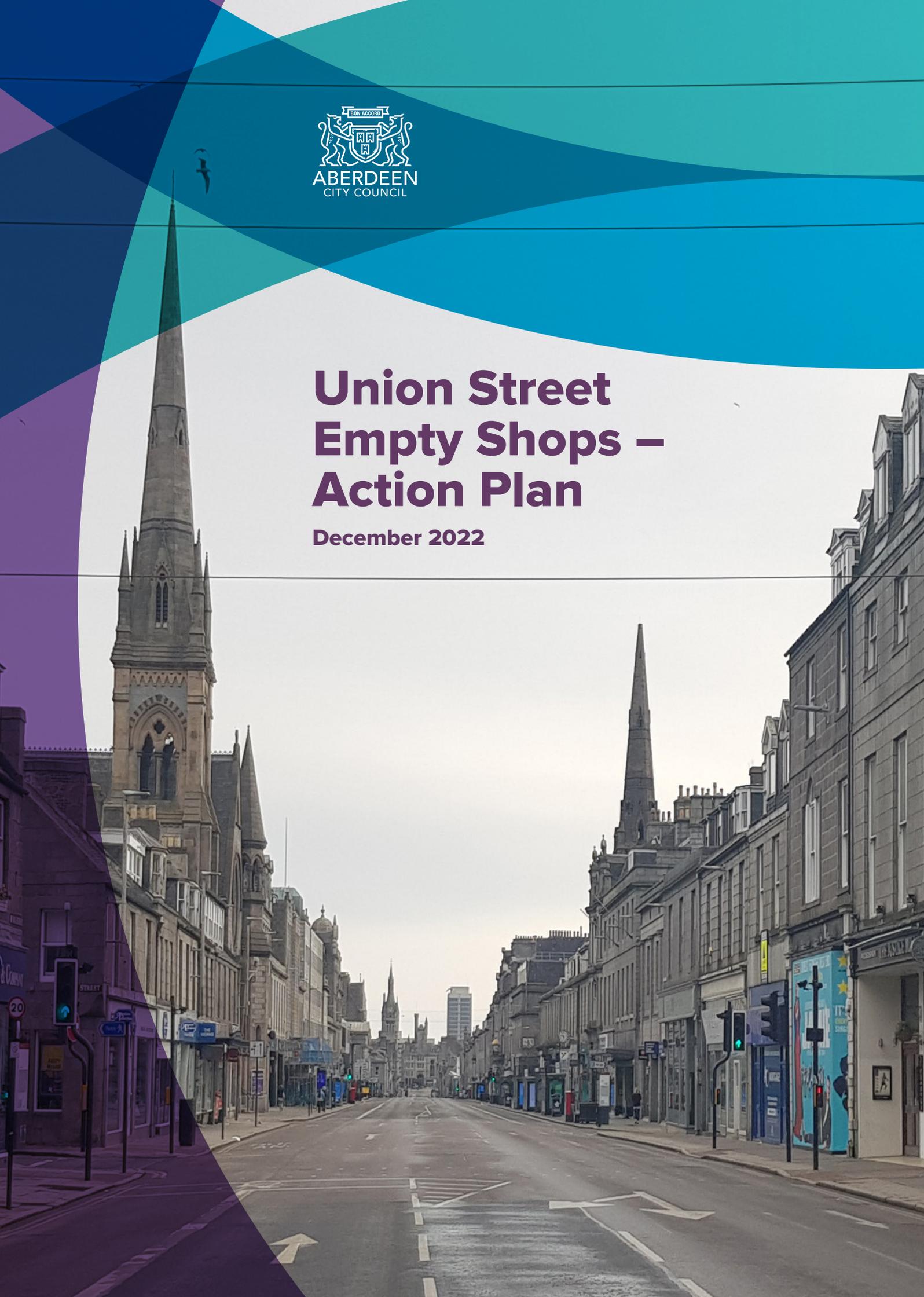




Union Street Empty Shops – Action Plan

December 2022



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Foreword by the Co-Leaders of Aberdeen City Council

We welcome the development of this Plan in response to the increasing number of empty shops on Union Street. Like all cities in the UK and Scotland, Aberdeen has been emerging from the unprecedented effects of the Covid-19 pandemic and the wider ripple in the city centre. More recently people and businesses have also been affected by rising energy costs and the cost of living and these too will have implications on city centre economies.

The Council continues to respond to these challenges – in the short, medium and longer term – through the City Centre Masterplan, the Beach Masterplan, through the regular programme of major events such as Spectra or the Tour of Britain and the operation of major tourist attractions in the city at Aberdeen Art Gallery, Provost Skene’s House or the Maritime Museum. In 2022 to date we have seen over 250,000 visits to these attractions.

More recently we are pleased to have seen footfall increases in the city centre and Union Street, and while we have not reached pre-pandemic levels, we are moving in the right direction. This Plan aims to increase footfall on Union Street and provide greater certainty to owners, landlords and businesses looking to invest in their properties, and de-risk potential new investment.

The Plan is an important part of the framework for the city’s economic recovery. The Council instructed its development in February 2022 and its timing is good, aligning with the work by Aberdeen Inspired and the recent Union Street Summit. It provides a menu of potential actions that can be developed and taken forward to ensure that the city centre is ready to welcome visitors in 2023 – for the 50th anniversary of Offshore Europe; from cruise ships docking at the city’s new South Harbour; and for our existing programme of events, as well as exhibitions hosted by the Art Gallery. Looking ahead, the Plan also reflects Aberdeen’s hosting of the Tall Ships Race 2025 and the significant numbers of tourists that will visit the city.

The Plan is a resource for all city centre stakeholders and partners. No one organisation can deliver these actions on their own and effective collaboration between the city’s stakeholders and businesses and communities will be needed to implement appropriate actions proposed in this Plan, and to ensure Aberdeen is ready to maximise the immediate opportunities in the next three years and beyond.



Councillor Alex Nicoll
*Aberdeen City Council
Co-Leader*



Councillor Ian Yuill
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1. The Context for the Empty Shops Plan

Policy

Empty shops have become more prevalent across city centres in the UK, and although vacancy rates were exacerbated by the effects of the Covid-19 pandemic, they are at risk of being compounded by rising energy costs facing businesses, and the rising cost of living impacting on consumer spend.

Aberdeen City Council is a member of the Scottish Cities Alliance. It recognises the essential role the eight cities play in driving Scotland's economic growth, and in particular the role of city centres as hubs for business, people and activity. In 2021, the Scottish Government and Scotland's (then) seven cities established a Task Force to identify actions needed to support city centre recovery from the effects of the pandemic, working through the Alliance.

In March 2021, the Scottish Government established a national City Centre Recovery Task Force led by an oversight group of the Leaders of the city councils and the Cabinet Secretary

for Finance. The Task Force highlighted that recovery could not lie with national or local government alone and that cities need to work with all city actors to make cities vibrant, green and well connected, safe, and working for businesses, employees, investors and visitors. The Task Force agreed seven short and medium term priorities to support cities' recovery outcomes as summarised in Table 1 below.

The City Centre and Beach Masterplan provide an ambitious vision for Aberdeen. On 28 February 2022 the Council was provided with a City Centre Masterplan Update and instructed work to identify the full range of intervention measures to repopulate vacant units on Union Street including further assessment of potential non-retail uses. This Plan provides the initial response and coincides with the work of Aberdeen Inspired in convening a Union Street Summit in November 2022 looking at a number of challenges in the city centre including the empty shops on Union Street, and the corresponding effect on footfall.

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 |

Table 2: There are 461 Rateable Units on Union Street and 24% are receiving Empty Property Relief

| | | | |
|---|-----|---|--------------|
| Number of rateable units | 461 | | |
| Number of occupied units | 350 | Non-Domestic Rate value | £9.2 million |
| Number of empty units (in receipt of Empty Property Relief) | 111 | Empty Property Relief and classed as 'vacant' | £1.1 million |

Source: Aberdeen City Council, Business Rates Statistics: September 2022

The Current Position

As of September 2022, the most recent data, there were 461 rateable units (at ground floor and above ground floor) on Union Street, as shown in Table 2. The occupied units generate over £9m in non-domestic rates (NDR).

