

Moray Retail Study 2021

Final Report

For Moray Council

February 2022



Hargest Planning Ltd

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reference:

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Appendix B: Experian Area Comparison Report (Expenditure) July 2021

Appendix C: NEMS Moray Household Survey Results

Appendix D: NEMS Elgin In-Centre Survey Results

1 Introduction

Background

- 1.1 Hargest Planning Ltd have been commissioned by Moray Council to undertake a Retail Study to provide up to date information and analysis to inform strategy, policy and designations within the Moray Local Development Plan 2025 and also to be used in support of the determination of planning applications. The last comprehensive assessment of retail and related provision within the Moray Council area was undertaken in 2008 which was subsequently updated in the period 2010-2012 in support of undertaking cumulative retail impact assessments of retail developments that were proposed at that time.

Study Brief

- 1.2 The Study Brief provided by Moray Council required that the primary purpose of the study should be to support Moray Council in the preparation of the next Moray Local Development Plan (2025). The study is required to provide an assessment and advice to the Council on:

- Retail and commercial trends and their implications for Moray's town and commercial centres to inform policy development and designations.
- The potential future demand and supply for retail floor space within Moray over the next 5-10 years.
- The requirements for retail and commercial floor space within new neighbourhoods/masterplan areas.

- 1.3 In responding to this brief Hargest Planning Ltd has 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. A second key issue for the current study has been the impact of Covid-19 related social distancing measures and the effects that these have had on the operation, demand and supply of retail and leisure businesses within centres. This study has been undertaken during 2021 when there have been both periods of lockdown and relaxation of controls which has meant that, in historical terms at least, the operation of both the retail and leisure markets during the period that the study was undertaken has been atypical. At the time of writing the final report, there remains considerable uncertainty as to the short-term future for these sectors, especially for the leisure and entertainment sectors. There is, therefore considerable uncertainty regarding forecasting future changes in these sectors based on information available during 2021. These matters are addressed further in later sections of this Report.

- 1.4 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 2035 using:
 - *Household and in-street surveys*
 - *Detailed floorspace information provided through the Grampian Regional Assessor*
 - *Review of different modelling scenarios to reflect uncertainties*
- Make recommendations for the retail, leisure and town centre strategies within the forthcoming LDP including:
 - *Identifying appropriate planning policies for inclusion in the LDP (in cognisance of proposed policies in the draft NPF4)*

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- *Reviewing market trends*
 - *Undertaking up to date town centre health checks*
 - *Reviewing the existing/proposed masterplan areas identified for major housing development*
 - *Identifying potential development opportunities.*

Structure of Report

1.5 This Report sets out the findings of the Study. The main report is set out in this volume (Volume 1) and appendices 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 impacts of the Covid-19 pandemic insofar as this is possible at this stage.
- Section 4 provides a review of retail provision within Moray as a whole, including the network of centres.
- Section 5 sets out a review and health checks of the principal town and commercial centres within Moray.
- Section 6 provides the recommended strategy for retail and leisure for inclusion within the emerging LDP.
- An Executive Summary of the report is provided separately.

1.6 The following appendices are also provided:

- Appendix A: Moray Strategic Retail Model 2021
- Appendix B: Experian Area Comparison Report (Expenditure) July 2021
- Appendix C: NEMS Moray Household Survey Results
- Appendix D: NEMS Elgin In-Centre Survey Results

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 and In-centre survey (Elgin City Centre only).
- Market trends and review including both long-term trends and short-term impacts associated with the Covid-19 pandemic..
- Development of the Strategic Retail Model (SRM) – including the use of different growth and development scenarios.
- Review of existing retail centres – surveys and 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/Pitney Bowes Retail Expenditure Guide definitions have been adopted i.e. convenience goods: food; alcoholic and non-alcoholic drinks; tobacco; non-durable household goods¹; and newspapers and magazines.
- *General Comparison Goods.* Experian/Pitney 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*

2.4 There are slight changes from the definitions adopted in the 2008-2012 surveys reflecting changes adopted in Goad surveys which were updated to be consistent with the changing character of businesses in town and local centres that have occurred over the past 10-20 years. It is important to note that the above definitions do *not* match classes identified in the Use Classes Order – in particular Class 1 Shops is a wider definition than is used in this study and

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

includes uses that are either retail services (e.g. travel agent) or, for the purpose of this study, not identified to be retail (e.g. funeral director).

Population

- 2.5 Base line population has been primarily derived from National Records of Scotland (NRS) 2020 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 Moray as a whole were provided from the NRS 2018-based forecasts for the authority area. Population for model zones within Moray were adjusted to reflect housing allocations and completions identified in the adopted LDP and the Moray Housing Land Audit (June 2021).

Available Expenditure, Growth and Special Forms of Trading

- 2.6 *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 2019 (i.e. pre-pandemic).
- 2.7 *Expenditure Forecasts.* Due to the impact of the Covid-19 pandemic (see Section 3) there is considerable uncertainty regarding the impact that this has on both short-term and long-term expenditure (for both retail and leisure) and 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 both Experian and Precisely:
- Experian October 2020 (Retail Planner Briefing Note 18) Central Case.
 - Precisely Retail Expenditure Guide Version 2021/2022 (October 2021).
 - Experian October 2020 (Retail Planner Briefing Note 18) Optimistic.
 - Experian October 2020 (Retail Planner Briefing Note 18) Pessimistic.
- 2.8 The Experian 2020 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. However, it is recognised that, because the position with the pandemic is still unresolved at this time there is considerable uncertainty regarding these forecasts. Experian had been due to publish their 2021 forecasts in December 2021 but this has been delayed pending greater clarity regarding the impact on the Omicron variant and it is currently anticipated that new forecasts will be published in January 2022. It is therefore anticipated that the SRM will be updated once these forecasts are available. As will be seen in Section 4 below, these forecasts provide considerable variation in expenditure forecasts, especially in the latter part of the study period (i.e. 2030-35) therefore considerable caution is required in relying on and interpreting the results of the model not only in the latter study period but for the all forecasts contained in this report. It is likely that expenditure growth and patterns will only become clear after a significant period of time following the full resolution of the Covid-19 pandemic has occurred in order to allow sufficient time for expenditure patterns to fully settle. At the time of writing it would appear that this is unlikely prior to early 2023.
- 2.9 *Special Forms of Trading.* The Experian and Precisely expenditure forecasts also include assumptions regarding the growth of special forms of trading. As with expenditure growth it remains unclear as to the impact that the pandemic has had on the proportion of spend directed through SFT and there is considerable divergence between the forecasts made by Experian and Precisely (with the former having significantly lower forecasts for SFT for comparison goods than the latter). These differences are taken into account in the model forecasts for future retail turnover/expenditure.

Tourism

- 2.10 Estimates for tourism expenditure in shops was derived from the 2021 STEAM data for Moray 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. Trends in expenditure have been derived from the STEAM data for the period 2009-2019 on the assumption that, in the long term, retail expenditure will return to long-term trends post-pandemic (2020 data has, therefore been ignored and 2021 data was not available for this study). This data identified significant growth in expenditure in real terms from tourism and day visitors for comparison goods and slow growth for convenience goods spend from this source.

Household and In-Centre Surveys

Introduction

- 2.11 For undertaking strategic retail studies the use of extensive household and in-centre surveys provide 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. However, it should be recognised that, although these surveys are important for this type of study, the unique circumstances that have arisen due to the pandemic mean that the reliability of the survey findings, especially in terms of behavioural information (e.g. where do people shop and how much has been spent), are limited.
- 2.12 At certain times during 2020 and 2021 access to retail and leisure facilities has been restricted to those shops retailing “essential” goods only, which were primarily food shops and also limited others, such as chemists. Quite apart from formal restrictions it is likely that a significant proportion of the public has limited its use of shops and leisure facilities as a result of adopting a cautious approach to avoid potential infection. As a result, during these times there has been increased reliance on internet-based retail with the delivery of goods and services. However, it is also evident that, at times when restrictions have eased and the threat from Covid-19 appears to have receded, there has been “bounce-back” effect recoded in national statistics with rapid increases in expenditure up to, and possibly exceeding, pre-pandemic levels. The key point from this is that no period of time during 2020-2021 can be regarded as presenting a “normal” base line for future modelling. This limits the reliability of the findings of the surveys.
- 2.13 Whereas these difficulties can be overcome to a significant degree in studies such as Retail Impact Assessments through the use of sensitivity tests this is more difficult for a strategic retail study which is trying to assess the future trends in retail and leisure activity within centres, and therefore greater reliance has to be placed on gaining data from surveys. The principal tool adopted in this study to address the uncertainty regarding the reliability of interview-survey data has been through careful testing of different growth scenarios – in particular utilising the different expenditure forecasts produced by Experian and Precisely including different assumptions regarding the importance of SFT. The result of this approach is that forecasts generated identify significantly varying levels of turnover within centres which has implications for assessments of retail deficiencies, retail capacity and the need for identifying locations for potential new floorspace. The results and forecasts of the quantitative assessments set out in this study therefore need to be treated cautiously and can only provide a general indication of potential retail requirements.

Household Survey

- 2.14 The household survey was implemented between 19th August and 7th September 2021 (i.e. after the schools returned) and 1003 completed interviews undertaken. The design of the survey was undertaken jointly by Hargest Planning Ltd and NEMS Market Research.

2.15 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). However it cannot identify expenditure within centres located in the study area by those originating from outwith the area. This issue has been addressed by examination of the following:

- Information on the spend of tourists in North East Scotland (i.e. examination of STEAM study reports and data on tourist and day visitor numbers).
- Retail studies undertaken for residents in Aberdeenshire, Aberdeen City and Highland.
- Use of an In-Centre survey for Elgin City Centre.

2.16 The questions included in the survey are provided in Appendix B.

Scope of Household Survey

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

Main Food Shopping

- In which shopping centre respondents buy most of their household's main food and grocery shopping
- The main reasons for shopping in that centre
- How respondents would rate the following aspects of the centre:
 - Choice of shops for food shopping
 - Choice of shops for clothing, footwear and similar items
 - Choice of shops for household electrical items
 - Choice of shops for other items
 - Ease of getting access to the centre
 - Car parking provision
 - Public transport access to the centre
 - As an attractive place to visit for a shopping trips
- How often respondents undertake their main food shopping trip and in which shop or supermarket
- Journey time and mode for travel to the main food destination
- The approximate amount spent on the last main food shopping trip to their principal store
- Any other supermarket/ shop used for main food shopping
- Purchases using SFT (e.g. internet, telephone etc)

Top-up Food Shopping

- Those who undertake top-up shopping for food and grocery items were asked which store they use most for this purpose, how frequently they carry out top-up shopping and the amount spent on their last top-up shop

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

Elgin City Centre

- How respondents would rate the following in Elgin City Centre as a shopping destination:
 - Choice of shops for clothing and footwear
 - Choice of shops for other personal goods (e.g., CDs, china, glass, jewellery etc)
 - Choice of shops for furniture floor coverings and large electrical items
 - Easy to travel to by car
 - Easy and cheap to park
 - Easy to travel to by public transport
 - As a pleasant and attractive place to visit
 - 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)

Other Moray Towns

- Depending on the location of the respondent similar questions were asked about attitudes to each of Buckie, Forres, Keith and Lossiemouth town centres.

Other Cities

- Questions were also put concerning other towns and cities that were used for shopping (up to three could be identified) identifying the frequency of trip and types of goods purchased. These responses could be compared to responses provided to earlier survey questions.
- Any other cities (first and second choices) visited regularly for shopping trips and the types of goods purchased there

Control Information

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

Sampling

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

Figure 2.1: Household Survey Samples

Zone	Postcode Sectors	Sample Achieved
1	IV30,1 IV30,4 IV30,6	201
2	IV30,5 IV30,8	150
3	IV36,1 IV36,2 IV36,3	150
4	IV31.6	100
5	AB35,5 – Moray part only AB37,9 AB38,7 AB38,9 AB54,4 – Moray part only AB55,4	100
6	AB54,7 AB55,5 – Moray part only AB55,6	101
7	AB56,1 AB56,4 AB56,5	151
8	IV32,7	50
TOTAL	MORAY	1003

In-Centre Survey

2.19 The main aims and objectives of the in-centre survey were to identify:

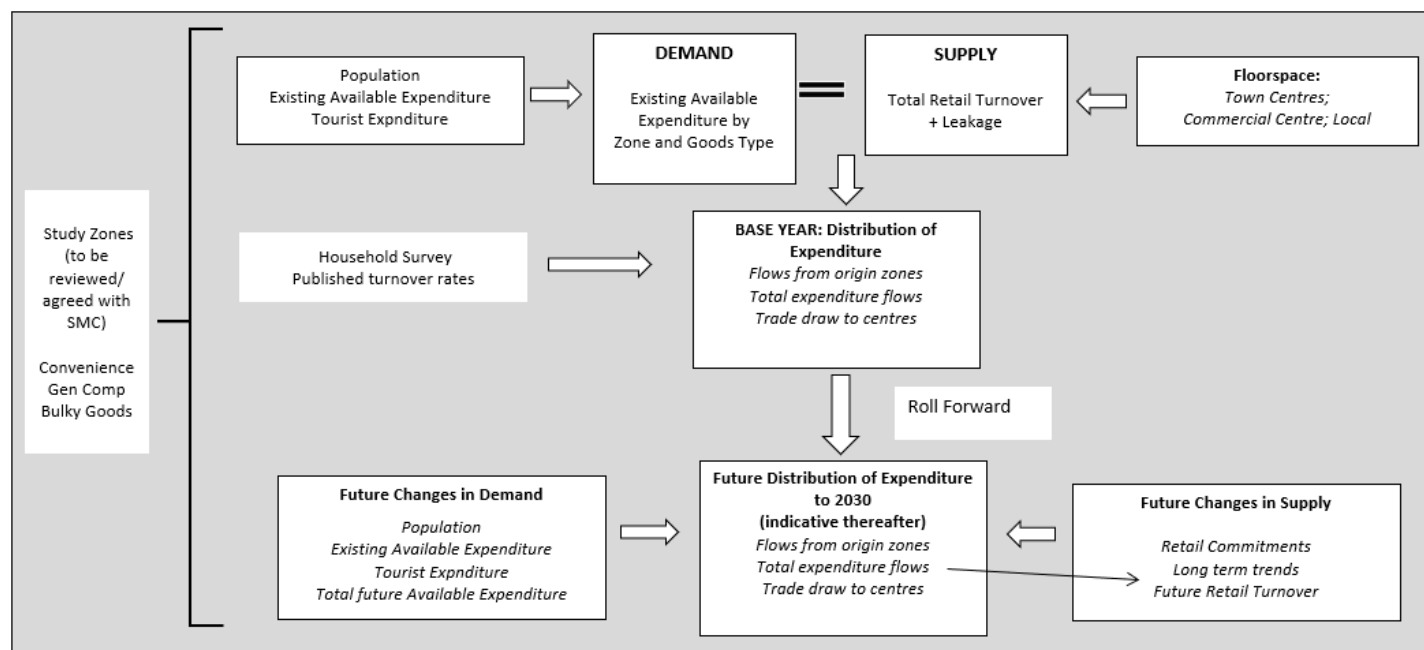
- respondents' main purpose for visiting Elgin City Centre
- food and non-food shopping patterns
- how respondents travel to Elgin City Centre and length of journey
- anticipated expenditure in Elgin on different categories of goods
- attitudinal questions concerning Elgin City Centre compared to other centres

2.20 Control information relating to respondents' demographic and postcode details were also collected.

2.21 201 face to face interviews were undertaken in between 26th July and 7th August 2021 in four locations within the principal parts of the City Centre (all were located south of the A96). At this time there were no particular lockdown measures in places that restricted activities although certain services within the City Centre were not fully operational (e.g. certain public sector drop-in services and facilities).

Strategic Retail Model

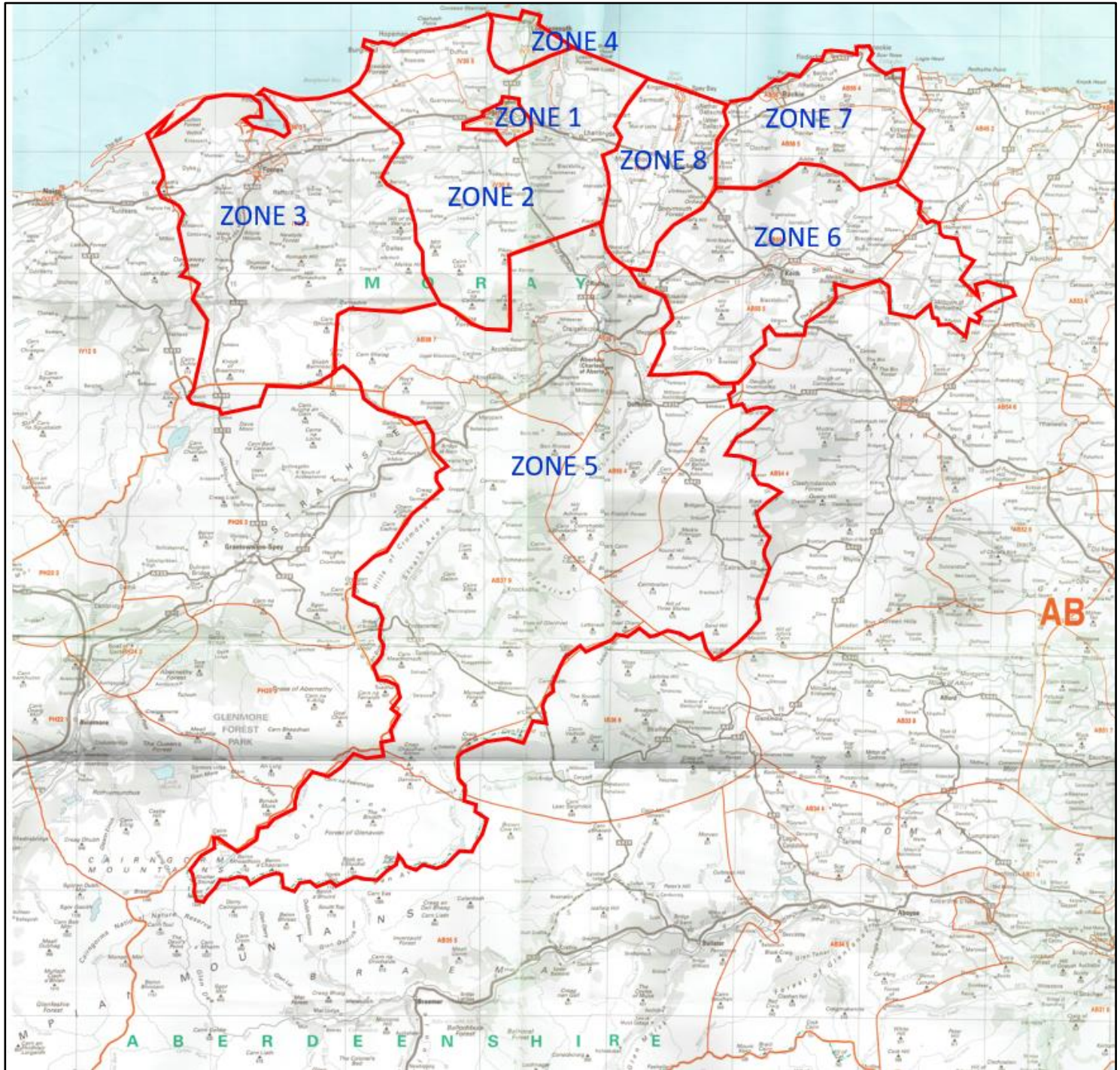
- 2.22 The purpose of the Strategic Retail Model (SRM) is to provide an analysis of the balance between demand and supply for retail expenditure/turnover within the study area for the period 2021- 2035. The model is not a retail capacity model (i.e. based on the use of notional average levels of turnover achieved by retail floorspace) but identifies actual turnover levels achieved in existing/future floorspace.
- 2.23 *Retail Demand.* Retail demand is expressed through changes in available expenditure arising from residents and visitors to Moray. 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 (but not staying tourists) including residents from Aberdeenshire, Aberdeen City, Highland Council and elsewhere.
- 2.24 *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 no committed retail floorspace was identified in 2021.
 - Purchases of goods through special forms of trading – as noted, this is discounted at the outset in the model.
 - Expenditure leakage – i.e. purchases of goods through shops outwith the study area.
- 2.25 In the absence of committed retail floorspace any changes in retail demand will be identified in the model thereafter are shown as changes in turnover in existing retail floorspace (i.e. changes in sales densities).
- 2.26 The principal components of the model are as follows:
- Use of 8 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. In additional locations external to Moray are identified for the origin and destination of expenditure.
 - 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 from each zone to retail destinations. These flows are estimates from a combination of: household survey data; existing/committed retail floorspace; and future changes in sales densities (as a sensitivity test).
 - Broad distribution of retail expenditure to existing/committed floorspace within general retail locations.
- 2.27 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

- 2.28 In support of the analysis the Moray area has been divided into 8 Zones. The definition of Zones has been led by the location of postcode sectors and reflects those used for the 2008 retail study. The reference to postcodes allows direct application of information collected through the household survey.
- 2.29 Figure 2.3 shows the location of the Zones within the Study Area.

Figure 2.4: Moray Strategic Model Zones



3 Retail and Leisure Trends

Introduction

- 3.1 The primary consideration in this review is to identify long term changes in the commercial retail and leisure markets to identify the implications that these have for the planning for these sectors in the forthcoming LDP. The focus is, therefore, with the operation of the national retail and leisure markets and to assess the implications that these have for Moray and, in particular, the principal towns of Elgin, Buckie, Forres, Keith and Lossiemouth. However, it is clear that the social-distancing restrictions that were introduced in response to the Covid-19 pandemic have had profound short-term impacts on both the retail and leisure markets and it is unclear at this stage to what extent these impacts will have on long term changes for the period to be covered in the study.
- 3.2 This review has been supplemented with consultations with local property agents. However, whereas the experience of agents is important, their primary concern at the current time has been short-term, especially, in addressing the adverse consequences that the pandemic has had on the operation of the commercial property markets.
- 3.3 The impacts of Covid-19 can be regarded as comparable to the “Great Financial Crisis” of 2008-10 in that it is likely that the profound short term impacts which have affected retail and leisure is likely to take a number of years to resolve. Nonetheless, it is a fact that the commercial retail and leisure sectors of the economy have suffered two major shocks within a period of 15 years and a key question remains whether these shocks, which have had very different impacts on these sectors, are merely “disruptive” in the sense that there will be a return to “pre-shock” trends or, alternatively whether these will result in a more fundamental shift in the nature of retail and leisure activity. The answer to this question has major implications for assessing the demand for, use and distribution of retail and leisure floorspace within Moray over the period to 2035.

Proposed NPF4

- 3.4 Although not directly related to the operation of the retail and leisure markets the draft NPF4, which introduces new policy approaches for retail in particular should also be noted. Indeed the operation of the market cannot be divorced from the policy framework within which it functions – the market will, inevitably, be forced to respond to some extent to any changes in the regulatory and policy framework.
- 3.5 Whereas draft Policies 24:Centres and 26: Town Centres First Assessment reflect policy approaches that have been in place for a number of years set out in Scottish Planning Policy, Policy 25: Retail represents a significant change of direction in that it proposes that “out-of-town locations” (*for retail which generates significant footfall*) “should not be supported”. Notwithstanding the apparent contradiction between this and other proposed Policies in the NPF4 It is not appropriate to comment on the merits of this draft policy at this stage (this is considered further in Section 6 of this Report). At this stage it is important to note that, should this draft Policy remain, this will have a direct impact on the operation of the retail market in terms of developer and operator demand for retail in out-of-centre locations.

Overview of Retailing in UK and Scotland

UK Retail Expenditure

- 3.6 Figures 3.1A and 3.1B identify overall retail sales growth (current prices) for the period 2003 to 2021 (source: ONS). This would appear to show that, despite periods of economic growth and recession the overall level of retail sales has grown steadily up to 2018 albeit with some disruption during the pandemic.

Figure 3.1A: National Statistics Office Retail Sales Index 2003-2018

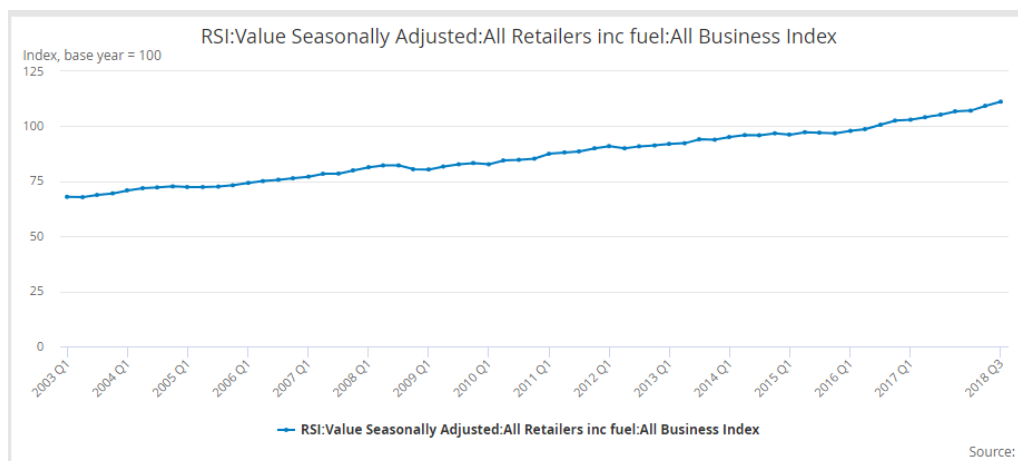
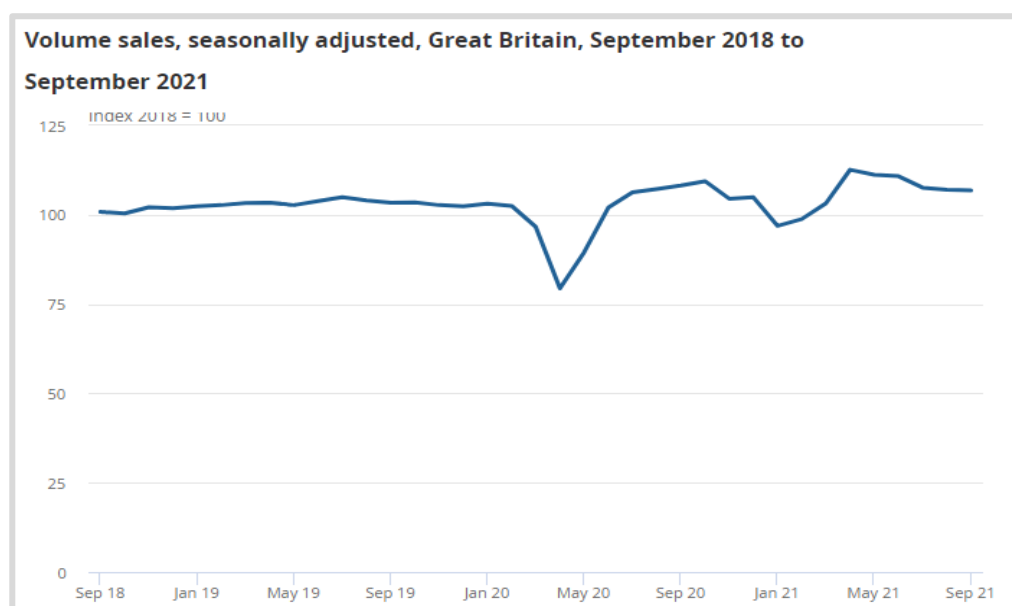


Figure 3.1B: National Retail Sales 2018-2021



- 3.7 These graphs concern total retail sales, including both petrol and on-line sales, and are seasonally adjusted.
- 3.8 Fig 3.1A, for the period to 2018, shows that there has been significant growth averaging at 3.2% per annum in value terms (2.6% pa in constant price terms). Fig 3.1B shows that total sales in September 2021 (i.e. prior to any effect from the omicron variant) were 4.2% higher than in Feb 2020, i.e. prior to the pandemic – in other words for this 19 month period, sales grew at 2.6% in value terms, i.e. only slightly lower than the long term average.

- 3.9 It is important to understand the changes in retail expenditure that occurred in the period leading up to the beginning of the 2020 pandemic because this indicates the general pressures that retailers had been facing even prior to disruption that has occurred since March 2020. The period 2008-2013 exhibited generally slow growth in all retail sectors and, for certain years, significant decline in the volume of sales, which primarily reflected the impact of the GFC recession on household spending. After 2013 there was significant recovery. Overall economic growth was significant but the pressure on average earnings had been such that income levels, in real terms, struggled to reach levels in 2008 by 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). The inability of retailers to be able to raise prices at a time when their costs have steadily risen 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 has been a major factor in the struggles faced by many operators. At the same time there has been the continued growth of internet sales over this period (this is considered in detail below).

Retail Expenditure Growth in Scotland

- 3.10 Retail sales in Scotland have generally followed the same patterns identified above for the UK but at generally lower rates of growth. The Scottish Government has only published data up to 2020 Q1 which identifies that average annual growth (value basis) was 2.3% per annum (whereas the UK equivalent was 3.1% pa for the same period).

Retail Property Market Changes 2008-2020

Overview

- 3.11 For the period leading up to 2020 there were a number of well-established key trends affecting the retail property market:
- Expenditure growth
 - Spatial requirements for retail – and the implications of these for different types of location including town centres and retail parks and for retail subsectors.
 - Increasing importance of on-line/internet based retail.
 - Reducing overall space requirements for multiple retailers (“right-sizing”).
 - Retail vacancies and “repurposing” surplus retail space

Expenditure Growth

- 3.12 Figures 3.1A & B have identified total expenditure growth for retail for the period 2008-2021. However, over this period there were significant differences between convenience and comparison goods expenditure:
- Expenditure per capita for convenience goods between 2008 and 2019 was flat/declining. According to Precisely expenditure rates declined reaching their lowest level in 2012 and, according to Experian, in 2014.
 - For comparison expenditure this declined modestly during 2008-2010, stabilised and then grew rapidly towards the end of this period such that 2021 expenditure per capita is approximately 35% higher in 2021 than in 2008.
- 3.13 However, demand and expenditure growth for retail subsectors has been highly variable. The Local Data Company (LDC), although basing their analysis on floorspace and numbers of units, have demonstrated the variability in growth for different subsectors. They identify that, notwithstanding the above expenditure growth figures, the strongest growing retail sectors were convenience stores, supermarkets and grocers. In fact none of the top ten growth sectors in 2020

were for comparison goods – indeed growth was dominated by retail and leisure services – health and beauty and fast food were particularly important. In terms of the top declining categories, these included fashion shops, clothes (women), charity shops, chemists/toiletries and electrical goods – there were no convenience goods sectors identified in this list. It is evident therefore that, in terms of space requirements, especially in town centres, the market dynamics were concerned with more than just changing expenditure and demand for products and services.

Spatial Requirements for Retail

- 3.14 In addition to changing demands for different retail sectors and subsectors there are also ongoing trends affecting the location for retail space. To a significant degree these reflect a continuation of earlier trends.
- 3.15 For comparison goods a key theme has been spatial concentration in the largest centres and cities, including:
- Continued market concentration favouring growth in the largest retail centres which will increase their market dominance and continue to attract investment.
 - Middle sized centres have experienced 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 new demand from local or independent retailers is unlikely to counter this decline.
 - Small retail centres have appeared to be largely resilient to change although there has been a continuing shift from retail goods shops to retail services continuing a long-term trend that has been present for at least 20 years. The resilience of these centres reflects the importance of local/walk-in trade (especially for services) and reflects changing lifestyle and habits – especially in urban areas.
 - Greatest retail demand has continued in prime pitches in major centres with secondary and tertiary pitches declining both relative to the prime pitches and in absolute terms.
- 3.16 These trends have been most prominent with national and international multiple retailers. 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 remains a recognition that the physical store network plays an important role in *servicing* their online presence in effect through marketing their brand. Clearly not all operators have adopted this strategy (for example the announcement by Gap earlier in 2021 to close all stores and focus on-line).
- 3.17 This trend has clear spatial implications for centres that have, traditionally, relied on comparison goods retail as their core function. Disparities have become very apparent between stronger and weaker centres. Savills have reported the impact on prime rents with rents falling in 12 months up to Q1 2019 by up to 40-60% in the weakest centres whereas the strongest one have recorded modest growth. In overall terms Savills considered that, up to 2020, there had been a softening in demand for traditional retail space putting a downward pressure on rents.
- 3.18 These pressures are not, however, the same for convenience floorspace and for certain comparison goods categories that have, primarily, targeted local markets (e.g. chemists and non-food discounters). For these a local market presence and reduced reliance on on-line retail channels has retained the need for space within smaller centres.

Value-driven Retail – The Rise of Discounters

- 3.19 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, Wilko etc). Demand for “value” retail continues

not only from consumers but also landlords and investors. Notwithstanding the demise of Poundworld, 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 provided adjacent to more aspirational brands (for example positioning a Home Bargains adjacent to an M&S Foodhall).

Addressing the issue of Surplus Retail Space

- 3.20 For multiples so-called “right-sizing” (i.e. disposing of surplus space – either in-store or, more commonly, across the property portfolio) has become a standard business response to the changing retail environment and for responding to/accommodating the increased importance of internet-based retailing.
- 3.21 Closure of businesses, especially major national multiples, has also contributed to increased vacancies. According to Deloitte using LDC data, since 2016, more shops have been closing in the UK than have been opening with the supply of existing and new space outstripping demand. In 2020 Deloitte forecast that there could be 30,000 store closures between 2020 and the end of 2022 in the UK. The Local Data Company identify that closures have had the greatest impact on comparison goods sectors and have affected purpose-built shopping centres to a significantly greater degree than either retail parks or traditional High Street locations which probably reflects a greater reliance of shopping centres on multiple retailers prone to “right-sizing”.
- 3.22 A key implication from this trend is the need to redevelop or “repurpose” surplus space. This is most acute in those centres that have traditionally relied on a significant comparison goods retail presence but are now unable to fulfil the strategic or regional function required by multiple retailers. This may involve redevelopment for mixed use schemes (provided that local market economics support redevelopment), residential redevelopment or more innovative approaches.

Out of Centre/Retail Park Market Trends

- 3.23 As with other locations 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, similarly, normally under single ownership, the complexities of development and relationship to adjoining premises makes it more difficult and costly to undertake comparable changes.
- 3.24 Key market trends for retail park type space include:
- *Vacancies in retail parks are significantly lower than town centres.* Savills identify current vacancies to be about 6% by number of units and 3.6% by space and that, even if all the CVA/administration units remain vacant, this rate would only increase to a maximum of 7.8% (number of units) or 5.2% (by space).
 - *Continuing attempts to derestrict retail parks to increase the range of potential occupiers.* Notwithstanding these attempts the current (mid-2021) strongest sectors of the market are for bulky goods operators (e.g. Tapi and Wren have expansion plans) and value food and non-food retail. To include the latter sectors many retail parks will require the derestriction of planning conditions.

- *“Right-sizing” retail units to match demand* - typically this can include smaller ground floorplates but the inclusion of, or capacity to install, mezzanines.
- *Development of “small” retail park formats* – these are typically in the region of 5000-9000 sq m anchored by food and non-food discounters with one or two additional mid-large retail warehouse units together with smaller “local” retail units. Current examples in planning in Scotland include: Cupar; Barrhead; Blairgowrie. These retail parks are characterised by a full mix of convenience, general comparison and bulky comparison goods floorspace.

