west Rosyth	390 W Rosyth	709 Sq M	235	709 Sq M	n/a	

Market Demand, Addressing Deficiencies and Expenditure Potential

6.34. In summary, the key market factors relevant to the provision of retail and commercial service space are as follows:

- Market demand for convenience floorspace to serve local demand could be significant, provided that a market is present. In general this will address convenience top-up shopping generated in the local area, pass by trade and, in circumstances where there are significant market gaps (i.e. potential demand associated with the wider area rather than the residential development) potential for larger foodstores. Convenience floorspace would primarily comprise local foodstores, newsagents, off-licenses and similar.
- Demand for comparison goods floorspace would be very limited, in effect to “local” comparison goods floorspace (such as pharmacies) or, for major developments, potential units retailing goods directly relevant to new housing (e.g. furniture, floor coverings, fitted kitchens/bathrooms etc).
- Significant demand for retail and leisure services that serve local markets in particular health and beauty, carry-out/cafes/restaurants and others such as public houses/bars. Again these uses will dependent on a significant local market being present.

6.35. In terms of convenience provision the primary concern is to meet local requirements for top-up expenditure rather than for larger foodstores that would serve wider market areas. Although, in

residential areas that are some distance from existing supermarkets, provision of large- or medium-format supermarkets (e.g. up to ca. 2000 sq m GFA) can be appropriate. In general, market demand for larger supermarkets addressing main food shopping requirements is likely to be limited. For comparison goods, insofar as there would be market demand, this should be directed to the principal retail/town centres. Significant foodstores can be significant in creating a critical mass for the development of additional retail and service floorspace within centres.

6.36. The SRM identifies the amount of available expenditure that would be generated with residential developments:

- Convenience goods.
 - Trade from main food shopping requirements. In general, most new expansion areas in Aberdeen City have reasonable access to major superstores. In Blackdog and Chapelton, however, these areas are more distant from existing stores (the nearest being located in the Bridge of Don area for Blackdog and Portlethen for Chapelton).
 - Elsewhere trade is primarily associated with top-up spend from local residents and pass-by trade. Top-up spend typically accounts for 20-30% of total expenditure for convenience goods i.e. approximately £500-£900 per capita. The proportion of this expenditure that would be available to new shops will depend on the range of goods sold by the proposed retail units and the proximity of existing convenience shops within easy reach of the residential development. Pass-by trade will depend on the profile of the proposed retail units and ease by which passers-by (principally those travelling by car) can access the unit.
 - Consideration must also be given to existing competition. Parts of the walk-in catchment area for new sites will also be in reach of existing local shops and this will limit the expected level of market share that could be achieved in new units.
 - Ignoring the issue of competition: assuming that new convenience goods units can achieve 75% market share of top-up spend this implies that approximately 750 new residents are required to support 100 sq m GFA convenience floorspace (i.e. based on average household size of 2.5 implies 300 dwellings). This population figure would reduce if the shop is able to draw trade from existing residential areas and pass-by trade but increase where there is competition from existing shops also serving parts of the same market. A new modern convenience-format store (400 sq m GFA) would be expected to require a population catchment of approx. 2250 persons (i.e. 900 dwellings) to be viable. Competition will increase the population required to service new floorspace
- *Comparison Goods and Retail/Leisure Services.* Due to the variability of these types of units it is not possible to undertake a comparable analysis of turnover and available expenditure.

Summary

6.37. For the provision of retail and commercial space linked to major residential developments the principal findings of the review are as follows:

- In limited cases, principally new settlements in Aberdeenshire, convenience floorspace demand can be linked to meeting, in part, main food shopping requirements.
- In all cases, trade for retail and services units can be generated from: the proposed new housing; existing residential areas within 10-minute walking distance (i.e. in accordance with 20-minute neighbourhood principle, and potentially wider than this); and pass-by trade.
- For modern convenience-format stores approximately 900 dwellings are required for the store to have sufficient trade to be viable – ignoring the effects of competition from other local shops. Smaller stores can be supported with lower numbers of new housing depending on the range of goods retailed.

- For other commercial uses (retail and community services – the remainder of Class 1A and Class 3 and sui generis uses), the diversity of potential occupiers makes it more difficult to generalise. However, for uses such as health and beauty, café and hot-food takeaway most trade will be generated from within the new development as walk-in trade.
- For local commercial development to be successful, flexibility is required to maximise the attractiveness of the units to potential occupiers. Therefore permitted uses will need to include any of Class 1A, Class 3, hot-food takeaway and other community based businesses (e.g. dentists, clinics, vet etc). These units could be occupied at an earlier stage but will, in all likelihood, be dependent on custom generated by the new residential development plus existing population local to the development.
- For developments wholly, or mostly, dependent on new residential development, provision of commercial units too early will result in units remaining vacant for a number of years which will reduce the attractiveness of the development and could, potentially, result in the deterioration of units thereby undermining the potential to find occupiers.

Major Residential Expansion Areas/New Settlements

- 6.38. Figure 6.3 summarises the recommendations for major housing expansion areas/new settlements for both Aberdeen city and Aberdeenshire. The calculations for identifying the indicative convenience floorspace requirements for these are provided in Table C.1 provided in Appendix C.
- 6.39. The principal recommendations from Figure 6.3 are as follows:

Aberdeen City

- OP9 Grandhome - new *District* Centre to be included in the proposed development with a total floor area of ca. 6500 sq m including significant convenience (2750-3000 sq m comprising foodstore *and* local convenience units), comparison (ca. 2000-2250 sq m GFA) and additional services and leisure space.
- OP20-22 Newhills etc – new *District* Centre. Overall reduction in floorspace to ca 4500 sq m in total with approximately half of the floorspace for convenience and the remainder for comparison and services.
- OP28, 31-33 Maidencraig etc – new local/neighbourhood retail and services to be provided in the region of 750-1250 sq m GFA.
- OP38 Countesswells – new local/neighbourhood retail and services to be provided ca. 1250-1750 sq m GFA in total.
- OP59 Loirston – new *District* Centre including medium sized supermarket. Increased scale (from previous neighbourhood centre) to reflect potential for serving existing residential areas in south Aberdeen.

Aberdeenshire

- Blackdog – scale of development only supports relatively small scale retail and services development of, ca. 1500 sq m convenience, comparison and services space in total. The previously proposed “regional food outlet” cannot be sustained from trade from the proposed development alone.
- Chapelton – new town centre to include supermarket plus comparison and services floorspace – total floorspace ca. 5000-7000 sq m GFA.

Figure 6.3: Recommendations for retail/Service Space in Major Housing Extensions/New Settlements

Site	Site Name	Retail & Related Proposal	Relationship to Identified Deficiencies	Conclusion
MAJOR HOUSING SITES & EXPANSION AREAS - ABERDEEN CITY				
OP9	Grandhome	Town Centre identified for Phase 2	Supports identified quantitative and qualitative retail deficiency for new community. Uncertain if allocation for 7000 units as LDP OP9 or 4920 as per HLA. Indicative potential: Overall scale ca. 6500 sq m GFA: 2750-3000 sq m GFA convenience; 2000-2250 SQ M comparison; 1250-1500 sq m GFA services + leisure	Continue allocation as <i>District</i> Centre rather than Town Centre.
OP2	Cloverhill	None identified	Lack of access to local/neighbourhood shopping only. Insufficient market potential <i>unless</i> design encourages passby trade from A92	No change to allocation
OP75	Denmore Road	Commercial Centre - support for bulky goods to maintain offer at Bridge of Don	Supports identified long term quantitative retail deficiency for bulky goods with concentration of bulky goods in Denmore/Bridge of Don retail area. This requirement continues even with the recent development/ consolidation of Bridge of Don Retail Park	Continue allocation. No change - no progress. Bulky goods deficiencies identified for City (outwith city centre)
OP20, OP21, OP22	Newhills	Town Centre identified comprising approx. 7500 sq m total floorspace (4000 sq m supermarket, 3500 sq m other comparison, and local shops and retail services.	Supports identified quantitative and qualitative retail deficiency for new community. Scale of provision identified for comparison goods is greater than would now be strictly necessary for this part of the City. Overall scale ca. 4500 sq m GFA: 2000-2500 sq m GFA convenience; 1000-1500 SQ M comparison; 750-1250 sq m GFA services + leisure	Continue allocation but consideration could be given to reduction in scale of floorspace for both convenience and comparison floorspace to scale identified under deficiencies column . Refer to <i>District Centre</i> rather than Town Centre.
OP28, OP31, 32 & 33	Maidencraig & Greenfearns	Existing residential allocations	Neighbourhood core identified as required in development.	Location is not in easy walking distance of existing facilities. Scale of development would support 750-1250 sq m GFA convenience plus some comparison and services. Proposal should continue to include location of new Neighbourhood Centre as part of development
OP38	Countesswells	Residential allocation - company in administration	Allocation requires provision of new District Centre and neighbourhood centre(s)	Site is remote from existing retail and services provision. Floorspace of ca. 1250-1750 sq m GFA convenience plus comparison and sevices provision. Appropriate to redesignate this as a District (not Town) Centre. Additional small-scale neighbourhood shopping may be required to ensure all parts of development are within 800m walking distance.
OP59	Loirston	Existing residential allocation with Neighbourhood Centre	Development would support ca. 1500 sq m GFA convenience plus additional local comparison and services floorspace (ca. max 2500-3000 sq m GFA for all retail/services)	Confirm that the allocation should include the identification of new District Centre (not neighbourhood) including medium-sized supermarket in a location within easy walking access of all parts of the development. It is noted that, whereas p145 of the LDP refers to a new district centre, p28 of the LDP refers to neighbourhood centre.