Of the 111 vacant units, over 80% receive 100% Empty Property Relief for the duration of unoccupancy due to the units meeting the criteria of being of listed building status. This represents around £1.1 million of 'lost revenue', and conversely, may act as a disincentive to occupation of these premises. 47 of these vacant units are ground floor units¹ that generate around £700,000 of relief, reflecting the greater value of the ground floor units.

Table 3: Empty Property Relief has become more prevalent in recent years

| Year | Empty Units – cumulative |
|-----------------------------|--------------------------|
| 2007-2009 | 2 |
| 2010-2012 | 0 |
| 2013-2015 | 12 |
| 2016-2018 | 56 |
| 2019-2021 | 40 |
| 2022 (as at September 2022) | 1 |
| TOTAL | 111 |

Source: Aberdeen City Council, Business Rates Statistics: September 2022

¹Walkaround survey by Aberdeen Inspired and FG Burnett, September 2022

²Savill, Retail Research Guides: Nov 2022

If a vacant property is brought back into use, it is eligible for Fresh Start Relief which provides eligible businesses 100% relief on business rates for up to the first year of trading if:

- The unit has been in receipt of Empty Property Relief for a continuous period of at least six months immediately prior to the applicant's occupation; and
- The unit has a rateable value of up to £95,000.

Of the 111 empty units, 107 meet these criteria and therefore qualify for Fresh Start Relief, delaying any rate liability. Of the 47 ground floor units, all but two would be eligible for Fresh Start relief.

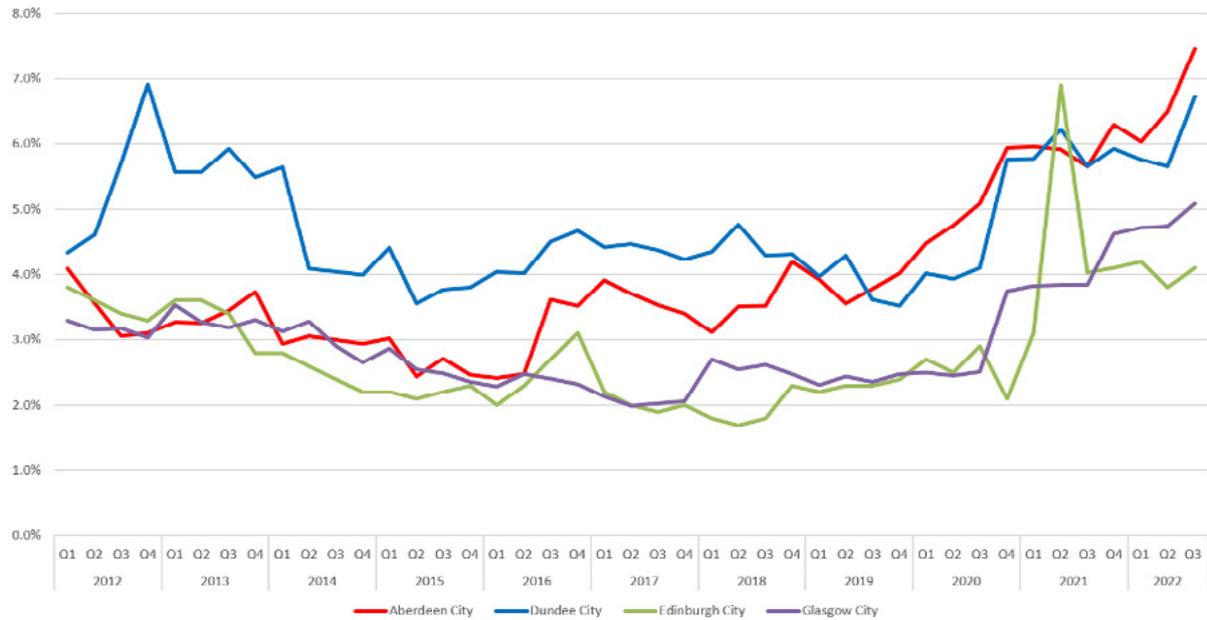
A further challenge to bring empty units back into use is the condition of many premises, in terms of works needed (plumbing, unit reconfiguration) and overheads. 60% of city centre retail units in Aberdeen are rated Grade E or worse for Energy Performance Regulations².

The next revaluation of non-domestic property in Scotland is due to take effect from 1 April 2023 based on rental values on 1st April 2022 (the tone date). At revaluation Scottish assessors review rateable values resulting in a new valuation roll for all non-domestic properties in Scotland. A draft of this valuation roll will be available on 30th November 2022.

Empty Property Relief will be devolved to Councils as set out in section 19 of the Non-Domestic Rates (Scotland) Act 2020. This will take effect at the next revaluation on 1 April 2023. This change will empower local authorities to make decisions on how Empty Property Relief can be provided based on the specific local needs. The total amount of funds to be allocated to Councils to pay for this is yet to be determined but Councils will receive funding equal to the empty property relief paid in each Council area as a proportion of the Scottish total of empty property relief paid in 2018/19 and 2019/20.

Vacancy Rates

Figure 1: All of Scotland’s cities are experiencing increasing retail vacancy rates



Source: CoStar, Q1 2012 – Q3 2022

Footfall

City centre footfall in Aberdeen recorded its highest monthly footfall reaching over 2 million in September 2022 for the first time since February 2020. On Union Street, footfall was in excess of 600,000. While still not reaching pre-pandemic levels, the city is performing relatively better than the Scottish and UK baseline.

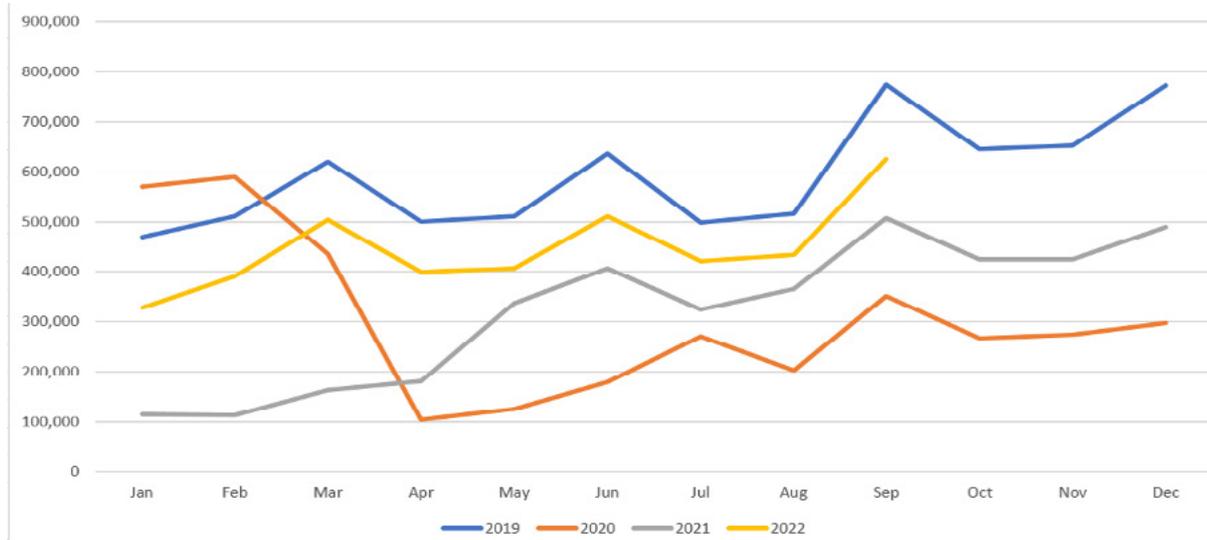
Table 4: Comparing Aberdeen’s footfall recovery

| 2022 footfall as a percentage of 2019 footfall (year to date) | |
|---|-------|
| Aberdeen City Centre | 83.1% |
| Scotland | 79% |
| UK | 82.5% |
| High Street Index | 82.9% |