Changes in Vacancies

- 3.25 The above trends have highlighted increasing numbers of vacant retail units, especially for stores previously occupied by comparison goods multiple retailers, although the same trend has not necessarily occurred for independent operators and for leisure uses. In many centres, for much of the period 2008 to 2020, increasing numbers of independent retailers (in all retail sectors) and for retail and leisure services (including health and beauty, restaurants/cafes and fast-food) has exceeded the closure of comparison goods shops. This has meant that, rather than seeing a significant increase in vacancies there has been a notable shift in the balance of activities within centres – away from traditional retail to a greater emphasis on retail-, leisure-and business-services to the extent that, in many smaller-medium centres these uses are now dominant. This is *not* a new trend but can be traced back well into the 1990s. The increased pressures on multiple retailers has reinforced this longstanding trend.
- 3.26 Figure 3.2 identifies changes in vacancies rates (by numbers of units) identified by the Local Data Company for the UK, and Figure 3.3 identifies vacancies by different types of location.

Figure 3.2: UK Vacancy Rates (no. of Units) (Local Data Company)



Figure 3.3: UK Vacancy Rates by Retail Location (no. of Units) (Local Data Company)

3.27 Although there are definitional issues from the LDC data the following are the key issues for vacancy rates in town centres:

- Vacancy rates *declined* to early 2018 and then rose relatively sharply. This occurred at the same time that there was a significant increase in total expenditure for retailing goods and could be regarded therefore as counter-intuitive.
- Highest vacancy rates are in shopping centres and lowest in retail parks. However, town centres exhibited the most stable conditions and experienced the lowest rates of increase up to 2020.
- Vacancy rates in Scotland are lower than average in the UK and experienced the smallest increase of any “region” within the UK between 2019 and 2020 i.e. from 11.7% to 12.3%. By way of comparison the Scottish Retail Consortium reported a vacancy rate in Q3 2020 (i.e. during the pandemic) of 14% in Scotland.

3.28 Persistent vacancy remains a critical issue for many centres. For units that remain vacant over a year there are questions as to whether or not these units will ever return or a commercial retail or leisure use. Current LDC identifies that the greatest level of persistent vacancy is within purpose built Shopping Centres (>11% units vacant for over one year in 2020) compared to traditional High Streets (8.9%) and retail parks (6.6%).

Special Forms of Trading (including internet-based retail)

3.29 Special forms of retail (SFT) covers a range of non-store based retail activities. Although this includes traditional catalogue sales and local sales such as car-boot sales etc, SFT is now dominated by internet/online sales whether from laptops, mobile phones etc. The rapid growth of internet-based retail has become one of the key issues that has underpinned changing business pressures on retailers and, to a limited degree, leisure (e.g. for the purchase of hot food deliveries to the home).

Level of Internet-Retail in the UK

3.30 Although the National Statistics Office produces annual estimates of SFT there are methodological issues – in particular concerning the scope of goods included within ONS estimates (which include major non-retail services

such as travel etc) and concerning the treatment of goods purchased by supermarkets which, although purchased online, are sold, delivered or collected from local stores. Both Precisely and Experian therefore make adjustments to ONS estimates based on these factors.

3.31 However, estimates of the actual proportion of sales from SFT differ. Prior to the pandemic in 2019 Precisely/OE estimated the adjusted SFT sales to be 5.8% of total sales for convenience goods and 25.8% for comparison goods whereas Experian estimated the figures to be 4.2% and 17.5% - in other words there are significant differences in the estimates even for recent years. These differences are compounded for future forecasts. The adjusted forecasts for SFT for 2035 are as follows:

- Convenience Goods: Precisely – 7.7%; Experian – 7.1%
- Comparison Goods: Precisely – 41.3%; Experian – 28.1%

3.32 The differences for convenience goods are relatively modest but those for comparison goods are substantial and will have significant implications for estimating available expenditure in future years that would be spent on goods in conventional retail shops.

3.33 The rapid rise in the amount of expenditure for retail goods that has been directed through SFT and *not* through traditional shops accounts for a large proportion of the expenditure growth that has been identified to occur up to 2019 (i.e. pre-pandemic). It is this factor that explains the apparent contradiction of increased expenditure but also increased vacancies, particularly for comparison goods shops in the period up to 2019. The growth of internet retail that has, therefore, been a key factor in placing pressure on retailers in terms of the amount of floorspace that is required for their operations.

3.34 The relationship between increased use of SFT/internet and physical floorspace is not straightforward. Stores that have a physical presence within markets can be an important contributor to driving internet sales from within this market area. This inter-relationship creates a number of difficulties. For businesses it makes it a lot harder to determine the profitability of individual stores. For retail planning this introduces a level of complexity which effectively breaks the relationship between floorspace and sales densities significantly undermining the ability to forecast retail “capacity” or requirements for new floorspace and Precisely have recently raised doubts as to the validity of using expenditure and sales densities as an indicator of need for retail space. SFT is therefore, critically important when looking at medium-long term trends in retail but, at the same time, introduces major uncertainties that need to be addressed through the retail model.

Factors Affecting Future Retail Growth

3.35 Prior to considering the issues that have arisen due to the social-restrictions imposed in response to the Covid-19 pandemic it is important to summarise the social and economic factors that have underpinned the changes observed up to 2020. Key factors that have been identified to be affecting the future of retail are:

- Demographics
- Lifestyle changes
- Technology
- Short and medium-term economic prospects

Demographics

3.36 The Scottish population has received a considerable boost from high levels of net in-migration in the past decade. At the Scotland level this has reversed national population decline such that the total population is the highest it has ever been. However, the population is still ageing. Furthermore, the impact of Brexit on migration levels is uncertain but the expectation is that net migration rates will fall. An ageing society is particularly significant because there will be changing priorities:

- Between different types of retail goods categories.
- Between priorities for spending – purchase of goods may be less significant than making provision for pensions, healthcare and so on.
- Ease of access to retail (and also to town centres) will be highly significant – it could also lead to growing demand for safer and cleaner local environments and for socialising and leisure activities.

3.37 “Affluent greys” are likely to be a very significant group. Once children have left home this group’s disposable income could be much higher than in previous years but spending in shops will not necessarily be the highest priority for this age group. Unless good provision is made for pensions once this group reaches retirement disposable income could reduce significantly.

Lifestyle Changes

3.38 Changes in lifestyle tend to occur over a period of decades rather than abruptly. Nonetheless it is evident that, as a result of rapid changes in technology, these are having a profound effect on lifestyle. Consumers are now comfortable with using a variety of shopping channels and locations dependent upon where consumers are during the day and evening – the key driver being convenience. Similarly, shopping is fragmenting – shoppers go out-of-town infrequently for major shopping, top-up locally and in-fill on the move as well as order online. Technology has been the main driver of this change. The internet has become far more accessible with the advent of smart-phones, tablets and iPads, and is more user friendly.

3.39 There are also indirect impacts as a result of reduced footfall arising from increased trade away from physical stores. Smaller and independent shops that were attracted to locations close to major anchor stores will suffer reduced pass-by trade from reduced footfall.

3.40 There is also a second key lifestyle factor that will have direct impacts on stores and on town centres as a whole. Shopping as an activity faces increasing competition from other activities including leisure pursuits. It is increasingly argued that shopping will need to be able to offer more – it will need to be more experiential – eating, being entertained and “living” the shopping experience will be more important. This reflects that fact that there are greater choices – for many consumers access to shopping can be on-line and therefore why should they make the effort to go to a shop or centre – there needs to be something to attract them.

Technology

3.41 The role of technology is of crucial importance for the retail sector. Technological change affects each of the production of goods, control of operations and ability of the consumer to interact with vendors. It has substantially reduced the costs of entry for new retail businesses. Perhaps the most significant issue regarding technology is the speed of change. Smart-phones have only been available for a few years. The 5th generation of mobile telecommunications is now being rolled-out in different parts of the UK even though mobile phones

only first appeared in the late 1980s. This introduces a major uncertainty for assessing retail demand over the next 15+ years in that it will be impossible to assess what the technology will be in 15 years' time that will be available to retailers and to consumers.

Economy

- 3.42 The state of the economy and availability of disposable income remain fundamental drivers for the future growth of retailing. The impact of the prolonged GFC recession was long lasting and restricted the growth of the industry as a result on on-going effects of holding back real income growth where the combination of muted demand growth with stagnant prices (and even deflation in both the convenience and comparison sectors) when supply costs are still rising had a major impact on retailers – especially those who have failed to adapt their retail offer to the modern highly competitive retail environment.
- 3.43 It is still not known what the impact of the Covid-19 pandemic will have on short- or medium-term growth prospects for the economy. In addition, although the UK has now left the EU, Brexit still provides uncertainty in that it remains unclear as to how this will affect trading in the medium-long term. A critical factor is the impact that this has on migration levels for sectors that have been dependent on overseas immigrants for labour – this is especially important in the hospitality sector (leisure) but will also affect retail.

Impact of Covid-19 Pandemic 2020-2021

- 3.44 Social and business restrictions during the pandemic have had a profound effect on both the retail and leisure sectors during 2019 and 2020. For the retail sector this period has been associated with profound changes in retail activity both during period of lockdown and in the recovery following relaxation of restrictions. The position with commercial leisure activities has been more straightforward – the closure of all leisure for much of the pandemic effectively froze commercial/indoor leisure activities. Although restrictions were relaxed after April 2021 it is evident that at the end of 2021 and beginning of 2022 the threat of the omicron-variant has further reduced leisure activity over the Christmas period.
- 3.45 The key issues arising from the pandemic restrictions are:
- The extent to which the financial consequences arising from short-term closures, with or without Government financial support, threatened the commercial viability of businesses, particular for those that faced significant financial pressures during the period 2008-2018.
 - Whether short-term changes in consumer behaviour, including increased use of the internet for both retail and leisure purchases and a willingness to shop more locally have long-term impacts on consumer behaviour.
- 3.46 At the present time it is not possible to provide definitive views as to these issues and, therefore, the extent to which they will affect long term retail and leisure requirements in Moray.

Business Closures

- 3.47 At this stage it is only possible to identify those businesses that have closed during 2020 and 2021 – it is likely that some businesses may attempt to continue but be forced to close within the next two-three years as a result of the adverse impacts of the pandemic on company balance sheets. The Centre for Retail Research has

identified the following levels of retail companies, stores and employees affected by business closures as follows:

- In 2008-2009 (peak impact of 2008-10 GFC recession) there were an annual average of: 46 business (multiples only) failures; 6165 stores closed; and 50,600 employees affected.
- For the period 2010-2019 an annual average of: 39 business failures; 1944 stores closed; 25,800 employees affected
- For 2020 there were: 54 business failures; 5214 stores closed; and 109,000 employees affected.
- For 2021 (to end of July): 13 business failures; 1687 stores closed and nearly 25,000 employees affected.

3.48 This confirms that the impact of the pandemic restrictions has resulted in a comparable level of retail business failures and store closures as occurred in 2008/09. However, the figures for the first part of 2021 would suggest that this level of closure has *not* continued into 2021. Similar figures for the leisure sector are not available.

Vacancy Rates, Rents and Yields

3.49 LDC initial data has indicated that, notwithstanding the above numbers of business failures, vacancy rates increased only slightly during 2020. It was suggested that the pandemic, because of the restrictions imposed on most retailers during 2020 at least, has suppressed activity with support given through the furlough scheme, and therefore vacancies have not been implemented. Even if store closures have not occurred at the rate anticipated at the beginning of the pandemic LDC have identified that new store openings has been suppressed which is hardly surprising given that, during significant parts of 2020 and 2021 many of these stores would not have been permitted to trade. Reflecting these factors Deloitte suggested that there would be “upwards of 30,000” net closures following the pandemic across the UK before there is a re-establishment of equilibrium in the retail market.

3.50 Despite these arguments it does not appear that the increased level vacancies has materialised as had been feared. The latest information from the British Retail Consortium identifies that there has only been a limited increase between 2020 and 2021 – with the vacancy rate “plateauing” at 14.5% in Great Britain as a whole compared to 13.2% in 2020 (Q2 to Q2).

3.51 The reduction in demand for premises has inevitably put a downward pressure on rents and, due to reduced expectation for future rental levels, on yields as well. Savills have identified that retail rents were identified to decline on average by 15% over 2020/21 (Q1 to Q1) and yields softened by 1.0-1.5% points. The softening of yields across all categories results in a reduction in asset value especially if this is combined with reduced rents.

3.52 It is evident that there has been a significant short-term impact on the retail sector in terms of business closures, increased vacancies, rents and yields. Although the magnitude of this impact may be less than was feared during 2020/2021 which may reflect activity intervention by Governments to support these sectors.

Internet Sales

3.53 During the principal lockdown periods there was a rapid increase in internet-based sales. Using ONS definitions internet-based sales peaked as a proportion of total sales in January 2021 (at 37.7% compared to 20.2% in January 2020) but these fell to 25.9% of total sales in August 2021. There is considerable variation in the proportion of total sales made using the internet throughout the year typically peaking in November and

December each year. The latest figures for November 2021 identify 30.1% total sales by the internet which compare to 21.6% in November 2019. Even if one allows for the steady growth in internet-based retail that has occurred between 2009 and 2019 it is evident that, assuming current levels of internet retail are maintained, that there has been a step change in the proportion of retail sales using the internet as a result of the pandemic. Assuming that past trends had continued one would expect approximately 24.5% of total sales to have been via the internet in November 2021 compared to the actual figure of 30.1%.

- 3.54 There is considerable uncertainty as to how significant this uplift in internet sales is. It remains unclear if this is a fundamental shift in online retail significantly higher than previously forecast, whether it is a short-term increase that will return to previous forecast levels of growth or whether an intermediate position will become established. As noted earlier the principal forecasting organisations – Experian and Precisely differ significantly in terms of their long term forecasts for the role of the internet and the impact that has arisen due to the pandemic.

Leisure Market Trends and Prospects

Introduction

- 3.55 The leisure sector is diverse comprising a myriad of different types of commercial leisure opportunities and experiences through to public sector sports, leisure and recreational facilities. In addition to activities that require built infrastructure there are a range of other sports and leisure pursuits that do not require infrastructure facilities including activities arranged independently by participants (e.g. recreational pursuits including walking, running and hobbies such as bird watching). The focus in the section is limited to, primarily, commercial leisure activities although there are, of course, many public sector facilities (especially sports facilities) which are also provided on a paying basis. 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.

- 3.56 Leisure is, of course, a key component of holidays with substantial expenditure directed both to accommodation as well as entertainment and eating out during times away from home. There is, therefore, a close link between the leisure sector and tourism industry.

- 3.57 The focus of this review is on those sectors that are most likely to impact on uses/activities within Moray in terms of requirements for new floorspace or reducing floorspace requirements resulting in potential increases in vacancies and stock available for alternative uses. In particular it considers the food and drink (eating/drinking out) and other commercial entertainment and leisure.

- 3.58 The commercial leisure sector has expanded steadily over the past few decades and this appears to have accelerated in the period 2015-2020 where it is experience-related spend (e.g. including eating-out and staying in hotels) that has outstripped spend on retail goods. For example Savills suggest that over this period spending on eating out grew at 2.9% pa (constant prices) which was significantly greater than spend on fashion and clothing (at 1.9% pa).

Food and Drink

Restaurants

- 3.59 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 including both UK companies and international operators growing their market in the UK. However, putting aside the impact of the pandemic, the general expectation prior to 2020 was that short-term growth would be particularly adversely affected by increased costs associated with rises with the living wage and labour supply issues associated with Brexit. In general, it was considered that this will have greatest impact on secondary market locations. Reflecting these pressures prior to the pandemic, there were a number of closures that had been publicised in the press which reflected the impact of these cost pressures on a market that has expended rapidly resulting in casualties including some well-known brands (e.g. Jamie Oliver etc). There are, however, certain sectors that appeared resilient and are expected to maintain positive growth. This includes the food-led public house sector and the continued increase in food provision in non-specialists linked to other entertainment activities.
- 3.60 Even prior to the pandemic the impact of delivery services (Just Eat, Deliveroo and, now, Uber Eats) had been described as a “disruptor” and these have experienced dramatic growth since 2016 (for example Deliveroo grew by 650% in two years) and 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.
- 3.61 Reflecting the combination of these factors a key recent trend is 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 – BNP Paribas report that “the vast majority of new shopping centre pipeline to be delivered for the next five years is purposed for [food and beverage]”. They note that GlobalData had forecast that total leisure space within regional shopping centres is set to grow by 61% within 5 years – far outstripping the growth of retail floorspace. This forecast, of course, had not taken into account the impact of the pandemic.

Public Houses

- 3.62 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. In addition, 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. Conversely 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

- 3.63 Like other leisure sectors coffee shops have also grown rapidly. Allegra Research note that, in 1999 there were only 590 branded outlets but these have grown rapidly with the result that there were more than 7470 in the UK in 2017. These figures indicate an average growth of 15% per annum for 18 years and turnover growth has been very similar at 16% pa. Even through the GFC recession this sector recorded growth of 5-7% per annum – at a time when all retail sales were shrinking. Mintel estimate that expenditure in this sector was £3.4 bn in 2016 with growth between 2015 and 2016 at 10.4%. Mintel had forecast that the market will increase to £4.3 bn by 2022.
- 3.64 A key factor has been the growth of non-specialist coffee shops that is including café's as part of a larger operation for example in supermarkets, bookshops and in public houses – Allegra estimated that there are a further 10,000 of these outlets in the UK. It identifies that there is huge potential for coffee-sales growth in the public house sector suggesting that, of the 45,000 public houses in the UK only 7% serve "high street quality" coffee. The development of this is, for many pub operators, a key component of the diversification of the public house offer away from "wet-led" sales. Growth in these non-specialist outlets is expected to compete with branded coffee shops. Nonetheless Allegra consider that, by 2030 there will be more coffee shops than public houses
- 3.65 Despite these competitive pressures and, as seen with the restaurant sector, additional economic and labour issues challenging this sector, it does not appear that the market has yet reached saturation. Growth is likely to be lower than seen in the period 2000-2015 but there will be continuing demand for new coffee houses, in both primary and secondary locations.

Other Commercial Leisure

- 3.66 Cinemas. The total number of cinema screens has steadily increased, with growth of 24% between 2009 and 2020 (2.0% per annum). However, the total number of cinema sites has seen slower growth at 10% (0.9% pa) with a decline in provision during and following the 2008-2010 recession. The most rapid growth has occurred in the period 2014-2017. There are now, on average, 6.85 screens per 100,000 population (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).
- 3.67 Notwithstanding growth in numbers of screens, total attendances have remained generally flat since 2000 (declining per unit population) and, of course, the pandemic had dramatic impacts on attendances in 2020. The combination of these figures would suggest that the primary driver of growth is the provision of more screens but with reduced capacity per screen. This supports the continued growth of multiplexes but the total space required for each multiplex is less than previously.

Pandemic Impacts

- 3.68 The leisure sector was, probably, the hardest hit of all economic sectors as a result of social-distancing restrictions. In effect all commercial and public leisure venues were closed for 12 months from March 2020 and

many are currently affected by restrictions associated with the omicron-variant. As a result it is not possible to indicate how future demand and growth for this sector will resume. A critical factor will be to what extent certain venues were able to cope with the financial shock imposed by lockdown and, as a result, how many businesses are forced to close permanently. This is likely to affect public houses and restaurants/cafes the most because it was these sectors that were experiencing significant pressures prior to 2020.

- 3.69 For other sectors, however, the assumption is that growth will return and these, with the exception of food delivery, are unlikely to be affected by internet sales in that they key element of many of these activities is the personal interaction with other customers and/or venue staff. Therefore, in general terms commercial leisure activities are expected to demonstrate continued strong growth for the foreseeable future. The sector is highly imaginative and adapts to create new experiences for the public and this is a major reason for its sustained high rates of growth. As some types of activity peak (e.g. trampoline centres) others grow in replacement. However, the space requirements for these are very diverse – health clubs can be located successfully both within city centres and suburban areas, activities such as ten-pin bowling tend to favour larger, cheaper, sites outwith centres (freestanding, in leisure parks or associated with retail parks) and others, that require smaller units and high footfall are most successful in city and large town centres.

Implications for Future Retail and Leisure Development in Moray

Summary of Key Trends

Comparison Goods

- There remains 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; occupation of vacant retail warehouse units; and occupation of vacant town centre units.
- The bulky comparison goods sector remains strong and reflects, in part, “catch-up” investment by bulky retailers opening units in retail parks. The bulky goods sector (especially brown- and white-goods) is highly dependent on housing market activity. There are opportunities for new retailers but, for some, there 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.

Convenience Goods

- Development of major superstores has effectively stopped. Within these large stores attention has focussed on better use of the space available including the incorporation of non-retail uses within the stores. However, many supermarkets and superstores will become increasingly dated and there will be a need for refurbishment and further “right-sizing” of units. Superstores can, however, be developed where there are clear market gaps.
- 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.

- There are questions regarding the future of the medium-size supermarket traditionally including the Co-op, Tesco Metro and M&S Foodhalls. Whereas the Co-op continues to support this format (especially in Scotland, in rural communities) Tesco is currently rebranding its Metro stores as either Express or Superstores. For other operators including M&S and also Farmfoods, there has been a tendency to increase new store sizes – for M&S Foodhalls from 1500 sq m to greater than 2000 sq m GFA and for Farmfoods from 500-800 sq m GFA to greater than 1250 sq m GFA. Similarly, Iceland has established its larger Food Warehouse format. In certain markets there remain opportunities for new large supermarkets (ca. 3000 sq m GFA).

Clothing and Fashion

- The sector has been under considerable pressure over the past few years with mid-market retailers in particular struggling. 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.

Implications for Retail Locations

The Traditional “High Street”

- 3.70 There is a debate at the current time as to whether the prospects for traditional “High Street” locations is weak or strong. 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.
- 3.71 However, others argue these characteristics provided opportunities to act as a test-bed for new types of retail/service offer which cannot be provided in either retail parks or shopping malls. Vacant units can be attractive to independent entrepreneurs seeking to develop new formats/retail offers at low rent and often with easy-in easy-out terms. These new business will be small and independent and therefore less able to rely on internet based trading. There will, however, be a high level of failures with this approach with the result that there will be significant churn in occupiers. Many of the new businesses will not be for retail goods but provide a range of retail, leisure and business services or, reflecting the innovative nature of independents, provide a mix of retail and services challenging the traditional categorisation of units. The implication of this argument is that policies and strategies for town centres should support independent businesses, accept relatively high levels of vacancies and not seek to protect “prime frontages” against mixed retail/services uses.

Purpose Built Shopping Centres

- 3.72 Purpose built shopping centres appear to be 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. In this way the high level of vacancies seen in the St Giles Centre is typical of the problems of this type of location.

Retail Parks

- 3.73 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. 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

- 3.74 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 factor 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.
- 3.75 It is uncertain at present to what extent homeworking will be retained after the ending of all restrictions associated with the pandemic. The consensus appears to be that, although many will return to office-based working this may not be full-time and that the numbers of workers in town centres is likely to fall in favour of working from home. 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. There are also less tangible benefits in that, during the pandemic, consumers became more familiar with using local shops and businesses which could generate a degree of loyalty post pandemic. This would favour both local shops as well as local/suburban shopping locations.
- 3.76 There is no clear delineation as to the size that determines “local” floorspace. In Moray each of Buckie, Forres and Keith, as well as all smaller centres, are small when compared to other parts of the UK and each could benefit from the potential for greater trade directed to “local” centres.

Independent Traders

- 3.77 The ongoing and future role of independent businesses has been highlighted in the context of traditional town centres. Independents are also more likely to consider local and suburban locations for businesses which would not normally form part of a multiple operators’ portfolio.

Repurposing Retail Space

- 3.78 The general consensus of market commentaries is that, across the UK as a whole, there is a substantial oversupply of retail goods floorspace. This is not evenly distributed but appears to be most concentrated in mid-sized town centres and shopping centres/malls (especially in mid-sized centres) although in certain locations this may also include space within retail parks and local centres.

Leisure Sector Trends

- 3.79 The review of the commercial leisure sector shows that this sector, particularly that related to entertainment, eating and drinking out has been growing steadily subject to the profound impacts arising from the pandemic.
- 3.80 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. Much leisure spend would be directed to facilities within Moray, especially in Elgin town centre but for some of the newer formats this is more likely to be directed to the larger centres of Inverness and Aberdeen. Key trends include:
- Continuing demand from public house operators seeking food-led family-oriented pubs where there is a high profile, easy vehicle access and space for parking. The prospects for establishments that are too small to accommodate a food offering and continue to be “wet-led” is less positive and closures would be expected in this type of establishment. The new masterplan areas can provide opportunities for these developments.
 - The review has highlighted the diversity of other types of leisure/entertainment activity. For health clubs and gyms there is no clear view as to how far this sector will grow. In terms of location, gyms can be located both within city/district centres, retail parks, town/district centres and as stand-alone developments. They can, therefore, present an opportunity to take space in centres which was previously in retail use. The location of these uses within Elgin City Centre and each of the town centres will support the role of these centres within the wider community.
 - There is a myriad of other types of entertainment/leisure space. Many of these can occupy relatively small spaces (as little as 200-300 sq m) whereas others need, in effect, industrial sized units (1000 sq m or greater). This means that locational requirements will vary and some could be attracted to town centre locations whereas other uses (such as trampoline centres) may prefer to be located in mixed-use/industrial locations where rents for units will be much lower. Many of the competitive- socialising activities will require larger centres and markets than can be provided in Moray although the dynamic character of this industry could result in rapid changes in locational requirements. The location of these uses within the defined centres, especially Elgin City Centre, will also support the future role of these centres.

4 Retail & Leisure Provision in Moray

Introduction

4.1 This Section provides an overview of retail and services provision within Moray both as a whole and for each of the principal centres within Moray. The Section therefore provides the following:

- An overview of the distribution of retail and leisure floorspace and turnover (retail only) within the Council area as a whole.
- Identification of key changes in provision and turnover compared to that identified in 2008.
- Assessment of the network of centres within Moray.

Overall Distribution of Retail & Leisure Floorspace

4.2 Figure 4.1 provides a summary of retail floorspace and turnover, by principal retail goods category together with all retail, leisure and business services, for Moray. It also identifies the floorspace located in Elgin City Centre, the principal town centres, other smaller town centres, 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 2019 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 17).

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

- In total there is 201,500 sq m gross floor area of retail and retail/leisure/business uses within 943 units in Moray. Total retail space is 139,880 sq m (399 units) which is 69% of the total. Retail and other services account for 45,000 sq m GFA (in 435 units) and there are 109 vacant units totalling 16,600 sq m GFA. The estimated total retail turnover (retail goods shops only) is £502.7m.
- Retail and services are unevenly distributed within Moray with 59% of retail floorspace, 64% of retail turnover but only 34% of retail units located within Elgin.
- Elgin City Centre is the most important location for both retail and services within Moray. The City Centre has 38,600 sq m gross floor area for retail and a turnover of almost £155m accounting for 28% of floorspace and 31% of turnover within Moray. The City Centre is particularly important for general comparison retail accounting with 28,900 sq m GFA general comparison goods floorspace and turnover of £81.0m.
- However, although the total retail and services floorspace of the Edgar Road Commercial Centre area is only approximately half that of the City Centre the retail turnover of the Commercial centre is only slightly less than that of the City Centre (at £143m per annum for all goods).

Figure 4.1: Summary of Retail and Services Provision in Moray – 2021

		No.	Convenience			General Comparison			Bulky Goods			All Goods		
			GFA Sq M	NFA Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m	GFA Sq M	NFA Sq M	Total Turnover £m
1. Elgin														
Elgin City Centre	Retail	98	10293	6585	£62.38m	23895	14505	£80.48m	4443	3394	£12.01m	38632	24484	£154.87m
	Services	142										17460		
	Vacant	32										6546		
	TOTAL	272	10293	6585	£62.38m	23895	14505	£80.48m	4443	3394	£12.01m	62637	24484	£154.87m
Edgar Road Commercial Centre	Retail	18	7363	4524	£46.97m	13266	9085	£62.30m	9961	7255	£33.65m	30589	20864	£142.92m
	Services	2										706		
	Vacant	4										2533		
	TOTAL	24	7363	4524	£46.97m	13266	9085	£62.30m	9961	7255	£33.65m	33828	20864	£142.92m
Elgin Local Provision	Retail	21	2851	2029	£12.46m	1210	890	£2.22m	7970	6273	£7.92m	12030	7671	£22.61m
	Services	34										3017		
	Vacant	7										553		
	TOTAL	62	2851	2029	£12.46m	1210	890	£2.22m	7970	6273	£7.92m	15601	7671	£22.61m
TOTAL ELGIN	Retail	137	20507	13137	£121.8m	38370	24481	£145.0m	22373	16922	£53.6m	81251	53019	£320.4m
	Services	178										21183		
	Vacant	43										9632		
	TOTAL	358	20507	13137	£121.8m	38370	24481	£145.0m	22373	16922	£53.6m	112066	53019	£320.4m
2. Principal Towns														
Forres Town Centre	Retail	40	1840	1196	£6.62m	3204	2082	£5.53m	1251	938	£1.75m	6295	4217	£13.90m
	Services	47										4591		
	Vacant	12										1084		
	TOTAL	99	1840	1196	£6.62m	3204	2082	£5.53m	1251	938	£1.75m	11970	4217	£13.90m
Keith Town Centre	Retail	36	1497	973	£2.84m	2608	1695	£5.49m	1443	1082	£2.62m	5548	3751	£10.95m
	Services	37										3851		
	Vacant	12										1925		
	TOTAL	85	1497	973	£2.84m	2608	1695	£5.49m	1443	1082	£2.62m	11324	3751	£10.95m
Buckie Town Centre	Retail	39	3413	2406	£15.24m	4980	3344	£10.16m	1182	777	£1.43m	9575	6527	£26.84m
	Services	41										4693		
	Vacant	6										724		
	TOTAL	86	3413	2406	£15.24m	4980	3344	£10.16m	1182	777	£1.43m	14992	6527	£26.84m
Lossiemouth Town Centre	Retail	19	989	643	£3.97m	882	573	£1.61m	0	0	£0.00m	1871	1216	£5.58m
	Services	35										3404		
	Vacant	1										81		
	TOTAL	55	989	643	£3.97m	882	573	£1.61m	0	0	£0.00m	5356	1216	£5.58m
Principal Towns - Local	Retail	25	10604	7261	£66.65m	5625	3930	£18.60m	2649	1517	£1.83m	18618	12708	£87.08m
	Services	18										1163		
	Vacant	4										403		
	TOTAL	47	10604	7261	£66.65m	5625	3930	£18.60m	2649	1517	£1.83m	20183	12708	£87.08m
TOTAL PRINCIPAL TOWNS	Retail	159	18344	12480	£95.3m	17298	11625	£41.4m	6526	4314	£7.6m	41907	28419	£144.3m
	Services	178										17701		
	Vacant	35										4217		
	TOTAL	372	18344	12480	£95.3m	17298	11625	£41.4m	6526	4314	£7.6m	63825	28419	£144.3m
3. Other Towns														
Aberlour, Dufftown, Rothes, Fochabers,	Retail	41	2908	1890	£9.24m	1667	1084	£2.83m	260	169	£0.25m	4836	3143	£12.32m
	Services	44										2981		
	Vacant	9										522		
	TOTAL	94	2908	1890	£9.24m	1667	1084	£2.83m	260	169	£0.25m	8339	3143	£12.32m
4. Remaining Rural Provison	Retail	62	4815	3187	£12.86m	5513	3870	£11.82m	1692	704	£1.00m	11886	7673	£25.68m
	Services	35										3160		
	Vacant	22										2223		
	TOTAL	119	4815	3187	£12.86m	5513	3870	£11.82m	1692	704	£1.00m	17269	7673	£25.68m
TOTAL OTHER TOWNS AND RURAL	Retail	103	7723	5077	£22.10m	7181	4953	£14.65m	1952	873	£1.25m	16722	10817	£38.00m
	Services	79										6141		
	Vacant	31										2744		
	TOTAL	213	7723	5077	£22.10m	7181	4953	£14.65m	1952	873	£1.25m	25608	10817	£38.00m
TOTAL MORAY	Retail	399	46575	30694	£239.23m	62849	41059	£201.05m	30851	22109	£62.46m	139880	92254	£502.74m
	Services	435										45025		
	Vacant	109										16593		
	TOTAL	943	46575	30694	£239.23m	62849	41059	£201.05m	30851	22109	£62.46m	201498	92254	£502.74m

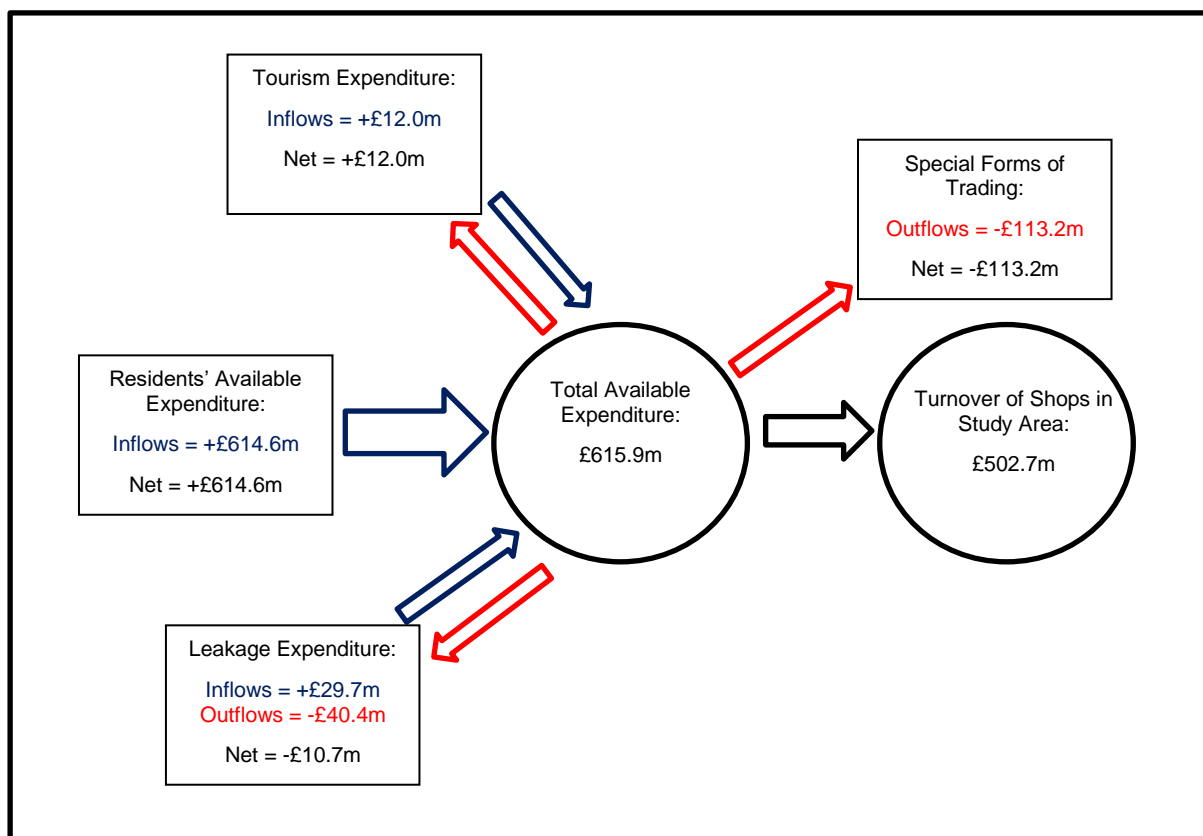
- Both Elgin City Centre and the Edgar Road Commercial Area are considerably larger than the next largest centre which is Buckie. Buckie, although the largest of the other town centres, has only 9575 sq m gross retail floor area and turnover of £26.8m. In terms of turnover Buckie is approximately double the size of Forres and Keith town centres.
- Each of Forres, Keith and Buckie have significant retail floorspace located outwith the defined town centres – reflecting the presence of out-of-centre foodstores.
- Remaining provision is distributed between smaller towns, notably those in Speyside. Lossiemouth and Fochabers as well as rural provision.

4.4 Further commentary on the characteristics of retail provision is set out in the review of settlements later in this Section.

