

ABERDEEN CITY COUNCIL

COMMITTEE	Council
DATE	14 December 2022
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Vacant Units on Union Street – Action Plan
REPORT NUMBER	COM/22/287
DIRECTOR	Gale Beattie
CHIEF OFFICER	Richard Sweetnam
REPORT AUTHOR	Richard Sweetnam
TERMS OF REFERENCE	21

1. PURPOSE OF REPORT

- 1.1 To seek the Council's approval of an Action Plan to support the re-population of empty units on Union Street.

2. RECOMMENDATIONS

That Council:-

- 2.1 Notes the Union Street Empty Shops Action Plan provided in Appendix 1 to this report;
- 2.2 Notes the role of a number of city centre stakeholders in developing the proposals in the Plan and the support provided by the Council to some of these organisations;
- 2.3 Instructs Chief Officer - City Growth to support stakeholders to implement the proposed actions in the Plan where appropriate;
- 2.4 Instructs Chief Officer – City Growth, in consultation with the Director of Resources, to develop a grant scheme of £500,000 to support the reconfiguration of empty shops on Union Street for confirmed occupancy, subject to the Council's budget setting process for 2023/24;
- 2.6 Instructs Chief Officer - City Growth to report back on progress of the Plan to the Finance and Resources Committee in early 2024.

3. CURRENT SITUATION

- 3.1 At the meeting of full Council on 28 February 2022, Elected Members were provided with a City Centre Masterplan Update (RES/22/057). The Council instructed the Chief Officer - City Growth to advance the works to identify the

full range of intervention measures to repopulate vacant units in Union Street to full business case including further assessment of potential non-retail uses and report outcomes in December.

- 3.2 In response, this report proposes a range of interventions in the form of an Action Plan to repopulate vacant units on Union Street.

National Context

- 3.3 The Scottish Government’s City Centre Recovery Task Force Report agreed seven short and medium term priorities to support cities’ recovery outcomes as summarised in Table 1:

Table 1: Scottish Government City Centre Recovery – Priorities and Outcomes

Priorities	Five Year Outcomes
- City Centre Recovery Funding	- Increase residential capacity and occupancy
- Data on spend	- Smaller city centre carbon footprint
- Building expertise and best practice	- Reduction in vacant/ derelict land
- Visitor campaigns	- Increase in city centre creative, entrepreneurial and start up activity
- Investor promotion	- More revenue raising opportunities for local authorities
- Clarity on return to work in the Government’s Strategic Framework	- Reduction in oversupply of retail, and increase in cultural offer
- Changes to VAT to support recovery	- Faster and more agile planning decisions

- 3.4 The proposals in the Plan align to the targeted outcomes.
- 3.5 The City Centre Recovery Task Force Report was set within the context of the Scottish Government’s ten-year National Strategy for Economic Transformation (NSET) and it highlights the role of busy, vibrant and successful city centres have in growing Scotland’s economy.

Union Street Benchmark

- 3.6 As at September 2022, the most recent data, there are 47 vacant *ground* floor units on Union Street. Of a total of 461 rateable units on Union Street, 350 are occupied. There is a total of 111 vacant units on Union Street (an additional 64 units on the upper floors), and over 80% receive 100% Empty Property Relief for the duration of unoccupancy due to being of listed building status.
- 3.7 The ‘cost’ of the vacant units relates to the lack of business rates they collect, the reliefs they attract, and the effect on investor, business and consumer confidence in the immediate vicinity.

- 3.8 In September 2022, city centre footfall in Aberdeen reached its highest level since the pandemic, with over 2 million for the first time since February 2020. On Union Street specifically, footfall in the same month was in excess of 600,000. While not yet reaching pre-pandemic levels, footfall recovery has been relatively stronger in Aberdeen compared to other places.
- 3.9 The positive impact of increased footfall is evident in increasing offline sales (sales made in person) for operating businesses in Aberdeen city centre. Against a baseline of average in-person sales from 2019 (ie pre-pandemic), in-person sales have increased from 52% in July 2020; to 74% in July 2021; and 92% in July 2022.
- 3.10 Aberdeen's cultural offering and events programme has positively impacted city centre footfall. 2022 visitor numbers for Aberdeen City Council attractions total 250,000 in the year to date and events such as the Tour of Britain and Spectra Festival of Light attracted weekend crowds of 164,000 and 163,000 respectively. An average weekend would normally attract 71,000 visits.
- 3.11 The City Centre and Beach Masterplan provides an ambitious vision for the city centre. The proposed interventions for repopulation of empty units in this Action Plan align with the SMART Objectives for the Masterplan and the results of the 'simulator exercise' as part of the consultation, including:
- Union Street as heart of the city;
 - Make outdoor café culture in the Belmont Street area permanent;
 - Focus on building maintenance and upkeep for Union Street;
 - More trees, flowers and green spaces on Union Street; and
 - Remove street clutter on Union Street.
- 3.12 The Action Plan also coincides with the work of the Business Improvement District, Aberdeen Inspired, in convening a 'Union Street Summit' on 9 November 2022 to discuss city centre challenges. Feedback from the Summit is being collated and will inform Aberdeen Inspired's recommended strategy to respond to wider challenges around footfall, perception of safety, investment, maintenance and empty buildings (including shops). This Plan could support delivery of the Aberdeen Inspired response.