Source: Aberdeen City Council, Business Rates Statistics: September 2022



Figure 2: Following a collapse in monthly footfall in 2020, footfall in Union Street is increasing

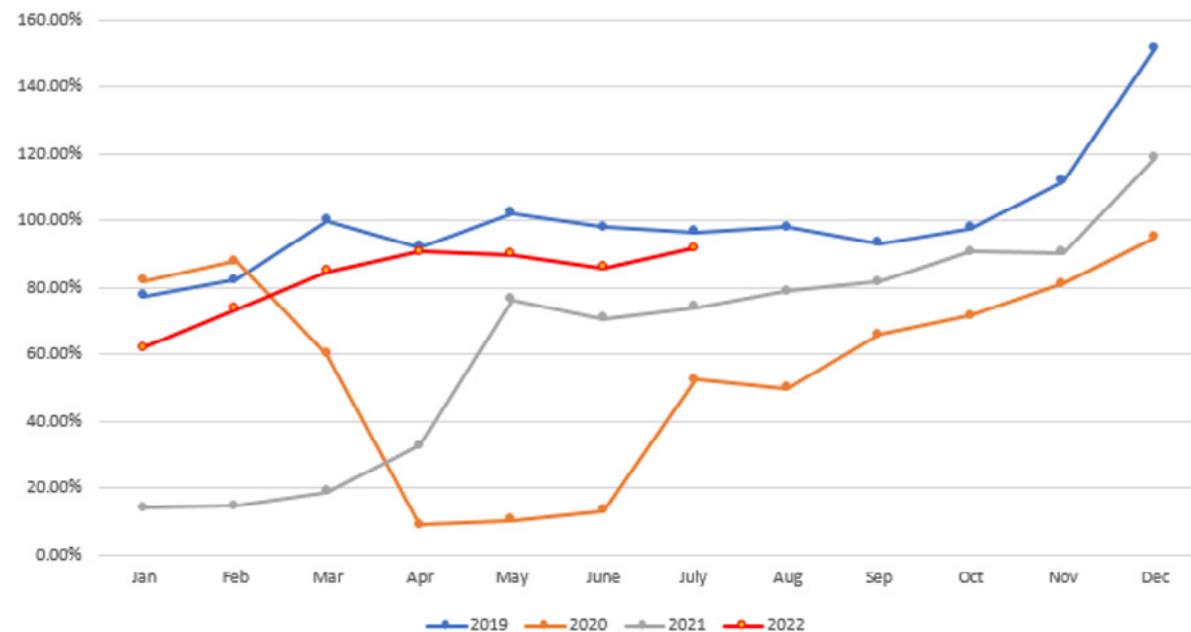


Source: Springboard Jan 2019 – Sep 2022

The impact of increased footfall can be seen in the data for offline sales (sales made in person). In person sales in the city have increased in 2022 compared to 2020/2021, now almost reaching pre-pandemic levels. For example, in July 2022 in person sales were 92% of the average monthly in person sales across 2019. This has risen significantly from just 52% in July 2020 and 74% in July 2021.

While increasing offline sales is a positive, Aberdeen, like many other city centres, may now have an oversupply of retail units and shopping centres relative to demand. The proposals in this Action Plan aim to respond to this challenge and reduce the retail footprint of Union Street through repurposing of units.

Figure 3: In person sales in Aberdeen are increasing in 2022



Source: Beauclair: City Retail Sales Tracker: 2019 – 2022 Baseline: 100% (average month in 2019)

Beyond retail, Aberdeen’s cultural offering and events schedule have also had a positive impact on footfall in the city centre.

Table 5: There have been nearly 250,000 visits to ACC tourist attractions so far in 2022

| Visitors to date (2022) | |
|-------------------------|---------|
| Aberdeen Art Gallery | 170,000 |
| Maritime Museum | 55,000 |
| Provost Skene House | 24,000 |

Source: Aberdeen Art Gallery & Museums Service

Major events in 2021 and 2022 attracted excellent attendance. The Tour of Britain and Spectra Festival of Light weekends saw 164,000 and 163,000 city centre visits respectively. An average weekend would see 71,000 visits, and these events were the busiest city centre weekends since 2019.

As part of the City Centre Masterplan work, the Council has also introduced other levers to stimulate additional footfall in the city centre. In September 2018 it introduced an affordable housing waiver for a two year period that has prompted increasing developer interest in city centre residential opportunities. Since its introduction, 734 units have been granted permission in the city centre with 288 units pending decision at the beginning of July 2022. Over 360 have been completed. This compares to only one application for 27 units in 2018; two applications for 18 units in 2017; and one application for 42 units in 2016. The waiver was subsequently extended by the Council beyond the two year pilot period.

2. Developing the Plan – Methodology and Approach

Having established the context for this Plan, a number of approaches were used to develop a response in the form of specific activities and actions to address the impact of empty shops on Union Street.

This involved engagement with Aberdeen City Council teams to ensure alignment to the City Centre Masterplan, the £50m regeneration of the former BHS/ Market Site, the Union Street Conservation Regeneration Scheme (CARS), Planning, Community Safety and Revenues and Benefits. The purpose of this was to ensure the Plan reflected the continuing work by the Council in support of the city centre economy.

At the same time, a programme of external engagement involved consultation with officials in Scottish Government, Scottish Towns Partnership, Scottish Property Federation, NHS Grampian and other Councils. This allowed the Plan to reflect what is happening elsewhere, but while the macros-challenges facing city centres are similar, solutions must be developed that reflect the city’s identity, history, heritage and people.

Desk top analysis included wider research undertaken by The Centre for Cities and the Local Government Association.

Aberdeen Workshop

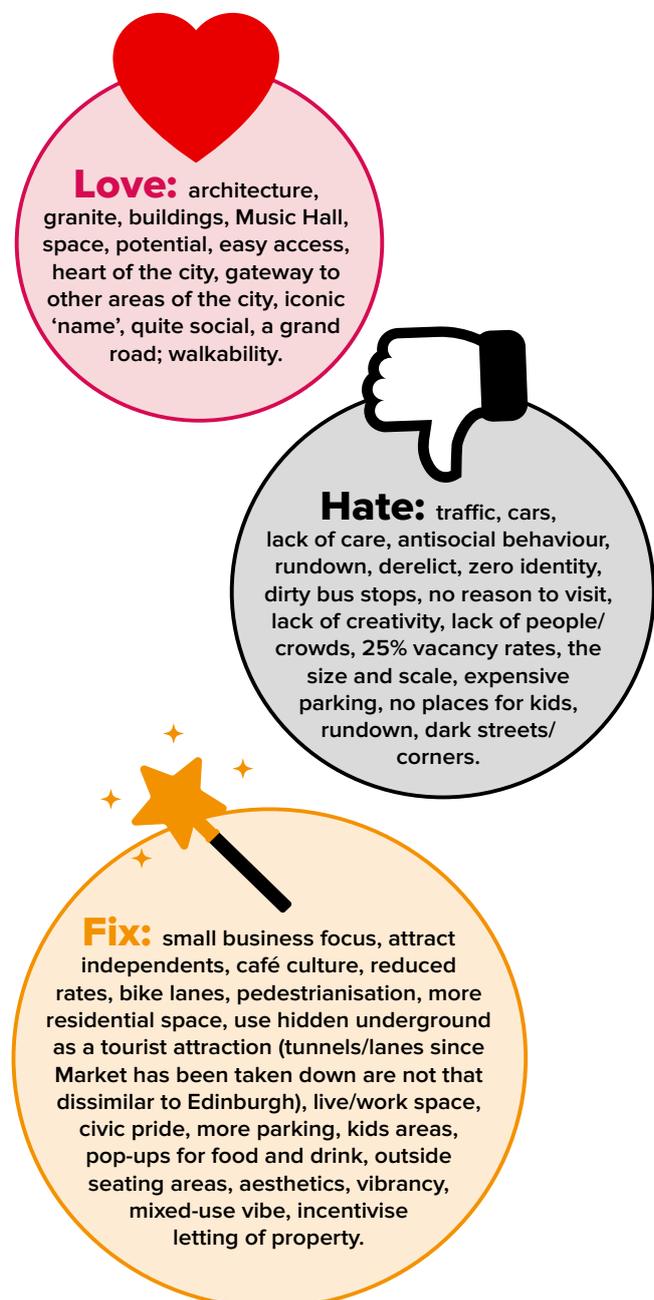
These elements were brought together at a workshop on 9 November 2022. 22 attendees representing landlords, agents, retailers, Aberdeen Inspired, Culture Aberdeen, University of Aberdeen and Robert Gordon’s University were present for an ideas generation session.