Expenditure Flows

4.5 The Strategic Retail Model identifies expenditure flows into and out of Moray. This is summarised in Figure 4.2.

Figure 4.2: Moray Council – Retail Expenditure Flows and Turnover 2021 (2019 prices)



- 4.6 Figure 4.2 shows that, in general, levels of expenditure inflow from tourists and net outflows of expenditure to other towns and cities (primarily Inverness and Aberdeen) are relatively modest when compared to the expenditure generated by Moray residents and retained within the Council area. However, expenditure directed to special forms of trading, primarily through the internet, is significant and comprises approximately 15% of total expenditure generated by Moray residents. As noted in Section 3 above this proportion is expected to increase significantly up to 2035.

Changes since 2008

- 4.7 Figure 4.3 sets out a comparison between available expenditure, turnover and floorspace for Moray as a whole with data taken from the 2008 cumulative retail impact assessment undertaken for Moray Council. This shows that available expenditure and turnover for convenience goods has, in effect, not changed since 2008 whereas expenditure and turnover for general comparison and bulky goods has grown significantly within Moray despite a net loss in total floorspace identified.

Figure 4.3: Expenditure, Turnover and Floorspace Changes – Moray Council 2008-2021

Total Available Expenditure £m (2019 prices)									
	2008			2021			Change 08-21		
	Net SFT	SFT	Total	Net SFT	SFT	Total	Net SFT	SFT	Total
Convenience	£224.5	£17.6	£242.1	£232.0	£15.6	£247.6	3%	-11%	2%
General Comparison	£166.6	£18.8	£184.4	£204.0	£73.9	£277.9	22%	293%	51%
Bulky Goods	£55.0	£9.1	£64.1	£65.4	£23.7	£89.1	19%	160%	39%
Total							12%	149%	25%
Turnover £m (2019 prices)									
Convenience	£230.8			£239.2			4%		
General Comparison	£106.0			£201.0			90%		
Bulky Goods	£36.3			£62.5			72%		
Total							35%		
Gross Floorspace (sq m)									
Convenience	50,346			46,575			-7%		
General Comparison	65,378			62,849			-4%		
Bulky Goods	25,808			30,851			+20%		
<i>Total Goods</i>	141,531			139,880			-1%		
Retail etc Services	n/a			45,025					
Vacant	n/a			16,593					

Nb: 2008 estimates of SFT convenience spend do not adjust for purchases made through stores

- 4.8 Figure 4.3 does not identify changes that have occurred in different locations within Moray – this is set out in the review of the town centres set out below.

Network of Centres

4.9 Both the current Scottish Planning Policy and also the draft NPF4 require the identification of a network of centres within a planning authority area and explain how these centres can complement each other. SPP identifies that town centres should be those centres which 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 well-being of communities;
- wider economic and social activity during the day and in the evening; and
- integration with residential areas

4.10 This advice is not provided in the draft NPF4, instead it notes that LDPs should support sustainable futures for city, town and local centres and identify a network of centres and that *“this should reflect the principles of 20 minute neighbourhoods and town centre vision”*

4.11 According to the SPP Commercial Centres are *“those centres 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 Moray

4.12 There are a number of characteristics of retail locations that will assist in determining the function of the centre and, from this, identification of its classification and role within the network of centres. These 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.

4.13 Some of these factors have been summarised in Figure 4.1 for the principal centres. 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. Figure 4.5 illustrates the relationship between size of centre (numbers of units) and turnover for all significant retail locations within the study area (i.e. including centres serving principal villages and local centres within Elgin, but excluding free standing stores). However, due to the fact that there are a number of locations that have a similar but low levels of turnover, Figure 4.6 presents the same information but identifying the log of turnover (expressed in £millions – therefore a turnover of £1 million has a log measure of 0.0 and centres with a retail turnover of less than £1 million have a negative log value). This second figures allows easier distinction between smaller retail locations. In total both figures identify 24 retail locations within Moray and allow the identification of distinct groups of centres as:

- City/Regional Centre – Elgin City Centre has a large selection of retail and service units and a high turnover.
- Commercial Centre – Edgar Road has only a limited range of retail/retail service units located within the two retail parks and elsewhere on Edgar Road but has a high turnover – nearly as high as the City Centre.
- Town Centres – these have a good range of shops/services but significantly lower turnover.
- Village and Local Centres (within Elgin only) – these are small centres that provide a limited range of retail shops and services with low turnover.
- Other locations – these have only a very limited retail/service offer and turnover which are not considered sufficient to justify identification as a village or local centre.

Figure 4.4: Retail & Service Locations in Moray: No of units by Turnover (£m)

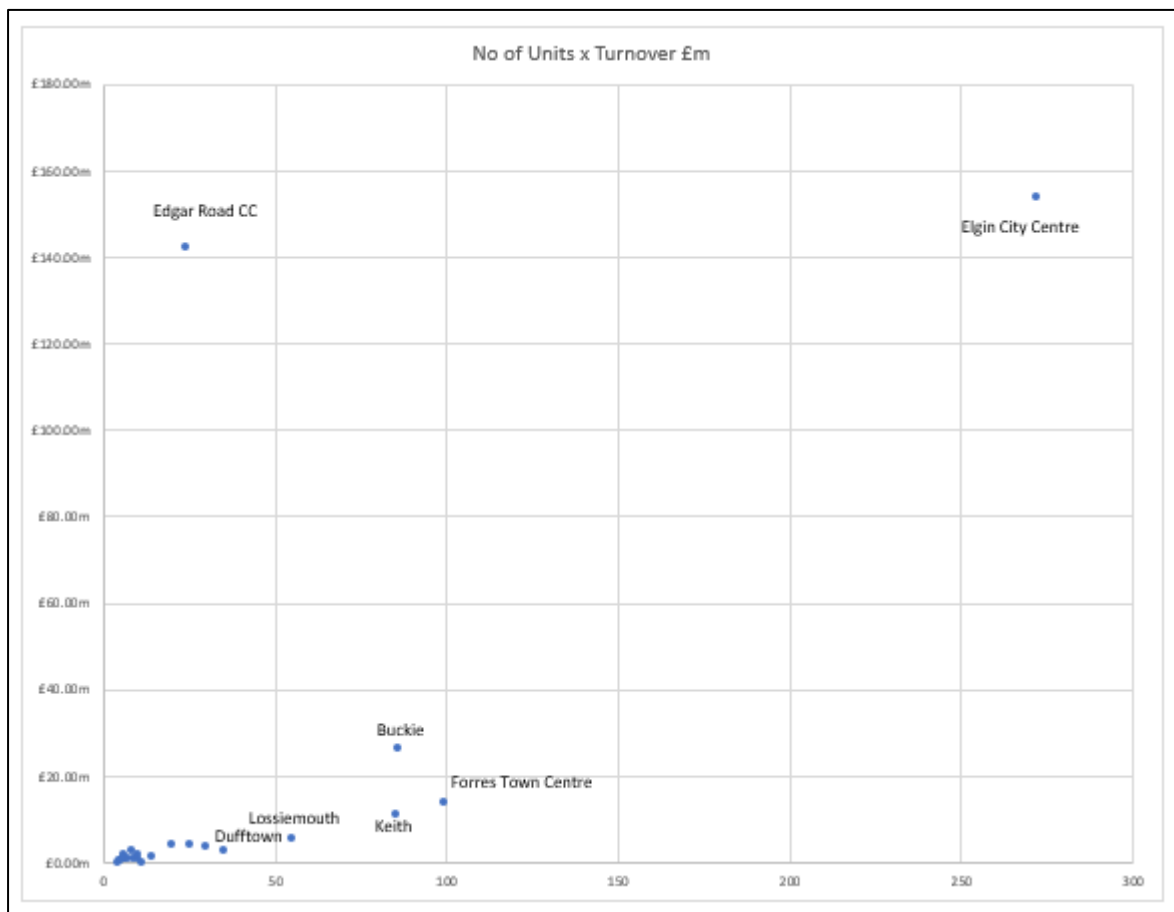
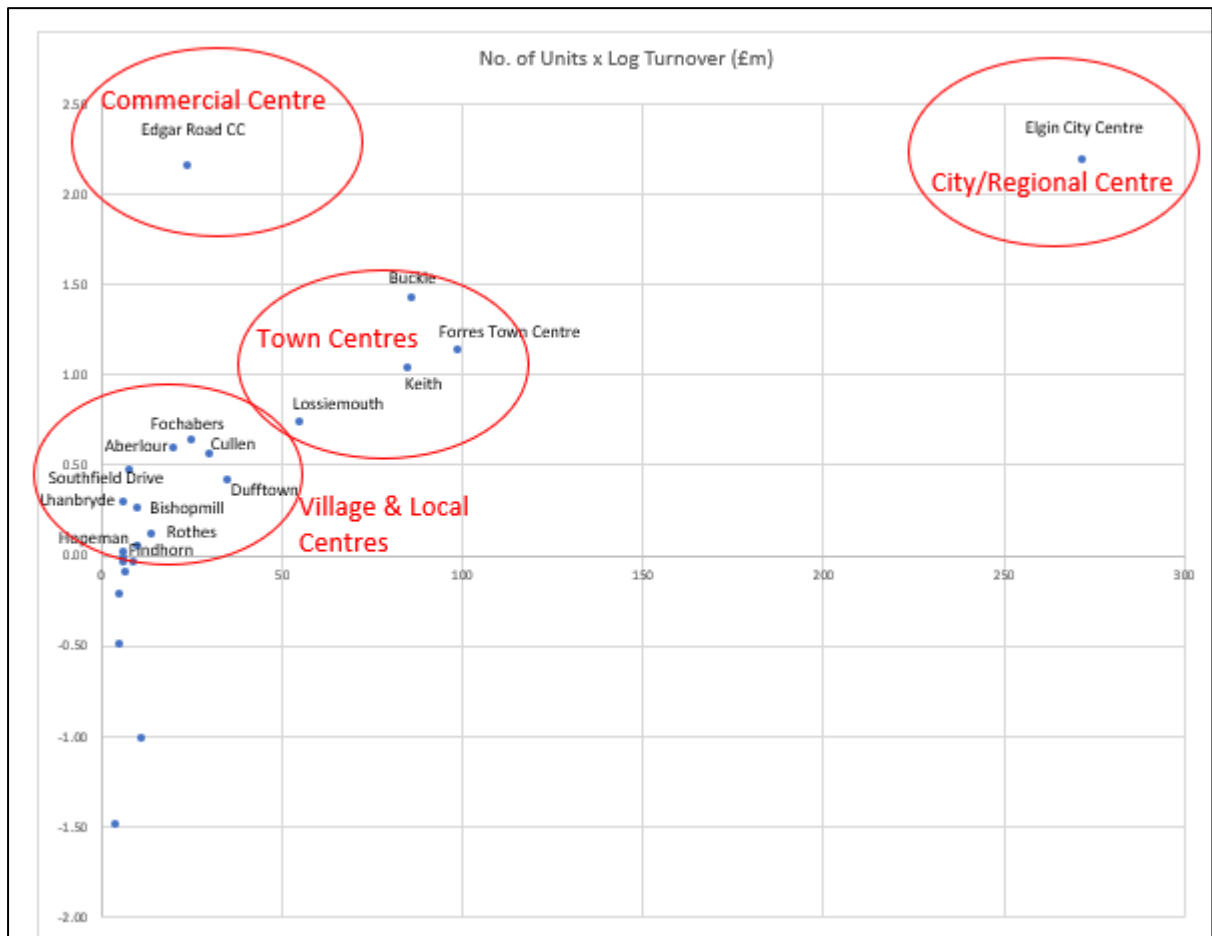


Figure 4.5: Retail & Service Locations in Moray: No of units by Turnover (Log of £m)**Proposed Network of Centres**

- 4.14 Based on the analysis of retail/service locations Figure 4.6 sets out the proposed network of centres for Moray together with a summary of the function and role of each category.

Figure 4.6: Proposed Network of Centres

Category of Centre	Function/Role of Centre	Locations
<i>Regional Centre</i>	<p><i>Principal retail location for Moray.</i></p> <p><i>Provides wide range of retail, retail service and non-retail public and commercial services and facilities.</i></p> <p><i>Provides a focus for the Elgin- and Moray-wide community and as a focus for transport.</i></p>	<i>Elgin City Centre</i>
<i>Town Centres</i>	<p><i>Provide a wide range of retail, retail service and non-retail public and commercial services and facilities.</i></p> <p><i>Provide a focus for the local community (town and immediate rural hinterland) and for local transport networks.</i></p>	<i>Buckie; Forres, Keith & Lossiemouth</i>
<i>Local and Village Centres</i>	<i>Provide a limited range of retail facilities and other services/facilities – primarily meeting some of the day-to-day needs of the local community.</i>	<p><i>Elgin Local Centres: Bishopmill; Southfield Drive</i></p> <p><i>Keith: Regent Street (see recommendations in Section 6)</i></p> <p><i>Village Centres: Aberlour; Cullen; Dufftown; Findhorn; Fochabers; Hopeman; Lhanbryde; Rothes</i></p>
<i>Commercial Centre</i>	<i>Retail developments (either purpose built or well-defined groups of separate units) that serve one or more specific retail market sectors with relative wide catchment areas.</i>	<i>Edgar Road (comprising the Elgin & Springfield Retail Parks and adjoining areas)</i>

Addressing Retail and Leisure Deficiencies

4.15 The SRM allows analysis to be undertaken to identify potential existing and future retail deficiencies. This includes the following:

- Comparing available expenditure within defined zones with both the forecast actual turnover and notional average turnover of floorspace within the defined Zone.
- Undertaking a similar analysis but allowing for the potential to increase expenditure retention and/or increase net inflows of expenditure.
- 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.

4.16 In addition, reference can be made to the operation of the commercial retail and leisure markets although, as noted in Section 3, market considerations are generally dominated by short-term concerns which, at the current

time, are dominated by the impact of Covid-19. The emerging draft LDP is concerned with making provision for and providing a policy framework for the period to 2035 and, as a result of this, the primary focus is with non-market factors in this assessment. 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.

Retail Deficiencies and Capacity

- 4.17 It is important to recognise that the use of conventional retail capacity-type calculations (which compare forecast expenditure growth and notional average turnover to calculate the “capacity” for additional floorspace) present a wide range of methodological difficulties to the extent that their value for identifying a quantum for floorspace requirements has limited value. Indeed, as noted in Section 3, 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. Nonetheless, 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 Moray-wide) can assist in providing an *indicative* quantitative basis for assessing the general level of retail deficiencies (or surplus) within the study area.

Comparison of Expenditure and Notional Average Turnover

- 4.18 The SRM provides forecasts of future available expenditure for Moray 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 densities can be compared. At the present time there are no significant retail proposals that are identified as retail “commitments” (i.e. unimplemented consented retail floorspace).
- 4.19 Two assessments have been undertaken. Figure 4.6 sets out a “simplified” analysis which compares forecast available expenditure (net of SFT) with notional average turnover. The following scenario combinations are tested for each retail goods category:
- B1. Precisely Oct 2021 expenditure/SFT forecasts with two, alternative, assumptions regarding sales density changes:
 - C1. No change on average sales densities
 - C2. Change in sales densities identified in Experian RPBN18 (precisely do not produce forecasts of sales densities)
 - B2. Experian RPBN expenditure/SFT forecasts with the same two alternative assumptions regarding sales densities changes (C1 and C2).
- 4.20 Figure 4.7 sets out the same analysis for individual Zones, and groups of Zones, for the central forecast (B2, C2). Comment on the highlighted zones is provided below.

Figure 4.6: Quantitative Retail Deficiencies – Simplified Analysis

SECTOR: CONVENIENCE		Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2021	2025	2030	2035	2021	2025	2030	2035	2021	2025	2030	2035
B1. Precisely Oct 2021 Forecasts (2019 based)	C1. No change	£237.9	£228.0	£233.5	£239.9	£270.6	£270.6	£270.6	£270.6	-£32.7m	-£42.7m	-£37.1m	-£30.7m
	C2. Increase sales densities by Experian Nov 2020	£237.9	£228.0	£233.5	£239.9	£270.6	£270.8	£272.4	£275.1	-£32.7m	-£42.9m	-£38.9m	-£35.2m
B2. Experian Feb 2022 Forecasts RPN 19	C1. No change	£232.0	£227.1	£225.7	£224.7	£270.6	£270.6	£270.6	£270.6	-£38.7m	-£43.6m	-£45.0m	-£45.9m
	C2. Increase sales densities by Experian Nov 2020	£232.0	£227.1	£225.7	£224.7	£270.6	£270.8	£272.4	£275.1	-£38.7m	-£43.8m	-£46.7m	-£50.4m
SECTOR: GENERAL COMPARISON		Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2021	2025	2030	2035	2021	2025	2030	2035	2021	2025	2030	2035
B1. Precisely Oct 2021 Forecasts (2019 based)	C1. No change	£183.9	£200.8	£209.4	£224.2	£202.8	£202.8	£202.8	£202.8	-£18.9m	-£2.1m	£6.6	£21.4
	C2. Increase sales densities by Experian Nov 2020	£183.9	£200.8	£209.4	£224.2	£202.8	£220.5	£243.2	£267.3	-£18.9m	-£19.7m	-£33.8m	-£43.1m
B2. Experian Feb 2022 Forecasts RPN 19	C1. No change	£204.0	£227.7	£253.1	£285.0	£202.8	£202.8	£202.8	£202.8	£1.1	£24.8	£50.3	£82.1
	C2. Increase sales densities by Experian Nov 2020	£204.0	£227.7	£253.1	£285.0	£202.8	£220.5	£243.2	£267.3	£1.1	£7.2	£9.9	£17.6
SECTOR: BULKY GOODS		Available Expenditure				Average Turnover				Notional Capacity			
Growth Scenario	Sales Density Scenario	2021	2025	2030	2035	2021	2025	2030	2035	2021	2025	2030	2035
B1. Precisely Oct 2021 Forecasts (2019 based)	C1. No change	£55.77	£60.86	£63.27	£67.61	£53.71	£53.71	£53.71	£53.71	£2.06	£7.15	£9.56	£13.90
	C2. Increase sales densities by Experian Nov 2020	£55.77	£60.86	£63.27	£67.61	£53.71	£58.38	£64.39	£70.78	£2.06	£2.48	-£1.12m	-£3.17m
B2. Experian Feb 2022 Forecasts RPN 19	C1. No change	£65.38	£72.95	£81.15	£91.41	£53.71	£53.71	£53.71	£53.71	£11.67	£19.24	£27.44	£37.70
	C2. Increase sales densities by Experian Nov 2020	£65.38	£72.95	£81.15	£91.41	£53.71	£58.38	£64.39	£70.78	£11.67	£14.57	£16.76	£20.63

Figure 4.7: Quantitative Retail Deficiencies: Simplified Analysis by Zones

ANALYSIS FOR STUDY ZONES (Zone figures exclude tourism expend)		Available Expenditure				Average Turnover				Notional Capacity			
Current Position Re Zones: Experian Assumptions (B2C2) - Excl Tourism		2021	2025	2030	2035	2021	2025	2030	2035	2021	2025	2030	2035
ZONE 1	Conv	£54.52	£54.83	£55.22	£56.32	£132.43	£132.60	£133.46	£134.86	-£77.91m	-£77.76m	-£78.24m	-£78.54m
	G Comp	£46.71	£53.55	£60.36	£69.64	£137.89	£149.89	£165.33	£181.74	-£91.18m	-£96.33m	-£104.97m	-£112.09m
	BG	£15.59	£17.87	£20.14	£23.24	£45.64	£49.61	£54.72	£60.15	-£30.05m	-£31.74m	-£34.58m	-£36.91m
ZONE 2	Conv	£32.82	£31.60	£30.55	£29.62	£3.17	£3.17	£3.18	£3.21	£29.66	£28.43	£27.36	£26.40
	G Comp	£32.39	£35.54	£38.45	£42.18	£0.77	£0.84	£0.92	£1.01	£31.62	£34.71	£37.53	£41.16
	BG	£8.93	£9.81	£10.61	£11.63	£0.11	£0.12	£0.13	£0.14	£8.83	£9.69	£10.48	£11.49
ZONE 3	Conv	£41.16	£40.49	£41.55	£42.20	£44.86	£44.86	£45.09	£45.50	-£3.70m	-£4.37m	-£3.54m	-£3.30m
	G Comp	£36.77	£41.24	£47.36	£54.42	£25.06	£27.24	£30.04	£33.03	£11.72	£14.00	£17.32	£21.39
	BG	£11.30	£12.67	£14.55	£16.72	£3.94	£4.29	£4.73	£5.20	£7.36	£8.39	£9.83	£11.53
ZONE 4	Conv	£18.50	£17.73	£17.51	£17.23	£9.75	£9.75	£9.80	£9.88	£8.75	£7.99	£7.72	£7.35
	G Comp	£16.03	£17.52	£19.36	£21.55	£1.87	£2.03	£2.24	£2.47	£14.15	£15.48	£17.12	£19.08
	BG	£5.33	£5.83	£6.44	£7.17	£0.06	£0.07	£0.08	£0.08	£5.27	£5.76	£6.37	£7.09
ZONE 5	Conv	£18.96	£18.40	£17.96	£17.52	£9.26	£9.26	£9.31	£9.39	£9.70	£9.14	£8.65	£8.13
	G Comp	£15.54	£17.20	£18.78	£20.73	£1.85	£2.02	£2.22	£2.44	£13.69	£15.18	£16.56	£18.28
	BG	£5.46	£6.05	£6.60	£7.29	£0.25	£0.28	£0.30	£0.33	£5.21	£5.77	£6.30	£6.95
ZONE 6	Conv	£18.24	£17.48	£16.84	£16.28	£25.97	£26.00	£26.17	£26.44	-£7.73m	-£8.52m	-£9.33m	-£10.16m
	G Comp	£14.68	£16.05	£17.29	£18.91	£14.98	£16.29	£17.96	£19.75	-£0.30m	-£0.24m	-£0.67m	-£0.83m
	BG	£5.16	£5.64	£6.08	£6.65	£1.89	£2.06	£2.27	£2.50	£3.27	£3.58	£3.81	£4.15
ZONE 7	Conv	£35.88	£34.72	£34.55	£34.31	£40.93	£40.93	£41.13	£41.50	-£5.04m	-£6.21m	-£6.58m	-£7.19m
	G Comp	£27.97	£30.85	£34.36	£38.60	£18.94	£20.59	£22.71	£24.96	£9.03	£10.26	£11.65	£13.63
	BG	£10.40	£11.47	£12.77	£14.35	£1.39	£1.51	£1.67	£1.83	£9.01	£9.95	£11.10	£12.51
ZONE 8	Conv	£11.91	£11.80	£11.51	£11.24	£4.28	£4.28	£4.30	£4.34	£7.63	£7.53	£7.21	£6.91
	G Comp	£13.90	£15.71	£17.14	£18.94	£1.48	£1.61	£1.77	£1.95	£12.42	£14.10	£15.36	£16.99
	BG	£3.20	£3.62	£3.94	£4.36	£0.00	£0.00	£0.00	£0.00	£3.20	£3.62	£3.94	£4.36
ZONE 1+2+4	Conv	£105.84	£104.16	£103.29	£103.17	£145.35	£145.51	£146.44	£147.95	-£39.50m	-£41.35m	-£43.15m	-£44.78m
	G Comp	£95.13	£106.61	£118.18	£133.37	£140.53	£152.76	£168.50	£185.22	-£45.40m	-£46.14m	-£50.32m	-£51.85m
	BG	£29.86	£33.51	£37.20	£42.05	£45.81	£49.79	£54.93	£60.38	-£15.95m	-£16.29m	-£17.73m	-£18.33m
ZONE 1+2+4+5	Conv	£124.80	£122.57	£121.24	£120.69	£154.61	£154.77	£155.74	£157.34	-£29.81m	-£32.20m	-£34.50m	-£36.66m
	G Comp	£110.67	£123.81	£136.96	£154.09	£142.38	£154.77	£170.72	£187.66	-£31.72m	-£30.96m	-£33.76m	-£33.57m
	BG	£35.32	£39.55	£43.80	£49.33	£46.06	£50.07	£55.23	£60.71	-£10.74m	-£10.52m	-£11.43m	-£11.38m
ZONE 1+2+4+5+8	Conv	£136.71	£134.37	£132.75	£131.93	£158.88	£159.05	£160.04	£161.68	-£22.18m	-£24.68m	-£27.29m	-£29.75m
	G Comp	£124.57	£139.52	£154.10	£173.03	£143.86	£156.38	£172.49	£189.61	-£19.30m	-£16.86m	-£18.39m	-£16.58m
	BG	£38.52	£43.17	£47.74	£53.69	£46.06	£50.07	£55.23	£60.71	-£7.54m	-£6.90m	-£7.49m	-£7.02m

4.21 Figure 4.6 identifies that, whichever forecast scenario is adopted, for Moray as a whole there is no quantitative retail deficiency by 2035 for convenience goods. The situation is different for both general comparison and bulky goods:

- For general comparison there is very wide diversion in the assessments such that, by 2035, scenario B2C1 identifies a substantial quantitative deficiency whereas B1C2 identifies that there remains a significant excess of existing floorspace (at average sales densities) compared to available expenditure.
- For Bulky Goods all scenarios identify a quantitative retail deficiency up to 2030 and three for the period to 2035. Again there is wide variation in the level of deficiency identified, particularly in the later years of assessment.

4.22 **General Comparison and Bulky Goods.** The wide variation in forecasts, especially for comparison goods, reflects the enormous uncertainty in future expenditure for these goods and, as a result of this, it is considered that only limited weight can be given to the forecasts for 2030 and 2035.

4.23 Figure 4.7 identifies the deficit or surplus of expenditure compared to notional average turnover for each Zone. Given the concentration of retail floorspace within Elgin (in each of the City Centre, Edgar Road area and also elsewhere within Elgin) the Figure identifies a large deficit of expenditure within Zone 1 whereas for all other zones there is a notional surplus of expenditure. Nonetheless, at a Moray-wide level of analysis, there is a clear implication that there is, and will continue to be, a significant quantitative retail deficiency for both general comparison and bulky goods within Moray. The analysis provided in both Section 3 has identified that, from a market perspective, any demand for additional comparison floorspace is most likely to be directed to Elgin rather than to other towns or locations within Moray.

4.24 **Convenience Goods.** The position for convenience goods differs from that of comparison goods. Figure 4.6 identifies an overall deficit of expenditure compared to average turnover yet Figure 6.2 shows that this is not evenly spread across the model zones. This shows that there is a very large deficit of expenditure in Elgin (Zone 1) but a surplus of expenditure (floorspace deficiency) in the surrounding rural areas (Zones 2, 4, 5 and 8). In effect this is demonstrating the wide catchment area for both Elgin City Centre and Edgar Road extending well beyond the City into nearby rural areas (this is demonstrated in Figures 5.8 and 5.44 below). For this reason Figure 4.7 also examines various combinations of rural zones with Zone 1 – this shows that, when one considers the catchment areas of the large Elgin foodstores there remains an expenditure deficit (i.e. surplus of existing floorspace) throughout the study period.

4.25 The conclusion from this is that, using this analysis, there is no quantitative retail deficiency for convenience goods within Moray as a whole or for any individual part of Moray.

Analysis Allowing for Changes in Expenditure Flows

4.26 The analysis in Figures 4.6 and 4.7 assumes there is no change in expenditure inflows or leakage from Moray. As such it can be criticised in that it assumes conditions remain static which is highly unlikely given the nature of change within retailing. One alternative approach is 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 approach requires a disaggregation of expenditure identifying outflows and inflows of expenditure for goods categories. This information is available from the SRM. The calculation of quantitative retail deficiencies using this type of approach is provided in Figure 4.8. The key difference in this approach is that, at steps (d) and (e) in

Figure 4.8 it has been assumed that there will be opportunities to reduce leakage and increase inflows of expenditure. It should be stressed that there is no basis from the SRM as to the extent to which these expenditure flows can be altered.

4.27 Figure 4.8 only considers the position for Moray as a whole using the central forecast adopted for the SRM (B2C2). This analysis identifies:

- Convenience goods: for Moray as a whole, even with the optimistic scenario, there is no quantitative retail deficiency even up to 2035.
- General Comparison Goods: there is a significant quantitative retail deficiency for all time periods up to 2035 for both the low and high forecasts.
- Bulky Comparison Goods: there is a significant quantitative retail deficiency for all time periods up to 2035 for both the low and high forecasts.

4.28 This, modified approach to assessing retail deficiencies, confirms the findings of the simplified assessment considered above.

Qualitative Deficiencies

4.29 Access to retail and leisure facilities can be considered to be an important factor in assessing the presence of qualitative deficiencies. For convenience goods 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. The diversity of both the comparison goods and leisure sectors renders it more 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 consider acceptable levels of accessibility – in Moray most principal communities have direct access by public transport to Elgin although there will be many that consider the level of public transport provision to be insufficient and that rural areas may not have good accessibility to the full range of retail and leisure (and other) facilities and services. Recognising these limitations the following should be noted:

- Within Elgin as a whole there is a wide choice of retail and leisure facilities including located within the City Centre and within the Edgar Road area. Public leisure facilities are also available within/on the edge of the urban area.
- For convenience goods all principal subsectors are present within Elgin and, for most, there is a choice of more than one retailer for each category.
- Outwith Elgin in the principal towns of Buckie, Forres and Keith each town has one principal supermarket (all operated by Tesco), smaller stores operated by the Co-op and other and Buckie and Forres have discount foodstores.
- For these principal towns the range of comparison goods shops is more limited although most day-to-day needs for comparison goods are available within each town. The offer in Keith is, however, more restricted than for Buckie or Forres. Each town has a limited range of commercial leisure facilities (notably for eating/drinking-out and health & beauty).

Figure 4.8: Quantitative Retail Deficiencies – Modified Analysis (RMA Approach)

	2021			2025			2030			2035		
	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG
Resident's Expenditure Potential	£232.0	£204.0	£65.4	£227.1	£227.7	£72.9	£225.7	£253.1	£81.1	£224.7	£285.0	£91.4
Add inflows (incl tourists)	£14.1	£23.5	£4.1	£14.0	£25.6	£4.5	£14.0	£27.8	£4.8	£14.2	£30.5	£5.3
	6.1%	11.5%	6.2%	6.2%	11.2%	6.1%	6.2%	11.0%	6.0%	6.3%	10.7%	5.8%
Less Outflows	-£6.9m	-£26.5m	-£7.0m	-£6.7m	-£35.2m	-£8.7m	-£6.8m	-£46.8m	-£11.0m	-£6.8m	-£60.9m	-£13.8m
	-3.0%	-13.0%	-10.6%	-3.0%	-15.5%	-11.9%	-3.0%	-18.5%	-13.5%	-3.0%	-21.4%	-15.1%
Retained Expenditure (turnover)	£239.2	£201.0	£62.5	£234.3	£218.0	£68.7	£233.0	£234.1	£75.0	£232.1	£254.6	£83.0

	2021-2025			2021-2030			2021-2035		
	Conv	G Comp	BG	Conv	G Comp	BG	Conv	G Comp	BG
(a) Current under (-) or over-(+) trading	-£31.4m	-£1.8m	£8.8	-£31.4m	-£1.8m	£8.8	-£31.4m	-£1.8m	£8.8
(b) Growth in retained expenditure	-£4.9m	£16.9	£6.2	-£6.3m	£33.0	£12.5	-£7.2m	£53.5	£20.5
(c) Less Planning Commitments									
Low Estimate	-£36.3m	£15.1	£15.0	-£37.7m	£31.2	£21.3	-£38.6m	£51.7	£29.2
(d) Add Potential to reduce outflow									
Assume Clawback of Leakage									
30% conv; 15% GC & BG	£2.0	£5.3	£1.3	£2.0	£7.0	£1.6	£2.0	£9.1	£2.1
(e) Add: potential to increase inflow									
20% conv; 5% GC & BG	£2.8	£10.1	£3.1	£2.8	£10.9	£3.4	£2.8	£11.7	£3.7
High Estimate	-£31.5m	£30.5	£19.4	-£32.8m	£49.2	£26.3	-£33.7m	£72.6	£35.0

- In smaller settlements, the range and choice for convenience, comparison and leisure is more restricted. This reflects the smaller settlements and markets that are served. In the following settlements it is considered that the principal deficiency concerns the lack of small supermarket/large convenience format store: Aberlour; Dufftown; Fochabers; and Rothes. Larger stores are not expected to be supported by the market areas served by these settlements.

Market Potential

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

- For many multiple retailers the review of the existing portfolio could result in closures, especially in mid-sized centres such as Elgin 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, particularly nationally.

4.31 These, relatively short-term, market considerations would diverge from the quantitative retail deficiency assessment set out above. The implication is that, generally, there is likely to be *reduced* demand for space within Elgin City Centre but, potentially, increased demand for space at Edgar Road and also, other out-of-centre locations such as along the A96. In general there is likely to be limited change in provision in the other town centres with comparison retail primarily serving local markets.

4.32 *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 Moray market at a prime location in Elgin. This is, however unlikely given the limited overall size of the market and the established presence of both ASDA and Tesco. Each of the remaining towns has well established supermarkets and also discounters (Forres and Buckie). The limited size of these local markets would indicate that new entrants are unlikely. Similarly, although there is limited provision in the smaller towns and villages (notably Lossiemouth, Fochabers and Speyside) markets are limited. The greatest potential is for an operator such as the Co-op looking at developing stores in the region of 500-1000 sq m GFA size in place of existing smaller stores. A further key factor is pressure from existing foodstore operators that see existing units as constrained (e.g. from limited parking) who would have aspirations to relocate to provide modern foodstores typically in easily accessible out-of-centre locations, For example M&S Food have published that their store requirements include a new store for Elgin with a preference for edge of centre or out of town.

4.33 *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 Elgin City Centre and the other principal town centres within Moray. Tourism is also strong which should support requirements throughout Moray, particularly in the towns and Speyside. Leisure and tourism has the potential to take space released by retail units closing in centres.

Conclusions

4.34 The conclusions from the analysis of deficiencies are:

Convenience Goods

- At the Moray level of analysis no quantitative nor qualitative retail deficiency is identifiable.
- For individual towns/zones the principal quantitative deficiencies identified concerned the Speyside towns/villages, Lossiemouth and Fochabers. However, each of these areas is within the catchment area for the superstores located in Elgin.
- Qualitative retail deficiencies in terms of lack of small supermarket/large convenience-format store are identified for Aberlour, Dufftown, Fochabers and Rothes.
- It is noted that there could be possible requirements for operators not present within Moray to seek locations in Elgin although this is considered unlikely. More significant could be from existing operators with what are considered to be suboptimal units to relocate to more commercially attractive units.

Comparison Goods

- At the Moray level and for individual towns significant quantitative retail deficiencies are identified although the scale identified varies considerably according to which growth scenario is considered. As a result caution is required when considering the scale of deficiencies identified for 2030-35.
- However, market demand is unlikely to support the scale of deficiency identified. Current trends indicate that, rather than increase demand for space within Elgin town centre, multiple retailers are more likely to reduce space occupied.
- In the other principal town centres there is low likelihood of any significant change in comparison space provision.

Leisure Space

- In the long term demand for commercial leisure space is expected to grow significantly in both Elgin City Centre, other locations in Elgin (out-of-centre) and in the other principal towns. 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 Elgin City Centre.
- There is also the significant potential for additional leisure space to serve the long term growth of tourism throughout Moray including the principal towns and Speyside area.