Approach

- 3.13 Preparation of the Plan involved a mix of desk top analysis of relevant policy and research on city centres and vacant shops, and internal engagement with officers in relation to the Plan and the City Centre and Beach Masterplan, Union Street Conservation Regeneration Scheme, Planning, Community Safety and Revenues and Benefits. External consultation was undertaken with Scottish Government officials, Scottish Towns Partnership, Scottish Property Federation, Midsteeple Quarter in Dumfries (community enterprise leading redevelopment) and other Councils. These provided shared learning on challenges and what an Empty Shops Plan could consider.
- 3.14 With this information, a facilitated 'ideas workshop' was held with a sample of Union Street stakeholders representing landlords, agents, retailers, Aberdeen

Inspired, Culture Aberdeen, University of Aberdeen and Robert Gordon University. This discussed emerging outcome areas that a Plan should respond to and these have informed the proposed Programme Areas in the Plan.

Action Plan

3.15 From this consultation phase, five ‘development principles’ for the Plan are proposed:

- i. In areas of weak demand like Union Street, offer something different to what it has done in the past – catering for new audiences and footfall and embedding local and regional businesses at the heart of the city.
- ii. Retail is not the only solution – focus on ‘functions’ of footfall eg hospitality, culture, streetscape, public realm enhancement.
- iii. Create the conditions for investment – sustainability and environment, local leadership, devolved powers.
- iv. Capitalise on the city centre – it is more productive – agglomeration benefits of clustering workers and knowledge to generate new ideas and innovation and these workers are providing demand for new services.
- v. De-risk interventions on Union Street – public sector can provide certainty through its policies.

3.16 Informed by these principles, six themed programme areas were identified under which intervention measures are listed in the Action Plan and are summarised in Table 2:

Table 2: Action Plan for Empty Shops on Union Street – Summary of Appendix 1

Programme Area	Interventions	Rationale
1. Distinctive Aberdeen	5	Adapting to the changing composition of the ‘high street’; moving away from solely retail to a more experiential high street
2. Culture and Heritage	6	Accessible cultural facilities to stimulate Union Street and engage residents; exploring the placemaking powers of creativity and culture; strengthening Aberdeen’s identity and heritage
3. Net Zero Union Street	8	Alignment with the city’s Net Zero Routemap and maximising the environmental wellbeing of the city centre; improving the appearance of the city centre
4. Enterprising Union Street	3	Attracting workers back to the city centre will have a positive knock-on effect on footfall and spend in the area; accessible hub for enterprise, business and entrepreneurship

Programme Area	Interventions	Rationale
5. Enabling Delivery	3	Partnerships, approaches and policies to facilitate intervention measures and ensure delivery
6. Funding	2	Identification of possible funding sources to support implementation of prioritised interventions
TOTAL	27	

- 3.17 The Action Plan provides stakeholders with a ‘menu’ of potential proposals for consideration. It is intended as a shared resource for all ‘actors’, stakeholders and organisations with an interest in Union Street and the city centre. Implementation will be led by a range of different partners.
- 3.18 The Council would support these where appropriate, and, where it is supporting these organisations financially, ensure that any grant agreement reflects the proposals in this Plan.

4. FINANCIAL IMPLICATIONS

- 4.1 Some of the proposals would require investment and the Council’s External Funding Team will continue to work with stakeholders in securing new sources of funding that could be available through national programmes such as Shared Prosperity Funding, Just Transition Funding or any existing or emerging ‘place based’ funds.
- 4.2 Existing staffing resources could be aligned to any proposals that would require officer support, prioritising those that have greater linkage with the LOIP or the Council’s Policy Statement.
- 4.3 There is one action that has a direct implication on the Council’s budget – the proposal to ring fence £500,000 from the Council’s capital plan for City Centre Regeneration Funding. This proposal would offer a grant of up to 50% of project costs towards physical works needed to reconfigure vacant shops to the size that both consumers and businesses require in order for a unit to become occupied. It would also de risk potential private investment in the empty units.
- 4.4 As of 1 April 2023, Empty Property Relief will be devolved to Councils as set out in section 19 of the Non-Domestic Rates (Scotland) Act 2020. This legislation creates an opportunity in the context of empty units, empowering local authorities to make decisions on how Empty Property Relief is applied based on the local market and needs. The Council will consider the implications of this devolved legislation before any potential changes are made.