During the initial brainstorming, representatives were asked to give an example of one thing they loved, hated and would ‘fix’ about Union Street. The results of this are reflected in Figure 4.

Participant discussions resulted in many suggestions to address empty shops and improve Union Street with common themes emerging, including ‘incentives’, ‘operations’, ‘policy’, ‘transport’, ‘public realm’, ‘culture/creatives’, ‘business development’, ‘residential’ and ‘tourism’. These have informed the Programme Areas developed for this Plan.

The workshop also highlighted that the response to the challenge of empty shops on Union Street must be more than implementation of individual actions. Opportunities for social impact and wellbeing were highlighted and in particular engagement with young people, skills, training and business support.

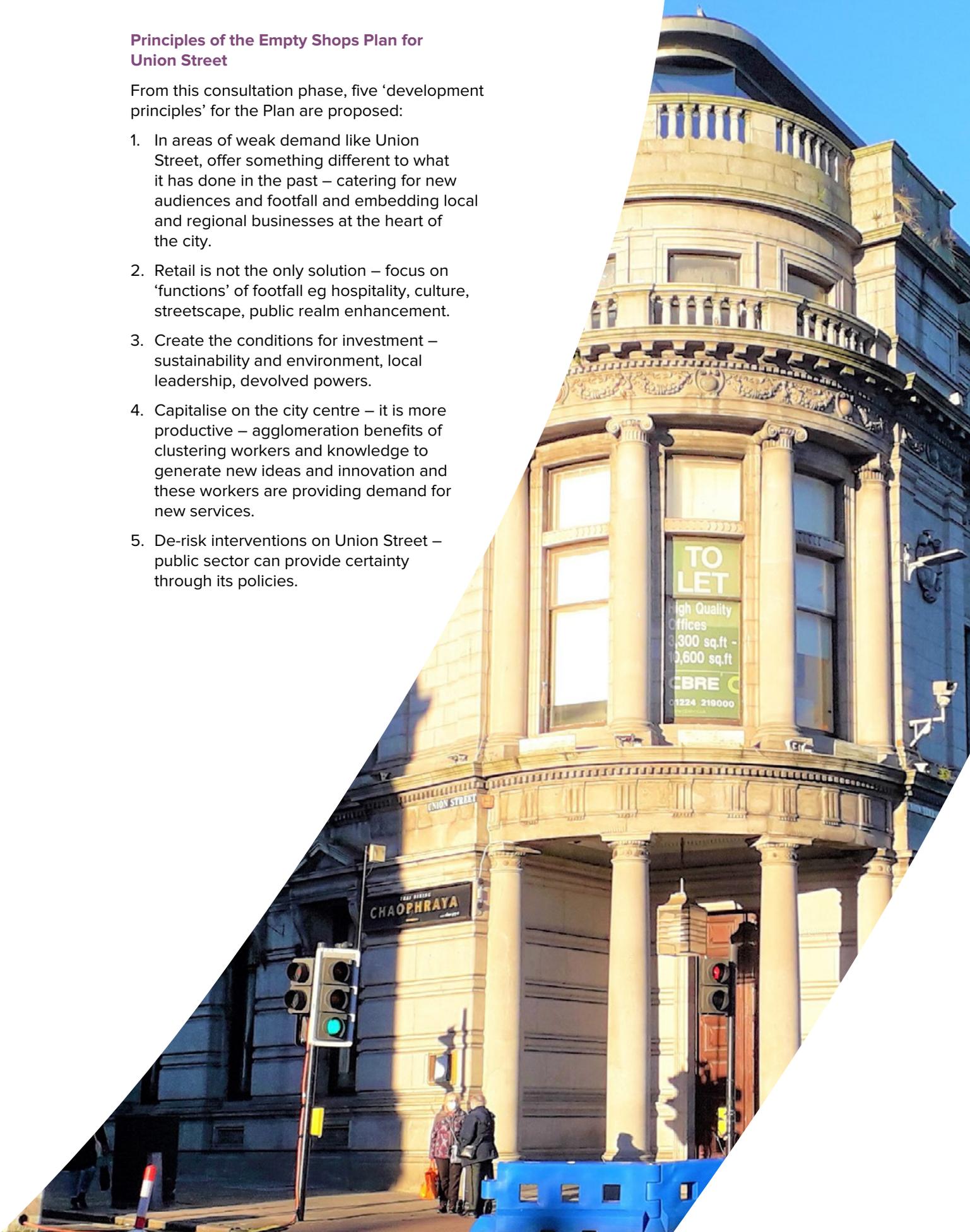
Figure 4: Love/Hate/Fix Ideas from Union Street stakeholders



Principles of the Empty Shops Plan for Union Street

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

1. 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.
2. Retail is not the only solution – focus on ‘functions’ of footfall eg hospitality, culture, streetscape, public realm enhancement.
3. Create the conditions for investment – sustainability and environment, local leadership, devolved powers.
4. 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.
5. De-risk interventions on Union Street – public sector can provide certainty through its policies.



3. Rationale for Intervention and Response

Six Programme Areas have been developed under which a number of interventions are proposed. The intention is to provide a ‘menu’ of proposals that could be considered to be taken forward, and it is not anticipated that all proposals would be delivered. Further work would be needed on some preferred options in discussion with partners, funders and Union

Street Stakeholders. Priority could be given to those interventions that have a greater affinity to the planned programme of events around the 50th anniversary of Offshore Europe, new cruise visitors, Festival of the Sea and the Tall Ships Race 2025

A summary of the Plan is provided in Section 5 below.

Programme 1 – Distinctive Aberdeen

Rationale:

Maximising the opportunity of a changing ‘high street’, the emerging Aberdeen Market proposals and demand for more sustainable, local and authentic products, alongside a more experiential leisure, hospitality or shopping activity.

The more successful city centre businesses are those that are consumer-focused, selling experiences, food or drink rather than just physical goods. Where businesses are selling goods, they are providing ‘different’ retail – particularly independent operators and markets, events and artisan products. For example, ‘**DEPARTMNT**’, a pilot project part-funded by the LACER programme is currently running in an empty unit on Gaelic Lane ahead of Christmas 2022. DEPARTMNT offers a department-style retail experience from exclusively local and Scottish artists, providing economic value to Aberdeen and local artists, and a unique reason for people to travel to the city centre.

The following interventions are put forward in the Plan:

1.1 Meanwhile Use/ Union Street Pop

Up Space: encourage local retailers, manufacturers and craftspeople to have a physical as well as online presence. Increase footfall and tourism spend; use of collective attractions to create destination appeal. Targeted to a location in line with 5.2, and possibly utilising Council-owned vacant units (if available) in priority public realm locations.

1.2 Offshore Europe 2023: develop a set of coordinated ‘happy hour’ live music events for three nights in three areas of the city to coincide with the Offshore Europe conference at P&J Live in September 2023. It attracts c40,000 attendees over the course of the week, and delegates would be encouraged to disperse from TECA to the city centre for evening time entertainment to celebrate the 50th Anniversary of this major event for the city.