5 Review of Centres

Introduction

5.1 This section provides a review of each of the principal city, town and commercial centres within Moray. It sets out:

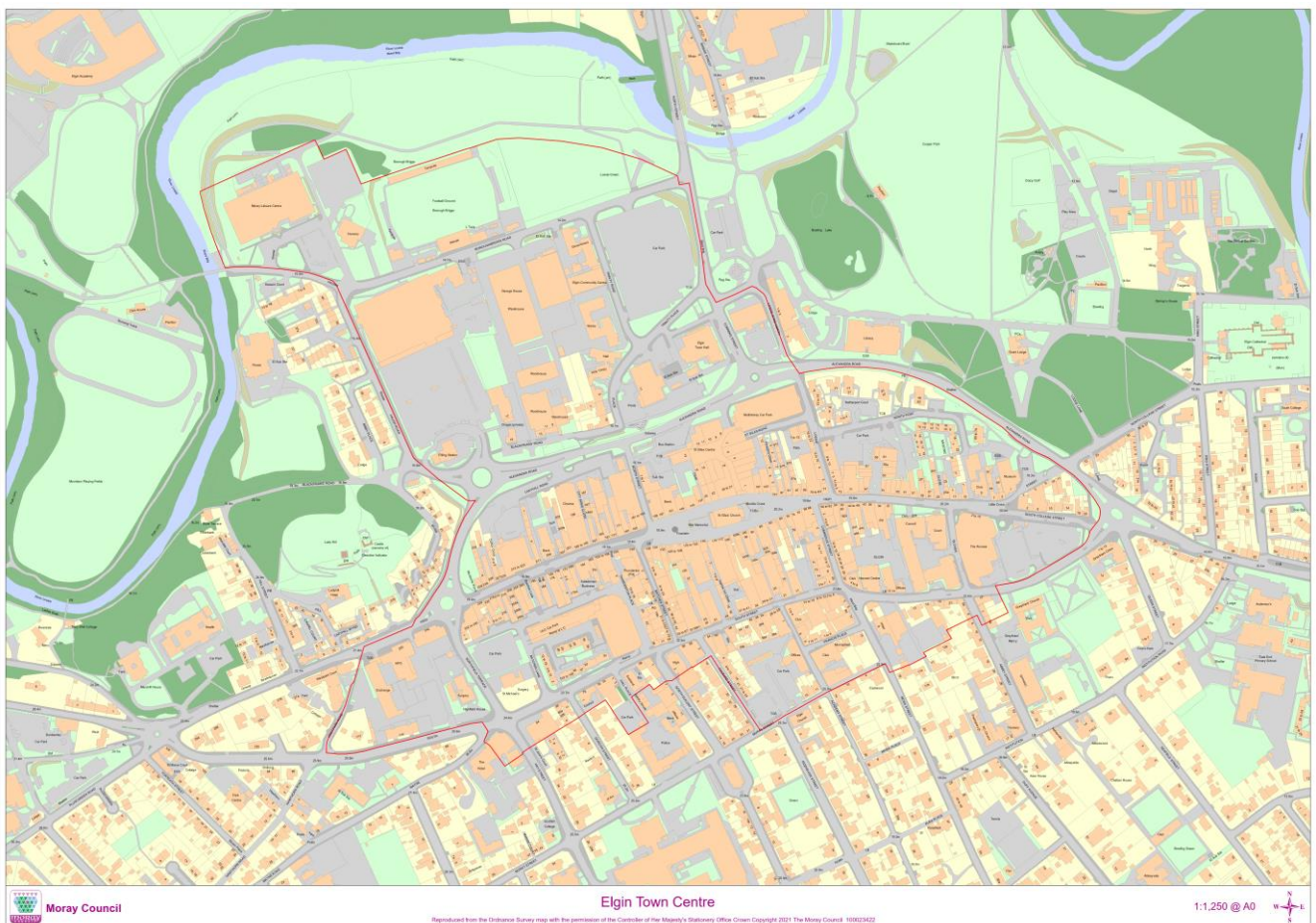
- A description of the land use, floorspace and retail turnover.
- A town centre health check including identification of changes over time.
- An overview of the catchment area and market penetration of each centre for principal categories of retail goods.
- Forecasts of future turnover for these goods categories based on different model scenarios.

Elgin City Centre: Space in Use and Health Check

Definition of City Centre

5.2 Figure 5.1 identifies the extent of the City Centre as defined in the LDP.

Figure 5.1: Elgin City Centre



Space in Use

Numbers of Units by Type

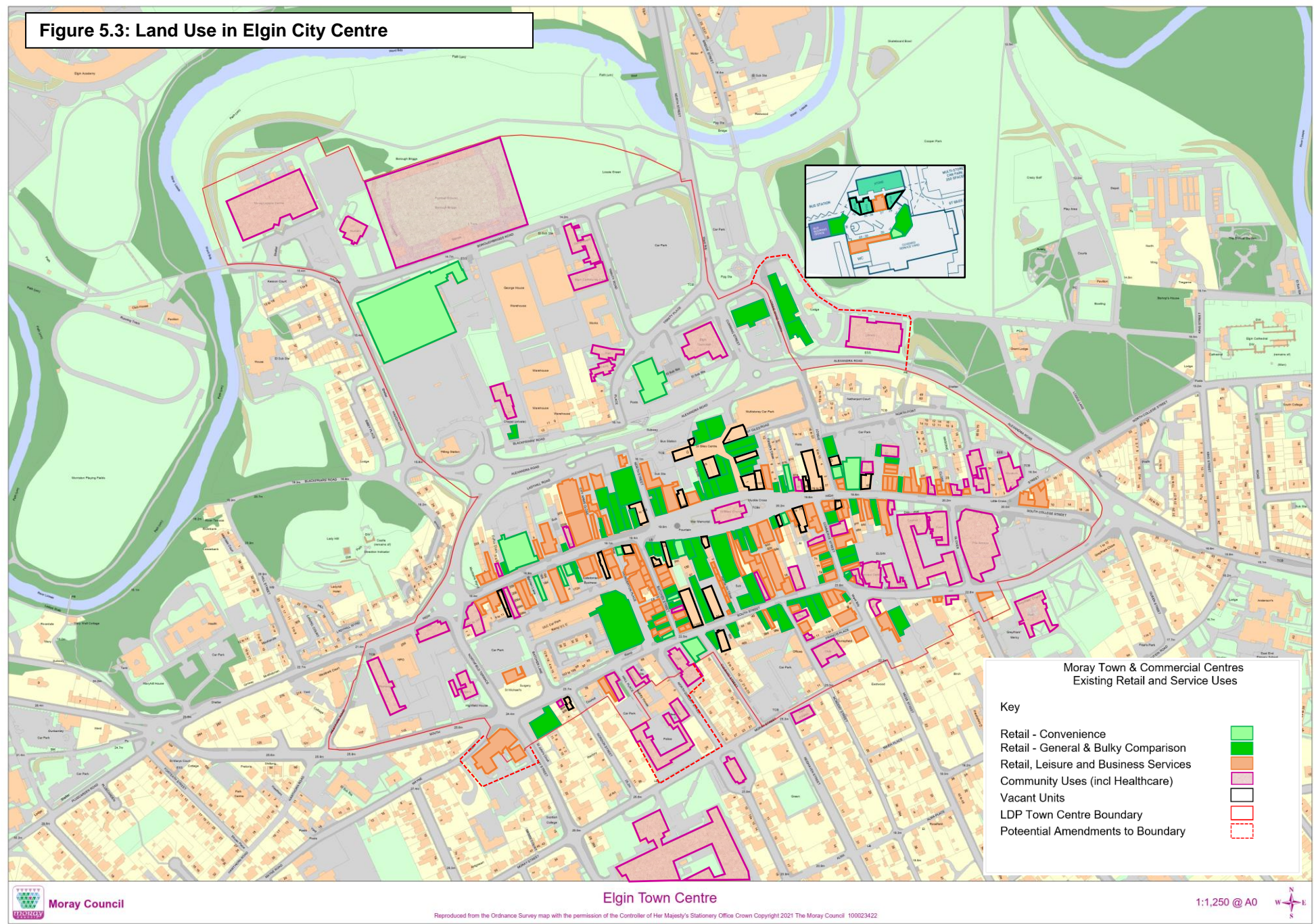
- 5.3 Figure 5.2 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2010 to 2021. It should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys.

Figure 5.2: Elgin City Centre – Types of Use 2010-21

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	98	94	86	86	90	82	82
Convenience	24	22	18	18	19	19	16
Retail Services	44	46	45	47	51	43	55
Leisure Services	70	67	67	65	65	56	61
Business and Financial Services	46	49	48	39	38	27	26
Vacant	15	25	39	36	25	40	32
TOTAL	297	303	303	291	288	267	272
TYPES OF RETAIL/SERVICE UNITS	FLOOR AREA (Sq M)						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 GRA/HPL
Comparison	22296	27209	23865	23766	24300	19249	28338
Convenience	17471	16009	15570	15683	15728	11734	10293
Retail Services	4676	7157	5088	4598	4847	3855	17460
Leisure Services	16419	15631	16283	15868	16332	12114	
Business and Financial Services	6564	8923.5	8848	8357	8141	3475	
Vacant	2722	5204	7520	23766	6127	8231	6546
TOTAL	70148	80132	77174	92037	75474.8	58658	62637

- 5.4 Figure 2.3 identifies the general distribution of retail, service, community and vacant uses within the City Centre (in this figure retail, leisure and business/financial services are combined).

Figure 5.3: Land Use in Elgin City Centre



Multiple Retailers

- 5.5 The 2021 survey identified national and regional multiple retailers for retail goods shops only (i.e. excluding café/restaurant and other service brands). In total 32 multiples were identified which is 33% of retailer goods operators. This is a typical level of multiple representation for a centre of this size.

Additional Facilities and Services

- 5.6 The City Centre provides an extensive range of additional facilities and services including:

- Library
- Town Hall
- Churches + Halls (8+)
- Driving Test Centre
- Job Centre+
- Football Club and stadium
- Nursery
- Registrar's Office
- MSP Office
- Newspaper offices
- Film/recording studio
- Grampian Housing Association
- Clubs (4+)
- Clinics (3+)
- The Warehouse@EYC (Youth Club)
- Dentists
- Citizens Advice Bureau
- Moray Council offices
- Samaritans
- Sheriff Court
- Museum
- Business Gateway
- Arrows/Quarriers
- Music school/Play Centre
- Driver Training Centre
- Cinema
- Community Support:
 - NE Financial Planning
 - Cornerstone
 - Inspire
 - Pluscarden Abbey Appeal Centre
 - Cancer support
 - Moray Food Plus

Changes over Time

- 5.7 Examination of Figure 5.2 shows that, for the period 2010 to 2018 the number of retail and service units was broadly constant in the region of 290-300 units but with a net increase in total floorspace. The 2020/21 surveys identified a reduction in both numbers of units and commercial floorspace. However, it is not possible to confirm whether or not this represents a significant change in the City Centre – in particular the 2020/21 surveys were undertaken by different organisations (i.e. Goad and HPL) both of which will have less intimate knowledge of the City Centre (and therefore have the potential to miss smaller units) and may also reflect short-term impacts associated with the Covid-19 lockdowns. Another significant factor at the time of survey were the works in progress for 161-163 High Street – since this building is undergoing redevelopment the 20/21 surveys would not have included it in the survey.
- 5.8 Figure 5.2 identifies some variation in numbers and space for different types of retail/service categories for the period 2010-2018 but there are no clear and strong trends emerging for this time period. There is a slight reduction in retail goods units for 2010-18 but this is not reflected in floorspace. This lack of strong shift away from retail goods shopping could be interpreted as a positive feature in that the long term trends across the country as a whole are for a steady shift away from retail goods shops (i.e. convenience and comparison) to retail and leisure services. The most recent survey information for 2020 and 2021 identifies a significant reduction in retail and service floorspace. This may reflect short term pandemic related factors or a more significant reduction in floorspace.

Vacancies*Vacancy Rates*

- 5.9 Figure 5.2 also set out information on vacancies within Elgin City Centre. In 2021 the vacancy rates were:
- Number of units: 2020 (Goad) 15%; 2021 (HPL) 12%
 - Floor area: 2020 (Goad) 14%; 2021 (GRA/HPL) 10%
- 5.10 Goad reported that, in September 2020 the UK national vacancy rate was 13.9% by number of units and 12.75% by floor area. This would suggest that, at that time, Elgin City Centre's vacancy rate was marginally above the UK average by both number and area of vacant units. The 2021 data would indicate a vacancy rate lower than the national average rate of vacancies by both number of units and floor area.

Distribution of Vacancies

- 5.11 Examination of Figure 5.3 shows that there are concentrations of vacancies in what could be considered to be the City Centre's prime retail areas: within the St Giles Centre; and in the western part of the High Street (both north and south sides). Given the prominence of these locations this may be a reason for the perception that Elgin City Centre has a high vacancy rate which is not supported by the quantitative data. Nonetheless, the fact that vacancies are in high profile locations has a significant negative impact on the image of the City Centre.

Changes over Time

- 5.12 Figure 2.2 does show that vacancies, in terms of percentage of numbers of units, has increased since 2010 with the main period of increase was 2010-2014 (increased from 5% to 13%) and has remained broadly within the

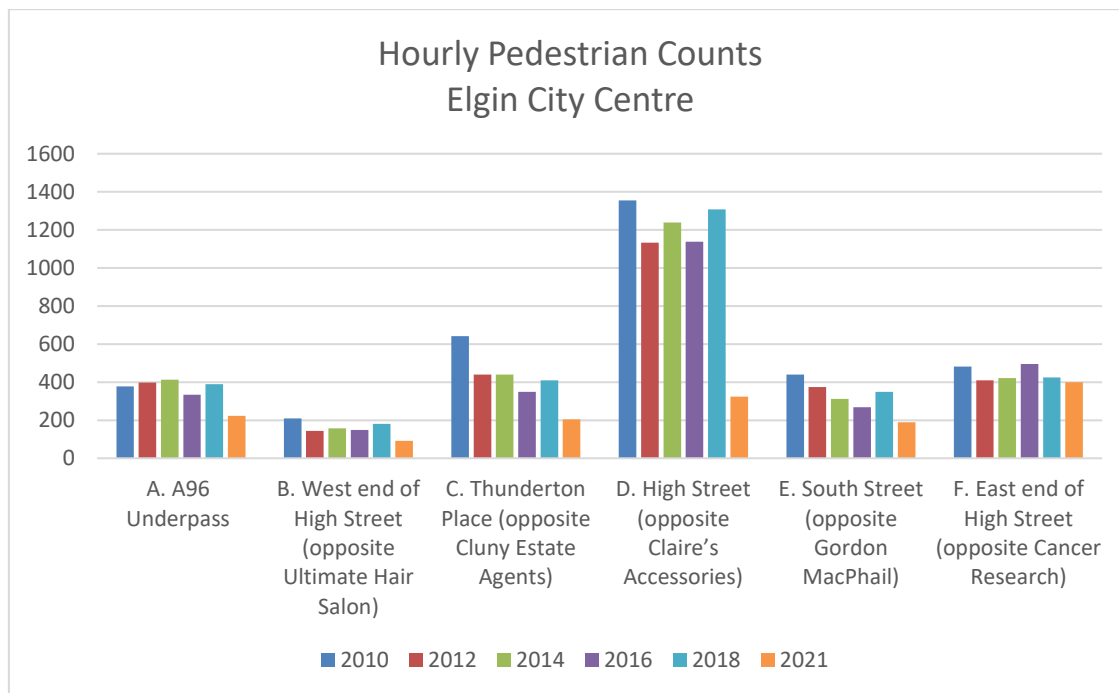
range of 10% to 15% since 2014. A similar pattern can be identified for vacant space but with a particularly high level identified in 2016 (at 26%) which subsequently reduced to 14% in Sept 2020. Vacancy floorspace using Assessor data identifies levels close to those identified in 2018.

Pedestrian Flow

- 5.13 Pedestrian flow counts were undertaken at 5 locations within the City Centre (the same locations used by Moray Council in the biennial town centre health checks) on a Wednesday afternoon and Thursday morning. With the exception of location F, these all identified significant reductions in flows compared to 2018. Data for flows at each location for 2010 to 2021 are set out in Figure 5.4.
- 5.14 Limited weight can be given to the reductions from 2018 to 2021 because of the impact of Covid-19 lockdown restrictions still affecting behaviour patterns and also the timing of the surveys could also affect numbers surveyed. What is notable, however, is that location D, which is adjacent to the prime retail frontage and close to St Giles identified the largest drop in pedestrian numbers whereas peripheral locations experienced less dramatic falls in numbers.

Figure 5.4: Pedestrian Flows – Elgin City Centre

	Location	Average Hourly Ped Flows (10.00 - 17.00) Weekdays					
		2010	2012	2014	2016	2018	2021
A. A96 Underpass	A	377	397	413	333	390	222
B. West end of High Street (opposite Ultimate Hair Salon)	B	210	144	157	148	181	92
C. Thunderton Place (opposite Cluny Estate Agents)	C	642	440	439	349	410	205
D. High Street (opposite Claire's Accessories)	D	1354	1132	1239	1138	1308	323
E. South Street (opposite Gordon MacPhail)	E	440	374	312	269	349	190
F. East end of High Street (opposite Cancer Research)	F	481	409	421	496	424	400
	<i>Total</i>	3504	2896	2981	2733	3062	1432
Average Change (2010 = 100%)		100%	83%	85%	78%	87%	41%



Commercial Property Market Indicators

Prime Retail Rents

5.15 Due to Covid-19 restrictions few commercial transactions took place during 2020-21 from which Prime Zone A rents can be identified. In terms of properties being marketed the following Zone A equivalent rents are being sought:

- St Giles Centre: max £415 psm (range from £200 psm).
- High Street: max £285 psm
- Secondary locations: £150-£200 psm

5.16 An indication of the distribution of rental patterns can be identified from Regional Assessor information which identifies, as a base for determining rateable value, the following Zone A retail rents:

- St Giles Centre: £350 psm (range from £190 psm)
- High Street east: £155 psm
- High Street west: £200-£290 psm
- Commerce Street: £170-£200 psm
- South Street: £150 psm
- Batchen Street: £200 psm

Indicators of Environmental Quality

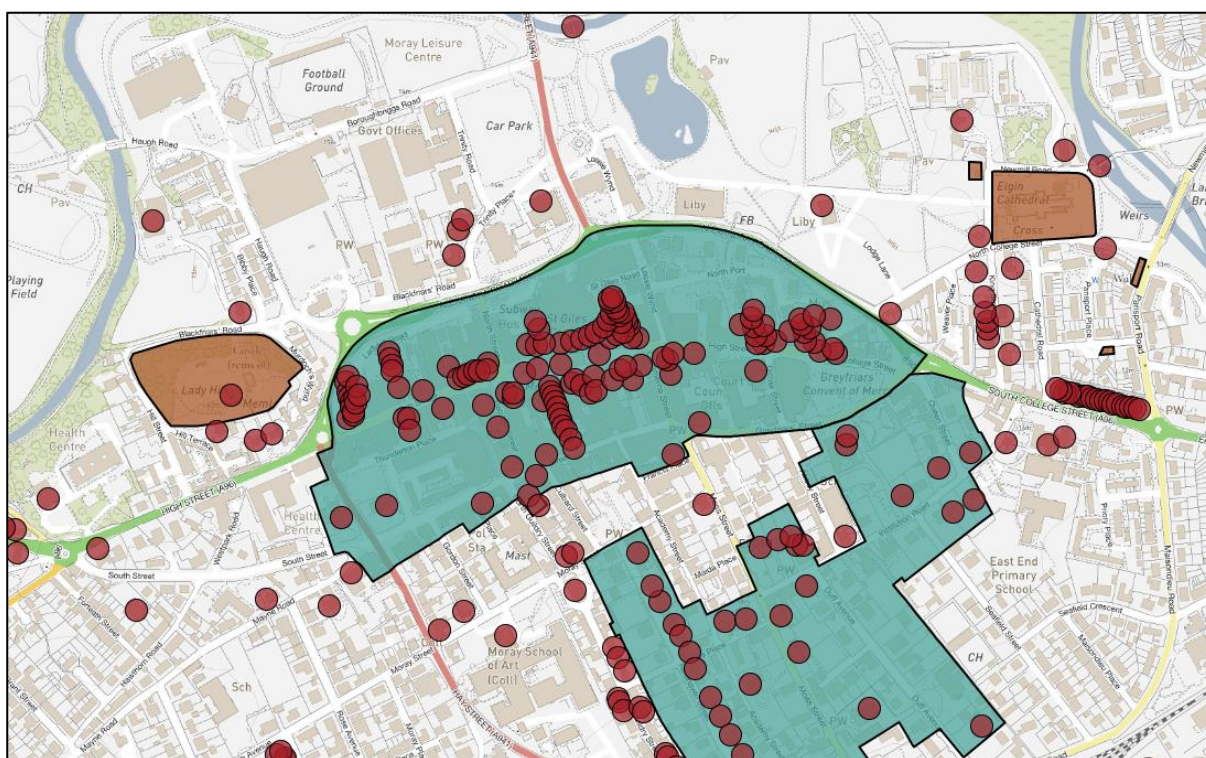
5.17 The environmental character of Elgin City Centre varies significantly between the traditional city centre south of the A96 and the area north of the A96 which is characterised by large foodstores (Tesco and Aldi), industrial premises, the leisure centre and community civic buildings.

- 5.18 The traditional city centre presents a generally very high environmental quality with extensive pedestrianised areas and smaller streets with varied and intimate character. The high environmental quality of the city centre as a whole was also confirmed in responses to the In-Street survey but not in the household survey responses.

Heritage

- 5.19 There are in excess of 150 listed buildings within the City Centre, four scheduled monuments close to the City Centre (although these are just outwith the boundary of the centre) and most of the defined City Centre is included within a Conservation Area – either in the Elgin High Street Conservation Area or Elgin South Conservation Area. Figure 5.5 indicates the location of these heritage designations.

**Figure 5.5: Elgin City Centre – Heritage Designations
(Listed Buildings, Conservation Areas and Scheduled Monuments)**



Perceptions of the City Centre

- 5.20 Information on attitudes towards the range and quality of facilities and services within the City Centre are available from the in-street and household surveys and limited information has also been provided by businesses who are members of the Elgin BID.

User Views of the City Centre

- 5.21 Information on the views of users/visitors of the City Centre were provided from the In-Street survey. This identified that the most important strengths of the City Centre as a place to visit were its:

- Historic character and buildings
- Pedestrianised streets

- That it is not too crowded
- Range of places to eat

5.22 The biggest weaknesses of the City Centre were identified as:

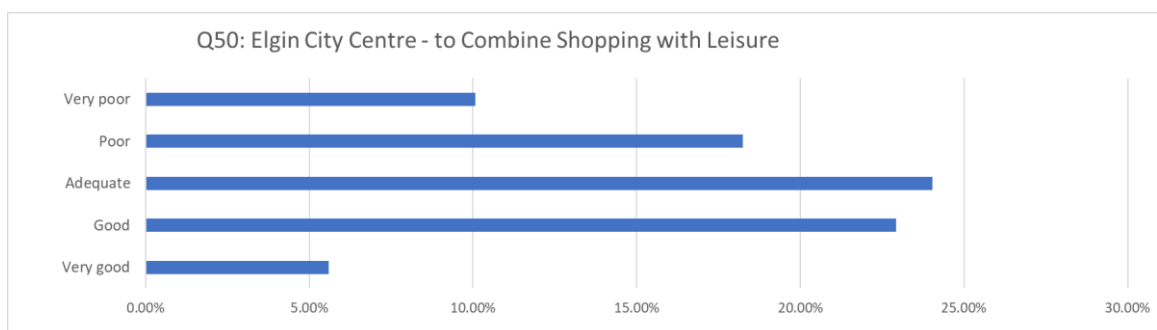
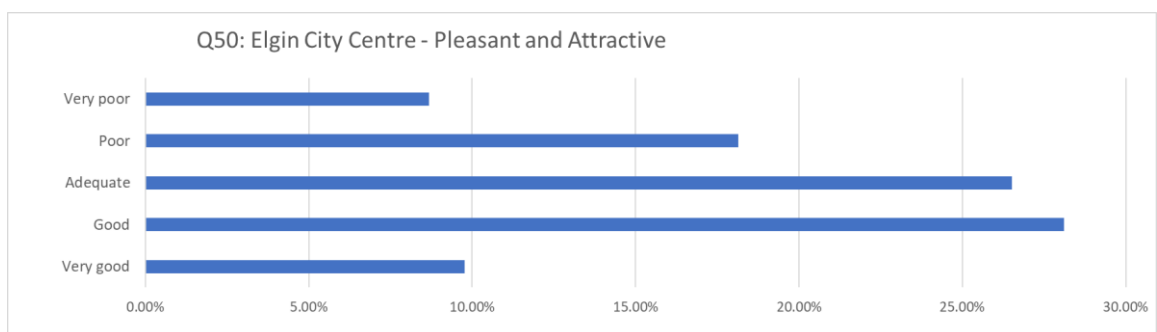
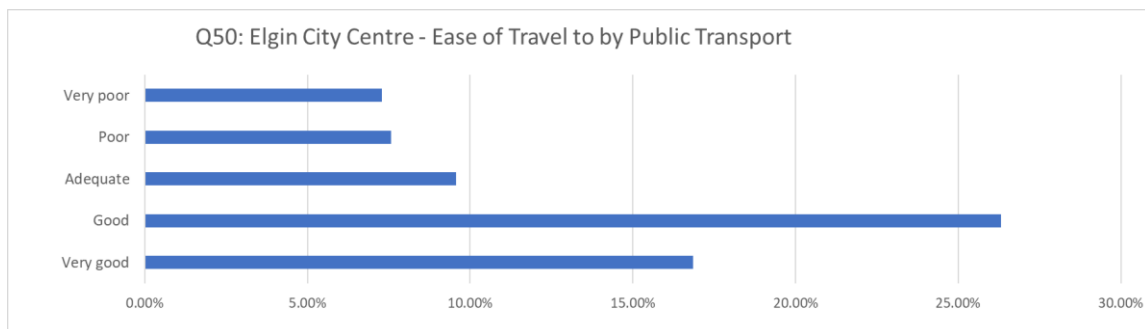
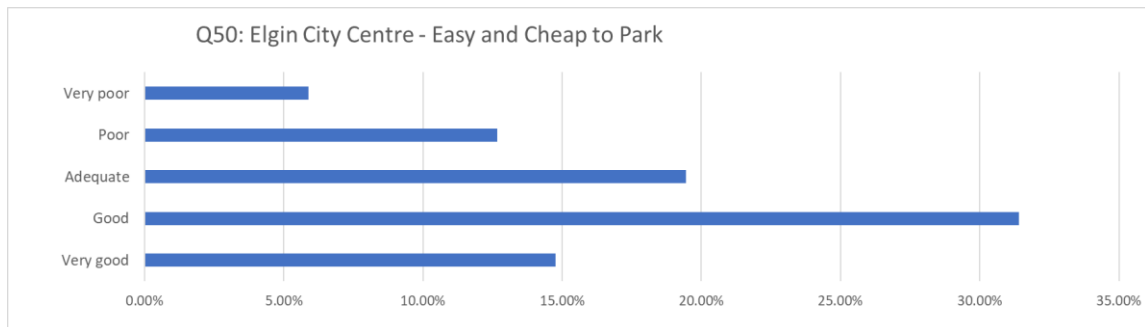
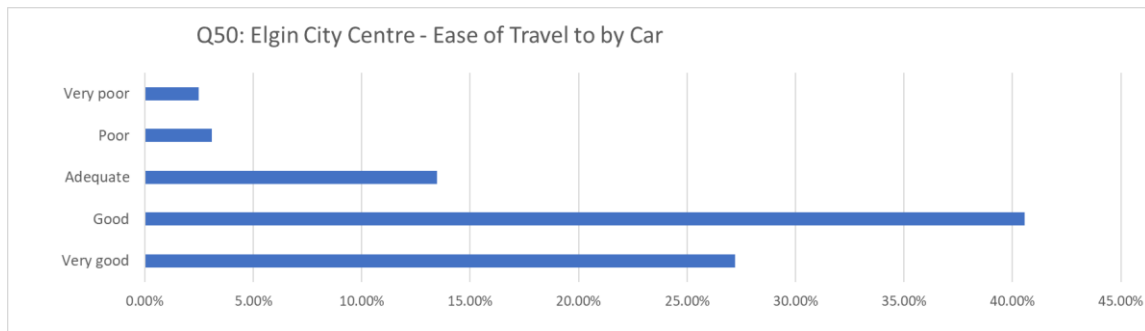
- Vacant shops and buildings
- Dirty shopping streets
- Lack of independent shops
- Cost of parking

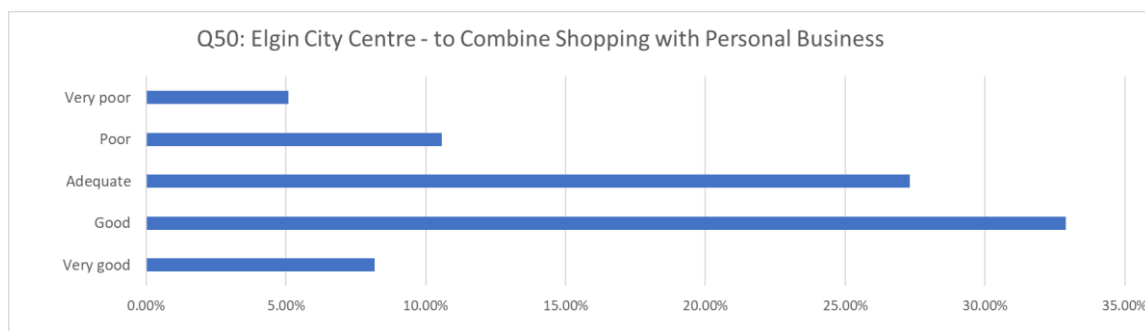
Household Survey Perceptions of the City Centre

5.23 Figure 5.6 sets out attitudes to characteristics of the City Centre from the household survey.

Figure 5.6 Household Survey: Attitudes to Elgin City Centre



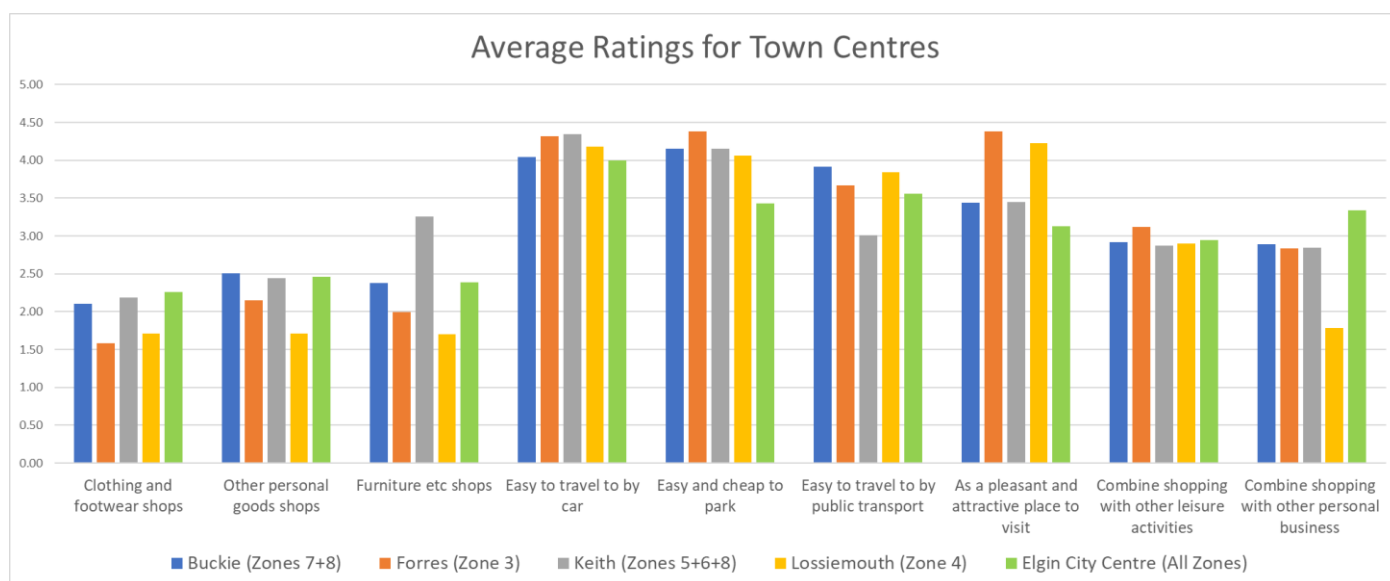




5.24 Figure 5.7 sets out the average “scores” for each of these criteria in comparison to other town centres in Moray where a score of 5 is “very good” and 1 is “very poor”.

Figure 5.7: Comparison of City Centre Attributes to other Moray Town Centres

	Buckie (Zones 7+8)	Forres (Zone 3)	Keith (Zones 5+6+8)	Lossiemouth (Zone 4)	Elgin City Centre (All Zones)	Average
Clothing and footwear shops	2.10	1.58	2.19	1.71	2.26	1.97
Other personal goods shops	2.51	2.15	2.44	1.71	2.46	2.25
Furniture etc shops	2.38	1.99	3.26	1.7	2.39	2.34
Easy to travel to by car	4.05	4.32	4.35	4.18	4	4.18
Easy and cheap to park	4.16	4.38	4.16	4.06	3.43	4.04
Easy to travel to by public transport	3.92	3.67	3.01	3.84	3.56	3.60
As a pleasant and attractive place to visit	3.44	4.38	3.45	4.23	3.13	3.73
Combine shopping with other leisure activities	2.92	3.12	2.87	2.9	2.95	2.95
Combine shopping with other personal business	2.89	2.84	2.85	1.78	3.34	2.74
Average across all Centres	3.15	3.16	3.17	2.90	3.06	3.09



5.25 In summary the principal findings are that:

- Shopping provision for comparison goods (all categories) is rated as “poor” to “adequate” by residents.
- Access to the City Centre by car (including for parking) and by public transport is identified as “adequate” to “good”.
- The City Centre is only identified as “adequate” as a pleasant and attractive place to visit.
- Ratings are “adequate” to “good” for the City Centre as a place to combine shopping with leisure or personal business activities.

Views of Businesses

5.26 Limited comments have been received from businesses. The principal comments received are that:

- existing businesses are expected to be sufficiently resilient to “survive” the effects of the pandemic although significant criticisms are been directed to the level of rates affecting businesses². *It should be noted that rates are set nationally in terms of poundage rate and rateable values are identified by the Regional Assessor – both are outwith the direct control of the local authority.*
- There is a concern that action is needed to get shoppers/visitors back into the town centre but others consider that businesses are able to adapt to changing habits.
- Some consider that more active support could be given to help businesses through the BID.
- Particular concerns are with: policing; parking restrictions, cleanliness of the environment and vacant buildings.

Conclusions

5.27 The findings of the health check undertaken during 2021 must be considered to be atypical due to the effects of the ongoing pandemic and the impact that this has had on activity in town centres. However, at this stage it is evident that the vitality and viability indicators present a very mixed picture of the health of the centre:

- Vacancies are close to national averages but have increased significantly since 2010 (although not in recent years) and are concentrated in prime retail frontages on the High Street and St Giles Centre.
- There does appear to be a shift in changes in types of use, from retail goods shops to services, but not as strongly as seen in national trends.
- The centre does provide a balance between large scale modern foodstore units and traditional smaller units. The In-street survey confirms that there are important linkages between the two parts of the City Centre despite these being separated by the A96.
- Current market information suggests relatively weakness in prime rents – but it is not clear whether this is a longstanding issue or simply a reflection of the hiatus caused by Covid-19.
- The city centre’s historic and architectural character, together with attractive pedestrianised areas, are important contributors to the vitality of the centre and this is appreciated by users/visitors to the centre.
- Household interview responses are muted in the degree to which there are positive views of the City Centre. Whereas the centre is seen as easy to access/park the retail offer is identified as weak.

² It should be noted that rates are set nationally in terms of poundage rate or rateable values are identified by the Regional Assessor – both are outwith the direct control of the local authority.