Addressing Local Accessibility to Retail and Related Services Floorspace

- 6.40. Section 5 provided a review of locations within existing urban areas that do not have easy walking access to groups of local shops/services units in accordance with the 20-Minute Neighbourhood principle. It identified that there are few areas within Aberdeen City that did not have easy access to these facilities but that there were a number of locations in Aberdeenshire which could be addressed through local retail/service provision in allocated residential sites.
- 6.41. In a number of instances development has already progressed/full planning permission granted which reduces the opportunities for enhancing local retail/services with development on these sites. As a result the following sites have been assessed to determine the extent to which they could include limited retail/service provision to enhance local accessibility. These sites are:
- OP1 Goldenknowes or OP2 Colleonard Road, Banff
 - OP1 Cromleybank, Ellon
 - OP1 Kirkton or OP2 West of Boothby Road, Fraserburgh
 - Various sites in Inverurie (OP1/OP15 Conglass; OP4/R2 Portstown; OP5 Crichtie; or OP7 Uryside)
 - OP1 Inverurie Meadows. Peterhead
 - OP1 Wood of Delgaty, Turriff
 - OP2 Shannocks View, Turriff
 - OP1 Kintore East
- 6.42. Table C.2 in Appendix C sets out the indicative assessment of the development potential of these sites.
- 1. Banff OP1 Goldenknowes or OP2 Colleonard Road.*
- 6.43. Both of these sites are located on the west side of Banff and are shown in Figure 5.9. In this assessment retail/services space could be provided on either OP1 or OP2 but there is not a requirement for both sites to provide this space. It is known that there has been previous interest on land in the northern part of OP1 although, to maximise local accessibility to existing and new residential areas a location in the southern part of OP1 is preferred.
- 6.44. In combination the sites are allocated for 600 housing units in the LDP. The sites have an extensive existing residential walk-in catchment resulting in total catchment market (existing and proposed residential) of approx. 2770. However, part of this area overlaps with areas within 800m of the town centre which limits the market potential for this site.
- 6.45. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:
- Assuming market penetration of 40% (reflecting competing locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 150 sq m GFA which could comprise one or two unit convenience shops or a small convenience-format store.
 - Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
 - Total floorspace should be in the region of 200-300 sq m GFA – i.e. 2-4 units.
 - Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
 - About half of the total market is driven by existing residential areas and therefore floorspace could be provided at the same time as residential units.
- 2. Ellon OP1 Cromleybank*
- 6.46. The site is located to the SE of Ellon south of the River Ythan and is shown in Figure 5.10. Pre application enquiries have been submitted for the site in 2023 but no application has been lodged recently.

- 6.47. In combination the sites are allocated for 980 housing units in the LDP. The site has a limited existing residential walk-in catchment resulting in total catchment market (existing and proposed residential) of approx. 2600. However, a limited part of this area overlaps with areas within 800m of the town centre which limits the market potential for this site.
- 6.48. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:
- Assuming market penetration of 50% (reflecting competing locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 175 sq m GFA which could comprise one or two unit convenience shops or a small convenience-format store.
 - Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
 - Total floorspace should be in the region of 200-300 sq m GFA – i.e. 2-4 units.
 - Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
 - The market is primarily driven by new residential development and therefore floorspace should be staggered until the completion of a minimum number of housing units (400 no. could be considered appropriate).

3. Fraserburgh either OP1 Kirkton or OP2 West of Boothby Road

- 6.49. The sites are located to the south/west of Fraserburgh and are shown in Figure 5.11. In this assessment retail/services space could be provided on either OP1 or OP2 but there is not a requirement for both sites to provide this space. In order to maximise local access for existing residential areas a location either in the southern part of OP2 or western part of OP1 is preferred. The northern part of OP2 and eastern part of OP1 are located within 800m of existing supermarkets. Some progress has been made with development on OP1 and in parts of OP2.
- 6.50. Given the size of the sites these have been considered separately. As noted both sites overlap to a degree with either ASDA to the north of OP2 or Tesco/Lidl in the east of OP1.

OP1 Kirkton

- 6.51. The site is allocated for 600 units and has a substantial existing walk-in population. In combination the total catchment market (existing and proposed residential) of approx. 3900. Part of the site overlaps with areas within walking distance of Tesco/Lidl at South Harbour Road.
- 6.52. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:
- Assuming market penetration of 50% (reflecting competing locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 250 sq m GFA which could comprise one or two unit convenience shops or a small convenience-format store.
 - Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
 - Total floorspace should be in the region of 400-600 sq m GFA – i.e. 4-7 units.
 - Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
 - The market is primarily driven by existing residential development and therefore floorspace can be provided at the same time as residential units.

OP2 West of Boothby Road

- 6.53. The site is allocated for 393 units and has a substantial existing walk-in population. In combination the total catchment market (existing and proposed residential) of approx. 4150. Part of the site overlaps with areas within walking distance of ASDA Watermill Road.

6.54. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 50% (reflecting competing locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 250 sq m GFA which could comprise one or two unit convenience shops or a small convenience-format store.
- Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 400-600 sq m GFA – i.e. 4-7 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is primarily driven by existing residential development and therefore floorspace can be provided at the same time as residential units.

4. Inverurie OP5 Crichtie

6.55. The site is located to the west of Port Elphinstone and is shown in Figure 5.12. Planning permission has been submitted for the site but not determined by April 2024.

6.56. The site is allocated for 737 housing units in the LDP. The site has a moderate existing residential walk-in catchment resulting in total catchment market (existing and proposed residential) of approx. 3000. The site has limited competition for local top-up shopping/services.

6.57. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 60% (reflecting limited competition locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 230 sq m GFA which could comprise one - three unit convenience shops or a small convenience-format store.
- Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 300-500 sq m GFA – i.e. 3-5 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is driven in part by existing residential development and therefore floorspace could be provided in parallel with the housing development.

5. Peterhead OP1 Inverurie Meadows

6.58. The site is located to the west of Peterhead and is shown in Figure 5.13. A planning application for the site was submitted in 2022 but has not been determined.

6.59. The total site is allocated for 1265 dwellings but the extended nature of the site results in only about 75% of the site being accessible to a single neighbourhood centre location – the southern part of the site is within walking distance of ASDA. The assessment has been based on a housing allocation of 949 units with a significant existing walk-in population to provide a total catchment population of 3100. The site has limited competition for local top-up shopping/services.

6.60. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 60% (reflecting limited competition locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 230 sq m GFA which could comprise one - three unit convenience shops or a small convenience-format store.

- Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 300-500 sq m GFA – i.e. 3-5 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is primarily driven by new residential development and therefore floorspace should be staggered until the completion of a minimum number of housing units (400 no could be considered appropriate).

6. Turriff OP1 Wood of Delgaty

- 6.61. The site is located to the east of Turriff and is shown in Figure 5.15. A pre-application enquiry has been submitted for the site.
- 6.62. The site is allocated for 450 housing units in the LDP. The site has a moderate existing residential walk-in catchment resulting in total catchment market (existing and proposed residential) of approx. 2600. The site has significant competition for local top-up shopping/services from town centre shops to the west.
- 6.63. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:
- Assuming market penetration of 33% (reflecting limited competition locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 100 sq m GFA which could comprise effectively a single convenience shop or a small convenience-format store.
 - Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
 - Total floorspace should be in the region of 100-200 sq m GFA – i.e. 1-2 units.
 - Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
 - The market is driven in part by existing residential development and therefore floorspace could be provided in parallel with the housing development.

7. Turriff OP2 Shannocks View

- 6.64. The site is located to the north of Turriff and is shown in Figure 5.15. Planning permission was granted for development in 2022 but has not commenced.
- 6.65. The site is allocated for 231 housing units in the LDP. The site has a moderate existing residential walk-in catchment resulting in total catchment market (existing and proposed residential) of approx. 1700. The site has significant competition for local top-up shopping/services from town centre shops to the south.
- 6.66. The assessment identifies that, based on a limited market and competition from town centre shops it is unlikely that there would be sufficient market to sustain a viable convenience goods store. It is not proposed, therefore, that this should be a requirement for development of the housing site.

8. Kintore OP1 Kintore East

- 6.67. The site is located to the south east of Kintore and is shown in Figure 5.17. A planning application for 600 units was submitted in 2022 but has not yet been determined.
- 6.68. The site is allocated for 1000 housing units in the LDP. The site has a minimal existing residential walk-in catchment resulting in total catchment market (existing and proposed residential) of approx. 2300. Part of the catchment area would be located within 800m of a proposed neighbourhood centre in Kintore which would provide competition for part of the catchment.

6.69. Reflecting these considerations, the level of retail and commercial space consistent with the development of a local shopping/service provision would be based on:

- Assuming market penetration of 50% (reflecting limited competition locations) of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 150 sq m GFA which could comprise effectively 1-2 convenience goods shops or a small convenience-format store.
- Limited additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace should be in the region of 200-300 sq m GFA – i.e. 2-4 units.
- Space should be provided on a flexible basis permitting either Class 1A, Class 3 and sui generis uses that can respond to market demand.
- The market is primarily driven by new residential development and therefore floorspace should be staggered until the completion of a minimum number of housing units (400 no could be considered appropriate).