1.3 Total Aberdeen: building on the Aberdeen Gift Card, consider local independent shops and businesses joining together to promote the best that Aberdeen (Union Street) has to offer in local produce and goods/services. Investigate the possibility of technology solutions ie. an app/e-commerce platform to support and promote local retail

1.4 Peacock’s Nests: support Peacock & the worm to operate from a vacant unit to create a local print history museum, Print Room craft learning space and retail opportunity for local artists and members. Peacock & the worm will celebrate its 50th anniversary in 2024 and is an established and well-known name in the North East and beyond.

1.5 ‘Aberdeen’ place-based marketing specific promotion of the city centre through existing initiatives like the events programme and Aberdeen Gift Card, linking any such place-based marketing to this Empty Shops plan where appropriate, in order to increase awareness and support of actions among the city’s stakeholders.

Programme 2 – Culture and Heritage

Rationale:

Aberdeen distributes investment and benefit to the wider North East, but as well as its industrial and economic role, it also has a historic, culture and heritage role.

Shopping patterns, online retailing and remote working prompted by the pandemic have changed the role of Union Street. The CCMP is focused on promoting Aberdeen city centre as a place to live as well as work, shop and socialise. This, in turn, is promoting greater consideration of the needs of city centre residents and communities to give everyone a stake in Union Street – this work has highlighted that culture and heritage activity will have a key role to play in quality of life, wellbeing and experiences of the city.

The proposals here emphasise identity and community and offer an opportunity to engage with local – and particularly young – people in an accessible and digestible way. Where proposals are progressed there would be an opportunity to capitalise on engagement with children and young people as part of the wider city centre plans.

The following interventions are put forward in the Plan:

2.1 Art in the City: a cultural initiative in partnership with Culture Aberdeen and business. Union Terrace Gardens and The Kirkyard could offer outdoor gallery space to showcase contemporary art from emerging artists and provide free outdoor public art, that in turn would generate footfall. A competition would invite submissions with specific categories judged by an advisory group drawn from Culture Aberdeen.

2.2 Artist Unit: Temporary displays to include a focus on supporting local artists at early stages in their careers to support and help grow the local arts community linking to Look Again's temporary exhibits, Aberdeen Art Gallery, Gray's School of Art, Events. Could include interactive art space to create a new artwork where artist develops concept with cameras to record process and open at advertised times.

2.3 City Archives/ Union Street Heritage: a vacant unit with Aberdeen Archives Outreach. Activity to include ancestral tourism/ genealogy; an additional strand could include project on Union Street's history with interesting, or reoccupied (new use) premises having a QR code showing the history. Increase participation and awareness of the role of the archives and offer volunteering and training opportunities, as well as learning for schools.

2.4 Digital Heritage: digital screen featuring programme of digital films and images exploring the maritime history of the city from the Archives, Libraries (Silver City Vault), Maritime Museum, Provost Skene's House and partner heritage organisations. Opportunity to create a string of these changing interactions along the length of Union Street.

2.5 Encounters: creation of immersive artwork for the city using the vacant shop fronts unit linking to schools, Aberdeen Art Gallery, NUART, Gray's School of Art.

2.6 Audible Union Street: programme music performances with partner organisations in vacant shop units at key times during the week/day to activate the spaces. Use as opportunity to promote full ticketed experience in music venues. Links to Sound Festival, Jazz Festival, Art Gallery (Cowdray Hall), Music Hall, Beach Ballroom, Tivoli etc; school and local orchestras / ensembles / choirs.

Programme 3 – Net Zero Union Street

Rationale:

Aberdeen has hosted a global oil and gas sector for over 50 Years and the sector, the city and the regional economy are diversifying into new offshore energy production opportunities. At the same time the Council has been developing a Route Map to Net Zero for the institution and the city.

Climate change has required a focus on protecting and enhancing the natural environment and concerns about carbon-based fuel consumption, environmental impacts and public health have seen increased rates of cycling and walking.

The following intervention are put forward in the Plan:

3.1 NZTC Outreach: showcase learning and the work of the NZTC. Funded by the Aberdeen City Region Deal, NZTC is undertaking world leading research in energy transition including sustainable technologies

and links to H2 Aberdeen and sustainable vehicles. The project would provide a high street presence of the role of innovation in the next phase of energy transition.

3.2 ‘Bee Bus Stops’ (grass-topped eco bus shelters): could be a policy on all new; and retrofitting existing. Plant topped ‘insect/ bug friendly roofs’, absorbing heat/ pollutants; volunteering, making nature more visible and raising awareness/ inspiring biodiversity and linking to the Aberdeen Urban Bees project.

3.3 Cycle Aberdeen: building on the Big Issue eBikes, using GoAbz to provide Strava city centre bike trails (building on existing walking trails).

3.4 Night Bus Pilot: working with Aberdeen Inspired to trial the return of night bus service, which will support the city’s night time economy.

3.5 Temporary Pedestrianisation: for events/ markets.

3.6 Living Walls: recognising the challenges and risks associated with this concept, promotion of living ‘green’ walls on the side of relevant properties will make Union Street more attractive and a more enjoyable space to spend time in, as well as improving air quality, improving sound pollution, health and boosting urban biodiversity.

3.7 RE: Make: establishment of a community repair and reuse space. Building on similar models such as the Fixing Factory and Edinburgh Remakery responding to the rise ethical consumerism, circular economy and climate action, this proposal would repurpose a vacant space through a social enterprise which would provide a repair workshop and services with a focus on giving a tech a second life and skilling up communities.

3.8 Single Travel Card: promoting the single ticketing options across public transport provision in the city: the Grasshopper, an all-bus ticket; and the PlusBus and RailBus which cover rail and bus, recognising that there are still some wider challenges around pricing and applicability across providers.



Programme 4 – Enterprising Union Street

Rationale:

Since 2015, there has been an increase in supply and take up of Grade A office space in the city centre. Most vibrant high streets operate within places with high numbers of professional workers – people who shop, drink and eat locally outside of working hours. This is an obvious opportunity for Union Street, where cafe and restaurant-owners could be attracted to vacant units within close proximity to office space.

Aberdeen has always been a location for enterprise and business start up. There are 7,000 student enrolments in creative-related courses in Aberdeen, providing a wealth of talent and energy that with the right support can be harnessed to shape the local economy and revitalise the city centre. Separately officers are looking at the feasibility of a creative hub/incubator that harnesses the entrepreneurial potential of these producers.

The following interventions are put forward in the Plan:

4.1 Enterprise Zone: see 1.1 above and learning lessons from DEPARTMNT Aberdeen, provision of arcade space for entrepreneurs that want to pilot retail ventures – paying a

peppercorn rent for a year in a supportive environment to try things out and test the market and develop relationships with customers before progressing to new space where relevant. This proposal could also support progression of young people in the creative industries, from education to career.

4.2 Business Gateway Centre: as part of the above, providing a high street presence for its services and contributing to the Business Charter and access to Council's 'business facing activities' – procurement, trading standards, environmental health etc, as well as business skills. A job shop could also be included via ABZ Works that provides a high street presence for Council and partner employability services.

4.3 Brick and Click Shop Fronts: a physical presence and shared storage space, enabling local online retailers and independent creatives to provide a 'click and collect' service. Offering critical mass and an opportunity for activation, as well as a practical solution for those without the physical space at home to expand their business, ahead of being ready for the next step of a retail premises.



Programme 5 – Enabling Delivery

Rationale:

Aberdeen Inspired supports the work of local business networks in the city centre. The purpose of these is to provide a forum to collaborate and feedback on issues affecting businesses in different ‘precincts’ of the city, and also a way of engaging with the Council on any business facing activities.