Elgin City Centre: Turnover, Catchment Area and Future Growth

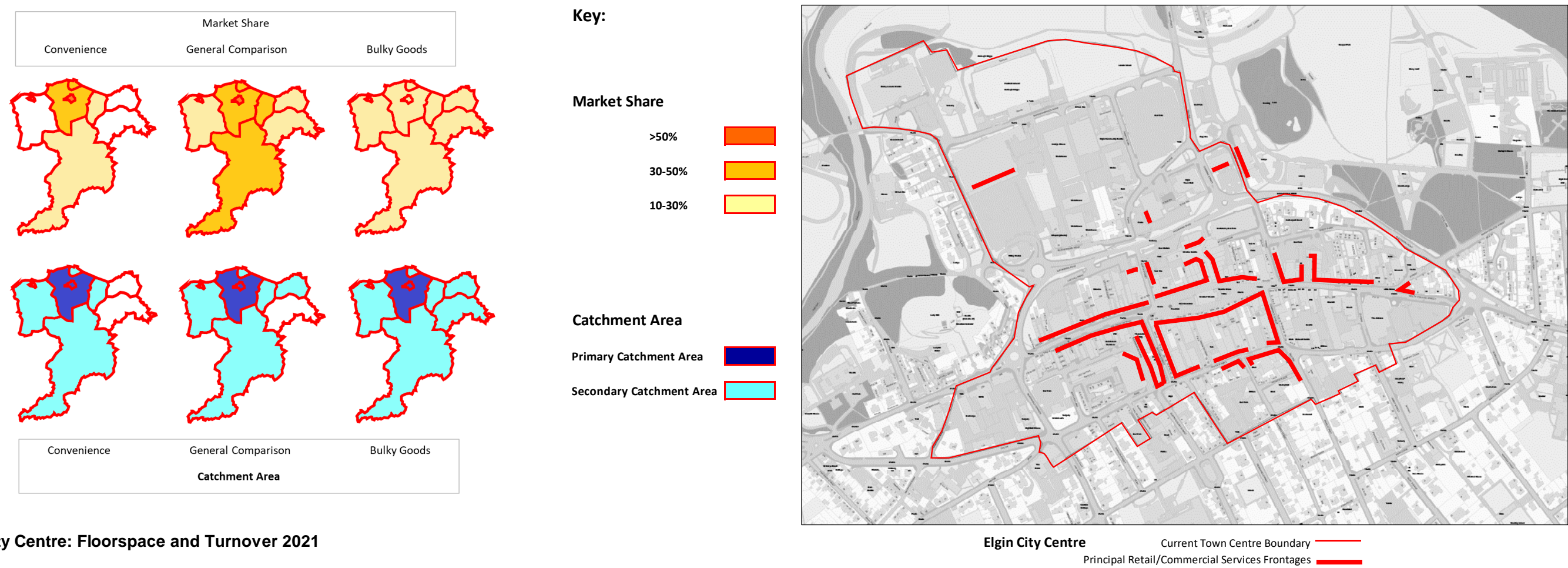
Turnover and Sales Densities

- 5.28 The Strategic Retail Model (central case scenario) identifies the number of units, gross and net floorspace and turnover for each of convenience goods, general comparison and bulky goods retail as follows:
- Convenience Goods: 16 units; 10,293 sq m GFA; 6585 sq m NFA (sales); and £62.38m turnover.
 - General Comparison Goods: 73 units; 23,895 sq m GFA; 14,505 sq m NFA (sales); and £80.48m turnover.
 - Bulky Comparison Goods: 9 units; 4,443 sq m GFA; 3,394 sq m NFA (sales); and £12.01m turnover.
 - Services: 142 units; 17,460 sq m GFA
 - Vacancies: 32 units; 6,546 sq m GFA
- 5.29 This confirms that, although general comparison goods is the largest category of retail floorspace within the centre it does not dominate floorspace, instead a significant proportion of space and turnover is for convenience goods (in particular reflecting the presence of each of Tesco, Aldi and M&S Foodhall within the town centre) and also a significant bulky goods offer within the town centre. The southern part of the town centre, south of the A96 is characterised by the traditional “High Street” with smaller units predominantly retailing general comparison goods whereas the area north of the A96 has mostly larger floorplate units for convenience and bulky goods. The in-street survey confirmed that these two parts are reasonably well linked with the underpass, over-bridge and at-grade crossing facilities.
- 5.30 The SRM also allows comparison between sales densities and national average densities. For convenience goods these are identified to be, in 2021, trading at 88% of national averages. For general comparison goods densities are similar at 90% average whereas bulky goods appear to be trading slightly above national average levels.
- 5.31 Caution is needed in interpreting these figures. National averages will include all principal retail locations within the UK, including high-cost areas such as locations within London and major City Centres. On this basis it would not be unreasonable to expect retail units in a town such as Elgin to trade at levels slightly below national averages and still achieving acceptable sales densities and for businesses to be adequately profitable.

Catchment Area and Market Penetration

- 5.32 Figure 5.8 uses information from the SRM to identify the primary and secondary catchment areas (PCA and SCA) for Elgin City Centre and also the levels of market penetration for different goods categories. The figure also summaries other key information for the City Centre in 2021 including the location of principal retail frontages within the City Centre. The figure identifies that:
- For Convenience Goods: the centre has a clearly identifiable PCA comprising Elgin and the immediate rural areas around the City and a SCA comprising the southern and western parts of Moray and Lossiemouth. The SCA does not, however, extend into the Keith or Buckie areas. Market penetration levels are in the region of 30-50%+ within the PCA and but 10-30% in the SCA.
 - For General Comparison Goods: the centre has a clearly identifiable PCA similar to that identified for convenience goods but the SCA extends further east to include Buckie. Market penetration levels are similar to those identified for convenience goods.

Figure 5.8: Elgin City Centre – Key Retail Characteristics



Elgin City Centre: Floorspace and Turnover 2021

	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
Elgin City Centre																
Retail Goods Shops	98	10293	6585	£9,473psm	£62.38m	23895	14505	£5,548psm	£80.48m	4443	3394	£3,538psm	£12.01m	38632	24484.33	£154.87m
Services	142													17460		
Vacant	32													6546		
TOTAL	272	10293	6585		£62.38m	23895	14505		£80.48m	4443	3394		£12.01m	62637.3		£154.87m

Changes in Numbers of Retail and Service Units over Time

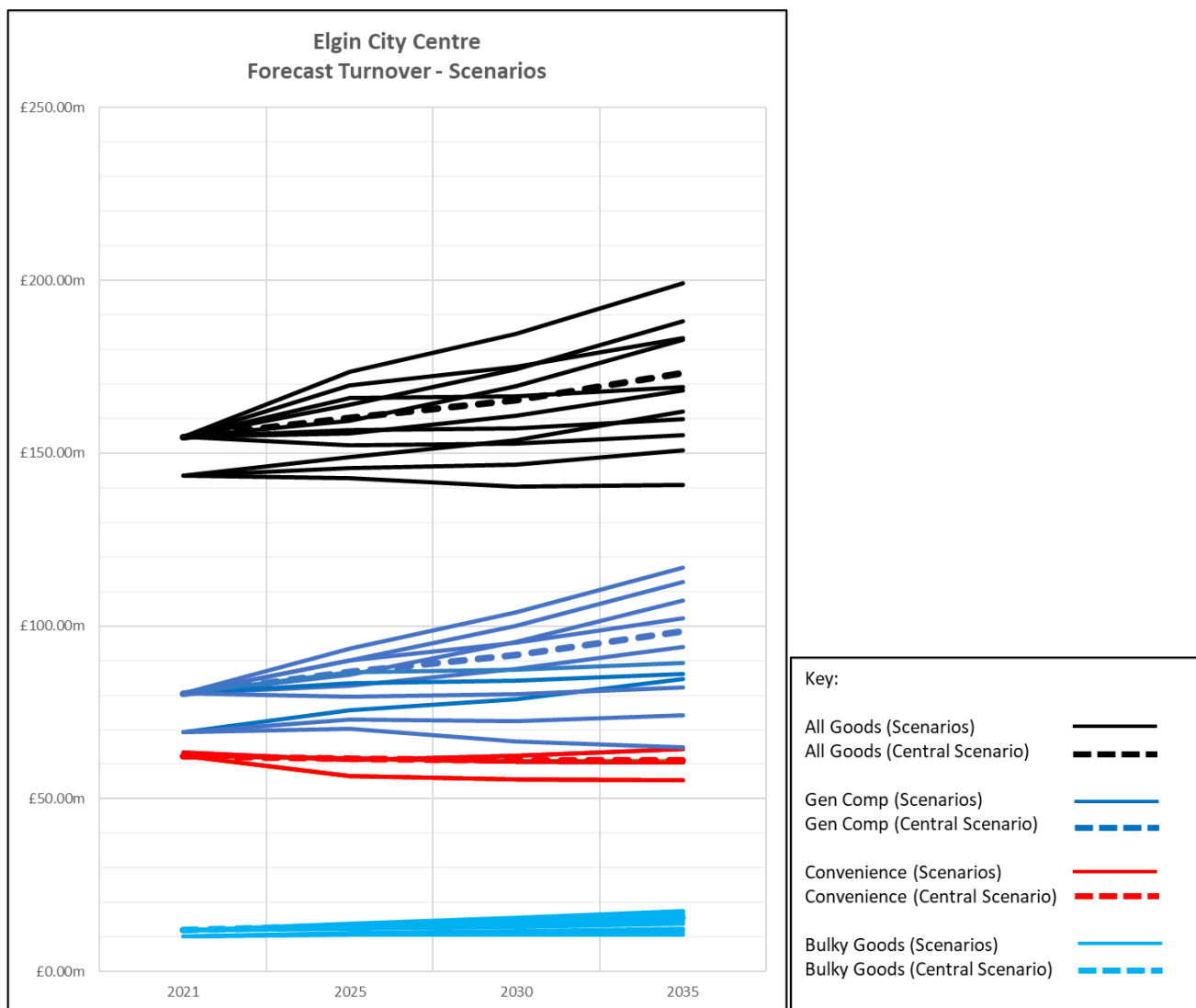
TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	98	94	86	86	90	82	82
Convenience	24	22	18	18	19	19	16
Retail Services	44	46	45	47	51	43	55
Leisure Services	70	67	67	65	65	56	61
Business and Financial Services	46	49	48	39	38	27	26
Vacant	15	25	39	36	25	40	32
TOTAL	297	303	303	291	288	267	272

- For Bulky Goods: the centre has a clearly identifiable PCA comprising Elgin and the immediate rural areas around the City and a SCA comprising the whole of the remaining parts of Moray. Market penetration levels are general in the region of 10-30% for both the PCA and SCAs.

Forecast Changes in Retail Turnover: Elgin City Centre

- 5.33 Figure 5.9 sets out forecasts of future turnover for each of the principal goods categories for the period 2021 to 2035. The central case is denoted by the dashed lines.

Figure 5.9: Forecast Future Turnover Elgin City Centre

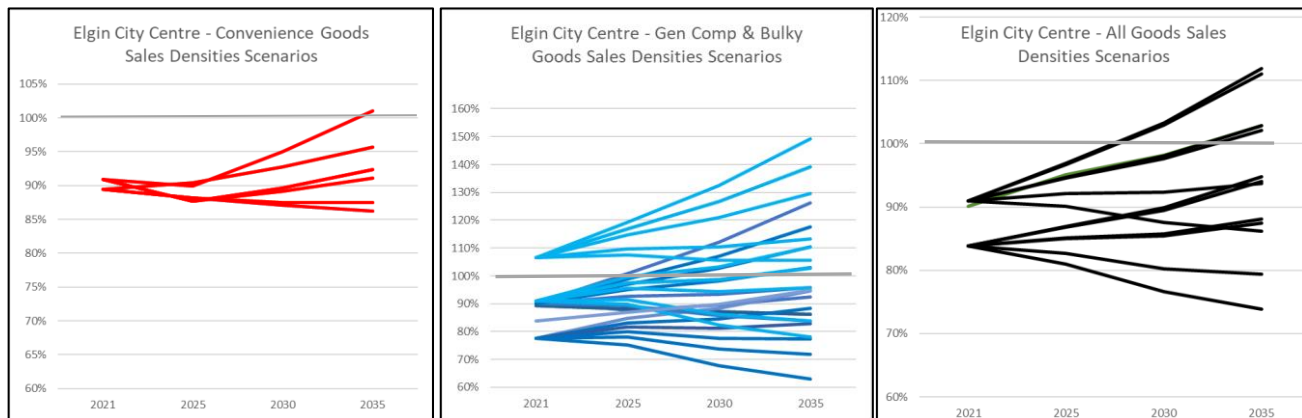


- 5.34 The figure shows that in the central case and most scenarios turnover in the City Centre is expected to increase in real terms. Even in the most pessimistic scenarios turnover is expected to be broadly flat (i.e. without significant reduction). This assumes, of course, that the City Centre is able to retain the general mix of retailers currently present within the centre.

Forecast Changes in Sales Densities: Elgin City Centre

- 5.35 Figure 5.10 (in three parts) considers these forecasts of turnover in terms of national average sales densities. This can be used as a proxy indicator for overall viability of businesses (subject to the earlier comment in para 5.31 above).

Figure 5.10: Future Sales Densities as a Percentage of National Average Densities



- 5.36 There is considerable variation in the assessments of sales densities – this reflects the fact that not only are there variations in the forecasts of future turnover but, in addition, there is significant variation in the rate at which increases in sales densities are considered appropriate. However, the general picture which emerges is:

- For convenience goods sales densities will tend to remain below national average levels, primarily between 85% and 95% of average.
- For comparison goods there is especially wide variation and there does appear, at the pessimistic end, for general comparison densities to have the potential to drop to particularly low levels (as low as 65% by 2035). In this scenario there is a risk of significant retail unit closures. However, the converse is also true, optimistic scenarios identify densities increasing well above national average levels which would imply potential demand for additional floorspace within the City Centre.

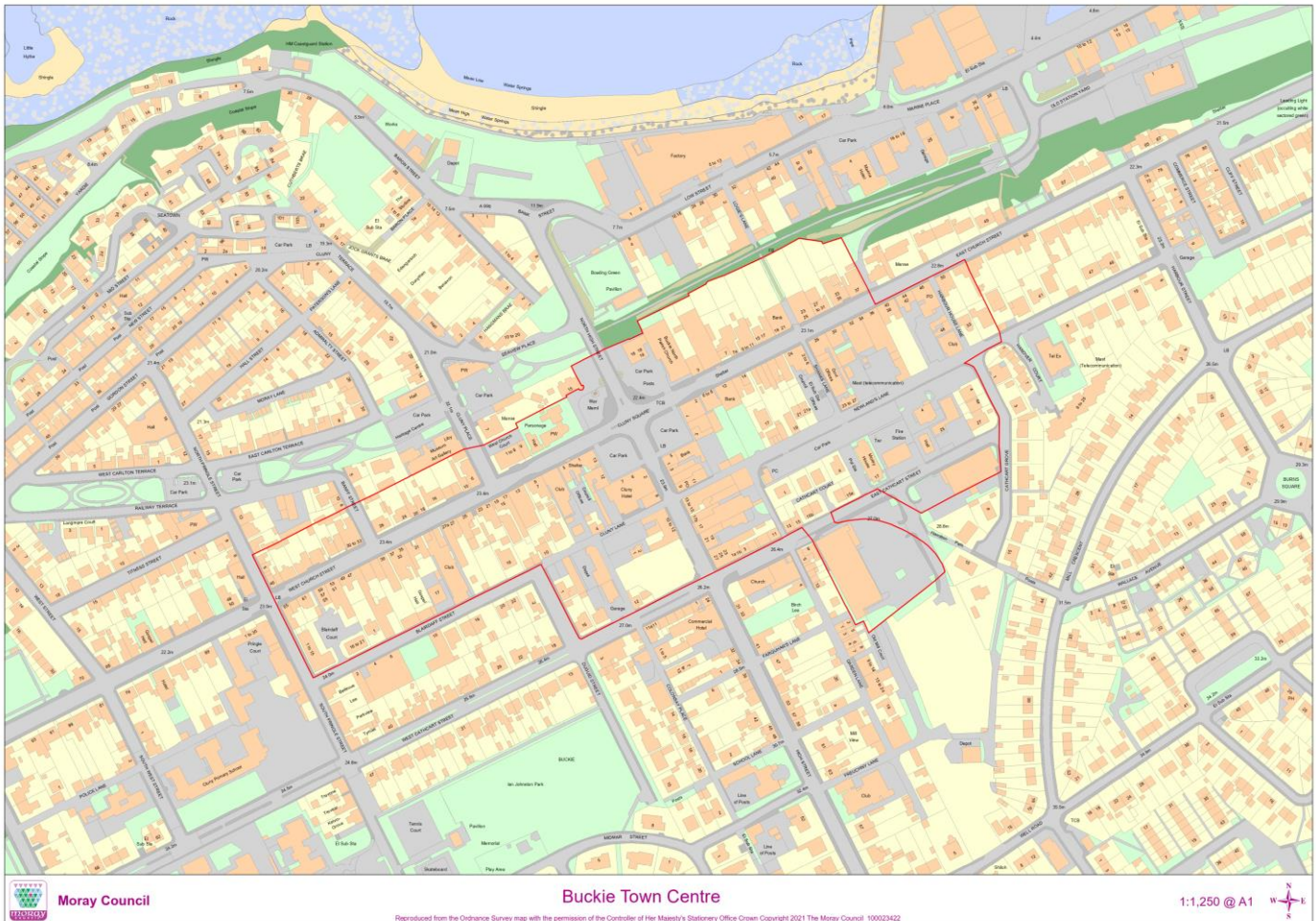
- 5.37 It is not possible to draw clear conclusions from this analysis except the fact that there is enormous uncertainty at the present time concerning future retail growth up to 2035. This uncertainty would encourage the adoption of a cautious approach to the identification of new retail floorspace and the protection of the City Centre, especially with respect to comparison goods.

Buckie Town Centre: Space in Use and Health Check

Definition of Town Centre

5.38 Figure 5.11 identifies the extent of Buckie Town Centre as defined in the LDP.

Figure 5.11: Buckie Town Centre



Space in Use

Numbers of Units by Type

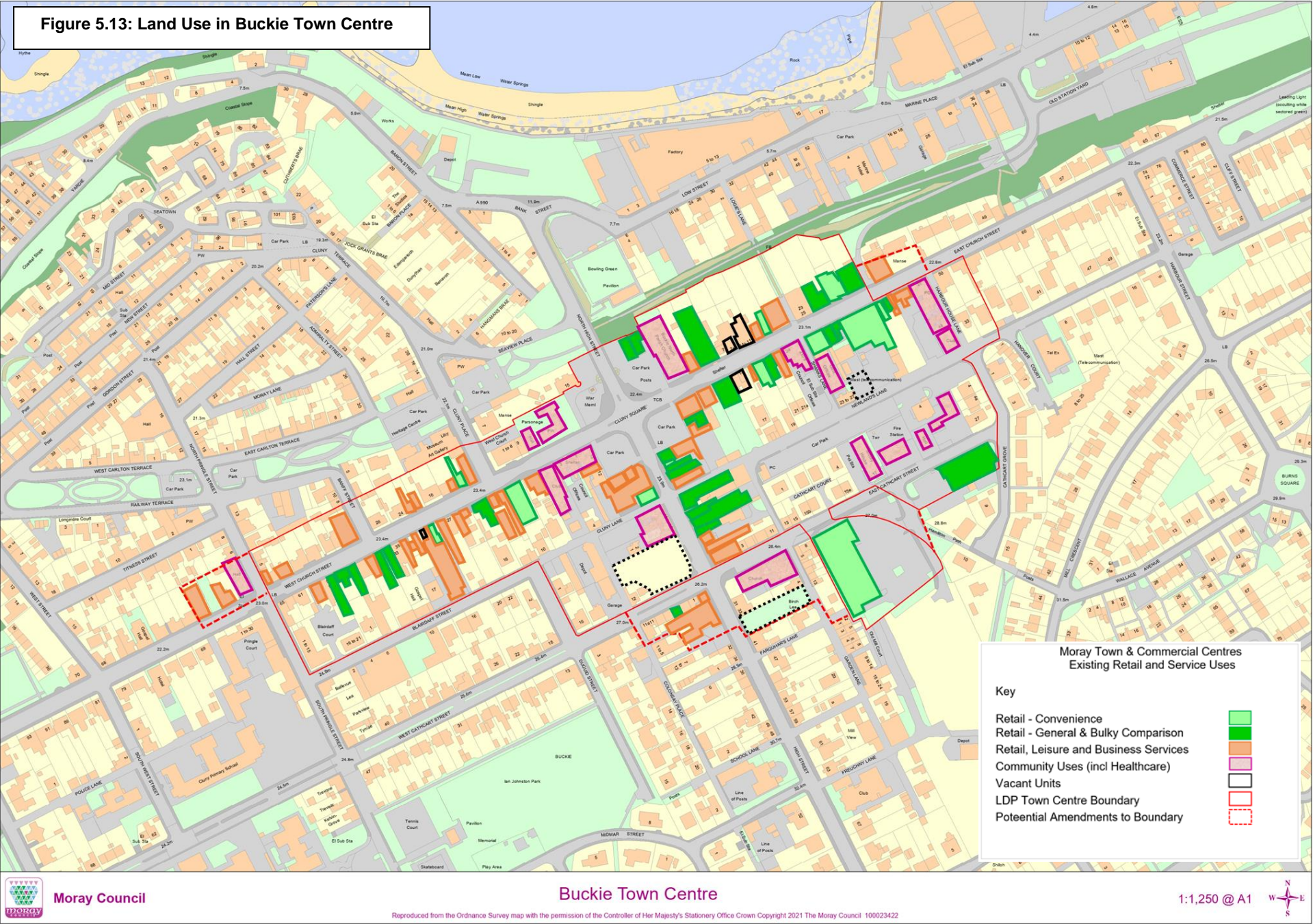
5.39 Figure 5.12 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2010 to 2021. It should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which results in some variation between different surveys.

Figure 5.12: Buckie Town Centre – Types of Use 2010-21

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	33	35	27	28	27	29	27
Convenience	9	8	7	7	8	9	12
Retail Services	14	17	15	15	16	14	11
Leisure Services	13	19	19	21	20	25	23
Business and Financial Services	17	17	15	13	10	6	7
Vacant	4	4	4	8	10	11	6
TOTAL	90	100	87	92	91	94	86
TYPES OF RETAIL/SERVICE UNITS	FLOOR AREA (Sq M)						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 GRA/HPL
Comparison	4873	6611	5610	5669	4964	6652	6161
Convenience	3685	2289	2187	2187	2268	4013	3413
Retail Services	989	1682	1487	1498	1534	1338	4693
Leisure Services	1283	2000	2054	2294	2236	5862	
Business and Financial Services	1797	2556	2613	2399	1603	1096	724
Vacant	453	333	478	611	1799	1570	
TOTAL	13080	15472	14429	14658	14403	20531	14991

5.40 Figure 5.13 identifies the distribution of retail, service, community and vacant uses within the Town Centre (in this figure retail, leisure and business/financial services are combined).

Figure 5.13: Land Use in Buckie Town Centre



Multiple Retailers

- 5.41 The 2021 survey identified national and regional multiple retailers for retail goods shops only (i.e. excluding café/restaurant and other service brands). In total 6 multiples were identified which is 15% of retailer goods operators. This level is slightly below average for a centre of this size.

Additional Facilities and Services

- 5.42 Buckie town centre provides a reasonable range of additional facilities and services:

- Churches and halls (5)
- Police Station
- Fire station
- Cadet Hall
- Funeral Directors
- Gym
- Delivery office
- Social club/Masons
- Job Centre+
- Moray Reach Out
- Dentist
- Council offices
- Vet

Changes over Time

- 5.43 Figure 5.12 shows that, for the period 2010 to 2021 the number and floor area of retail and service units was broadly constant (in the region of 85-100 units and 13,000-15,500 sq m GFA). There is some variation in numbers and space for different types of retail/service categories: there is a steady reduction in comparison goods units but a recent increase in convenience goods shops and a slight increase in retail/service units. This trend appears to reflect national patterns of change with a steady shift from retail goods shops (i.e. convenience and comparison) to retail and leisure services although the growth of convenience shops appears to be against the national trend. This growth in number of convenience shops is not matched by increases in floorspace for this sector.

Vacancies*Vacancy Rates*

- 5.44 Figure 5.12 also sets out information on vacancies within Buckie Town Centre. In 2021 the vacancy rates were:
- Number of units: 2020 (Goad) 12%; 2021 (HPL) 7%
 - Floor area: 2020 (Goad) 8%; 2021 (Regional Assessor) 5%.
- 5.45 Goad reported that, in September 2020 the UK national vacancy rate was 13.9% by number of units and 12.75% by floor area. This would suggest that the current level of vacancies is significantly below the UK average both

by numbers of units and floor area. Vacancy rates are, however, significantly higher currently than were identified in the period 2010-2014.

Distribution of Vacancies

- 5.46 Examination of Figure 2.3 shows that there is a small concentration of vacant units in East Church Street.

Changes over Time

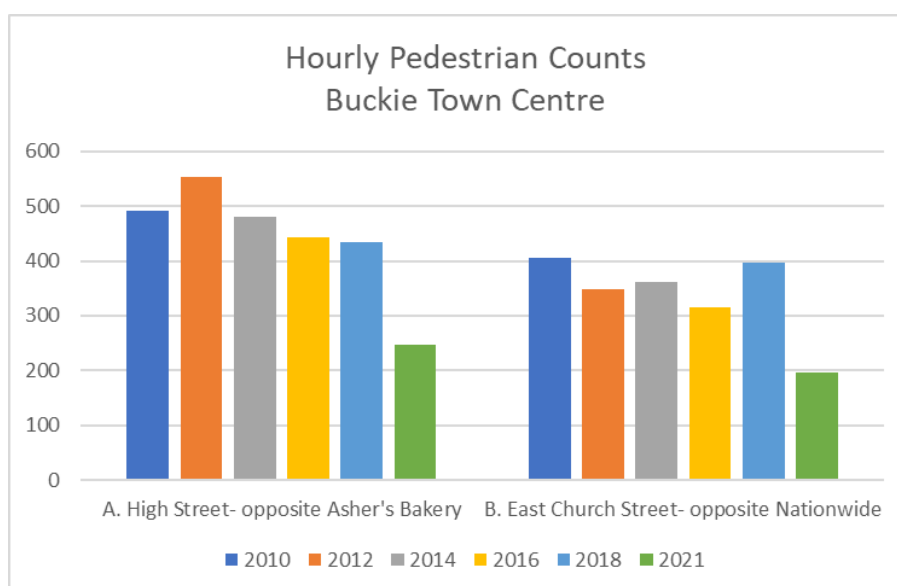
- 5.47 Figure 2.2 does show that vacancies, in terms of percentage of numbers of units, has increased significantly since 2014 although they are significantly less than were identified in 2018.

Pedestrian Flow

- 5.48 Pedestrian flow counts were undertaken at the 2 locations used by Moray Council on a Thursday morning. These identified significant reductions in flows compared to 2018. Data for flows at each location for 2010 to 2021 are set out in Figure 5.14.

Figure 5.14: Pedestrian Flows – Buckie Town Centre

	Location	Average Hourly Ped Flows (10.00 - 17.00) Weekday					
		2010	2012	2014	2016	2018	2021
A. High Street-opposite Asher's Bakery	A	491	553	481	443	433	248
B. East Church Street-opposite Nationwide	B	406	348	361	315	397	197
	<i>Total</i>	897	901	842	758	831	445
Average Change (2010 = 100%)		100%	100%	94%	85%	93%	50%



- 5.49 Limited weight can be given to the reductions from 2018 to 2021 because of the impact of Covid-19 lockdown restrictions still affecting behaviour patterns and also the timing of the surveys could also affect numbers

surveyed. Insofar as this data can be interpreted it would appear that pedestrian flows have declined by similar levels in East Church Street and High Street.

Commercial Property Market Indicators

Prime Retail Rents

5.50 Due to Covid-19 restrictions there have been few commercial transactions from which Prime Zone A rents can be identified. In terms of properties being marketed the following Zone A equivalent rents are being sought:

- East Church Street: £125 psm

5.51 An indication of the distribution of rental patterns can be identified from Regional Assessor information which identifies, as a base for determining rateable value, the following Zone A retail rents:

- East and West Church Street: £130 psm
- High Street: £130 psm

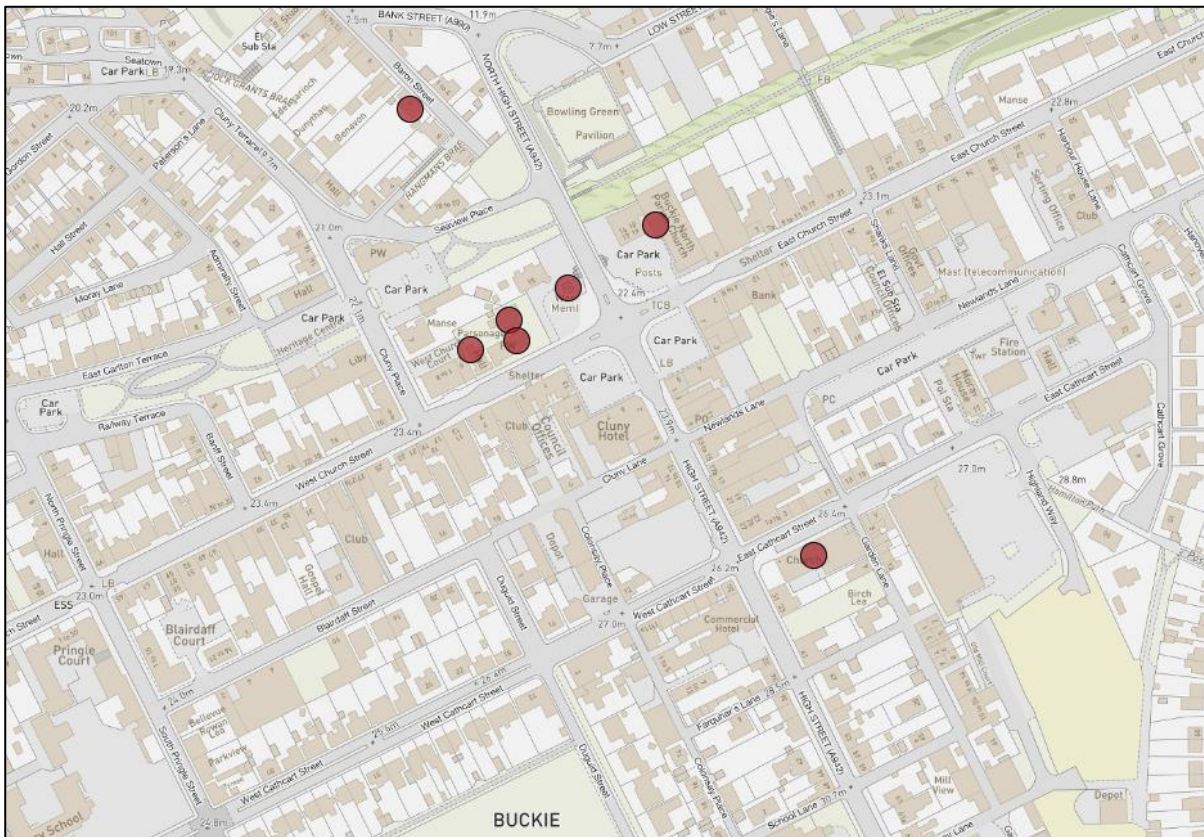
Indicators of Environmental Quality

5.52 The environmental character of Buckie Town Centre is mixed. There are some attractive buildings and the overall quality of Cluny Square is high. However, traffic has a greater impact on pedestrian amenity on principal shopping streets than it does in other Moray towns and two vacant sites in the southern part of the town centre affect the environmental quality of the centre.

Heritage

5.53 There are only 6 listed buildings within the Town Centre and none of the centre is included within a Conservation area. Figure 5.15 indicates the location of these heritage designations.

**Figure 5.15: Buckie Town Centre – Heritage Designations
(Listed Buildings, Conservation Areas and Scheduled Monuments)**



User Views of the Town Centre

5.54 Information on the views of users of Buckie Town Centre is available from the household survey in 2021. Average scores (where 1 = “very poor” and 5 = “very good”) for characteristics of the centre are as follows (Moray town centres’ average in brackets):

- Choice of shops for clothing and footwear: 2.1 (2.0)
- Choice of shops for other personal goods : 2.5 (2.3)
- Choice of shops for furniture, floor coverings and large household electrical items: 2.4 (2.3)
- Easy to travel to by car: 4.0 (4.2)
- Easy and cheap to park: 4.2 (4.0)
- Easy to travel to by public transport: 3.9 (3.6)
- As a pleasant and attractive place to visit: 3.4 (3.7)
- As a good place to combine shopping with other leisure activities: 2.9 (3.0)
- As a good place to combine shopping with other personal business: 2.9 (2.7)
- Overall across all of the above: 3.1 (3.1)

5.55 In terms of choice of shops ratings were slightly higher than for other Moray town centres and for other indicators the users views were similar to those of other town centres. Figure 5.7 sets out a comparison between the principal centres within Moray and this identifies that user views were generally similar between Buckie, Forres and Keith which were slightly more positive than they were for either Elgin City Centre or Lossiemouth.

Conclusions

5.56 As noted for Elgin the findings of the health check undertaken during 2021 must be regarded as atypical due to the effects of the pandemic. However, from the information available it is evident that the vitality and viability indicators suggest that the centre is mixed:

- Vacancies are below national averages in terms of numbers of vacant units and vacant floorspace.
- There does appear to be a shift in changes in types of use, from retail goods shops to services, but not as strongly as seen in national trends.
- The centre provides a reasonable range of services and facilities additional to retail and retail services.
- The town centre provides a mixed quality of environment which is adversely affected by traffic and vacant sites and has limited heritage interest (compared to other Moray towns)..
- The centres has a generally limited retail and service offer which is, primarily, a reflection of its relatively small size.

Buckie Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

5.57 Key information on numbers of units, floorspace and turnover in 2021 is provided from the SRM:

- Convenience Goods: 12 units; 3,413 sq m GFA; 2406 sq m NFA (sales); and £15.24m turnover.
- General Comparison Goods: 23 units; 4,980 sq m GFA; 3,344 sq m NFA (sales); and £10.16m turnover.
- Bulky Comparison Goods: 4 units; 1,182 sq m GFA; 777 sq m NFA (sales); and £1.43 turnover.
- Services: 41 units; 4,693 sq m GFA
- Vacancies: 6 units; 724 sq m GFA

5.58 This indicates that there is a broad balance between comparison goods (general and bulky) and convenience floorspace within the town centre. Convenience turnover, although providing 40% of retail goods floorspace accounts for 56% of turnover. Within the town centre Lidl, M&Co and the Original Factory Shop are significant and these three units account for 41% of retail goods floorspace and 43% of turnover.

5.59 In terms of turnover rates compared to national averages:

- Convenience goods floorspace is trading at 91% of the UK national average
- General comparison floorspace is trading at 91% of the UK national average
- Bulky Goods floorspace is trading at 106% of the UK average.

5.60 Taking into account that these are comparison to UK national averages and reflecting the relatively small size of the centre and its location it is considered that these sales densities are relatively healthy and this appears to be reflected in the relatively low levels of vacancies within the town centre.

Catchment Area and Market Penetration

5.61 Figure 5.16 presents information on the primary and secondary catchment areas for Buckie town centre and levels of market penetration for different goods categories.