Summary – Enhancing local Access to Retail/Services

6.70. It is recommended that, in order to enhance local access to retail and services provision consistent with the 20-Minute Neighbourhood principle, consideration is given to including local retail provision in Aberdeenshire towns, insofar as this is practical given extant consents and/or progress with the development of sites, in the following sites:

- OP1 Goldenknowes or OP2 Colleonard Road, Banff
- OP1 Cromleybank, Ellon
- OP1 Kirkton or OP2 West of Boothby Road, Fraserburgh
- Various sites in Inverurie (OP1/OP15 Conglass; OP4/R2 Portstown; OP5 Crichtie; or OP7 Uryside)
- OP1 Inverurie Meadows. Peterhead
- OP1 Wood of Delgaty, Turriff
- OP1 Kintore East

Boundaries of City, Town, District and Commercial Centres

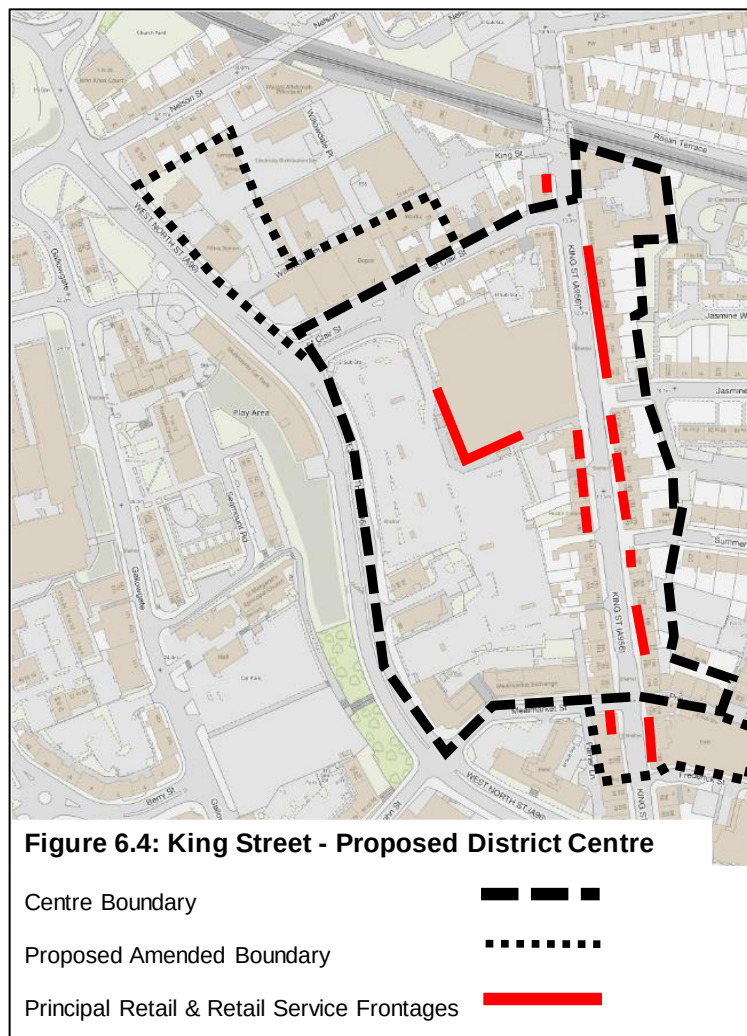
6.71. It is recommended that consideration is given to amending boundaries to the existing centres as set out below. These recommendations primarily concern centres in Aberdeenshire – the 2018 retail study update considered boundaries in centres in Aberdeen City and these have largely been incorporated in the Aberdeen City LDP 2023.

Aberdeen City - Centre Boundaries

King Street Area – District Centre

6.72. It is recommended that the King Street area, currently designated as a Neighbourhood Centre should be designated as a District Centre. Amendments to the boundary are also proposed to include leisure and retail uses to the north west and south east of the existing boundary- these are shown in Figure 6.4.

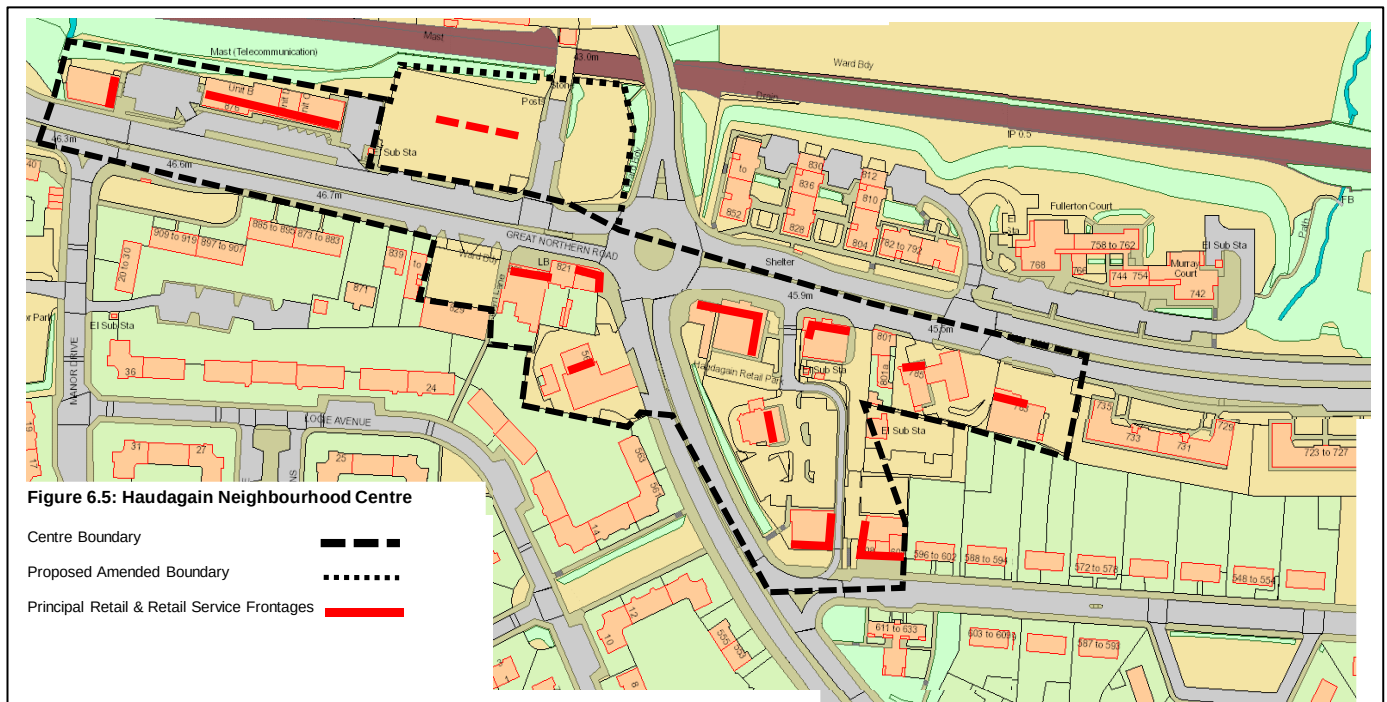
Figure 6.4: King Street – Proposed District Centre and Boundary Amendment



Haudagain Neighbourhood Centre

- 6.73. Planning permission has been granted for Porcenelosa on the north side of the Great Northern Road. This use is consistent with retail use in the existing centre and it is recommended that the boundary is amended to include this site. This is shown in Figure 6.5.

Figure 6.5: Haudagain – Proposed Boundary Amendment

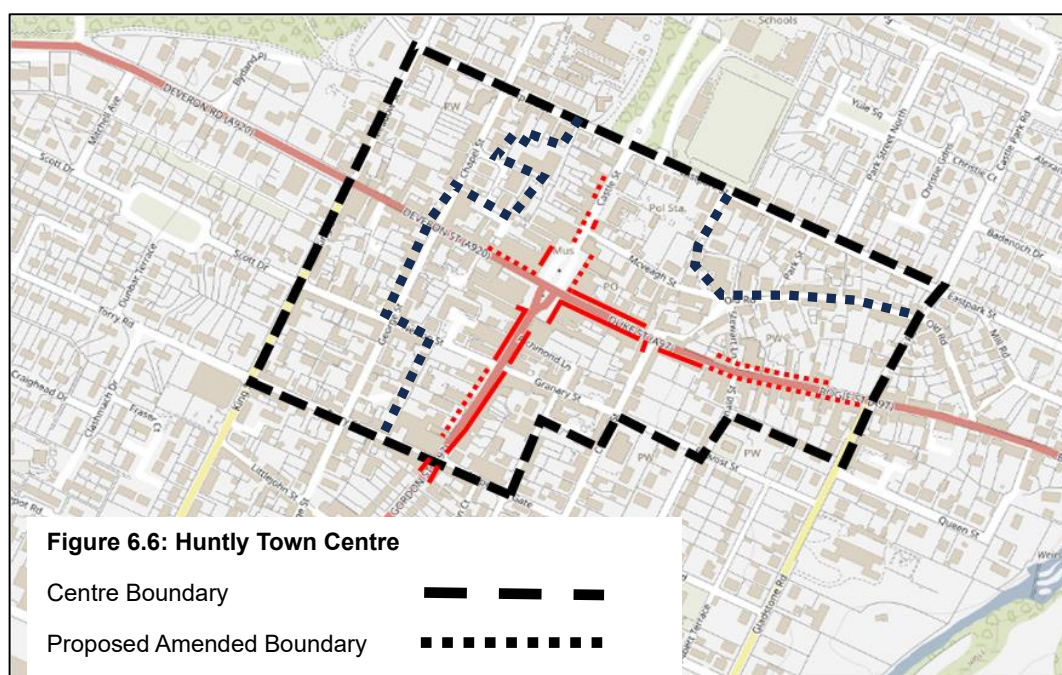


Aberdeenshire – Centre Boundaries

Huntly

- 6.74. The western boundary of Huntly town centre extends to the west to include extensive residential areas with very limited commercial/retail/service uses. Previously this extended area extended to a location adjacent to the former Co-op store but this store is now in business use. Figure 6.6 identifies the proposed boundary amendment.