Business rates are a sizeable financial burden for many city centre businesses, and are payable by owner, tenant or occupier of a non-domestic property. In the context of internet shopping particularly, retailers engaged in the consultation workshop continued to highlight that the burden of business rates needs to be lightened. At the same time however, business rates are an important component of the finances available to local authorities from the Scottish Government.

The Plan did look at the feasibility of piloting a Simplified Planning Zone (SPZ, now Masterplan Consent Areas). These proposals aim to attract investment by lowering risk within the market, as there would be no need for planning applications, if a proposal complies with the aims of the scheme eg certain change of use, frontage alterations, minor works, right to carry out certain building works and changes of use, including residential on upper floors. This would result in savings in time, money and effort as need for repetitive planning applications all covering the same range of planning issues, is removed.

However, given Union Street is a conservation area, and the importance of protecting the city’s heritage, and the implications of that in terms of planning applications, this proposal would not be progressed.

The following interventions are put forward in the Plan:

5.1 Union Street Rent Auction: this type of intervention was raised as part of the UK Government’s Levelling Up and Regeneration Bill. Under the proposal, councils could designate areas that are important to the local economy and have the power to hold a rent auction for any empty shop in the designated area that has been empty for more than one year. The purpose is to secure a tenant, and under the auction, a landlord of the property in question would be obliged to accept a bid from a prospective tenant, forcing the empty shop to be brought back into use. The intention is that the selected tenant enhances vitality of the street/ designated area, but there is a risk that less suitable occupants may come through the ‘auction’ process.

As part of this work, initial discussion with Scottish Government officials indicate that if this was to be enacted by Scottish Councils, it would probably need to be enabled by some other legislation.

5.2 ‘Precinctise’ Union Street: promotion of Union Street into different quarters/brands eg. retail, culture, food, work and use. Strategising away from the high street being a ‘linear’ strip, zoning Union Street and surrounding roads by behaviour into a series of circuits with their own purpose and identity. For example Belmont Street leading to the Art Gallery, theatre and Union Terrace Gardens could be identified as a cultural quarter. ‘Zoning’ would enable a number of economic ecosystems to flourish through geographic consolidation, footfall scale and targeted regeneration and redevelopment.

5.3 Continued engagement with Scottish Cities Alliance: active participation in SCA and the City Centre Recovery Task Force will ensure activity alignment with its priorities; valuable partnership and joint working opportunities; knowledge sharing and potential access to funding, enabling impactful city centre recovery.



Programme 6 – Funding

Rationale:

The proposals in this plan will have an implication in terms of financing and investment. These actions propose some potential solutions that could support the implementation of prioritised interventions, recognising the challenging fiscal climate facing government and public sector finances.

In the course of the ongoing Scottish Cities Alliance work, there has been some initial discussion on an Empty Property Tax. Essentially this lever could ‘tax’ a landlord that is deemed to be sitting on an empty property to wait for rental values to increase and/or other development to happen before bringing it back into use. Anecdotally, it would seem more applicable to owners or funds with a wider international or national property portfolio who can carry the cost of no rental income generated by their ownership of voids in Aberdeen/Union Street.

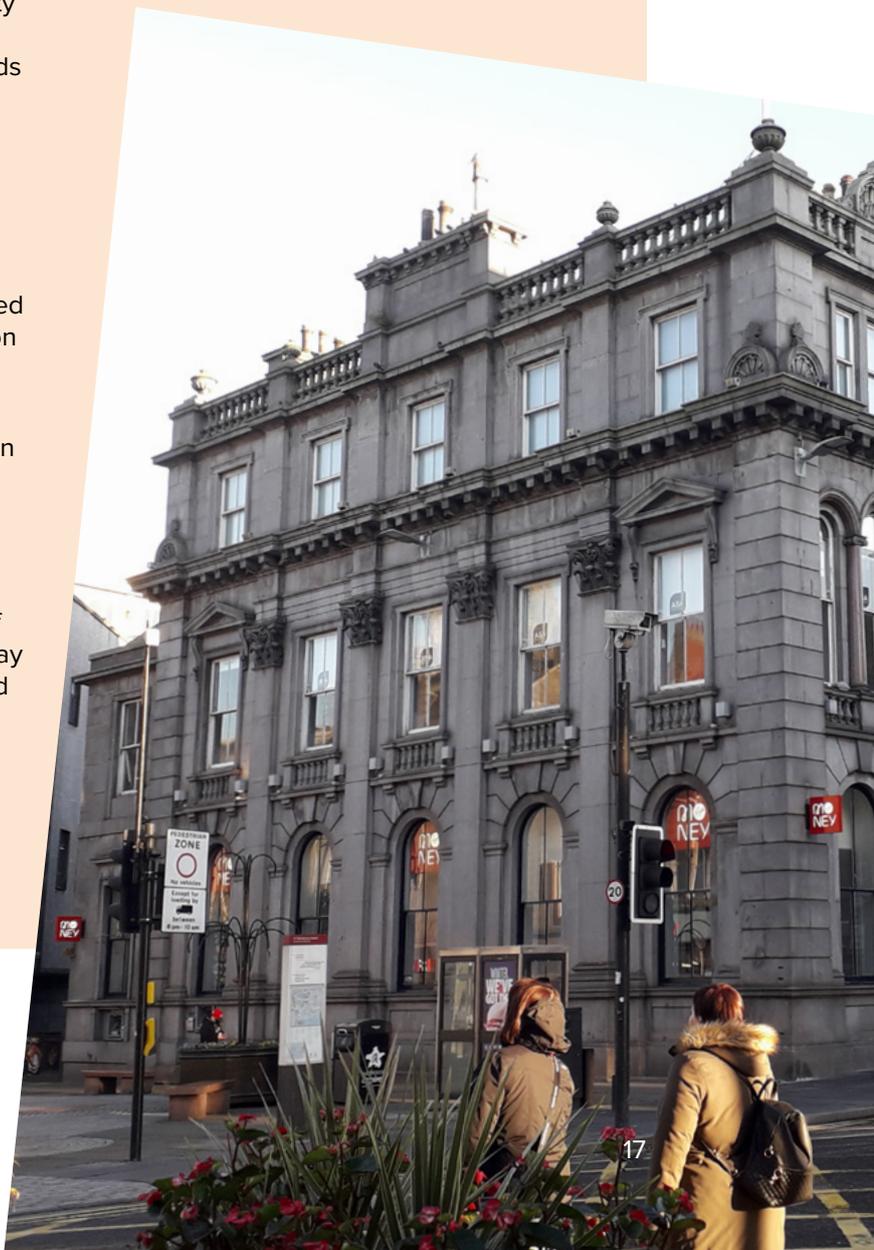
As part of the ongoing Scottish work, this proposal will continue to be reviewed. However for this Plan, feedback from the Scottish Property Federation and existing landlords in the city argued that the rates system is a tax on empty shops. The preferred incentive to achieve occupancy is a reduction of the existing rates bill, as the challenge for occupiers is affordability of rates.

The following interventions are put forward in the Plan:

6.1 Union Street Rates Retention Scheme:

learning from the development of the North East of Scotland Green Freeport, this intervention would aim to pilot a retention of 100% of any growth in business rates from say April 2023. And this in turn would be pooled for city centre co investment. The Council would retain 100% of business rate revenue growth ringfenced to support the public realm or the Aberdeen Inspired ‘promoting our city centre’ or the ‘safe and welcoming’ programme areas.

6.2 Union Street Investment Fund: Centre for Cities reports that to secure £4 private sector investment, £1 of public funding is needed. This proposal is to ring fence £500,000 from the Council’s capital plan for City Centre Regeneration Funding. It would offer a grant of up to 50% of project costs towards eligible physical works needed to reconfigure vacant shops to the size that both consumers and businesses require. It would also de risk a number of investments and priority would be given to Union Street Central (Bridge Street to Market Street) and complement the City Centre Masterplan public realm proposals that will also respond to market failure around ‘public good’.