- For Convenience Goods: the centre has a clearly identifiable PCA comprising Buckie and the immediate rural areas and villages to the east of the town (Zone 7) and a SCA comprising rural areas towards Fochabers (Zone 8). The SCA does not, however, extend into the Keith area. Market penetration levels are over 50% within the PCA and but 10-30% in the SCA.
- For General Comparison Goods: the centre has a clearly identifiable PCA based on Zone 7 (Buckie and adjacent rural areas) but no secondary catchment. Market penetration levels in the PCA are 30% to 50%.
- For Bulky Goods: the centre has a clearly identifiable PCA based on Zone 7 (Buckie and adjacent rural areas) but no secondary catchment. Market penetration levels in the PCA are 10% to 30%.

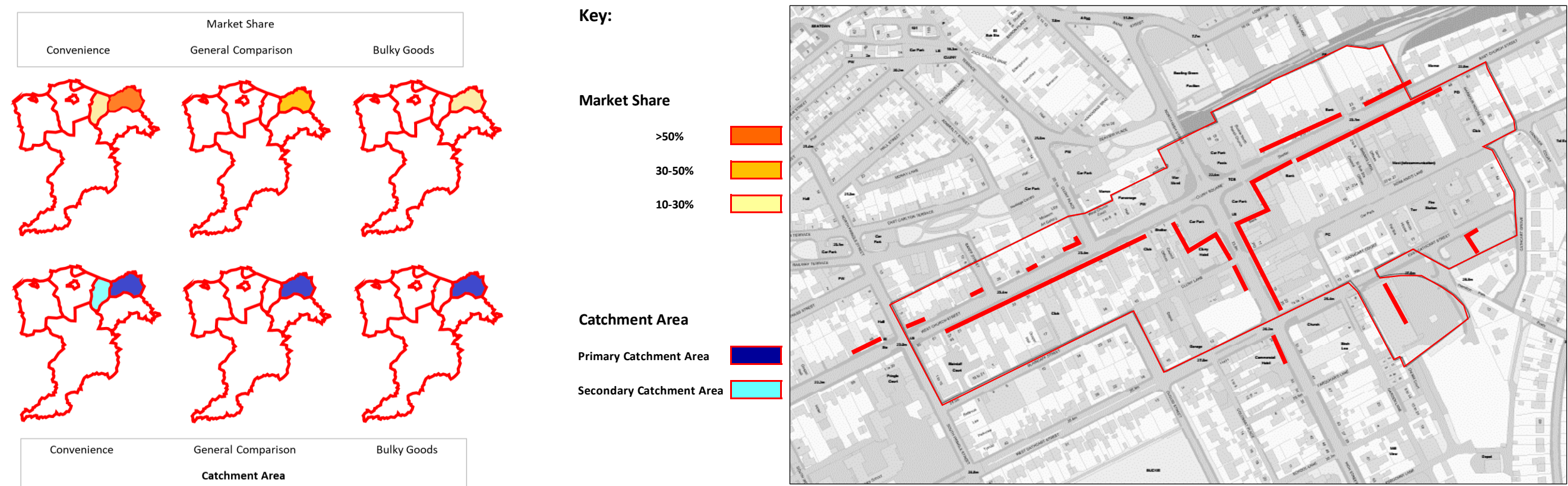
Future Turnover Growth

- 5.62 Information of future turnover growth has been derived from the Strategic Retail Model in the same way as set out for Elgin City Centre.

Forecast Changes in Retail Turnover: Buckie Town Centre

- 5.63 Figure 5.17 sets out forecasts of future turnover for each of the principal goods categories for the period 2021 to 2035. The central case is denoted by the dashed lines.

Figure 5.16: Buckie – Key Retail Characteristics

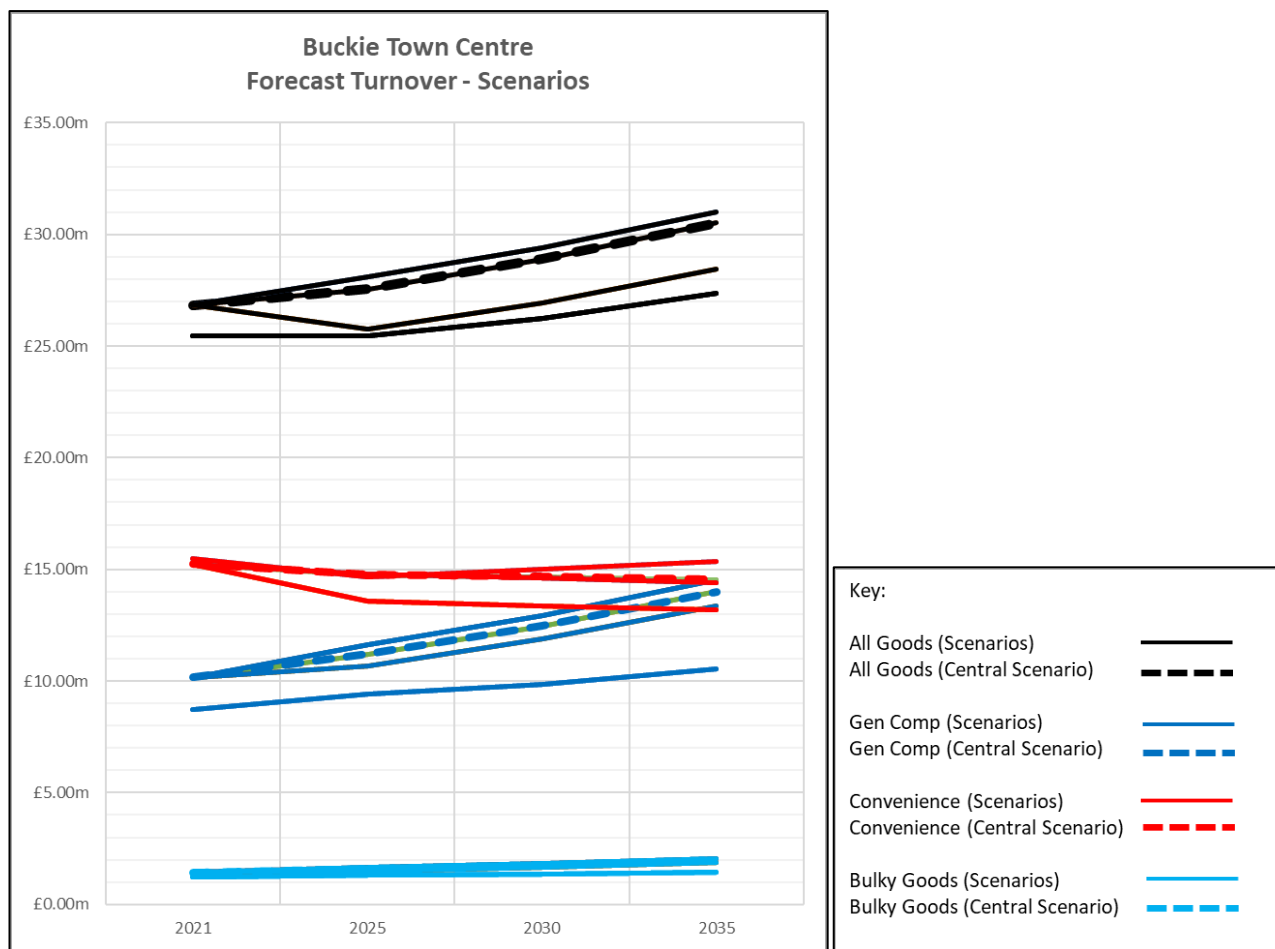


Buckie: Floorspace and Turnover 2021

	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
Buckie Town Centre																
Retail Goods Shops	35	3413	2406	£6,335psm	£15.24m	4980	3344	£3,039psm	£10.16m	1182	777	£1,845psm	£1.43m	9575.12	6526.82	£26.84
Services	41													4693		
Vacant	6													724		
TOTAL	86	3413	2406		£15.24	4979.848	3344.009		£10.16	1182.112	776.594		£1.43	14991.62		£26.84
Remainder Buckie																
Retail Goods Shops	14	3086	2179	£8,653psm	£18.86m	963	700	£5,833psm	£4.08m	39	25	£1,052psm	£0.03m	4089	2905	£22.97m
Services	9													563		
Vacant	3													356		
TOTAL	26	3086	2179		£18.86m	963	700		£4.08m	39	25		£0.03m	5007	2905	£22.97m

Changes in Numbers of Retail and Service Units over Time

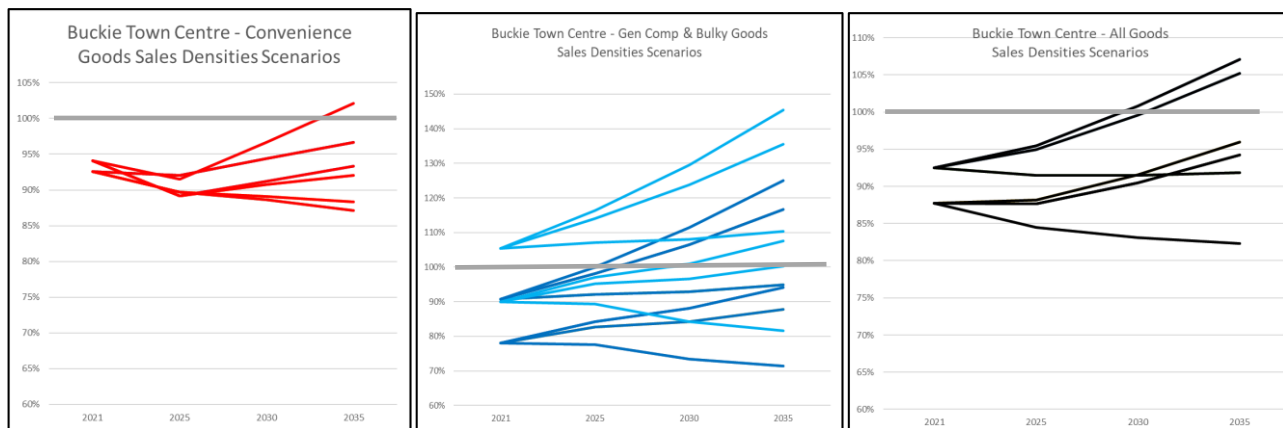
TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	33	35	27	28	27	29	27
Convenience	9	8	7	7	8	9	12
Retail Services	14	17	15	15	16	14	11
Leisure Services	13	19	19	21	20	25	23
Business and Financial Services	17	17	15	13	10	6	7
Vacant	4	4	4	8	10	11	6
TOTAL	90	100	87	92	91	94	86

Figure 5.17: Forecast Future Turnover Buckie Town Centre

- 5.64 The figure shows that in the central case and most scenarios turnover in the Town Centre is expected to increase in real terms for all goods. However, whereas general comparison goods turnover is expected to grow relatively strongly, that for convenience goods is expected to decline slightly.

Forecast Changes in Sales Densities: Buckie Town Centre

- 5.65 Figure 5.18 (in three parts) considers these forecasts of turnover in terms of national average sales densities. This can be used as a proxy indicator for overall viability of businesses (subject to the earlier comment in para 5.31 above).

Figure 5.18: Future Sales Densities as a Percentage of National Average Densities

5.66 As with Elgin City Centre there is considerable variation in the assessments of sales densities – this reflects the fact that not only are there variations in the forecasts of future turnover but, in addition, there is significant variation in the rate at which increases in sales densities are considered appropriate. However, a general picture emerges which is:

- For convenience goods sales densities will tend to remain below national average levels, primarily between 90% and 100% of average.
- For comparison goods there is especially wide variation and there does appear, at the pessimistic end, for general comparison densities to have the potential to decline slightly (to 70% by 2035 for general comparison goods). In this scenario there is a risk of potential retail unit closures. However, the converse is also true, optimistic scenarios identify densities increasing above national average levels which would imply potential demand for additional floorspace within the Town Centre.

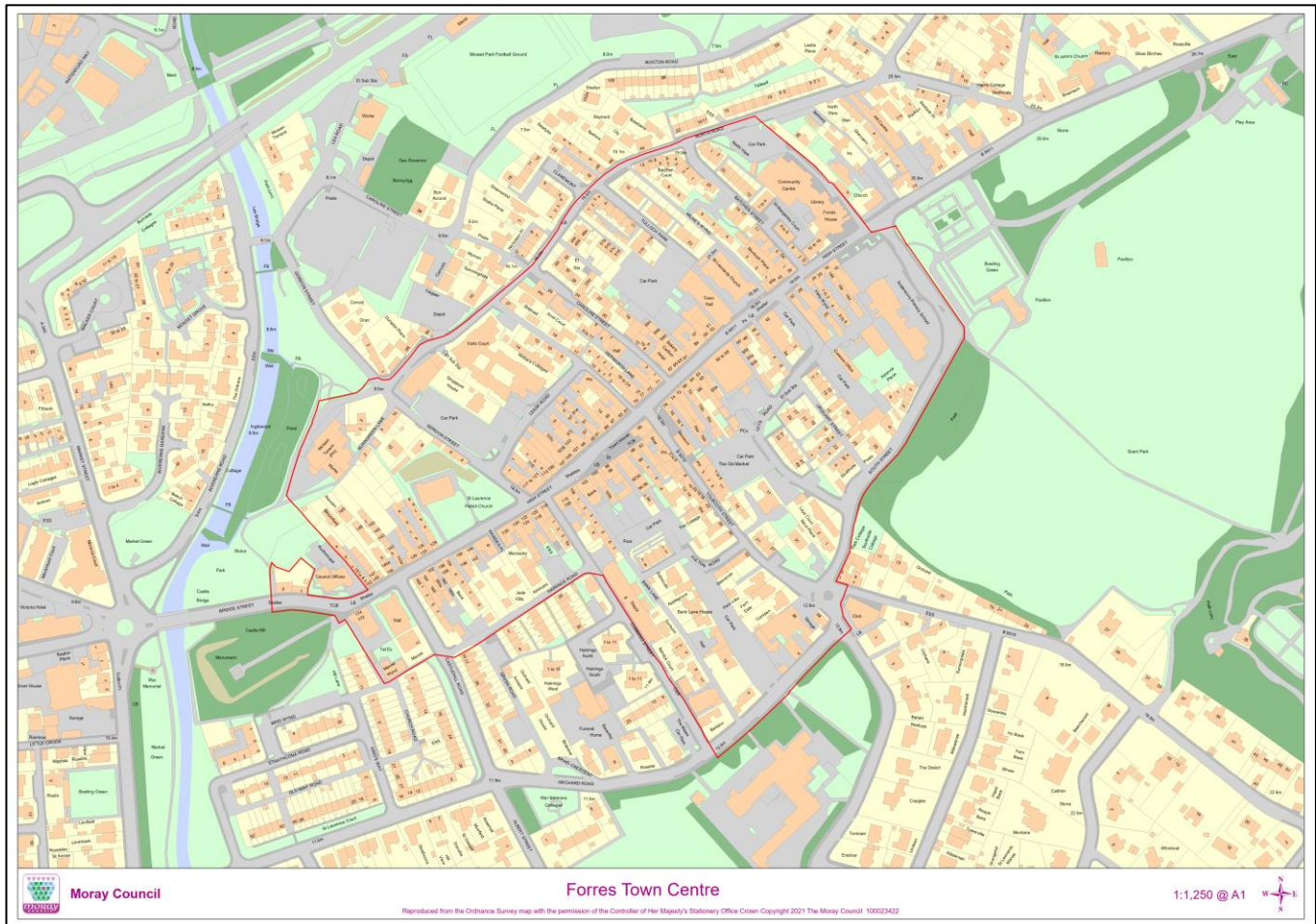
5.67 As with Elgin City Centre it is not possible to draw clear conclusions from this analysis except the fact that there is enormous uncertainty at the present time concerning future retail growth up to 2035.

Forres Town Centre: Space in Use and Health Check

Definition of Town Centre

5.68 Figure 5.19 identifies the extent of Forres Town Centre as defined in the LDP.

Figure 5.19: Forres Town Centre



Space in Use

Numbers of Units by Type

5.69 Figure 5.20 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2010 to 2021. It should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys.

Figure 5.20 Forres Town Centre – Types of Use 2010-21

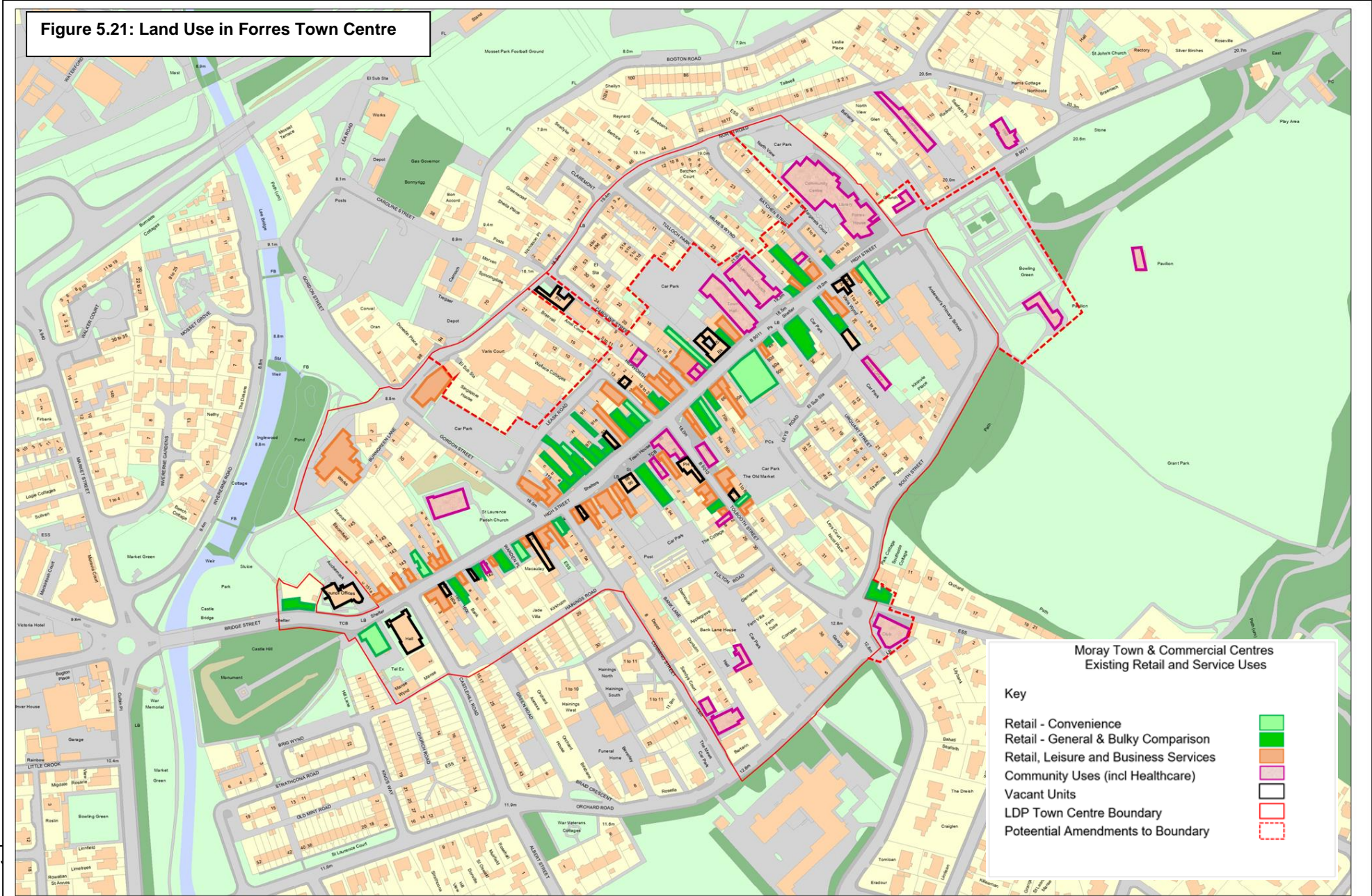
TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	34	32	32	29	28	27	29
Convenience	12	15	15	13	15	11	11
Retail Services	17	22	20	21	27	15	18
Leisure Services	22	23	23	23	23	24	21
Business and Financial Services	14	21	21	20	14	9	8
Vacant	7	10	8	9	3	8	12
TOTAL	106	123	119	115	110	94	99
TYPES OF RETAIL/SERVICE UNITS	FLOOR AREA (Sq M)						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 GRA/HPL
Comparison	4701	3917	4924	4715	4660	3902	4455
Convenience	2269	2390	2360	2269	2370	2490	1840
Retail Services	1316	2449	2416	2490	2225	1747	4591
Leisure Services	1469	1387	1292	1292	1292	3948	
Business and Financial Services	3741	4316	4271	4491	4104	1403	
Vacant	2274	3568	2548	835	305	1319	1084
TOTAL	15770	18026	17812	16091	14956	14809	11970

5.70 Figure 5.21 identifies the distribution of retail, service, community and vacant uses within the Town Centre (in this figure retail, leisure and business/financial services are combined).

Multiple Retailers

5.71 The 2021 survey identified national and regional multiple retailers for retail goods shops only (i.e. excluding café/restaurant and other service brands). In total 9 multiples were identified which is 23% of retailer goods operators which is close to average for a centre of this size.

Figure 5.21: Land Use in Forres Town Centre



Additional Facilities and Services

5.72 Forres town centre provides a range of additional facilities and services:

- Churches/places of worship (5)
- Falconer Museum
- Forest Group Action Hub
- Clinics (5)
- Findhorn Bay Arts
- Forres Cycling Club
- Community Centre + Education Centre + Library
- Tolbooth Tower House
- Moray Council offices
- MSP Office
- Moray Firth Credit Union
- Town Hall
- Funeral Directors

Changes over Time

5.73 Figure 5.20 shows that, for the period 2010 to 2018 the number and floor area of retail and service units was broadly constant (in the region of 106-123 units and 15,000-18,000 sq m GFA). Data from the Regional Assessor identifies significantly lower levels of floorspace compared to previous years – the reason for this is not clear and may reflect definitional differences compared to earlier surveys rather than a significant recent drop in floorspace.

Vacancies*Vacancy Rates*

5.74 Figure 5.20 also sets out information on vacancies within Forres Town Centre. In 2021 the vacancy rates were:

- Number of units: 2020 (Goad) 9%; 2021 (HPL) 12%
- Floor area: 2020 (Goad) 9%; 2021 (Regional Assessor data) 9%

5.75 Goad reported that, in September 2020 the UK national vacancy rate was 13.9% by number of units and 12.75% by floor area. This would suggest that, at that time, Forres' Town Centre's vacancy rate was significantly below the UK average by both number and area of vacant units. The 2021 data (HPL survey and regional Assessor) identified a higher rate of vacancies by number of units but which would still be marginally *below* the national average.

Distribution of Vacancies

5.76 Examination of Figure 5.21 shows that there is no strong concentration of vacancies in the town centre.

Changes over Time

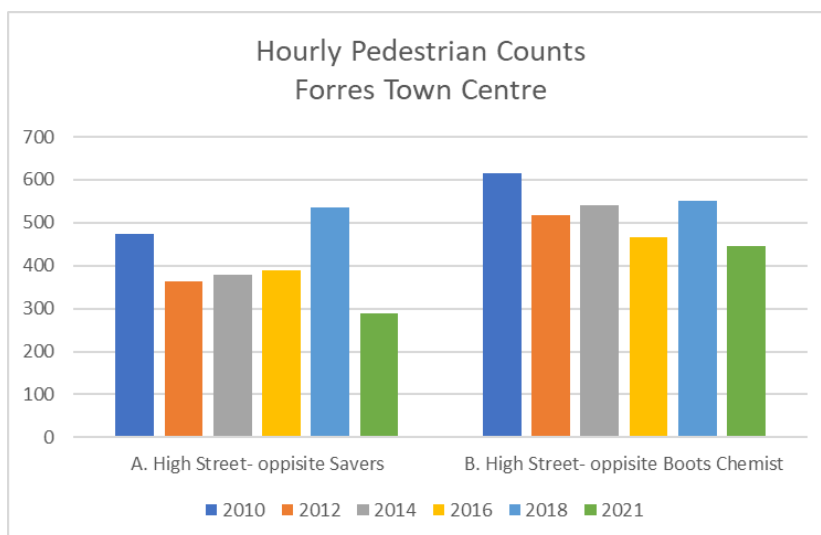
- 5.77 Figure 3.2 does show that vacancies, in terms of percentage of numbers of units, has remained broadly similar since 2010 with the exception of 2018 which recorded very low levels of vacancies and vacant floorspace. However, the 2020/21 surveys have resulted in higher vacancy rates compared to previous years in terms of number of units. In terms of floorspace vacancy rates have varied considerably – with high rates 2010-2014, very low rates in 2016-2018 and, at the current time, rates mid-way between these extremes.

Pedestrian Flow

- 5.78 Pedestrian flow counts were undertaken at the 2 locations used by Moray Council health check surveys on a Wed morning. These identified slight reductions in flows compared to 2018. Data for flows at each location for 2010 to 2021 are set out in Figure 5.22.

Figure 5.22: Pedestrian Flows – Forres Town Centre

	Location	Average Hourly Ped Flows (10.00 - 17.00) Weekday					
		2010	2012	2014	2016	2018	2021
A. High Street- opposite Savers	A	473	364	379	388	535	288
B. High Street- opposite Boots Chemist	B	616	517	540	467	551	446
	<i>Total</i>	1089	881	919	855	1085	734
Average Change (2010 = 100%)		100%	81%	84%	79%	100%	67%



- 5.79 Limited weight can be given to the reductions from 2018 to 2021 because of the impact of Covid-19 lockdown restrictions still affecting behaviour patterns and also the timing of the surveys could also affect numbers surveyed. Insofar as this data can be interpreted it would appear that pedestrian flows have held up relatively strongly in the prime retail frontage of the High Street.

Commercial Property Market Indicators*Prime Retail Rents*

5.80 Due to Covid-19 restrictions there have been few commercial transactions from which Prime Zone A rents can be identified. In terms of properties being marketed the following Zone A equivalent rents are being sought:

- High Street: £125-£150 psm

5.81 An indication of the distribution of rental patterns can be identified from Regional Assessor information which identifies, as a base for determining rateable value, the following Zone A retail rents:

- High Street: £180 psm

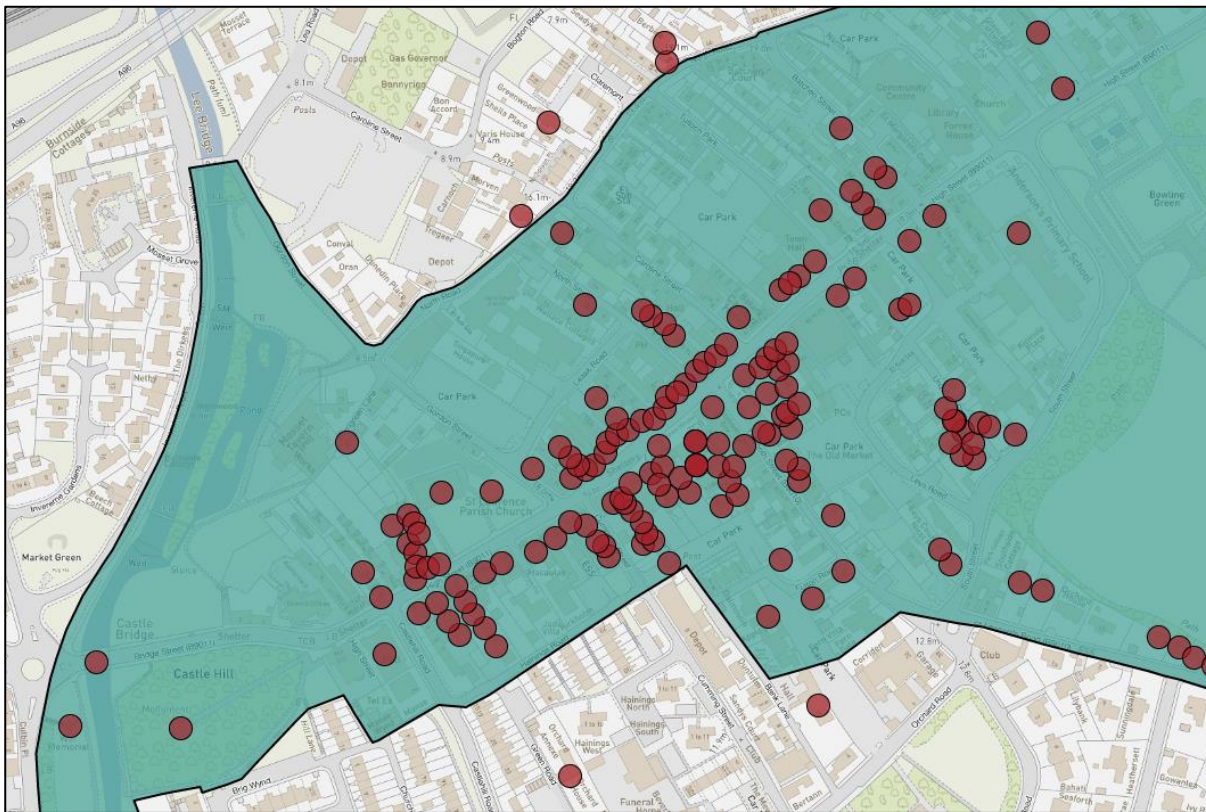
Indicators of Environmental Quality

5.82 The environmental character of Forres Town Centre is considered to be generally high. This reflects the historic character of the centre as a whole and the fact that, although not pedestrianised, traffic flows along the High Street are relatively low and traffic travels at quite low speeds which makes it easy for pedestrians to cross to both sides of the street.

Heritage

5.83 There are in excess of 150 listed buildings within the Town Centre and most of the defined town centre is included within the Forres Conservation Area. Figure 5.23 indicates the location of these heritage designations.

**Figure 5.23: Forres Town City Centre – Heritage Designations
(Listed Buildings, Conservation Areas and Scheduled Monuments)**



User Views of the Town Centre

5.84 Information on the views of users of Forres Town Centre is available from the household survey in 2021. Average scores (where 1 = “very poor” and 5 = “very good”) for characteristics of the centre are as follows (Moray town centres’ average in brackets):

- Choice of shops for clothing and footwear: 1.6 (2.0)
- Choice of shops for other personal goods : 2.2 (2.3)
- Choice of shops for furniture, floor coverings and large household electrical items: 2.0 (2.3)
- Easy to travel to by car: 4.3 (4.2)
- Easy and cheap to park: 4.4 (4.0)
- Easy to travel to by public transport: 3.7 (3.6)
- As a pleasant and attractive place to visit: 4.4 (3.7)
- As a good place to combine shopping with other leisure activities: 3.1 (3.0)
- As a good place to combine shopping with other personal business: 2.8 (2.7)
- Overall across all of the above: 3.2 (3.1)

5.85 In terms of choice of shops ratings were slightly lower than for other Moray town centres but for other indicators the users views slightly higher than those of other town centres. Figure 5.7 sets out a comparison between the principal centres within Moray and this identifies that user views were generally similar between Forres, Buckie, and Keith which were slightly more positive than they were for either Elgin City Centre or Lossiemouth.

Conclusions

5.59 As noted for Elgin the findings of the health check undertaken during 2021 must be regarded as atypical due to the effects of the pandemic. However, from the information available it is evident that the vitality and viability indicators suggest that the centre remains relatively strong:

- Vacancies are below national averages in terms of numbers of vacant units and vacant floorspace.
- There does appear to be a shift in changes in types of use, from retail goods shops to services, but not as strongly as seen in national trends.
- The centre provides a good range of services and facilities additional to retail and retail services.
- Current market information suggests prime rents have been maintained at reasonable levels despite the effects of the hiatus caused by Covid-19.
- The town centre provides a very attractive environment with numerous historic buildings.
- The centres principal weakness is lack in terms of range of retail units and services which is, primarily, a reflection of its relatively small size.

Forres Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

5.86 Key information on numbers of units, floorspace and turnover in 2021 is provided from the SRM:

- Convenience Goods: 11 units; 1840 sq m GFA; 1196 sq m NFA (sales); and £6.62m turnover.
- General Comparison Goods: 27 units; 3204 sq m GFA; 2082 sq m NFA (sales); and £5.53m turnover.
- Bulky Comparison Goods: 2 units; 1251 sq m GFA; 938 sq m NFA (sales); and £1.75m turnover.
- Services: 47 units; 4591 sq m GFA
- Vacancies: 12 units; 1084 sq m GFA

5.87 This indicates that there is significantly more floorspace for the retail of comparison goods (both general and bulky goods) than for convenience goods in the town centre although, in terms of turnover, the situation is more balanced. The Co-op store is the largest shop in the centre accounting for 15% of the retail floorspace within the town centre and almost 50% of its turnover.

5.88 In terms of turnover rates compared to national averages:

- Convenience goods floorspace is trading at 79% of the UK national average
- General comparison floorspace is are trading at 81% of the UK national average
- Bulky Goods floorspace is trading at 117% of the UK average.

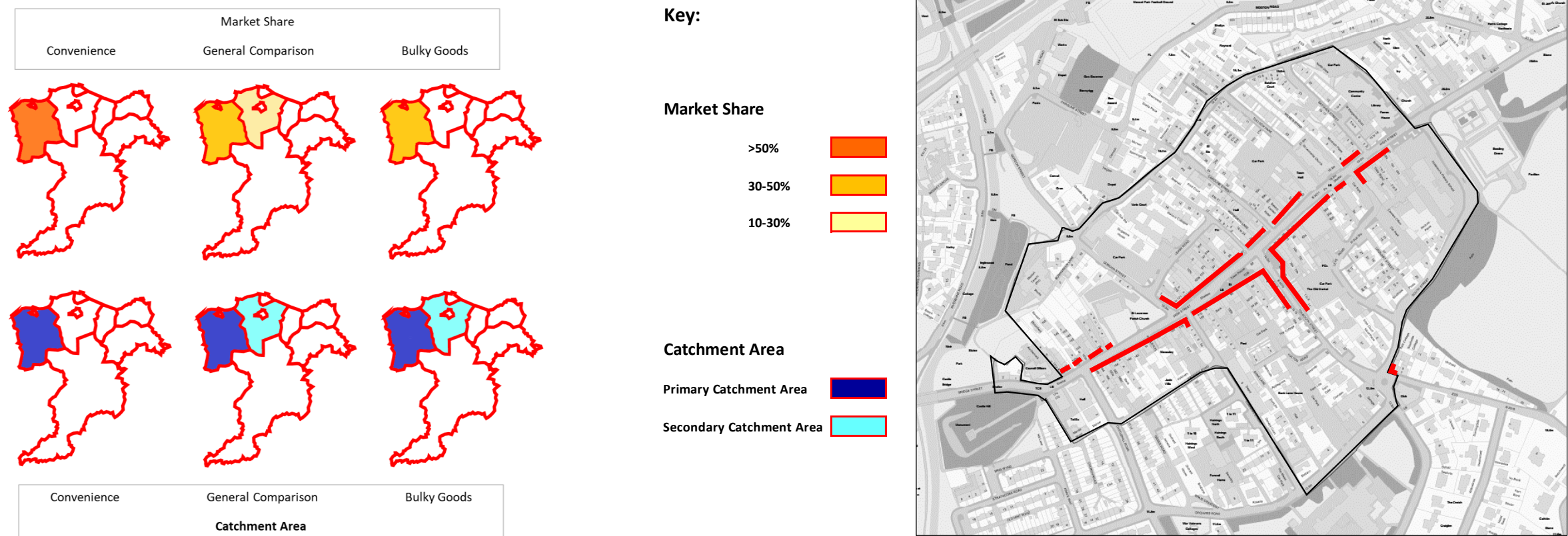
5.89 Even taking into account the fact that these are in comparison to UK national averages and the relatively small size and location of the centre, these sales densities for convenience and general comparison goods are relatively low, especially when compared to Buckie. This also appears to be reflected in the levels of vacancies within the town centre which are higher than in Buckie.

Catchment Area and Market Penetration

5.90 Figure 5.24 presents information on the primary and secondary catchment areas for principal shops in Forres (including the town centre and also Tesco plus Lidl) including levels of market penetration for different goods categories.