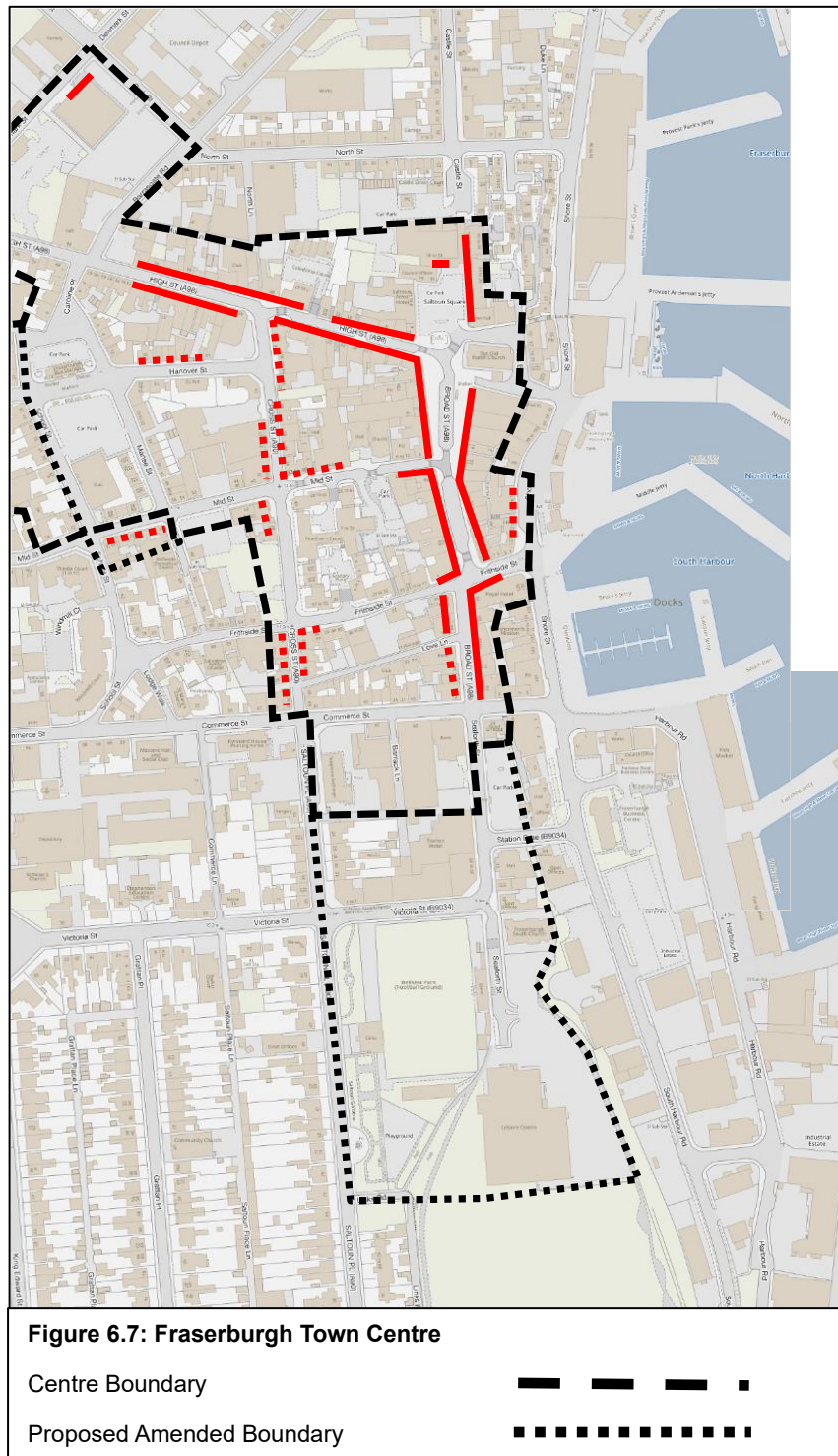
Figure 6.6 Huntly – Proposed Boundary Amendment



Fraserburgh

- 6.75. South of the existing boundary are important leisure facilities and it is considered that these should be included within the boundary of the town centre. Further amendments to the boundary are appropriate on the west side of the town centre close to the bus station.

Figure 6.7 Fraserburgh – Proposed Boundary Amendment



Stonehaven

- 6.76. Evidence at previous public inquiries confirmed that the Co-op supermarket is both physically and functionally linked to the town centre. It is recommended that the boundary is amended to include this store within the town centre.

Figure 6.8: Stonehaven – Proposed Boundary Amendment

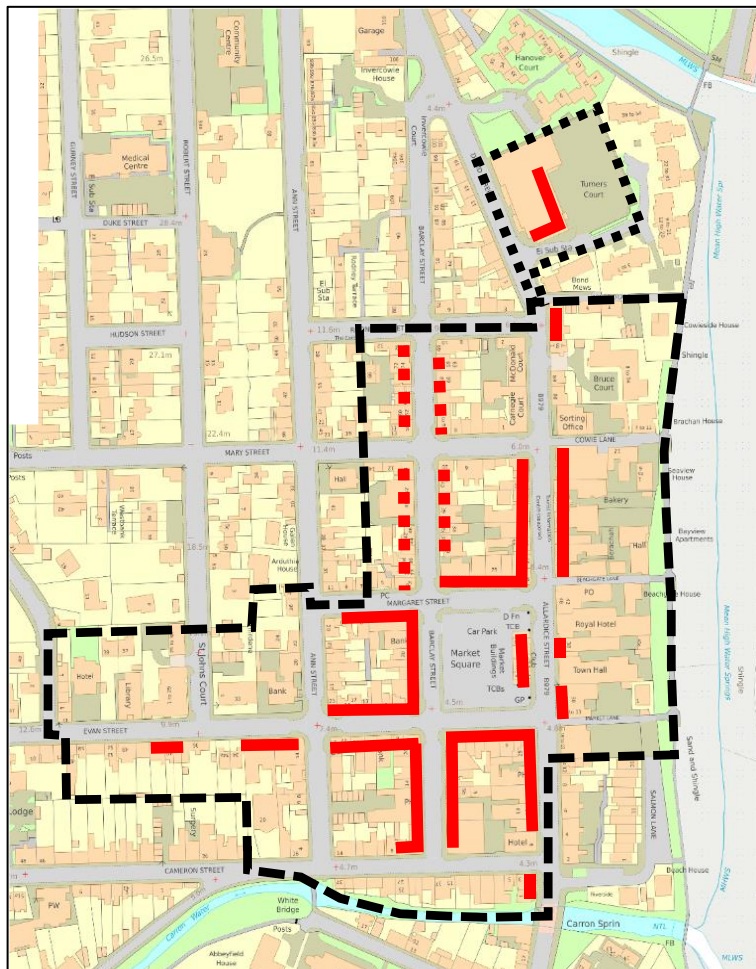


Figure 6.8: Stonehaven Town Centre

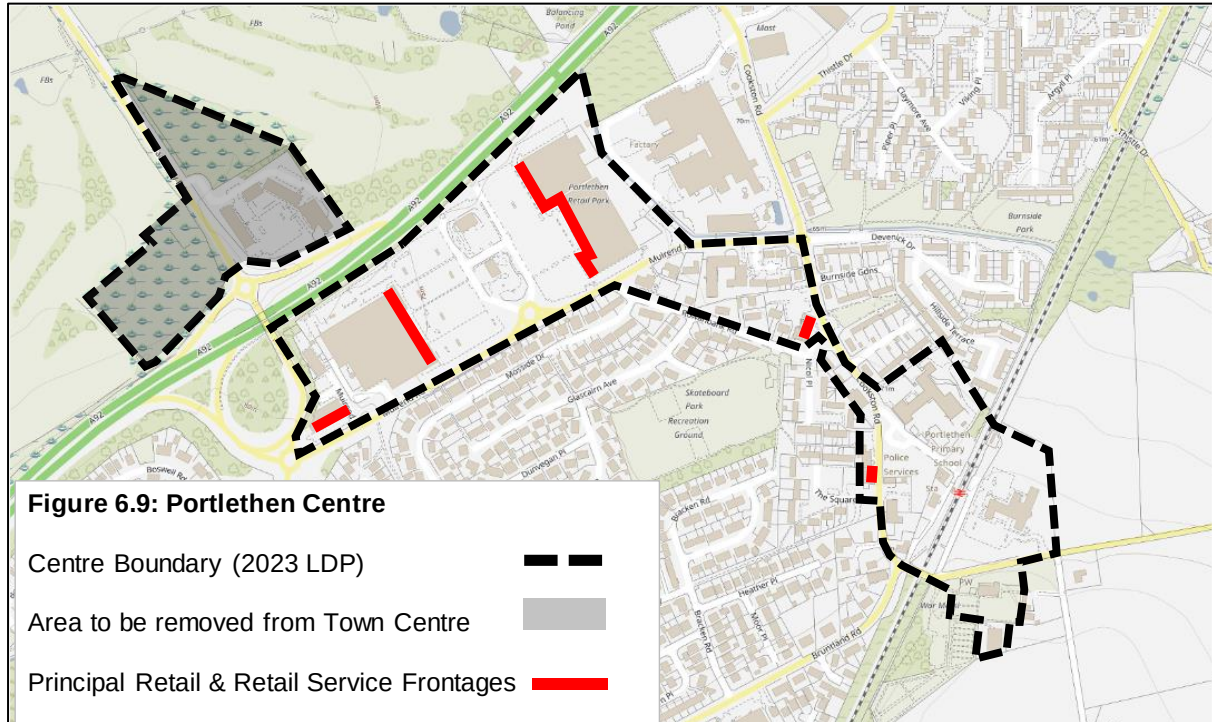
Centre Boundary ————

Proposed Amended Boundary ————

Portlethen

- 6.77. For the reasons outlined above it is considered that the Premier Inn and adjacent land on the west side of the A90(T) should be excluded from the town centre boundary.