4. Moving Forward

All of Scotland’s cities were experiencing an increase in retail vacancy rates prior to the Covid-19 pandemic as retail patterns shifted from face-to-face in shopping centres and high streets, to shopping online and via mobile devices. The pandemic accelerated the decline in some places but also changed the determinants of a city and the role of the different actors active in city centres.

Consumer behaviour in cities and high streets has changed with people looking for new and different experiences - a reason to travel to the city centre rather than the convenient option of staying at home. Work undertaken by Government, research institutions and town centre reviews point to a new model for determining the role of city centres, a model that is more inclusive and involves a range of stakeholders to deliver sustainable solutions.

City centre users are also demonstrating a stronger sense of community, with a desire to support local traders and service providers through shopping ‘local’, a trend that is likely to continue.

As a result, determinants of city centre success are now far more focused on factors including quality of life; putting the environment at the heart of cities; experiences; allowing local people to develop places; and encouraging all partners and stakeholders to own and manage risk. These outcomes also align to the SMART objectives for the City Centre and Beach Masterplan and the public consultation simulator exercise. This prioritised Union Street as the heart of the city; outdoor cafe culture in the Belmont Street area; building maintenance and upkeep focus for Union Street; more trees, flowers and green spaces on Union Street; and a pedestrianised central section of Union Street (Market Street to Bridge Street).

Figure 5: Cities have a wider wellbeing role to play – the determinants of cities have changed



The roles of different city centre stakeholders will also change. Councils are the custodians of places within their local authority boundaries and are able to bring all stakeholders together, including the community. **Midsteeples Quarter** in Dumfries is a notable example of community enterprise-led high street redevelopment, supported by the local council.

Aberdeen City Council has made significant progress in unlocking new spaces in the city centre. It has brought forward the refurbishment of Aberdeen Art Gallery, regeneration of Provost Skene's House and Union Terrace Gardens transformation – an investment of around £80m, and the approval of a Low Emission Zone. These projects have already attracted new footfall and in the year ahead the City Centre Masterplan will deliver:

- Extension of the Council's current Affordable Housing Waiver until 31 December 2025 to stimulate delivery of housing in the city centre;
- Implementation of the Aberdeen Market project, now on site;
- Mini Masterplan for George Street;
- Applications for statutory consents submitted for Café Culture in the Belmont Street Zone.
- Subject to Council approval, implementation of projects on Union Street Central, Schoolhill & Upperkirgate, Union Street East & Castlegate, Union Street West & West End and the area around the new Market with further proposals for Union Street East & Castlegate, Union Street West & West End to follow; and
- Strategic Business Case for Queen Street.

The new model of place leadership will evolve from a single reliance on 'public funding' to all partners contributing, representing the diversity of their people, organisations, businesses and communities. The Union Street Empty Shops Plan recognises that there are a number of players active in the city centre, and many of these are supported financially by the Council, and success will ultimately depend on that local ability to develop sustainable projects. However the mix of potential leads will be different as Union Street responds to a different set of opportunities beyond the traditional retail and property transactions. In proposing different uses – for example, culture, art or leisure to drive footfall – it will mean a broader set of organisations becoming more active in the Plan.



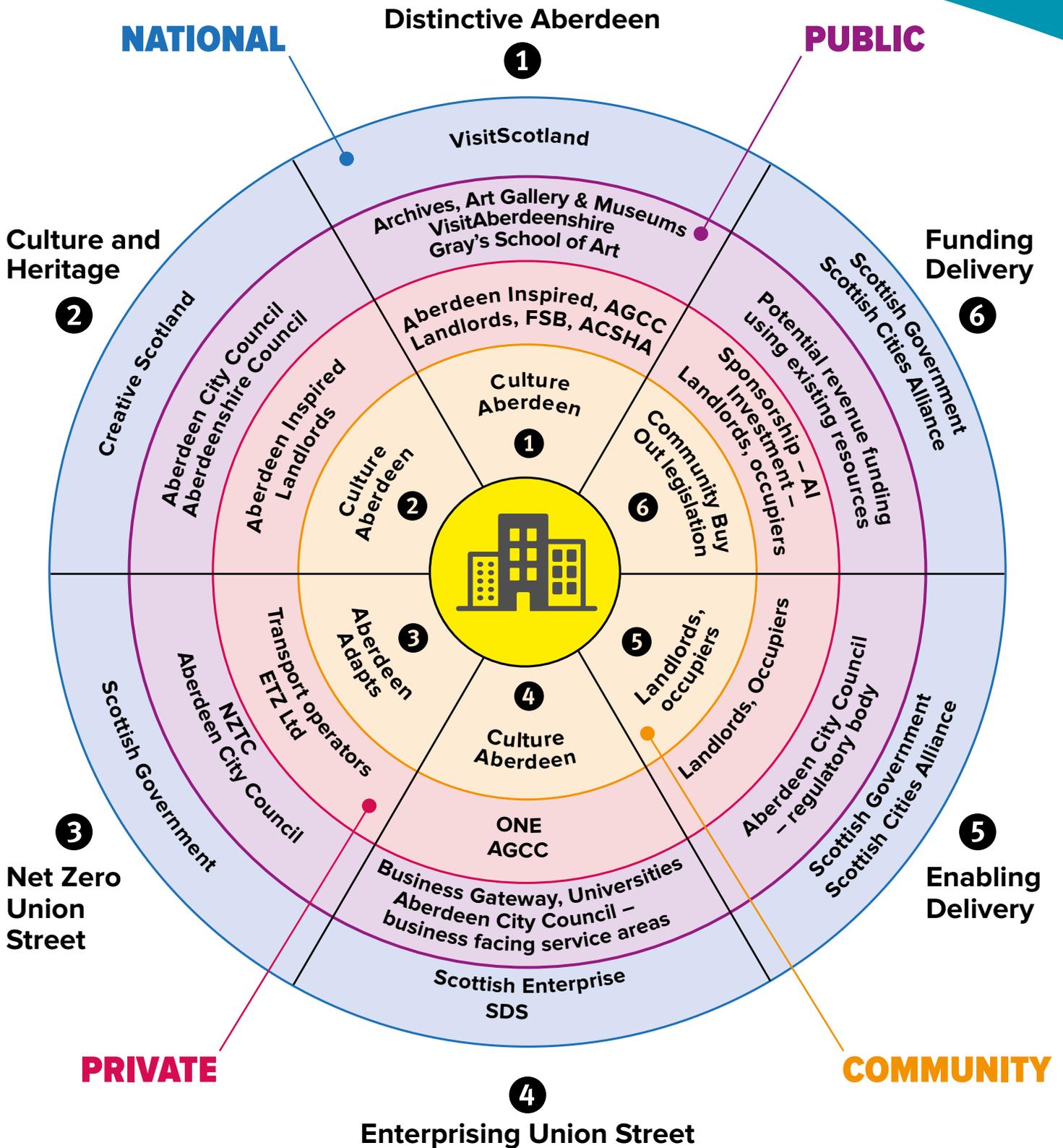


Figure 6: Any actions will require collaboration between different stakeholders

Taking each Programme Area, Figure 6 illustrates the roles of different organisations that are key to implementing the Plan.