- For Convenience Goods: Forres has a clearly identifiable PCA comprising Forres and the immediate rural hinterland (Zone 3). It does not, however, have a clearly identifiable secondary catchment area. Market share, taking into account the Tesco and Lidl stores located outwith the centre but within the urban area, is above 50%.
- For General Comparison Goods: Forres has a clearly identifiable PCA based on Zone 3 (Forres and adjacent rural areas) but it also draws some trade from the west part of Zone 2 (Elgin rural) such that this can be identified as a secondary catchment area. Market share in the PCA is 30% to 50% and in the SCA is 10% to 30%.
- For Bulky Goods: the catchment areas for bulky goods are the same as for general comparison goods as is the market share in the PCA. In the SCA market share is low at less than 10%.

Figure 5.28: Forres – Key Retail Characteristics



Forres: Floorspace and Turnover 2021

	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
Forres Town Centre																
Retail Goods Shops	40	1840.323	1196.21	£5,535psm	£6.62m	3203.542449	2082.303	£2,655psm	£5.53m	1251	938.25	£1,862psm	£1.75m	6294.865	4216.762	£13.90
Services	47													4591		
Vacant	12													1084		
TOTAL	99	99	99		£6.62	3203.542449	2082.303		£5.53	1251	938.25		£1.75	11969.71		£13.90
Remainder Forres																
Retail Goods Shops	7	4173	2894	£9,353psm	£27.07m	2348	1605	£4,400psm	£7.06m	2531	1440	£1,213psm	£1.75m	8791	5939	£35.88m
Services	2													130		
Vacant	1													47		
TOTAL	10	4173	2894		£27.07m	2348	1605		£7.06m	2531	1440		£1.75m	8967	5939	£35.88m

Changes in Numbers of Retail and Service Units over Time

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goat	2021 HPL
Comparison	34	32	32	29	28	27	29
Convenience	12	15	15	13	15	11	11
Retail Services	17	22	20	21	27	15	18
Leisure Services	22	23	23	23	23	24	21
Business and Financial Services	14	21	21	20	14	9	8
Vacant	7	10	8	9	3	8	12
TOTAL	106	123	119	115	110	94	99

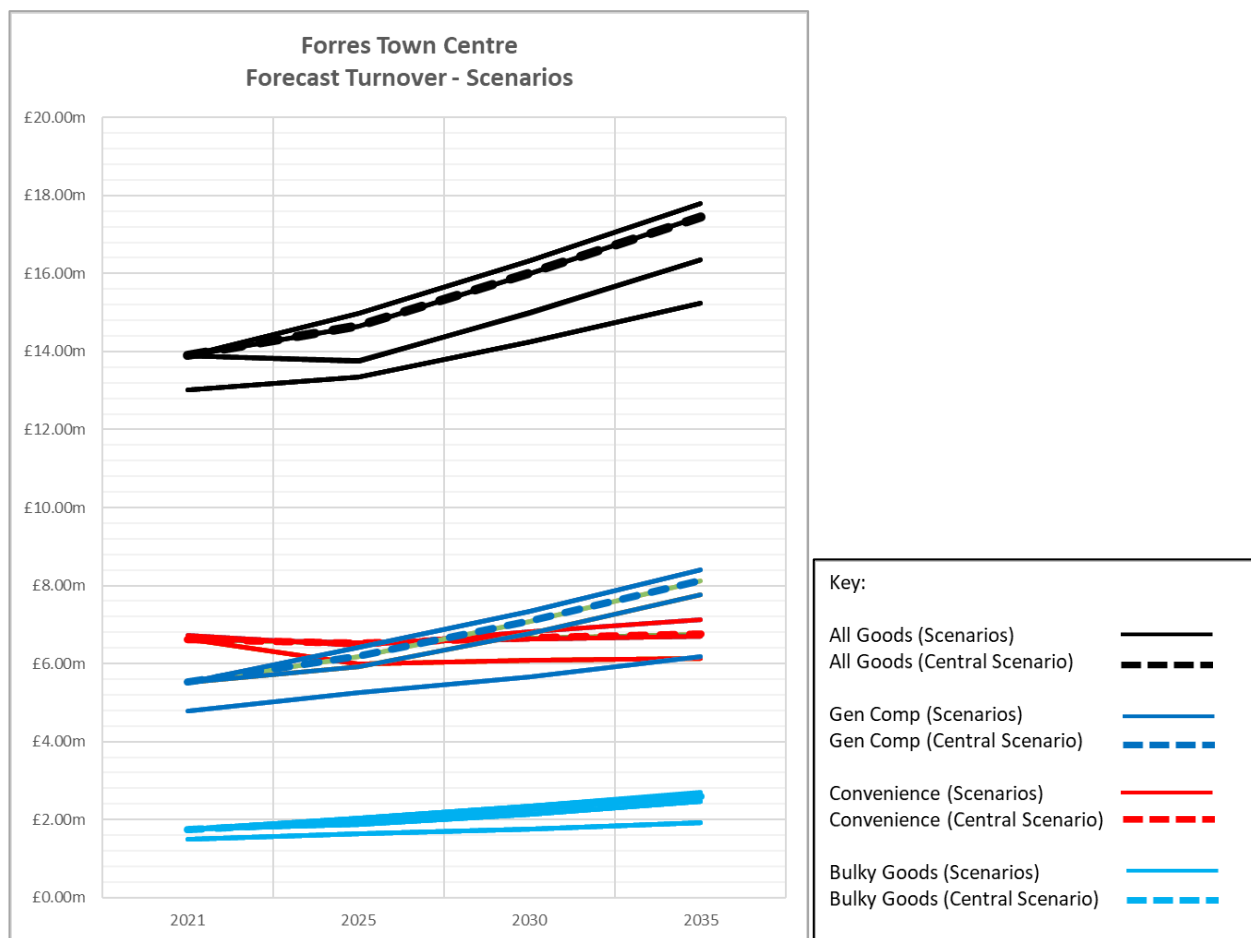
Future Turnover Growth

- 5.91 Information of future turnover growth has been derived from the Strategic Retail Model in the same way as set out for Elgin City Centre.

Forecast Changes in Retail Turnover: Forres Town Centre

- 5.92 Figure 5.25 sets out forecasts of future turnover for each of the principal goods categories for the period 2021 to 2035. The central case is denoted by the dashed lines.

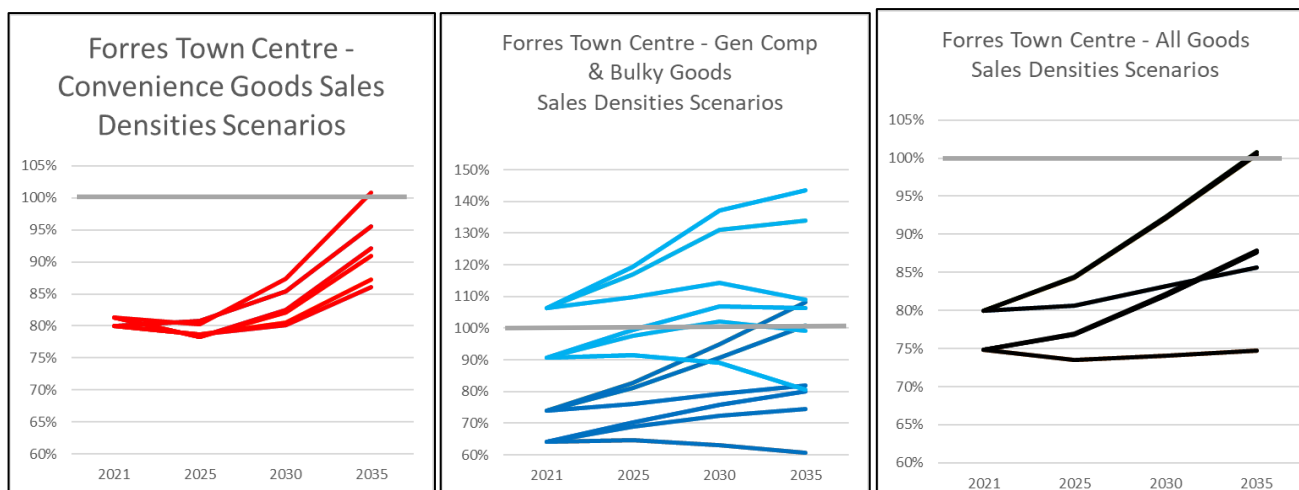
Figure 5.25: Forecast Future Turnover Forres Town Centre



- 5.93 The figure shows that in the central case and in all scenarios turnover in the Town Centre is expected to increase in real terms for all goods. However, whereas general comparison goods turnover is expected to grow relatively strongly, that for convenience goods is expected to remain flat (i.e. no significant growth or decline).

Forecast Changes in Sales Densities: Forres Town Centre

- 5.94 Figure 5.26 (in three parts) considers these forecasts of turnover in terms of national average sales densities. This can be used as a proxy indicator for overall viability of businesses (subject to the earlier comment in para 5.31 above).

Figure 5.26: Forres Future Sales Densities as a Percentage of National Average Densities

5.95 As with Elgin City Centre there is considerable variation in the assessments of sales densities – this reflects the fact that not only are there variations in the forecasts of future turnover but, in addition, there is significant variation in the rate at which increases in sales densities are considered appropriate. However, a general picture emerges which is:

- For convenience goods sales densities are expected to increase but will tend to remain below national average levels, primarily between 85% and 95% of average.
- For comparison goods there is especially wide variation. For general comparison goods sales densities are expected to increase relative to the national average increasing from current low levels (ca. 65%-85%) to approximately 80%-90%. The position with bulky goods is unclear and the different scenarios identify both increases and declines in sales densities.
- For all goods sales densities are expected to generally increase.

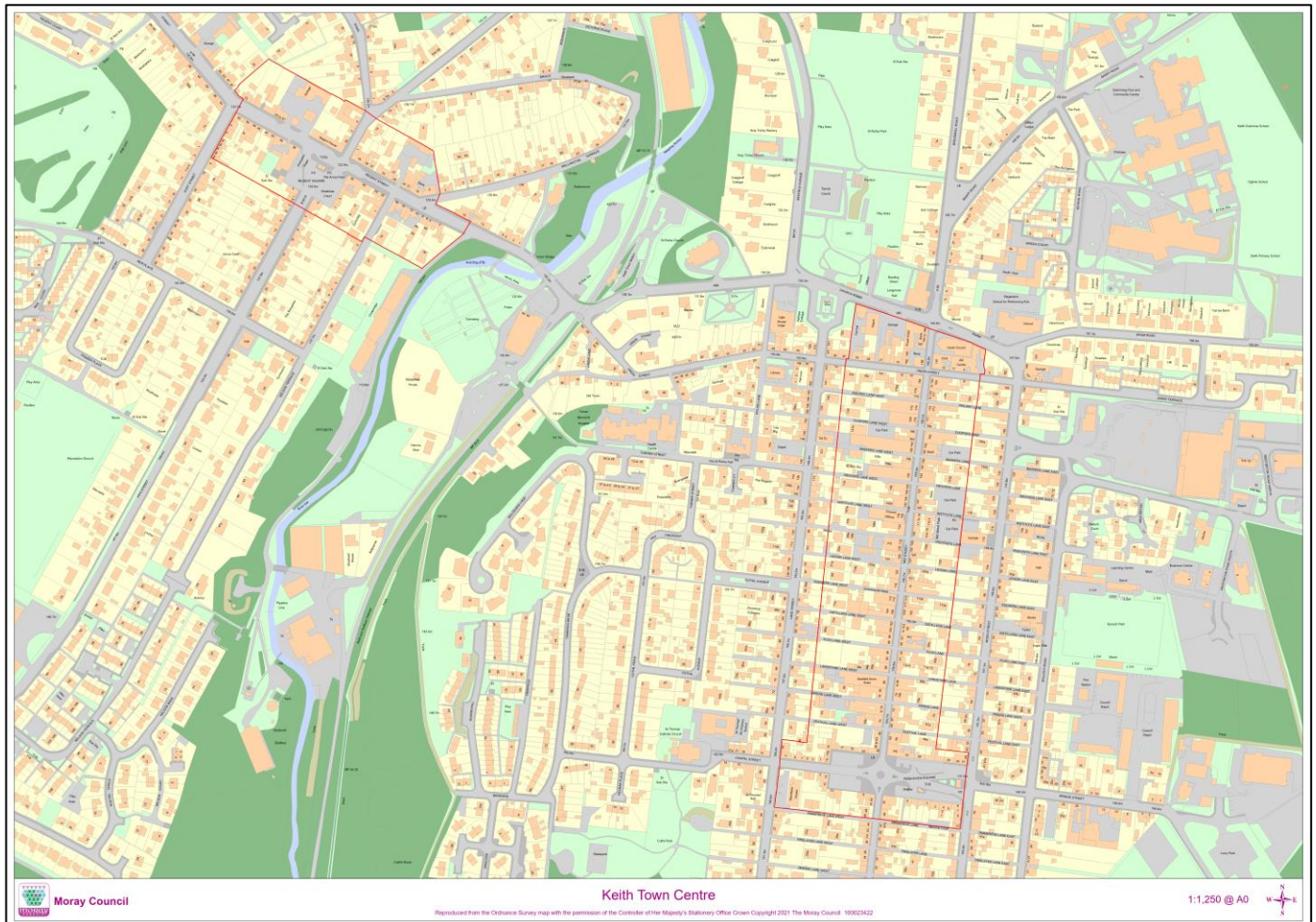
5.96 As with Elgin City Centre it is not possible to draw clear conclusions from this analysis except the fact that there is enormous uncertainty at the present time concerning future retail growth up to 2035.

Keith Town Centre: Space in Use and Health Check

Definition of Town Centre

5.97 Figure 5.27 identifies the extent of Keith Town Centre as defined in the LDP.

Figure 5.27: Keith Town Centre



Space in Use

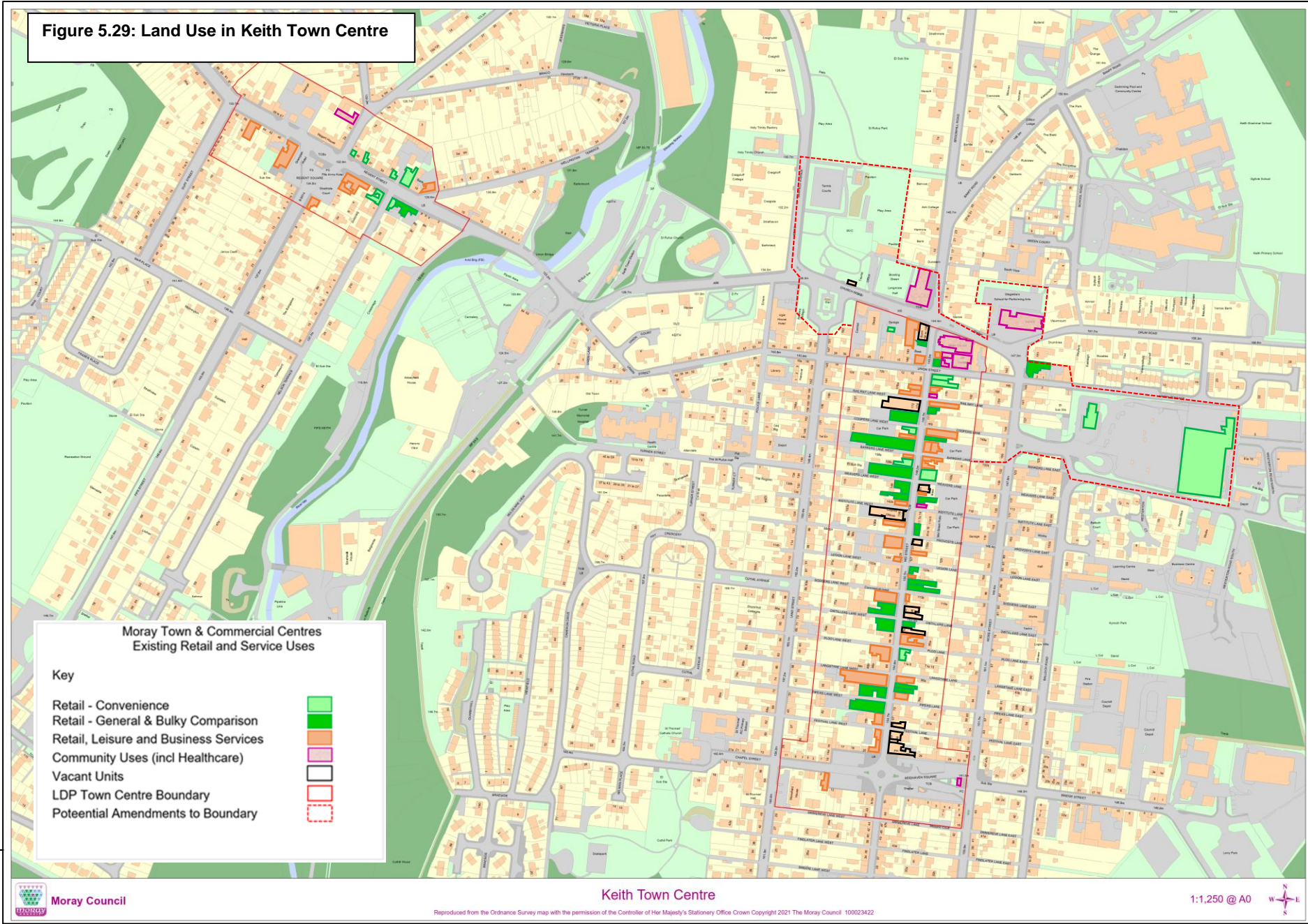
Numbers of Units by Type

5.98 Figure 5.28 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2010 to 2021. It should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys.

Figure 5.28: Keith Town Centre – Types of Use 2010-21

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	24	29	28	27	26	23	23
Convenience	11	12	13	13	13	8	11
Retail Services	12	10	9	12	13	12	14
Leisure Services	19	18	19	18	19	15	15
Business and Financial Services	11	13	14	12	11	6	8
Vacant	6	10	6	5	9	10	12
TOTAL	83	92	89	87	91	74	83
TYPES OF RETAIL/SERVICE UNITS	FLOOR AREA (Sq M)						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 GRA/HPL
Comparison	4949	5309	5811	5488	4498	5175	4051
Convenience	1353	1777	1410	1423	1423	4422	1497
Retail Services	722.5	956	768	960	1026	1124	3951
Leisure Services	1360	1012	1079	998	911	3317	
Business and Financial Services	1209	1546	1618	1392	1191	1059	
Vacant	765	959	660	641.9	1689	2453	1925
TOTAL	10359	11559	11345	10902	10737	17549	11424

5.99 Figure 5.29 identifies the distribution of retail, service, community and vacant uses within the Town Centre (in this figure retail, leisure and business/financial services are combined).



Multiple Retailers

5.100 The 2021 survey identified national and regional multiple retailers for retail goods shops only (i.e. excluding café/restaurant and other service brands). In total 2 multiples were identified which is 6% of retailer goods operators. This is very low for this size of centre.

Additional Facilities and Services

5.101 Keith provides a limited range of additional facilities and services:

- Funeral Directors
- Hotel
- Reap Scotland
- Club
- Army Cadets
- Stage School (currently edge of centre)
- Church
- Community Hall
- Clinic

Changes over Time

5.102 Figure 5.28 shows that the total numbers of units for retail goods shops is very similar in 2021 as was identified in 2010 although higher numbers have been identified in intervening years and retail service units remained broadly constant throughout the whole of the period 2010-2021. MC surveys also identify a similar pattern for retail goods and services floorspace. The latest Regional Assessor information for floorspace identifies a reduction in comparison floorspace since 2018 but increases in retail services and vacancies. The 2020 Goad survey information includes Tesco and other units within the defined town centre and therefore identifies significantly higher levels of floorspace.

5.103 Keith town centre therefore appears not to be following national trends for a shift from retail goods to retail services (apart from a limited shift 2018-2021), rather the general picture is of a relatively stable mix of retail goods and services uses.

Vacancies*Vacancy Rates*

5.104 Figure 5.28 also sets out information on vacancies within Keith Town Centre. In 2021 the vacancy rates were:

- Number of units: 2020 (Goad) 14%; 2021 (HPL) 14%
- Floor area: 2020 (Goad) 14%; 2021 (HPL/Regional Assessor) 17%

5.105 Goad reported that, in September 2020 the UK national vacancy rate was 13.9% by number of units and 12.75% by floor area. This would suggest that, at that time, Keith's Town Centre's vacancy rate was at the UK average

by number and marginally above average by area of vacant units. The HPL survey (June 2021) identified a similar vacancy rate by number of units but an increase by floor area to higher than the national average..

Distribution of Vacancies

- 5.106 Examination of Figure 5.29 shows that there are significant concentrations of vacancies to the centre and southern end of Mid Street. Concentrations of vacancies can increase the perception of this as a particular problems for the centre to users of/visitors to the town centre.

Changes over Time

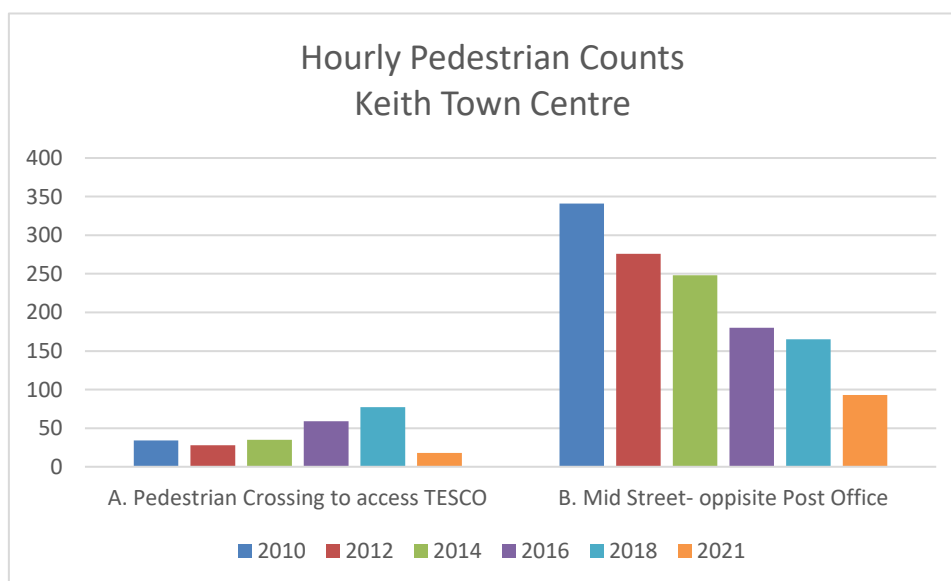
- 5.107 Figure 5.28 does show that vacancies, in terms of percentage of numbers of units and floor area, remained broadly stable up to 2016 but have increased significantly since that date.

Pedestrian Flow

- 5.108 Pedestrian flow counts were undertaken at the 2 locations used by MC on a Thursday morning. These identified some reductions in flows compared to 2018. Data for flows at each location for 2010 to 2021 are set out in Figure 5.30.

Figure 5.30: Pedestrian Flows – Keith Town Centre

	Location	Average Hourly Ped Flows (10.00 - 17.00) Weekday					
		2010	2012	2014	2016	2018	2021
A. Pedestrian Crossing to access TESCO	A	34	28	35	59	77	18
B. Mid Street- oppisite Post Office	B	341	276	248	180	165	93
	<i>Total</i>	375	304	283	239	243	111
Average Change (2010 = 100%)		100%	81%	75%	64%	65%	30%



- 5.109 Limited weight can be given to the reductions from 2018 to 2021 because of the impact of Covid-19 lockdown restrictions still affecting behaviour patterns and also the timing of the surveys could also affect numbers

surveyed. Insofar as this data can be interpreted it would appear that pedestrian flows have steadily declined on Mid Street. During the surveys undertaken in 2021 it was observed that, due to the relative ease of parking on Mid Street, most shoppers tended to park very close to their destination shop which minimised the need for walking and, furthermore, shoppers tended not to visit multiple shops in the town centre as part of the same trip (or at least did not walk to different shops/services as part of that trip).

Commercial Property Market Indicators

Prime Retail Rents

5.110 Due to Covid-19 restrictions there have been few commercial transactions from which Prime Zone A rents can be identified. In terms of properties being marketed the following Zone A equivalent rents are being sought:

- Mid Street: £100 psm

5.111 An indication of the distribution of rental patterns can be identified from Regional Assessor information which identifies, as a base for determining rateable value, the following Zone A retail rents:

- Mid Street: £85 psm

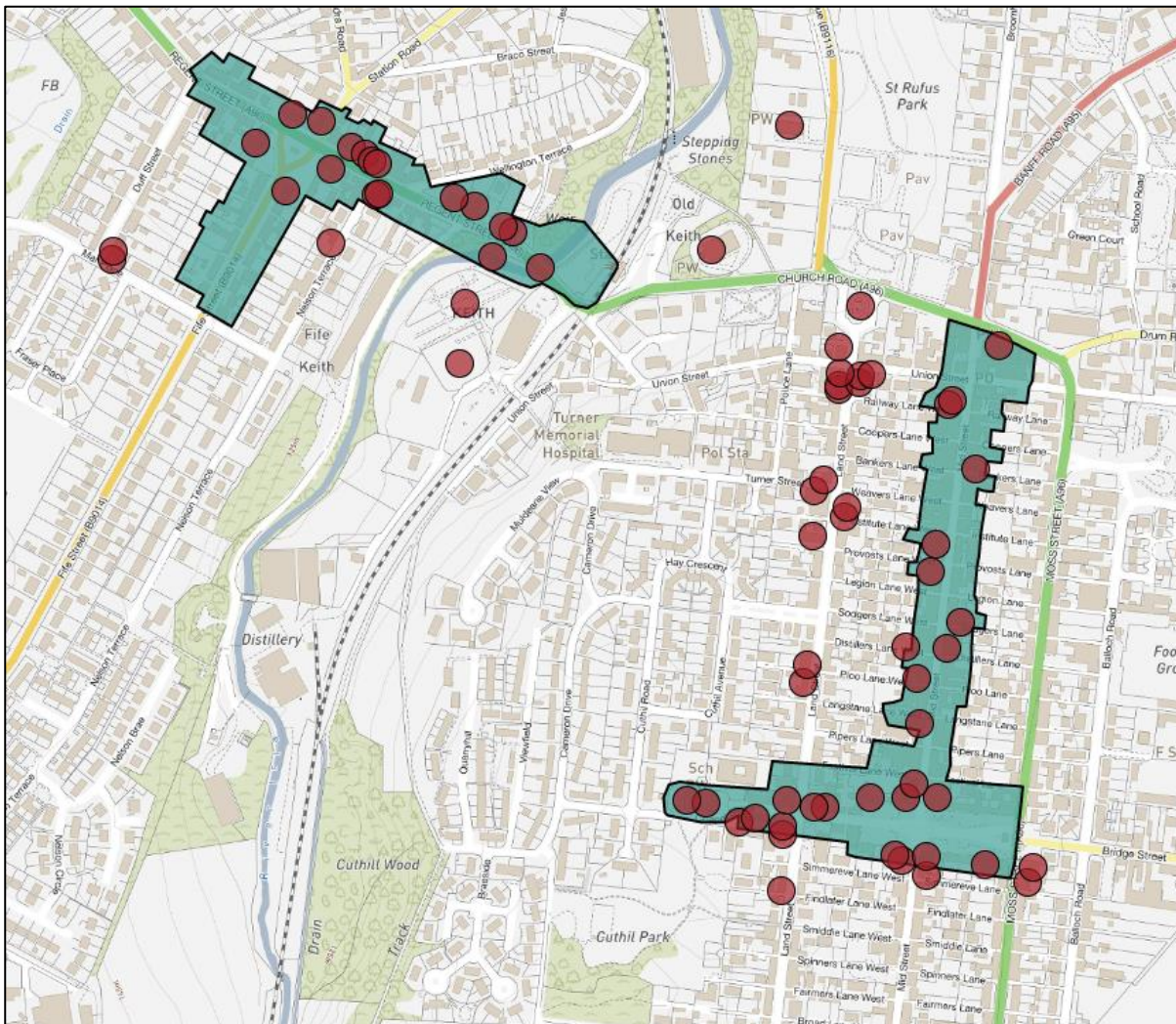
Indicators of Environmental Quality

5.112 The environmental character of Keith is good to mixed. Certain buildings are very attractive as in Reidhaven Square. However, in other parts certain buildings are less attractive and the narrow footways and extensive parking limits the attractiveness of the centre to pedestrians. Traffic flows along Mid Street are low but traffic along the A96 does act as a barrier to pedestrians for those wishing to walk between Tesco and the defined town centre.

Heritage

5.113 There are approximately 38 listed buildings within the Town Centre and most of the defined town centre is included within the Fife Keith and Mid Street Conservation Areas. Figure 5.31 indicates the location of these heritage designations.

**Figure 5.31: Keith Town City Centre – Heritage Designations
(Listed Buildings, Conservation Areas and Scheduled Monuments)**



User Views of the Town Centre

5.114 Information on the views of users of Keith Town Centre is available from the household survey in 2021. Average scores (where 1 = “very poor” and 5 = “very good”) for characteristics of the centre are as follows (Moray town centres’ average in brackets):

- Choice of shops for clothing and footwear: 2.2 (2.0)
- Choice of shops for other personal goods : 2.4 (2.3)
- Choice of shops for furniture, floor coverings and large household electrical items: 3.3 (2.3)
- Easy to travel to by car: 4.4 (4.2)
- Easy and cheap to park: 4.2 (4.0)
- Easy to travel to by public transport: 3.0 (3.6)
- As a pleasant and attractive place to visit: 3.5 (3.7)
- As a good place to combine shopping with other leisure activities: 2.9 (3.0)
- As a good place to combine shopping with other personal business: 2.8 (2.7)
- Overall across all of the above: 3.2 (3.1)

5.115 In terms of choice of shops ratings were slightly higher than for other Moray town centres, in particularly so for bulky goods, but for other indicators the users views were generally similar to other towns apart for access by public transport (which was significantly lower than for other towns). Figure 5.7 set out a comparison between the principal centres within Moray and this identifies that user views were generally similar between Keith, Buckie and Forres which were slightly more positive than they were for either Elgin City Centre or Lossiemouth.

Conclusions

5.116 As noted for Elgin the findings of the health check undertaken during 2021 must be regarded as atypical due to the effects of the pandemic. However, from the information available it is evident that the vitality and viability indicators suggest that the centre has mixed indicators of vitality and viability:

- Range of retail and service facilities within the town centre is relatively limited.
- Vacancies are close to UK averages by both numbers of units and floor area.
- Numbers of units and area of floorspace is close to that identified in 2010 but has declined from 2014/16.
- Rents are relatively low.
- There is a low level of multiple representation in the town centre.
- Environmental quality is good to mixed.
- Household survey attitudes towards the town centre are average to good with bulky goods identified as particularly strong.

Keith Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

5.117 Key information on numbers of units, floorspace and turnover in 2021 is provided from the SRM:

- Convenience Goods: 12 units; 1497 sq m GFA; 973 sq m NFA (sales); and £2.84m turnover.
- General Comparison Goods: 21 units; 2608 sq m GFA; 1695 sq m NFA (sales); and £5.49m turnover.
- Bulky Comparison Goods: 3 units; 1443 sq m GFA; 1082 sq m NFA (sales); and £2.62m turnover.
- Services: 37 units; 3851 sq m GFA
- Vacancies: 12 units; 1925 sq m GFA

5.118 This indicates that there is significantly more floorspace and turnover for the retail of comparison goods (both general and bulky goods) than for convenience goods in the town centre. Keith town centre has significantly more bulky goods floorspace than either of the other town centres (excluding Elgin) in Moray.

5.119 These figures exclude Tesco which is located close to the defined town centre. Observations confirm that there are regular pedestrian movements between the Tesco store and the defined town centre and that it would be logical to include Tesco within the defined town centre.

5.120 In terms of turnover rates compared to national averages:

- Convenience goods floorspace is trading at 56% of the UK national average
- General comparison floorspace is are trading at 90% of the UK national average
- Bulky Goods floorspace is trading at 139% of the UK average.

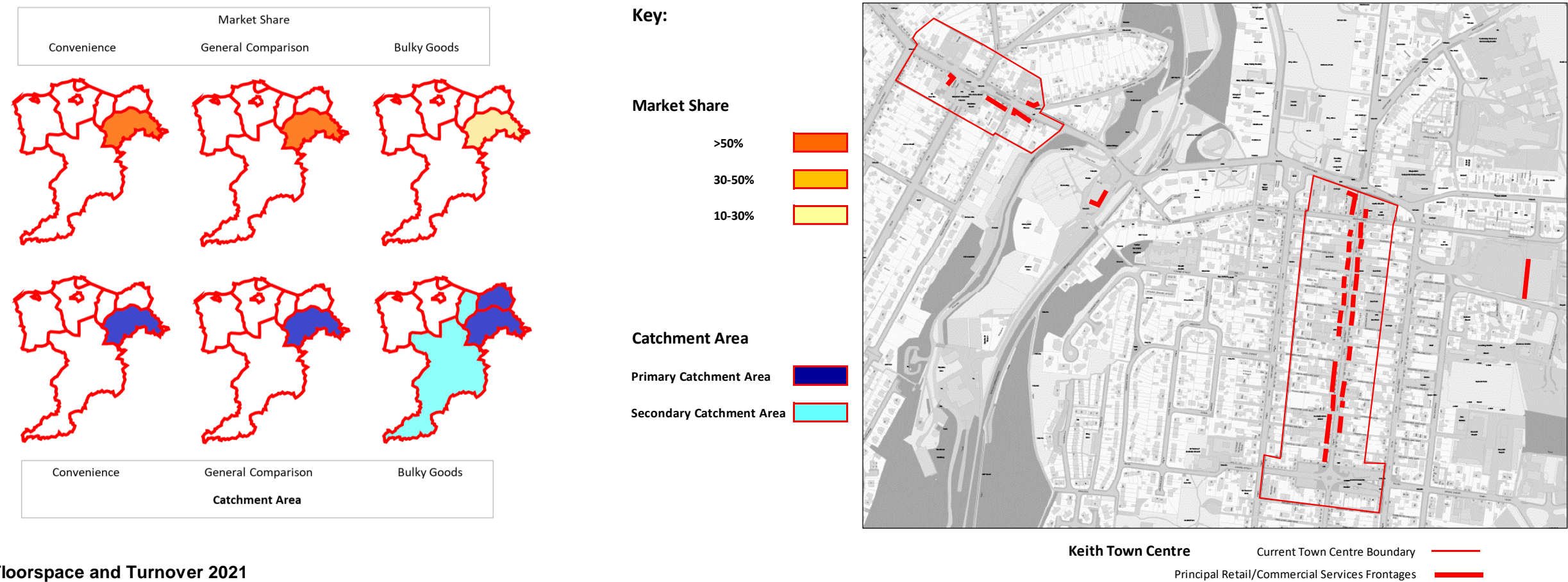
5.121 These figures present significant variation between retail sectors. Even taking into account the fact that these are in comparison to UK national averages and the relatively small size and location of the centre sales densities for convenience goods are low and may be indicative of the fact that the Tesco supermarket is located very close to the defined town centre and is dominating trade in convenience goods. In contrast general comparison sales densities are relatively healthy and bulky goods sales densities are strong.

Catchment Area and Market Penetration

5.122 Figure 5.32 presents information on the primary and secondary catchment areas for Keith town centre, along with Tesco and other nearby stores, and levels of market penetration for different goods categories.