Figure 6.9: Portlethen - Proposed Boundary Amendment



Additional Commercial Centres

- 6.78. The role of Commercial Centres in Policy B1 is discussed below. Subject to the review of the role of Commercial Centres and, specifically, if they are to benefit from policy protection, it is recommended that consideration is given to the following locations to be included as Commercial Centres. The location of these is set out in Figures 6.10 to 6.13:
- Deveron Way, Huntly
 - Watermill Road, Fraserburgh
 - Hill of Banchory, Banchory
 - Arnhall Business Park, Westhill
- 6.79. In relation to Arnhall Business Park the proposed boundary has been identified based on the existing limits of Tesco, Costco, trade counter units along Prospect Road and the Health Centre.

Figure 6.10: Proposed Commercial Centre - Deveron Way, Huntly

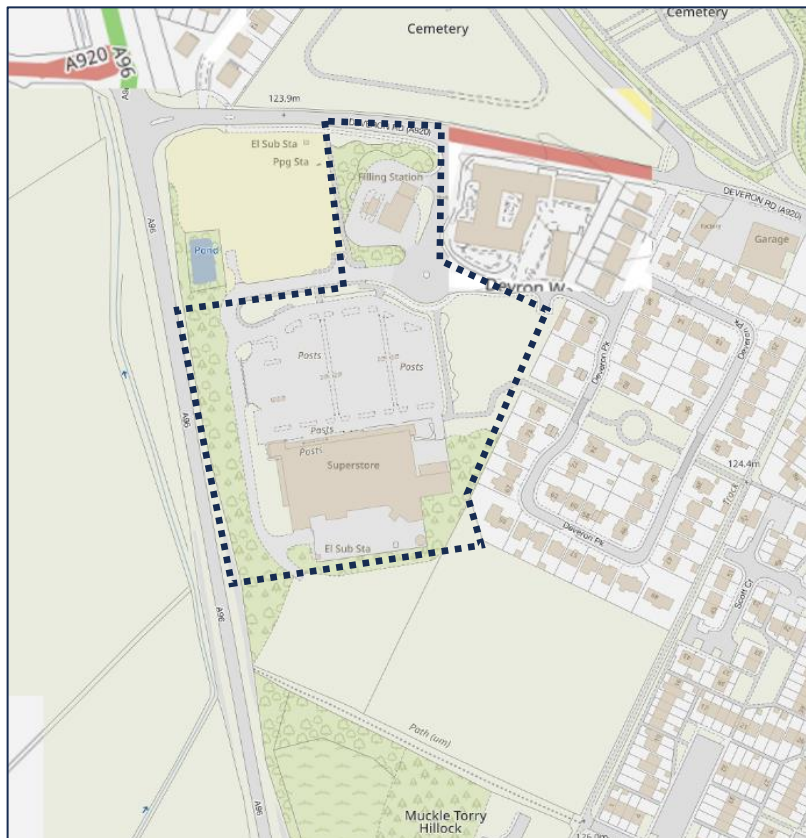


Figure 6.11: Watermill Road, Fraserburgh

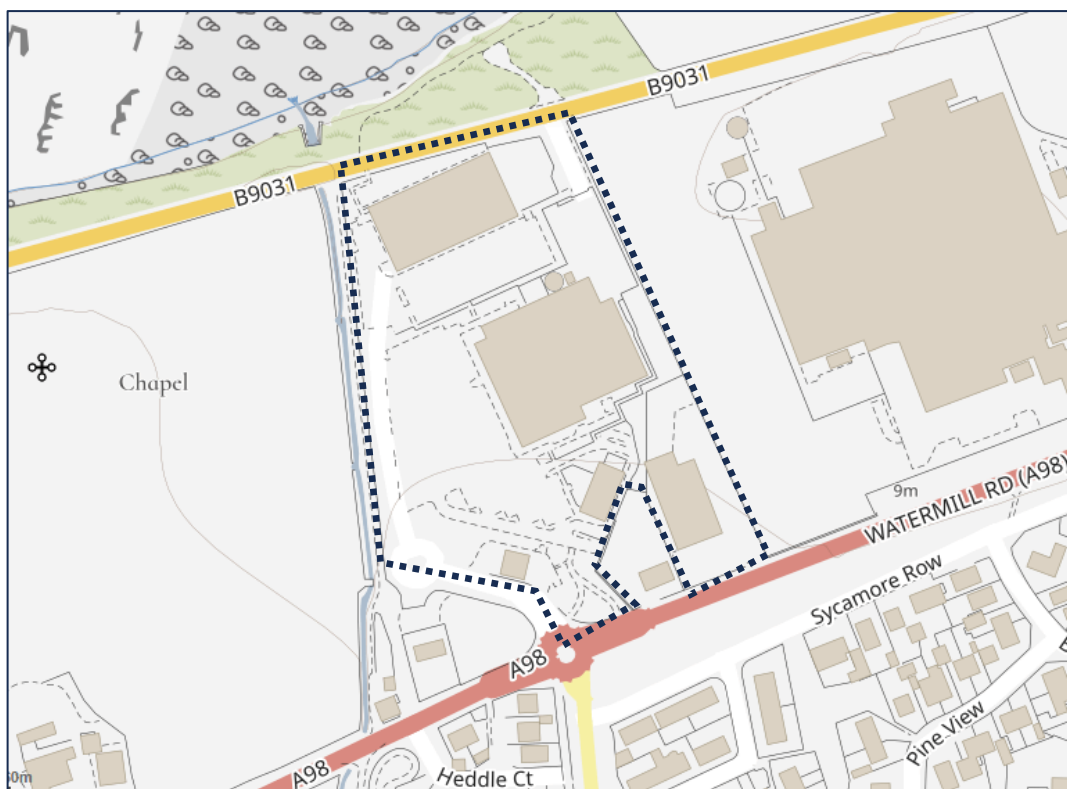


Figure 6.12: Hill of Banchory, Banchory

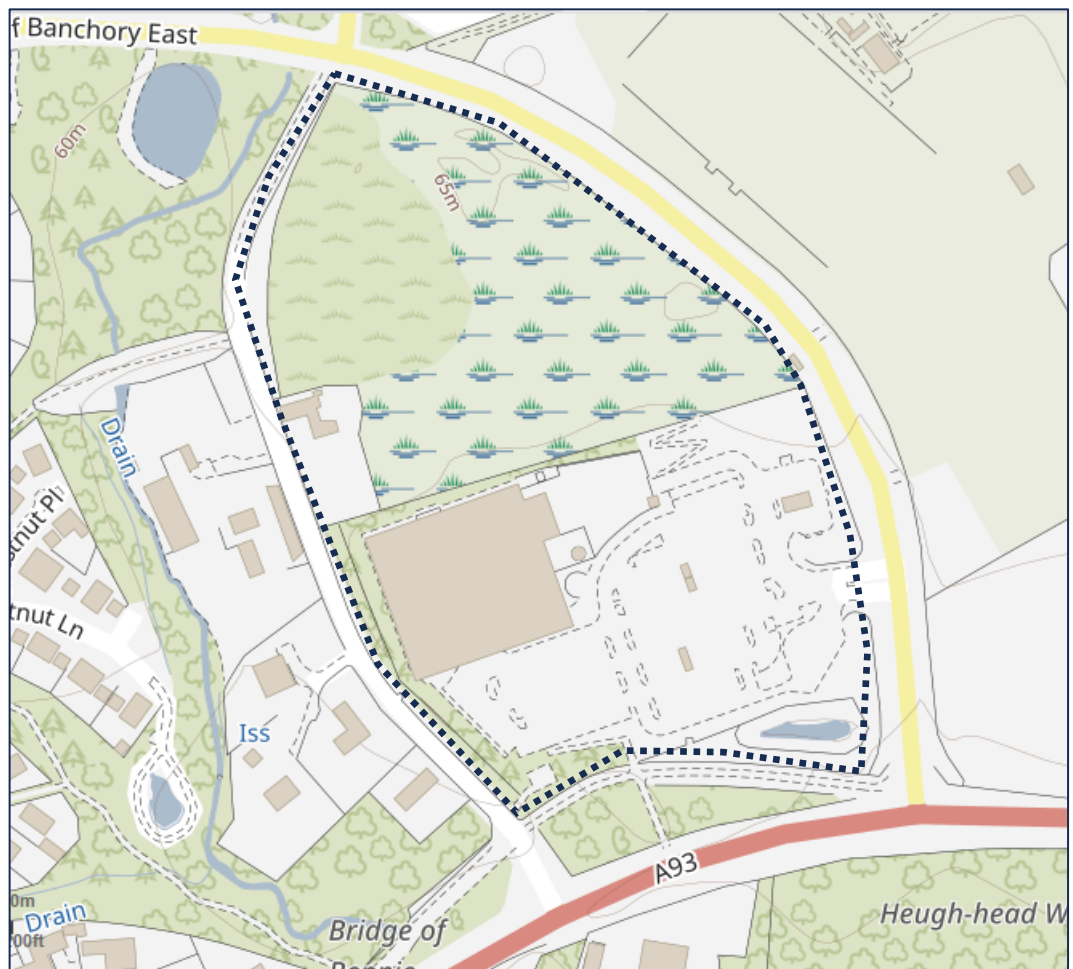
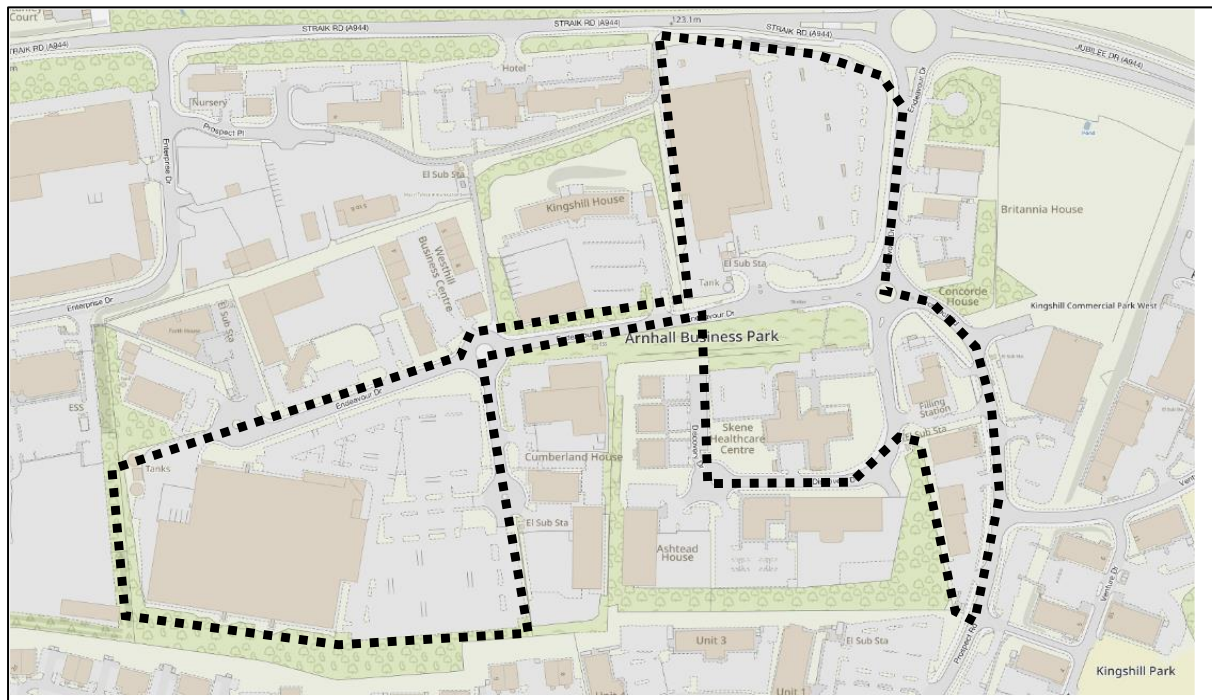