5. Action Plan Summary

| Action | Anticipated Outcome | Lead Partner | Financial Implications | Proposed Timeline | Stakeholders | |
|---|--|---|--|---|-----------------------------|---|
| Programme 1 – Distinctive Aberdeen | | | | | | |
| 1.1 | Meanwhile Use/Union Street Pop Up Space | Increased footfall and tourism Local manufacturers and craftspeople can ‘test’ physical retail thereby creating potential demand for longer-term lets. | ACC (if its units) | UKSPF – Local Business Support Priority could be suitable to support this activity. Successor City Centre Recovery Fund (if available) | Short-term (up to 1 year) | Landlords, Federation of Small Business, Business Gateway, Elevator, Scottish Enterprise Culture Aberdeen ONE |
| 1.2 | ‘Happy Hour’ live music events – to coincide with Offshore Europe 2023 | Attract delegates (c40,000) into the city centre during evenings, increasing footfall and spend in local hospitality. | Aberdeen Inspired, Aberdeen Hospitality Together | N/A | Short-term | ACSHA, Visit Aberdeenshire, Federation of Small Business |
| 1.3 | Total Aberdeen | Increased promotion and awareness of local retail offerings. Increased spend in local units | Aberdeen Inspired | N/A | Medium-term (up to 3 years) | Federation of Small Business Culture Aberdeen |
| 1.4 | Peacock’s Nests | Increased footfall and tourist numbers | Peacock Visual Arts | UKSPF Communities and Place, or the Place Based Investment Fund | Short-term | Landlords, Culture Aberdeen, Look Again, Visit Aberdeenshire |
| 1.5 | ‘Aberdeen’ place-based marketing campaign | increased awareness, support and engagement with plans to regenerate Union Street | ACC | N/A | Short-term | Aberdeen Inspired, Culture Aberdeen |

| Action | Anticipated Outcome | Lead Partner | Financial Implications | Proposed Timeline | Stakeholders | |
|---|--|--|----------------------------------|---|--------------|---|
| Programme 2 – Culture and Heritage | | | | | | |
| 2.1 | Art in the City – public art at Union Terrace Gardens and The Kirkyard | Increased public access to art. Increased vibrancy of shared outdoor spaces. Increased footfall | Culture Aberdeen | City Centre Recovery Fund may be able to support this activity. | Short-term | ACC Look Again |
| 2.2 | Artist Unit – temporary displays to support local early stage artists | Increased public access to art. Growth incubator for local arts community. | Look Again/ Gray's School of Art | UKSPF – Local Business Support Priority could be suitable to support this activity | Short-term | Peacock Visual Arts, second Home Studios Aberdeen Art Gallery NESCOL |
| 2.3 | City Archives/Union Street Heritage | Increased awareness of role of city archives. Volunteer, training and learning opportunities. | ACC | City Centre Recovery Fund may be able to support this activity. | Medium-term | Culture Aberdeen, ABZ Works University of Aberdeen Aberdeenshire Council City Heritage Trust, CARS |
| 2.4 | Digital Heritage | Increased public access to film and image from the Aberdeen archives. | ACC | City Centre Recovery Fund may be able to support this activity, or external funding sources sought. | Medium-term | Culture Aberdeen, Peacock, Look Again, University of Aberdeen |
| 2.5 | Encounters – immersive artwork | Increased public access to art. | ACC Gray's School of Art | Creative Scotland | Medium-term | Aberdeen Art Gallery, NUART, Look Again |
| 2.6 | Audible Union Street – programme of music performances | Increased public access to music. Promotion and marketing tool for ticketed music experiences in the city | Aberdeen Performing Arts | Creative Scotland | Medium-term | Sound Festival ACC |

| Action | Anticipated Outcome | Lead Partner | Financial Implications | Proposed Timeline | Stakeholders | |
|--|--|---|------------------------------------|--|--------------|--|
| Programme 3 – Net Zero Union Street | | | | | | |
| 3.1 | Net Zero Technology Centre Outreach – showcase NZTC work and learning | Increased awareness of innovation in energy transition. High street presence to enable citizen engagement with energy transition activity, aligning with just energy transition ambitions. | Net Zero Technology Centre | Innovate UK – Net Zero Living Fund may be able to support this activity. | Short-term | ETZ Ltd |
| 3.2 | ‘Bee bus stops’ – grass topped eco bus shelters, new and retrofit of existing shelters | Improved urban biodiversity. Contribute to wider nature recovery including declining insect numbers. Volunteering and learning opportunities. | ACC | Nature Scotland’s Nature Restoration Fund could be suitable for this type of activity | Short-term | ACVO, Transport operators, Aberdeen Urban Bees Project |
| 3.3 | Cycle Aberdeen – city centre bike trails | Increased visitors to the city centre. | ACC | Smarter Choices, Smarter Places Fund | Short-term | Go Abz |
| 3.4 | Night Bus Pilot | Increased numbers and longer stay times in the city centre. | Aberdeen Inspired | Pilot funding secured | Medium-term | ACC Transport operators |
| 3.5 | Temporary pedestrianisation for events/markets | Maximise space available for stallholders and visitors. | ACC | Some costs anticipated for TTROs, traffic management and stewarding subject to specific event/market | Short-term | Transport operators. local businesses, Disability Equity Partnership |
| 3.6 | Living Walls | Improved urban biodiversity, sound pollution and air quality. | Operations and Protective Services | Place Based Investment Fund | Medium-term | Landlords/ owners |
| 3.7 | RE:Make – a community repair and reuse space | Volunteering and training opportunities. Conduit of circular economy activity. | AGCC Circular North-East | Zero Waste Scotland funding could be suitable for this activity | Medium-term | ACVO, NESCOL, Aberdeenshire Council |
| 3.8 | Promotion of Single Travel Card | Increased passenger numbers due to ease of use. Reduced car journeys into city | Aberdeen Inspired | N/A | Medium-term | ACC Transport operators |

| Action | Anticipated Outcome | Lead Partner | Financial Implications | Proposed Timeline | Stakeholders | |
|--|---|--|-------------------------------------|--|--------------|--|
| Programme 4 – Enterprising Union Street | | | | | | |
| 4.1 | Enterprise Zone – arcade space for entrepreneurs to pilot ventures | Physical incubator space for entrepreneurs which could create potential demand for longer-term lets. | Universities, Business Gateway, ACC | UKSPF – Local Business Support Priority could be suitable to support this activity | Medium-term | Aberdeen Inspired, Scottish Enterprise, AGCC, NESCOL |
| 4.2 | Business Gateway Centre – high street presence for Business Gateway, Council’s business facing activities and ABZ Works | Improved accessibility of Business Gateway services for all. Increasing engagement and accessibility for city centre businesses to ACC Accessibility of ACC’s ABZ Work activity. | Business Gateway and ACC | UKSPF – Local Business Support Priority could be suitable to support this activity | Short-term | SDS, ABZ Works Aberdeenshire Council |
| 4.3 | Brick and Click Shop Fronts | Enable small business growth, creating potential demand for longer-term lets. | Aberdeen Inspired | If works required, Scottish Co-Investment Fund | Medium-term | ACC, Business Gateway, Scottish Enterprise, AGCC |



| Action | Anticipated Outcome | Lead Partner | Financial Implications | Proposed Timeline | Stakeholders | |
|--|--|--|------------------------|---|---------------------------|---|
| Programme 5 – Enabling Delivery | | | | | | |
| 5.1 | Union Street Rent Auction | Enforced repopulation of vacant units by suitable tenants. | ACC | N/A at this point | Medium-term | Landlords, Scottish Government |
| 5.2 | 'Precinctise' Union Street | Zoned high street to increase footfall and visitor numbers. Increased business and investor interest. | ACC | Revenue costs to promote zoning – external funding sought | Medium-term | Aberdeen Inspired, Aberdeen City & Shires Hotel Association, VisitAberdeenshire, Culture Aberdeen |
| 5.3 | Continued engagement with Scottish Cities Alliance | Quicker and more impactful city centre recovery | SCA | SCA membership fee | Long-term (up to 5 years) | Scottish Government, Aberdeen Inspired |
| Programme 6 – Funding | | | | | | |
| 6.1 | Union Street Rates Retention Scheme | Revenue generation, ringfenced to support Aberdeen Inspired's city centre programme areas. | ACC | N/A at this point | Medium to long-term | ACC, Business Gateway, Scottish Enterprise, AGCC |
| 6.2 | Union Street Investment Fund | Grant provision from City Centre Regeneration Funding to reconfigure vacant units to encourage investment. | ACC | Match funding required from landlords/developers | Medium-term | Landlords, Occupiers |