5. LEGAL IMPLICATIONS

- 5.1 There are no direct legal implications arising from the recommendations of this report.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The measures in the Action Plan grouped around the 'Net Zero Union Street' theme would have positive impact for the city centre environment.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Negatively impacting the delivery of CCMP	Continued collaboration and engagement with CCMP Board to ensure alignment	L	Yes
Compliance Operational	None	N/A	N/A	Yes
Operational	Resource capacity for Council staff leading actions	Promotion of Action Plan as a shared resource for Union Street actors; continued effective engagement with lead partners	L	Yes
Financial	Success in securing relevant external sources of funding	Horizon scanning for suitable current and new funding sources by the External Funding Team	M	Yes
Reputational	Risk of reputational damage if the Council is not seen to be leading action to address the empty shops on Union Street	Clear communication and collaboration between the Council and Union Street stakeholders, particularly partners leading actions. Promotion of successfully implemented actions.	M	Yes
Environment / Climate	None	N/A	N/A	Yes

8. OUTCOMES

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
<p style="text-align: center;">Aberdeen City Council Policy Statement</p> <p style="text-align: center;"><u>Working in Partnership for Aberdeen</u></p>	<p>The proposals in this report support the delivery of the following from the policy statement:</p> <p>A Vibrant City</p> <ul style="list-style-type: none"> • Establish a task force to identify disused and derelict land and buildings and help bring them back into use, including investigating the purchase and conversion of upper floors along Union Street • Aim to make Aberdeen a premier destination for festivals, productions, conferences, bands and events • Support Aberdeen Performing Arts and other cultural providers to offer the widest possible arts programme for all across our communities • Investigate establishing an art hub where artists can create, display and sell their work • Work with partners to explore opportunities to develop heritage, museum and online services with a special emphasis on local history and stories of our heritage <p>Building a Greener and Sustainable City</p> <ul style="list-style-type: none"> • Support efforts to move towards a circular economy with the establishment of repair hubs, helping people to access the tools that allow them to repair or upcycle <p>Greener Transport, Safer Streets, Real Choices</p> <ul style="list-style-type: none"> • Improving the provision of bus services across the city, through investment in new supported services, to enable bus services to be provided to areas and at times which are not economically viable • Installing new bus shelters to meet local needs <p>A Prosperous City</p> <ul style="list-style-type: none"> • Work with partners to expand the support available for new start-ups including investigating access to microfinance and affordable leases on workspaces for start-ups <p>A Safer Aberdeen</p> <ul style="list-style-type: none"> • Support, encourage and assist the city's Community Policing Teams, Scottish Fire and

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
	Rescue Service and other community safety partners
<u>Aberdeen City Local Outcome Improvement Plan</u>	
Prosperous Economy Stretch Outcomes	The proposals within this report will indirectly support the delivery of: SO2. 400 unemployed Aberdeen city residents supported into Fair Work by 2026.
Prosperous Place Stretch Outcomes	The proposals within this report will support the delivery of: SO13. Addressing climate change by reducing Aberdeen's carbon emissions by at least 61% by 2026 and adapting to the impacts of our changing climate SO14. Increase sustainable travel: 38% of people walking and 5% of people cycling as main mode of travel by 2026 SO15. Addressing the nature crisis by protecting/managing 26% of Aberdeen's area for nature by 2026
Regional and City Strategies	The proposals support the new and emerging Regional Economic Strategy for Aberdeen to be a key tourism destination; the regional Tourism Destination Strategy; and the City Centre and Beach Masterplan.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Not required
Data Protection Impact Assessment	Not required
Other	No

10. BACKGROUND PAPERS

10.1 City Centre Masterplan Update (RES/22/057).

11. APPENDICES

11.1 Appendix One – Union Street Empty Shops – Action Plan

12. REPORT AUTHOR CONTACT DETAILS

Name	Richard Sweetnam
Title	Chief Officer – City Growth
Email Address	rsweetnam@aberdeencity.gov.uk
Tel	07753 895034