Figure 6.13: Arnhall Business Park, Westhill



Policy Review and Recommendations

Existing Policy Framework

- 6.80. The existing policy framework for retail, leisure and town centre uses is provided though:
- The Aberdeen Local Development Plan 2023 (adopted June 2023)
 - The Aberdeenshire Local Development Plan 2023 (adopted January 2023)
 - National Planning Framework 4 (Feb 2023) principally policies 27 and 28 (and also Policy 15 in relation to 20 MNs).
- 6.81. The adopted LDPs and NPF4 adopt different structures for the organisation of policies relevant to town centres and retail and have varying policy requirements. Figure 6.12 sets out a comparison between these policy documents. The figure does not set out the full provisions of both the LDPs and NPF4 but it does show that there are significant policy matters, relating to town centres, retail and leisure developments included in NPF4 not addressed in the LDPs. Furthermore, a comparison between the policies in the respective documents identifies that there are significant differences between the content of policies between the NPF4 and the LDPs, for example, in terms of the application of the sequential/town centres first approaches.
- 6.82. Both NPF4 and the relevant LDP form the development plan for Aberdeen City and Aberdeenshire. Insofar as there is any incompatibility between a provision of NPF and a provision of an LDP, whichever of them is the later in date is to prevail (TCP(S) 1997 section 24(3)). This implies that, with respect to Aberdeen City the LDP would prevail, whereas in Aberdeenshire NPF4 would prevail. However, regardless of this provision significant weight would still be attached to whichever document was “older” in terms of adoption for decision-making, particular when all three planning documents would be considered reasonably up-to-date at the present time (i.e. in 2024).
- 6.83. There is no legal requirement for LDPs to be directly ‘compatible’ with NPF4, although in preparing LDPs, there is a statutory requirement under section 16(2)(a)(i) of the 1997 Act that planning authorities take the NPF into account. In this regard it is important that the policies/proposals contained in the forthcoming LDPs take into account the particular circumstances of centres and the retail/leisure sector as a whole in Aberdeen City/Aberdeenshire towns – this is not possible in NPF4 because it has been prepared to apply across Scotland as a whole. The following therefore provides a summary review of the principal provisions in NPF4 relevant to the scope of this study and makes recommendations to be considered for relevant policies to be included within the next generation of LDPs.

Figure 6.12: NPF4 and adopted LDPs – Retail & Town Centres Policy Comparison

Policy Issue	NPF4	Aberdeen City LDP 2023	Aberdeenshire LDP 2023
Support and promotion of centres -investment etc	Policy 27 “sustainable futures” Policy 27 a)	Policy VC1 Vibrant City Policy VC2 Tourism & Culture Policy VC4 City Centre & Retail Core Policy VC8 Town etc Centres	Appendix 2 Retail Centres
Plan for additional retail provision Network of Centres	Policy 28 (LDPs) Policy 27 (LDPs)	Policy VC3 Network of Centres Policy VC4 City Centre	Appendix 2 Retail Centres
Town Centre Health Checks and Strategies Clustering of “non-retail” uses	Policy 27 (LDPs) Policy 27 c)	Health checks undertaken biennial basis – limited detail	Health checks undertaken regular basis
Town Centres First	Policy 27b): i. City; Town & Local Centres ii. Unclear if EOC is preferred to OOC iii. OOC (meeting scale and impact test requirements) + Scope of TCF Policy 28 a): i. City Town & Local Centres ii. EOCs and Comm Centres Expressly not OOC (except local/rural/island proposals)	Policy VC3: i. Regional Centre ii. Town Centres iii. District Centres iv. Neighbourhood centres v. EOCs vi. Commercial Centres Also Policy VC4 – re Retail Core Policy VC9 re OOC Guidance: Hierarchy of Centres	Policy B1.1 Appendix 2 Retail Centres
Scale of town centre development	Policy 27 b) ii Policy 28 b) i	Policy VC4 (implied i.e. major regional centre) Policy VC8	Policy B1.2 Appendix 2 Retail Centres
Drive throughs	Policy 27 d)		
Assessment of impact (retail and other)	Policy 27 b) ii Policy 28 b) ii	VC3	Policy B1.1
Out of centre proposals	OOO can be acceptable for policy 27 (non-retail); but not acceptable for Policy 28 (retail)	OOO not identified as potentially acceptable in Policy VC3. Policy VC9 identifies criteria for OOO development to be acceptable	Policy B3 Tourist facilities (<i>includes acceptable locations outwith town centres</i>)
20 Minute Neighbourhoods Small-scale/neighbourhood provision Islands and rural areas	Policy 28 c) i Policy 15 Policy 28 d) – ancillary/PFS s etc	Policy VC10 Local Shops – in part is relevant to this. Policy VC12 is relevant to this in context of serving new development areas (only) N/A	Appendix 2 Retail Centres – neighbourhood centres B3.3 (<i>re tourism</i>)
Ancillary Retail	Policy 28 d) – rural/islands	N/A	B3.3 (<i>re tourism</i>)

6.84. Figure 6.12 identifies that there are a limited range of topics that are included that are not directly related to policies or proposals in the LDPs:

- *Town Centre Health Checks and Strategies.* Health checks are undertaken regularly in both Aberdeenshire and in the City. They are addressed in the recommendations below. Town centre strategies are undertaken on an as required basis by both authorities and development proposals' impact on these is included in in Aberdeenshire Council Policy B1.
- *Clustering of Non-retail Uses.* This relates to specific categories of uses (e.g. pay-day loans, hot-food carry-outs and similar). Data from the Regional Assessor does not allow easy identification of these although hot-food carry outs are a very common use, especially in smaller centres and neighbourhood groups of shops. Regardless of the health issues associated with these it is clear that they provide an important local facility and they are included as a relevant use in the assessments undertaken of local accessibility to retail/services (summarised in Section 5). Consideration can be given to whether express policies should be included within LDPs to address future clustering of these uses.
- *Drive-throughs.* These are addressed separately below.

Review of NPF4 Policies

Policy 15 Local Living and 20 Minute Neighbourhoods

6.85. The principle of local accessibility to retail and service provision has been reviewed in Section 5 of this report. The principle is important for supporting accessibility to local services and reducing the need for travel by private car to access these services. The Section has reviewed the potential for improving local access to these facilities and services and identified sites where it may be possible to incorporate local retail/service facilities within development sites.

6.86. Recommendation 1:

- **Consideration should be given to including local retail/service facilities within identified development sites, insofar as this is practical given the current position with planning consents and development progress, based on the analysis provided in this report.**
- **For residential and other development sites identified in future LDPs, regard should be had to existing access to local retail/service provision, in accordance with the 20MN principle, and, where appropriate, inclusion of these land uses within development briefs/allocations.**

Supporting Town Centres

6.87. The principle of supporting the role of, and future investment in, town centres is supported. It is considered that the main mechanisms by which this should be applied are through the application of the town centres' first/sequential approach and the impact test (for both retail and leisure). In addition amendments to the boundaries of town centres are proposed.

6.88. Recommendation 2: future LDPs should expressly identify:

- **The network of centres as described above.**
- **Town centres first approach applied to both proposed retail and leisure development proposals.**
- **Impact test applied to both proposed retail and leisure development proposals.**

Planning for Additional Retail & TC Uses Provision

6.89. Apart from the provision of local floorspace supporting local accessibility/20MNs and for major expansion areas/new settlements, Section 5 does not identify significant quantitative deficiencies or need for either retail or commercial leisure floorspace provision within Aberdeen City or Aberdeenshire. It does identify locations where there are possible qualitative retail deficiencies however, the presence of a qualitative deficiency is, to a significant degree, subjective and therefore and justification for additional retail/leisure floorspace in out-of-centre locations would need to be clearly and comprehensively justified.

6.90. Recommendation 3. No justification for significant additional retail floorspace is identified apart from that required to address the needs of new major housing expansion areas and local deficiencies consistent with the principle of 20MNs. Qualitative deficiencies have been identified but, for this to be a justification for out of centre retail floorspace, this would need to be demonstrated clearly and comprehensively.

6.91. Recommendation 4. New retail, leisure and commercial services floorspace should be provided in both major new residential development/expansion areas and to enhance local accessibility to retail/services in accordance with the 20 Minute Neighbourhood principle as set out in the preceding parts of this Section.

Network of Centres

6.92. Recommendations for the amendments to the Network are summarised in Figure 4.10 and para 6.17.

6.93. Recommendation 5. Amendments to the proposed network of centres should be considered:

- **Aberdeen City:**
 - **The King Street area, identified on the proposals map, should be designated a District Centre**
 - **No further changes are recommended**
- **Aberdeenshire:**
 - **Consideration should be given to the role of Inverurie as a sub-regional centre although, based on the evidence in this report, it is not recommended that it should be changed from a Principal Town Centre.**
 - **The role of Portlethen centre should be reviewed. Based on this study it is recommended that it remains designated as an Other Town Centre, that the retail park should not be identified as a Commercial Centre and the area west of the A90(T) excluded from the town centre boundary.**

Town Centre Health Checks

6.94. Aberdeenshire undertakes health checks of all town centres on a regular basis with the most recent available from Sept 2022. These provide an important resource for identifying changes in centres over time and for comparing between centres. A major source of information for the health checks are regular surveys of households although those responding are, primarily, self-selected which can result in some bias in responses. Nonetheless the surveys are an important barometer of attitudes of local residents to their town centres.

6.95. Regular health checks are not undertaken for all centres in Aberdeen City. Within the City health checks were undertaken in 2023 (with the final report currently being drafted) and, prior to this, information was provided through the 2013 and 2018 retail studies. Regular monitoring of changes in the City Centre is considered particularly important.

6.96. It is recommended that TCHCs are undertaken on a regular basis in Aberdeen City and continued in Aberdeenshire. In addition to the information collected currently collected by Aberdeenshire health checks should include:

- Space in use (numbers *and* floorspace), to include community and residential uses
- Summary of town centre planning applications/implementation
- Commercial indicators (rents, yields, developments)
- Pedestrian flow data

- 6.97. Recommendation 6. TCHCs should be continue to be undertaken for the City and Town Centres in Aberdeen City and, preferably also for the District Centres and also in Aberdeenshire, and should include a wider set of measures to identify change and assist development planning.**

Clustering of Non Retail Uses

- 6.98. NPF4 Policy 27 c) seeks to restrict uses and services that “*undermine the character and amenity of the area or health and wellbeing of communities*”. The policy does not restrict the scope of offending non-retail uses but notes hot-food takeaways, betting offices and high interest money lending premises.
- 6.99. In the context town centre vitality and viability it could be considered that non-retail uses can have a negative impact in the primary frontages of the larger town centres and parts of frontages in the City Centre. In other town centres non-retail uses are more prevalent than retail goods shops and there is, in general, a greater overlap with many providing both retail and other services within the same “shop”. As a result it is considered that widespread application of the control of non-retail uses in centres can be problematic and is likely to result in increased vacancies rather than retention of purely retail frontages. Furthermore, Class 1A allows change between various retail goods shops and a wide range of service uses and between Classes 1A and Class 3. These permitted changes largely negate the potential for controlling non-retail uses in centres.
- 6.100. NPPF Policy 27 c) highlights a concern that certain types of uses (i.e. the named categories of units) can have a wider impact relating to health and well-being. The named uses are all *sui generis* and so planning permission is required for change of use. However, it is not clear what additional uses Policy 27 c) considers to be relevant and whether such uses would be *sui generis* or fall within either Class 1A or other Classes of the Use Classes Order (and therefore limit potential planning controls).
- 6.101. Recommendation 7. Policy should restrict non-retail uses in centres (and elsewhere) only insofar as they restrict changes of use to the categories of use identified in NPF4 Policy 27 c). Where proposals to these uses are proposed consideration needs to be given to both the adverse impact on the character and amenity of the area and also the extent to which the units would be able to provide a service to the local community (i.e. could it be considered that failure to provide the proposed service would have a negative impact on the local community).**
- 6.102. Proposals for town centre and city centre living would be expected to be supported in principle subject to consideration of the impact of the developments on the operations/viability of existing town/city centre commercial uses and achievement of acceptable living standards for residents as well as other considerations normally considered as part of the determination of planning applications.**

Town Centres First/Sequential Approach

- 6.103. The two LDPs set out slightly different approaches to the town centres first/sequential approach and largely reflect the approach set out in the former Scottish Planning Policy. NPF4 sets out the Town Centres First which differs between Policies 27 and 28. A number of issues have been identified concerning the wording of the TCF approach in these policies:
- The NPF4 policies place edge-of-centre (EOC) locations on an equal footing with town centre locations (i.e. town centres are not preferred to EOC).
 - No definitions are provided for either EOC or out-of-centre (OOC) locations.
 - Policy 27 allows for (subject to provisos) locations outwith TC/EOC. But the wording of the policy fails to restrict this to only out-of-centre locations easily accessible by a choice of transport (as set out in SPP).
 - Policy 28 (for retail proposals) does not permit locations outwith TCs and EOCs. This, of course, fails to recognise that many non-retail uses that would be covered by Policy 27 can change to retail without any requirement for planning permission (since they are within Class 1A or have

- permitted changes of use). This significantly undermines the validity of the differences between Policies 27 and 28.
- The Town Centre First Assessment (NPF4 p82) introduces concepts that are not consistent with the principle that planning is, primarily granted for a proposed use (and physical development) rather than for a named operator or personal consent. This means that operators can and will change, indeed the type of operation can change fundamentally without the need for planning permission (i.e.. changes within the same use class/permitted changes of use). Even with the same operator business models can change and supplier arrangements will change as markets evolve. This renders requests for information relating to supply chains and environmental impacts largely irrelevant since they can and will change over time and planning will not be able enforce these business arrangements.
- 6.104. It has also been noted that, for many town centres in the study area (and elsewhere), there are significantly more non-retail commercial businesses operating and providing important services in town centres than there are retail businesses. Long term trends would indicate that non-retail uses will increase in the future. In this context it is considered that providing a more restrictive planning regime for retail use compared to other town centre services and facilities is not justified.
- 6.105. A matter not considered in NPF4 is that, within the Network of Centres, different centres perform different roles:
- Aberdeen City Centre serves a regional market comprising most of north east Scotland. To a more limited extent Inverurie town centre is identified to serve a significant portion of central Aberdeenshire whereas other Principal Town Centres and certain District Centres within the City serve markets that extend beyond the local community in which they are situated.
 - For Other Town Centres the market served is principally restricted to the small town in which the centre is located without any significant wider catchment area (apart from their immediate rural hinterland).
 - Certain Commercial Centres, particularly in the City, have relatively wide catchments extending beyond the City into the Aberdeenshire.
- 6.106. It therefore makes sense that, for proposed developments that are designed to serve a wider and sub-regional market, the locational preference should be within and on the edge of the regional centre and principal town centres in preference to the local town centres. This approach is adopted in both the current LDPs and it is recommended that this approach is continued rather than that set out in NPF4.
- 6.107. Taking these factors together, which reflect the evidence provided through the retail study, it is evident that the approach adopted in the existing LDPs is more appropriate to the circumstances of centres in the study area than that set out in NPF4 Policies 27 and 28.
- 6.108. In support of this approach consideration should also be given to defining sequential locations to clarify interpretation of policy:
- Edge-of-centre. The overall principle for edge-of-centre locations is that a single trip would be able to serve access to both the town centre and edge-of-centre (i.e. easy walking between town centre and edge of centre locations, in particular for those whole movements made be impeded for example those walking with shopping, with small-children and less mobile members of the community). English NPPF has referred to 200-300m distance although this would appear to be inappropriate in that the distance should reflect the scale of the centre being accessed. Other factors to be considered in defining edge-of-centre include:
 - Proximity/distance
 - Gradients and other barriers to pedestrian movement
 - Intervisibility between the location and the town centre
 - Presence of intervening land uses

- Out-of-centre. OOC locations should be within the existing/proposed urban areas/settlement boundaries and should also be/proposed to be made easily accessible by a choice of transport modes in the context of the catchment area being served by the development.
- 6.109. In the Aberdeen City LDP there is a degree of uncertainty created in the application of the sequential approach to Out-of-Centre locations. Policy VC3 does not include out-of-centre locations within the hierarchy of centres for the sequential approach, and it could be considered that this is consistent with NPF4 Policy 28. However, Policy VC9 expressly does allow out-of-centre locations provided criteria are met. It is recommended that the relationship between these two policies is clarified. The approach set out in the LDP which allows out-of-centre proposals provided criteria are satisfied (and not other sequentially preferable locations are suitable/available) is more flexible is preferred to that set out in NPF4.
- 6.110. In addition regard should be given to adopting a flexible approach when applying the TCF/sequential approach. The appropriate approach was summarised in the Tesco Stores Ltd v Dundee City Council Supreme Court decision (Lord Reed):

29....the applicant is expected to have prepared his proposals in accordance with the recommended approach: he is, for example, expected to have had regard to the circumstances of the particular town centre, to have given consideration to the scope for accommodating the development in a different form, and to have thoroughly assessed sequentially preferable locations on that footing. Provided the applicant has done so, however, the question remains, as Lord Glennie observed in Lidl UK GmbH v Scottish Ministers [2006] CSOH 165, para 14, whether an alternative site is suitable for the proposed development, not whether the proposed development can be altered or reduced so that it can be made to fit an alternative site.

6.111. Recommendation 8. Taking these factors together:

- In general the TCF approach set out in the two LDPs is preferred to that in NPF4 on the grounds that it better reflects the circumstances in the study area.
- A single TCF approach should continue to be applied that applies equally to all retail and other town centres uses that generate significant footfall. “Significant” is contextual and, given the range of potential range of town centre uses/developments it is not possible to state a threshold in terms of floorspace, however, by way of guidance retail developments >1000 sq m GFA could be considered to generate significant footfall (but this will, of course vary according to the type of retail proposed).
- The TCF approach should include both a sequential approach and address the matters listed in NPF4 Policy 27 concerning: relationship to the network of centres; and demonstrate economic impacts; plus, insofar, as relevant to out-of-centre proposals, clear justification for out-of-centre proposals as set out in Recommendation 2. Matters identified in NPF4 Policy 27 specific to the proposed operator and/or business model are not considered appropriate.
- The sequence of preferred locations within the TCF should be, for developments/uses serving the regional market area:
 1. The City Centre (Core Retail Area for retail uses)
 2. Edge of City Centre (remainder of city centre for retail uses)
 3. Town Centres
 4. Edge of Town/Principal Town Centres (City/shire)
 5. Commercial Centres
 6. Out of Centre – which are easily/proposed to be made easily accessible by choice of modes of transport
- For other developments:
 1. City, Town (Principal and Other) and District Centres
 2. Edge of Town Centre

3. Out of Centre – which are easily/proposed to be made easily accessible by a choice of modes of transport.

- **Alteration of scale of development.** In applying the TCF/sequential approach flexibility should be in accordance with that identified in the Supreme Court *Tesco v Dundee City Council* decision noted above.

6.112. Although the above set out the preferred basis for the TCF/Sequential Approach it is considered that the approach set out in the two LDPs is generally consistent with these principles.

Major Retail/Leisure development in proximity to the AWPR

6.113. It should be noted that proposals for major retail development in out-of-centre locations, or outwith the existing urban areas, including locations close to the AWPR, which would serve regional or sub-regional market areas would not be consistent with the TCF/sequential approach set out in Recommendation 7. Depending on the scale of floorspace proposed these developments are also likely to undermine the vitality and viability of the City Centre, both in terms of direct retail impact but also as a result of undermine future investment within the City Centre (see Recommendation 10).

Scale of Development

6.114. Both Policies 27 and 28 of NPF4 refer to developments being an appropriate scale. To an extent this is addressed both through the recommended TCF and impact tests – developments that serve a wider market area should, in preference be located within the City Centre (or Sub Regional centre only if the planning authorities consider that this is an appropriate designation for Inverurie town centre). As part of the Impact Test it is considered appropriate therefore that, as well as assessing impact on the vitality and viability of centres, it should also consider how the proposal could support the role of centres within the Network of Centres identified in the LDP.

6.115. Recommendation 9. As part of the Impact Test proposals should be assessed as to how the proposal could support the role of centres within the Network of Centres identified in the LDP.

Drive Throughs

6.116. The Chief Planners letter of 8th Feb 2023 stated that Policy 27 d) was intended to ensure that drive-throughs (DTs) are considered as an integral part of the wider development plan and not a moratorium on such developments. The letter states that suitable locations could include those identified for Class 1(A) and Class 3 uses. Limited additional comment is provided in Local Development Planning Guidance. Specific advice has been requested in relation to identifying appropriate locations for DTs.

6.117. The Local Development Plan Guidance refers to both identifying whether there is a *need* for provision of DTs and also identify locations where they may be acceptable *where they would not negatively impact on the principles of local living or sustainable travel*.

6.118. At the present time there are, in general, two principal types of DTs – larger units primarily for fast-food restaurant use (typically 350 sq m GFA upwards) e.g. for McDonalds etc and smaller units serving coffee shops (typically ca. 200 sq m GFA) e.g. Costa, Greggs etc. The market is rapidly evolving and space/design requirements are likely to change. In terms of the *use* there is no fundamental objection since non-DT coffee shops and restaurants are typically located, and encouraged in, large and small centres as well as in neighbourhood locations. Excessive concentration of these uses outwith centres could, however, in theory at least, adversely affect the vitality and viability of centres but this does not appear to be a common concern. As noted in the LDP Guidance the planning concern with DTs is the impact that these have on sustainable travel modes (i.e. that they are *designed* to encourage travel by private car) and the environmental/amenity impacts on sensitive neighbours (primarily residences).

6.119. In providing a policy framework for DTs (and uses that are designed to encourage a significant proportion of custom to be drive-through) it is considered that the following principles should be considered:

- Support, in principle, for locations within/on the edge of defined centres and on principle arterial routes within urban locations, subject to satisfying the following.
 - Regardless of the scale of the proposal, compliance with a sequential approach to demonstrate that there are no reasonably suitable and available town/city/district/commercial centre locations and edge of centre locations are available before considering out-of-centre locations.
 - For out of centre locations to be considered acceptable these must be easily acceptable by a choice of modes of transport including *both* public transport and active travel modes.
 - Demonstrate with the use of up-to-date evidence, that a high proportion of private motorised trips to the development will be pass-by trips. *What constitutes a “high” proportion will need to be determined.*
 - Demonstrate that the development will not have unacceptable adverse environmental and amenity impacts on the environment of sensitive premises and neighbours.
 - Demonstrate that the development will not result in unacceptable impacts on the operation of the transport and road network.

6.120. Recommendation 10. The approach to the location of drive-throughs should reflect both the concerns highlighted in Policy 27 and government guidance/Chief Planner letter. A policy approach reflecting the principles identified above should be included within LDPs reflecting the principles set out above.

Impact Test

6.121. The requirement for the assessment of impacts arising from both non-retail town centre uses and from retail proposals is identified in both NPF4 policies 27 and 28 (the former as part of the Town Centres First Assessment). This is considered reasonable given the importance of both retail and service uses to the vitality and viability of Aberdeen City and Aberdeenshire’s network of centres. As noted above the impact assessment would need to consider not only the significance of impact on the vitality and viability of centres but also the effect that the development could have on the overall network of centres within the Council areas.

6.122. The former SPP referred to a requirement for a Retail Impact Assessment normally being required for developments of 2500 sq m GFA or larger. The review of centres in this report notes that, a number of Town Centres in the study area are relatively small with the implication that developments smaller than 2500 sq m GFA could affect their vitality or viability. By way of comparison some planning authorities in England set the threshold for the requirement for RIAs for developments less than 500 sq m GFA. It is considered that this requirement is excessive but a threshold of approximately 1000 sq m GFA for retail developments would be appropriate for form of assessment of impact to be undertaken. It is more difficult to set a unit size threshold for other town centre uses because of their diversity.

6.123. In the case of the Aberdeen City LDP a threshold of 2500 sq m GFA is used for the requirement for an impact assessment. In Aberdeenshire Policy B1 allows for the requirement for impact assessments for smaller developments which may threaten the vitality and viability of a centre.

6.124. The data set out in the Strategic Retail Model for 2023 (Appendix A Table 18) provides robust basis for the preparation of retail impact assessments since this reflects detailed information on each of: available expenditure, population, existing expenditure flows and floorspace. RIAs testing impacts in future years will need to reflect the information set out in subsequent tables in the SRM

subject to amendments required to reflect changes in expenditure forecasts and the development/loss of retail floorspace identified to occur after 2023.

- 6.125. Recommendation 11. Impact tests for both retail and other town centres uses should continue to be required. By way of guidance it is recommended that retail developments >1000 sq m GFA should require some form of assessment of impact and for other non-retail town centre uses the same approach should be adopted as identified for the application the Town Centres First/Sequential Approach. Assessment of impact should include assessment of impact on the vitality and viability of centres, potential impact on access to local & rural retail/services and also the impact on the overall network of centres in Aberdeen City/Aberdeenshire. The level of detail required for the assessment will depend on the individual proposals reflecting both the scale and intensity of proposed development and the sensitivity of centres potentially affected. In general, detailed and comprehensive assessments of impact would be expected for retail or leisure development proposals of 2500 sq m GFA or greater.**

Rural Areas

- 6.126. In the Aberdeenshire LDP only limited policy guidance applies to rural shopping/leisure provision – primarily this is set out in Policy B3 for tourist facilities. Although it is not appropriate to apply the principle of 20MNs to rural areas access to shopping/service provision in small communities should be both protected and encouraged.
- 6.127. It is therefore recommended that consideration is given to expressly supporting retail/service provision in rural areas (regardless of whether it is related to tourism) incorporating the following principles:
- New floorspace is integrated with the existing settlement form
 - It is demonstrated that the development would provide significant social or economic benefit to the rural community.
 - That it does not have unacceptable environmental and other impacts
 - That it does not adversely affect the viability of existing retail/services within the rural area.
- 6.128. Recommendation 12. In Aberdeenshire consideration should be given to both encouraging and protecting rural shopping/services provision to enhance accessibility to services and facilities. It is recommended that this should reflect the principles set out above.**