- For Convenience Goods: the centre has a clearly identifiable PCA comprising Keith and the immediate rural hinterland (Zone 6). The centre does not, however, have a clearly identifiable secondary catchment area. Market share, taking into account the Tesco, is above 50% within the PCA.
- For General Comparison Goods: the centre has a clearly identifiable PCA based on Zone 6 (Keith and adjacent rural areas) but, as with convenience goods, does not have an identifiable secondary catchment area. Market share for the town centre plus Tesco in the PCA is slightly above 50%.
- For Bulky Goods: the catchment areas for bulky goods is relatively extensive although market share within this wide area is quite low. The PCA can be identified to comprise Zones 6 and 7 (Keith, Buckie and rural hinterlands) and the SCA extends to include the Mosstodloch and Speyside rural areas (Zones 5 and 8). In the PCA market share is less than 30% and less than 10% in the SCA

Figure 5.32: Keith – Key Retail Characteristics



Keith: Floorspace and Turnover 2021

	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
Keith Town Centre																
Retail Goods Shops	36	1497	973	£2,919psm	£2.84m	2608	1695	£3,236psm	£5.49m	1443	1082	£2,423psm	£2.62m	5548.271	3750.706	£10.95
Services	37													3851		
Vacant	12													1925		
TOTAL	85	1497	973		£2.84	2608	1695		£5.49	1443	1082		£2.62	11324.1		£10.95
Remainder Keith																
Retail Goods Shops	2	2503	1641	£9,345psm	£15.33m	2221	1564	£4,663psm	£7.29m					4724	3205	£22.62m
Services																
Vacant																
TOTAL	2	2503	1641		£15.33m	2221	1564		£7.29m	0	0		£0.00m	4724	3205	£22.62m

Changes in Numbers of Retail and Service Units over Time

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	24	29	28	27	26	23	23
Convenience	11	12	13	13	13	8	11
Retail Services	12	10	9	12	13	12	14
Leisure Services	19	18	19	18	19	15	15
Business and Financial Services	11	13	14	12	11	6	8
Vacant	6	10	6	5	9	10	12
TOTAL	83	92	89	87	91	74	83

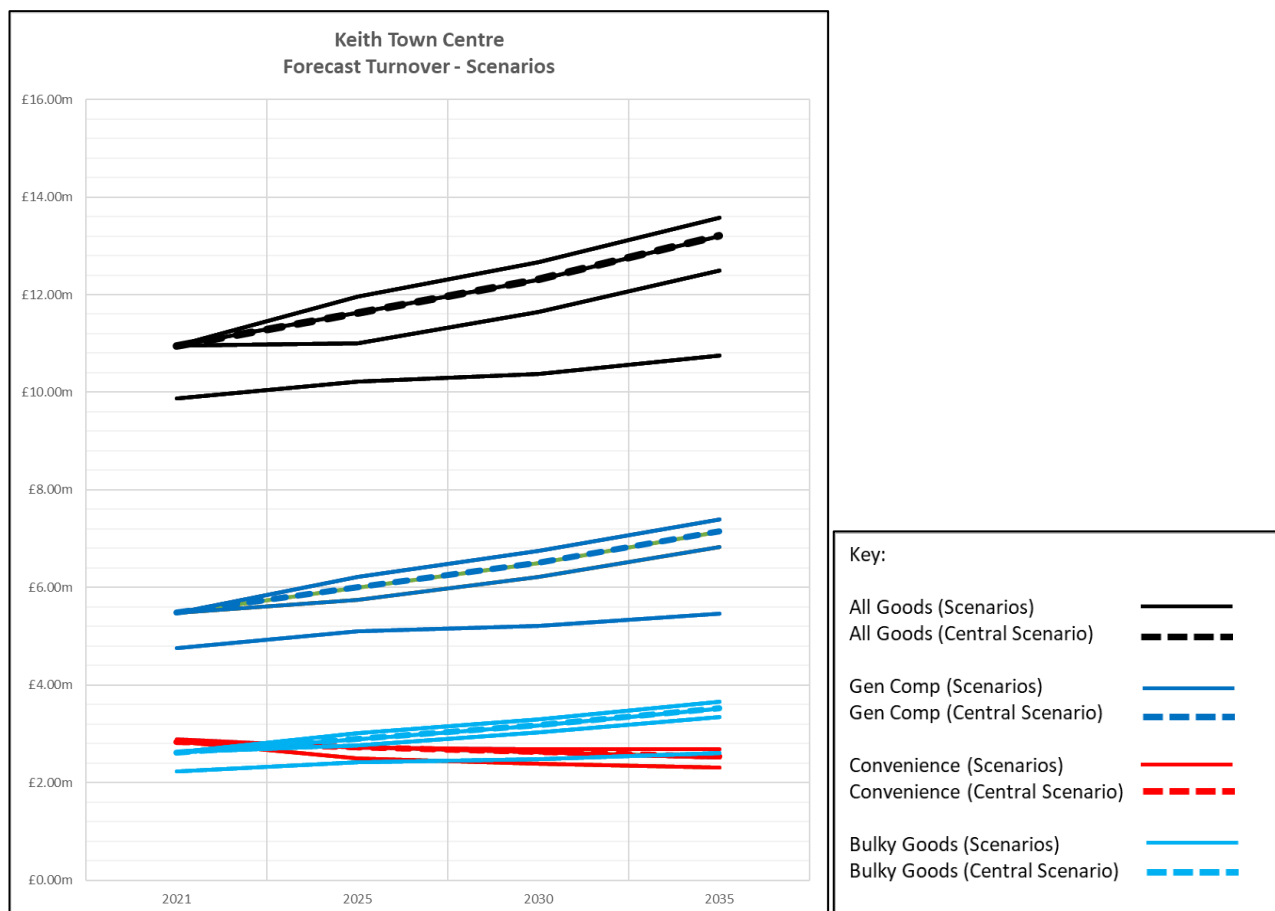
Future Turnover Growth

5.123 Information of future turnover growth has been derived from the Strategic Retail Model in the same way as set out for Elgin City Centre.

Forecast Changes in Retail Turnover: Keith Town Centre

5.124 Figure 5.33 sets out forecasts of future turnover for each of the principal goods categories for the period 2021 to 2035. The central case is denoted by the dashed lines.

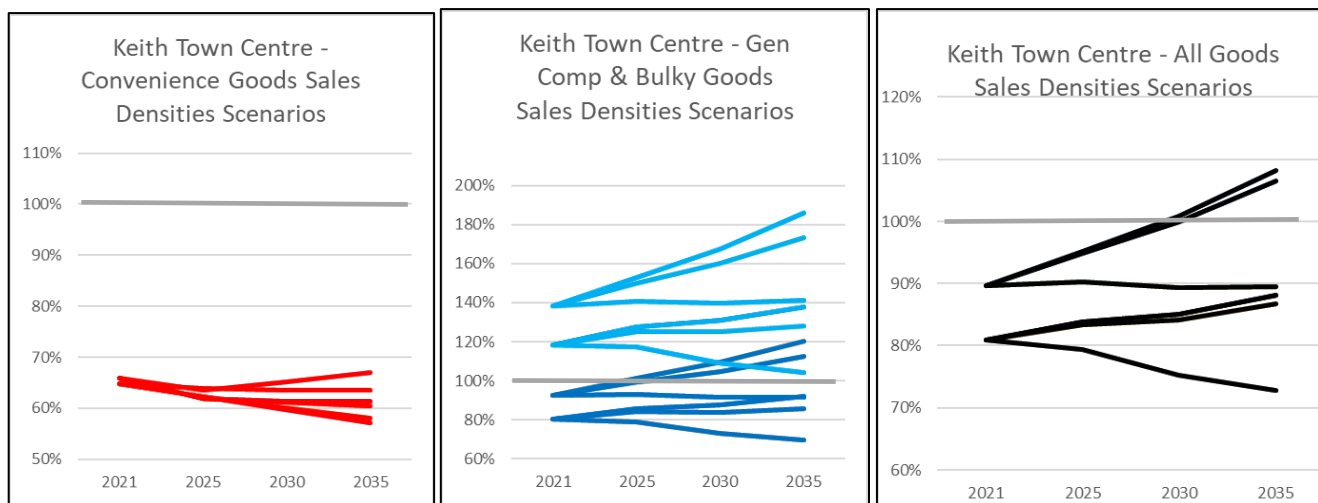
Figure 5.33: Forecast Future Turnover Keith Town Centre



5.125 The figure shows that in the central case and in all scenarios turnover in the Town Centre is expected to increase in real terms for all goods. However, whereas general comparison goods turnover is expected to grow relatively strongly, that for convenience goods is expected to decline slightly.

Forecast Changes in Sales Densities: Keith Town Centre

5.126 Figure 5.34 (in three parts) considers these forecasts of turnover in terms of national average sales densities. This can be used as a proxy indicator for overall viability of businesses (subject to the earlier comment in para 5.31 above).

Figure 5.34: Keith Future Sales Densities as a Percentage of National Average Densities

5.127 As with Elgin City Centre there is considerable variation in the assessments of sales densities – this reflects the fact that not only are there variations in the forecasts of future turnover but, in addition, there is significant variation in the rate at which increases in sales densities are considered appropriate. However, a general picture emerges which is:

- For convenience goods sales densities are expected to decline slightly remain broadly flat – some scenarios identify increases and others declines. In general sales densities would remain well below national averages.
- For comparison goods there is especially wide variation. For general comparison goods sales densities are expected to generally increase slightly compared to current levels but, in some scenarios, densities could increase rapidly whereas in others they could decline. The position with bulky goods is similar but with even greater variation in forecasts.
- For all goods sales densities there is wide variation in forecasts.

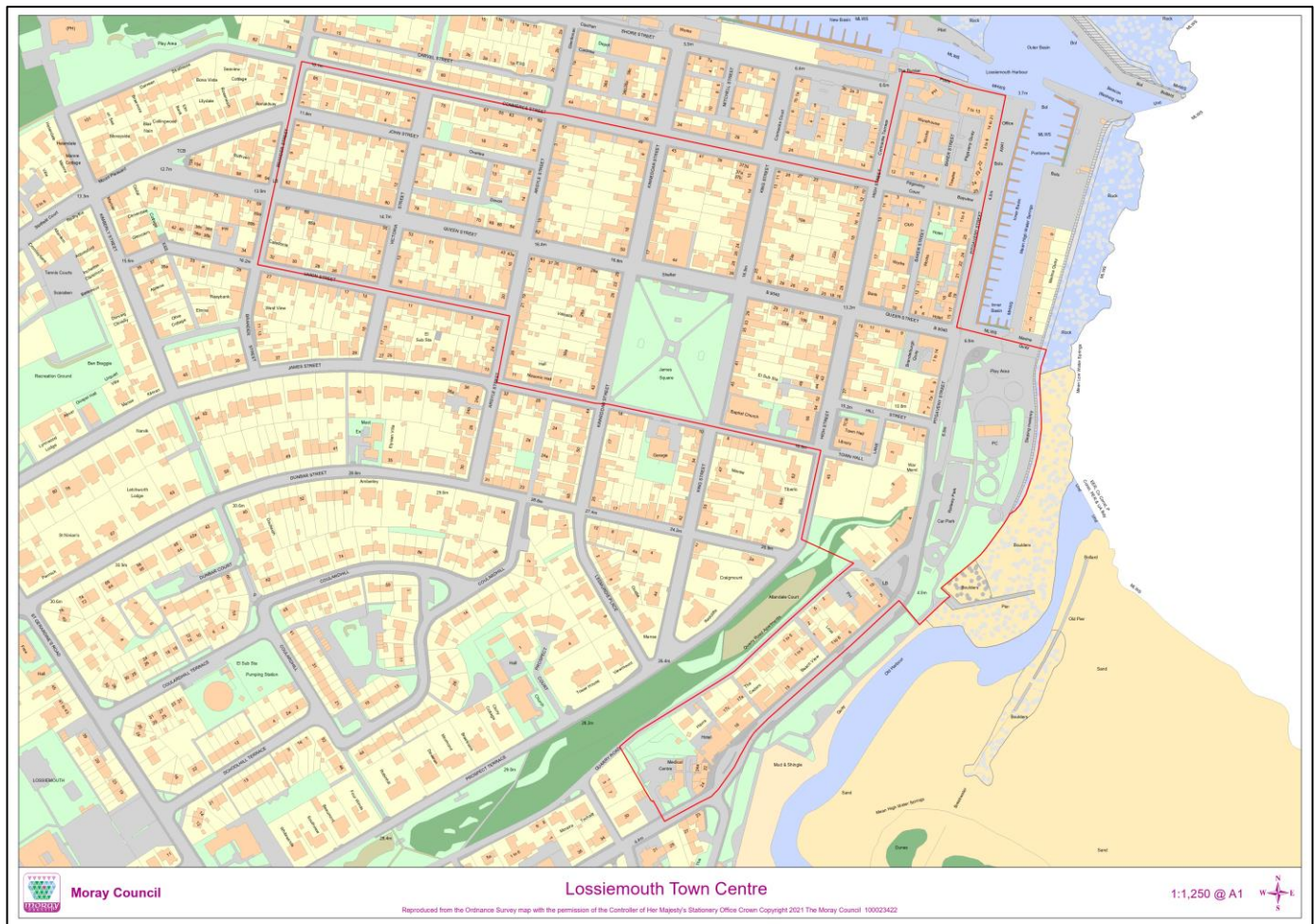
5.128 As with Elgin City Centre it is not possible to draw clear conclusions from this analysis except the fact that there is enormous uncertainty at the present time concerning future retail growth up to 2035. This uncertainty would encourage the adoption of a cautious approach to the identification of new retail floorspace and the protection of existing centres, especially with respect to comparison goods.

Lossiemouth Town Centre: Space in Use and Health Check

Definition of Town Centre

- 5.129 Figure 5.35 identifies the extent of Lossiemouth Town Centre that has been used in the Town Centre Health Checks undertaken by Moray Council. Lossiemouth is not identified as having a defined town centre in the current LDP.

Figure 5.35: Lossiemouth Town Centre



Space in Use

Numbers of Units by Type

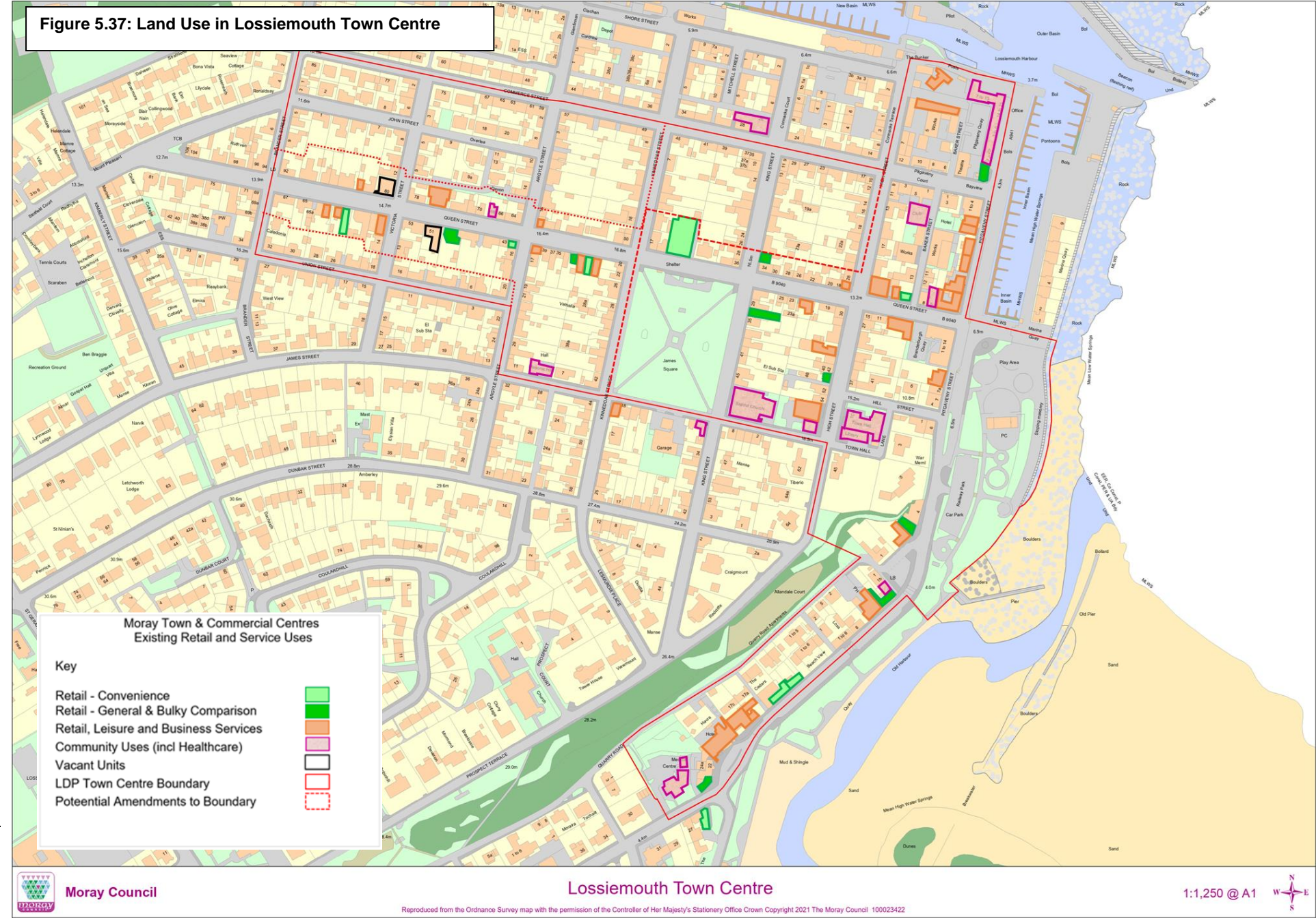
- 5.130 Figure 5.36 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad town centre reports. This covers the period 2010 to 2021. It should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys. Goad do not provide surveys of Lossiemouth.

Figure 5.36: Lossiemouth Town Centre – Types of Use 2010-21

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	11	12	12	10	10		11
Convenience	8	12	6	6	6		8
Retail Services	8	12	10	9	12		12
Leisure Services	14	17	16	18	21		21
Business and Financial Services	3	5	5	5	4		2
Vacant	6	6	8	8	5		1
TOTAL	50	64	57	56	58	0	55
TYPES OF RETAIL/SERVICE UNITS	FLOOR AREA (Sq M)						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 GRA/HPL
Comparison	2048	2562	2562	2637	2165		882
Convenience	669	594	542	576	576		989
Retail Services	687	722	661	410	933		3404
Leisure Services	2167	1579	1579	1995	1639		
Business and Financial Services	431		1169	931	817		
Vacant	410	774	698	541	226		81
TOTAL	6412	6231	7210	7090	6355		5356

5.131 Figure 5.37 identifies the distribution of retail, service, community and vacant uses within the town centre (in this figure retail, leisure and business/financial services are combined).

Figure 5.37: Land Use in Lossiemouth Town Centre



Multiple Retailers

5.132 The 2021 survey identified national and regional multiple retailers for retail goods shops only (i.e. excluding café/restaurant and other service brands). In total 3 multiples were identified which is 16% of retailer goods operators which is close to average for a centre of this small size.

Additional Facilities and Services

5.133 Lossiemouth town centre provides a limited range of additional facilities and services:

- Dentist
- Boys' Brigade hall
- Lossiemouth Museum
- Health and fitness club
- Town Hall
- Library
- Music/dance school
- Social club
- Churches/places of worship (2)
- Business centre
- Vet

Changes over Time

5.134 Examination of Figure 5.36 shows that, for the period 2010 to 2020, the number and floor area of retail and service units was broadly constant (in the region of 50-64 units and 6,200-7,200 sq m GFA), however Regional Assessor data for 2021 shows significantly lower floorspace.

Mix of Activities

5.135 Figure 5.36 does identify some variation in numbers and space for different types of retail/service categories. The principal change is the reduction in comparison floorspace associated with the relocation of Grampian Furnishers' store to Elgin and relocation of the Co-op within Lossiemouth centre. The number of retail goods units has remained steady as has total number of retail/service units. The only additional significant change is the reduction in vacant units and floorspace.

Vacancies*Vacancy Rates*

5.136 Figure 5.36 also sets out information on vacancies within Lossiemouth Town Centre. In 2021 the vacancy rates were:

- Number of units: 2021 (HPL) 2%
- Floor area: 81 sq m – only 2% of the total floor area.

- 5.137 Goad reported that, in September 2020 the UK national vacancy rate was 13.9% by number of units and 12.75% by floor area. This would suggest that, currently, Lossiemouth's Town Centre's vacancy rate is well below the UK average by number of vacant units.

Distribution of Vacancies

- 5.138 Examination of Figure 5.37 shows that there is no concentration of vacancies in the town centre although both vacant units are located towards the western end of Queen Street.

Changes over Time

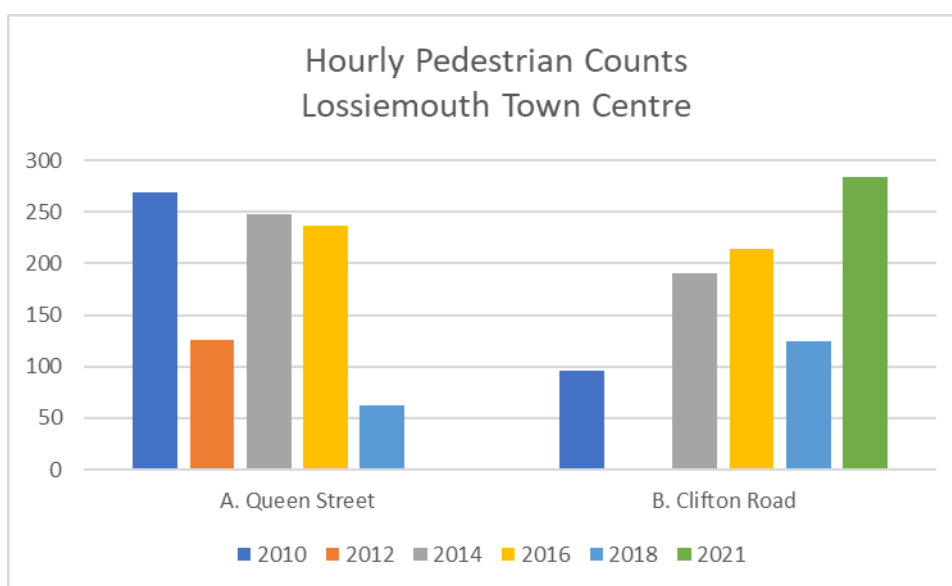
- 5.139 Figure 5.36 shows that vacancies, in terms of percentage of numbers of units, has declined – particularly since 2018.

Pedestrian Flow

- 5.140 Pedestrian flow counts were undertaken at the 2 locations used by MC on a Tuesday afternoon. However, limited weight can be given to these – minimal pedestrian activity was observed at the Queen Street location whereas, in contrast, reflecting the particularly warm and sunny summer weather on the day of survey, high numbers of pedestrians were visiting the ice cream shops at the Clifton Road location. In addition, the relocation of the Co-op from 78 to 44 Queen Street would have resulted in a significant reduction in pedestrian flows at location the Queen Street location which is close to the former Co-op store.

Figure 3.6: Pedestrian Flows – Lossiemouth Town Centre

	Location	Average Hourly Ped Flows (10.00 - 17.00) Weekday					
		2010	2012	2014	2016	2018	2021
A. Queen Street	A	269	126	248	236	62	
B. Clifton Road	B	96		190	214	124	284
	<i>Total</i>	365	126	438	450	186	284
Average Change (2010 = 100%)		100%	35%	120%	123%	51%	78%



Commercial Property Market Indicators

Prime Retail Rents

- 5.141 Due to Covid-19 restrictions there have been no meaningful transactions of commercial premises in Lossiemouth that can be used to indicate current prime rents. Regional Assessor information indicates that, for the basis of calculating rateable value, there is no strong prime pitch – whereas Queen Street was identified to have £100 psm Zone A, that identified for both Pitgavenney Street and Clifton Road is £75 psm. This appears to reflect the dispersed nature of Lossiemouth centre.

Indicators of Environmental Quality

- 5.142 The environmental character of Lossiemouth is generally high. The Clifton Road/Pitgaveeny area fronts onto the river, beach and harbour and the James Square is also an attractive location. In certain areas poorly designed buildings detract from the appearance of the centre but these are, generally, limited.

Heritage

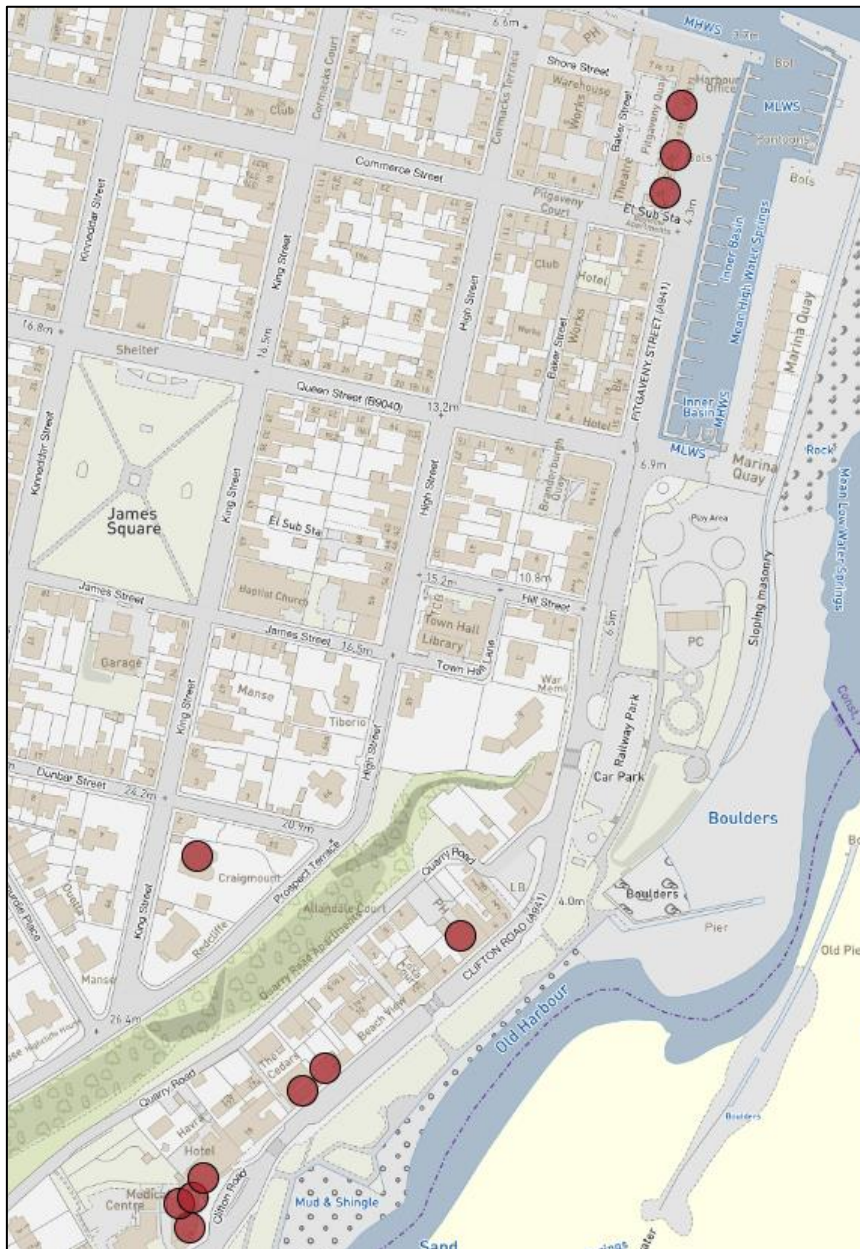
- 5.143 There are 10 listed buildings within the area identified as the town centre and none of the centre is included within a Conservation Area. Figure 5.39 indicates the location of these heritage designations.

User Views of the Town Centre

- 5.144 Information on the views of users of Lossiemouth Town Centre is available from the household survey in 2021. Average scores (where 1 = “very poor” and 5 = “very good”) for characteristics of the centre are as follows (Moray town centres’ average in brackets):

- Choice of shops for clothing and footwear: 1.7 (2.0)
- Choice of shops for other personal goods : 1.7 (2.3)
- Choice of shops for furniture, floor coverings and large household electrical items: 1.7 (2.3)
- Easy to travel to by car: 4.2 (4.2)
- Easy and cheap to park: 4.1 (4.0)
- Easy to travel to by public transport: 3.8 (3.6)
- As a pleasant and attractive place to visit: 4.2 (3.7)
- As a good place to combine shopping with other leisure activities: 2.9 (3.0)
- As a good place to combine shopping with other personal business: 1.8 (2.7)
- Overall across all of the above: 2.9 (3.1)

**Figure 5.39: Lossiemouth Town City Centre – Heritage Designations
(Listed Buildings, Conservation Areas and Scheduled Monuments)**



5.145 Figure 5.7 set out a comparison between the principal centres within Moray and this identifies that user views of Lossiemouth centre were significantly lower than for the other town centres. Lossiemouth scored particularly low ratings for choice of shops but ratings for other indicators Lossiemouth was similar to or higher than other centres.

Conclusions

5.146 In general the key feature of Lossiemouth is its small size. There are only approximately two thirds the number of retail/service and related units within the centre compared to Keith (which is the smallest of the adopted LDP defined town centres) and it has only about half the floorspace. The second important characteristic of the centre is that it is highly dispersed. Queen Street no longer provides a clear concentration of commercial or

community uses, even with the relocation of the Co-op, and the Clifton Road/Pitgavenney Street area is, primarily, serving visitor and tourist trade with activity concentrated in the summer months.

- 5.147 Nonetheless, the facilities and services provided within the area identified in Figures 5.35 and 5.37 are important to the local community. Furthermore, recognising the small size of the centre it is reasonable to conclude that the centre is healthy and the relocation/expansion of the Co-op will have strengthened the centre following the departure of Grampian Furnishers.

Lossiemouth Town Centre: Turnover, Catchment Area and Future Growth

Turnover and Sales Densities

- 5.148 Key information on numbers of units, floorspace and turnover in 2021 is provided from the SRM:

- Convenience Goods: 8 units; 989 sq m GFA; 643 sq m NFA (sales); and £3.97m turnover.
- General Comparison Goods: 11 units; 882 sq m GFA; 573 sq m NFA (sales); and £1.61m turnover.
- Bulky Comparison Goods: 0 units
- Services: 35 units; 3404 sq m GFA
- Vacancies: 1 unit; 81 sq m GFA

- 5.149 This indicates that there is significant more floorspace for retail and related services than for the retail of goods (convenience and general comparison combined).

- 5.150 In terms of turnover rates compared to national averages:

- Convenience goods floorspace is trading at 81% of the UK national average
- General comparison floorspace is are trading at 93% of the UK national average

- 5.151 Taking into account the small size of the centre these sales densities would appear relatively healthy which is consistent with the low vacancy rates within the centre..

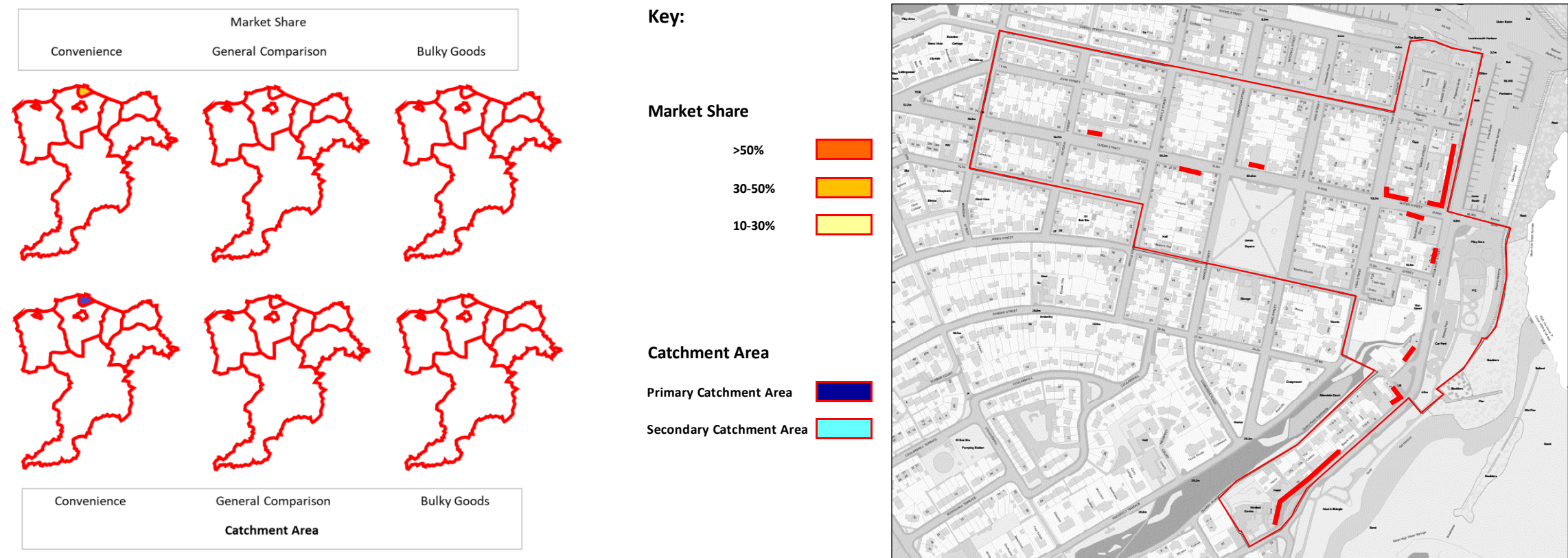
Catchment Area and Market Penetration

- 5.152 Figure 5.40 presents information on the primary and secondary catchment areas for Lossiemouth town centre and levels of market penetration for different goods categories. Due to its small size Lossiemouth effectively only has a definable primary catchment area for Convenience goods and this is limited to the town of Lossiemouth. Within this area, taking into account both Co-op stores, the town achieves 30-50% market penetration.

Future Turnover Growth and Sales Densities

- 5.153 Due to the small size of the centre forecasts of future turnover and sales densities have not been presented for Lossiemouth.

Figure 5.40: Lossiemouth – Key Retail Characteristics



Lossiemouth: Floorspace and Turnover 2021

	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
Lossiemouth Town Centre																
Retail Goods Shops	19	989	643	£6,174psm	£3.97m	882	573	£2,807psm	£1.61m					1871.33	1216.365	£5.58m
Services	35													3404		
Vacant	1													81		
TOTAL	55	989	643		£3.97m	882	573		£1.61m	0	0		£0.00m	5356.23		£5.58m
Remainder Lossiemouth																
Retail Goods Shops	2	841	547	£9,851psm	£5.39m	93	61	£2,638psm	£0.16m	79	51	£1,250psm	£0.06m	1014	659	£5.61m
Services	7													471		
Vacant														0		
TOTAL	9	841	547		£5.39m	93	61		£0.16m	79	51		£0.06m	1485	659	£5.61m

Lossiemouth Town Centre Current Town Centre Boundary
Principal Retail/Commercial Services Frontages

Changes in Numbers of Retail and Service Units over Time

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	11	12	12	10	10		11
Convenience	8	12	6	6	6		8
Retail Services	8	12	10	9	12		12
Leisure Services	14	17	16	18	21		21
Business and Financial Services	3	5	5	5	4		2
Vacant	6	6	8	8	5		1
TOTAL	50	64	57	56	58	0	55

Edgar Road Commercial Centre

5.154 The Edgar Road Commercial Centre does not provide the range of retail, service and other facilities that would be expected within a town or district centre, instead it is dominated by a relatively small number of large floorplate retail units. It is not, therefore, appropriate to undertake a full health check of the centre. It is, however, as noted in Section 4 above, a very important retail location within the network of centres in Moray. This section therefore sets out key information concerning the characteristics of the retail units within the Edgar Road area.

Definition of Commercial Centre

5.155 Figure 5.41 identifies the extent of the Edgar Road Commercial Centre as defined in the LDP.

Figure 5.41: Edgar Road Commercial Centre



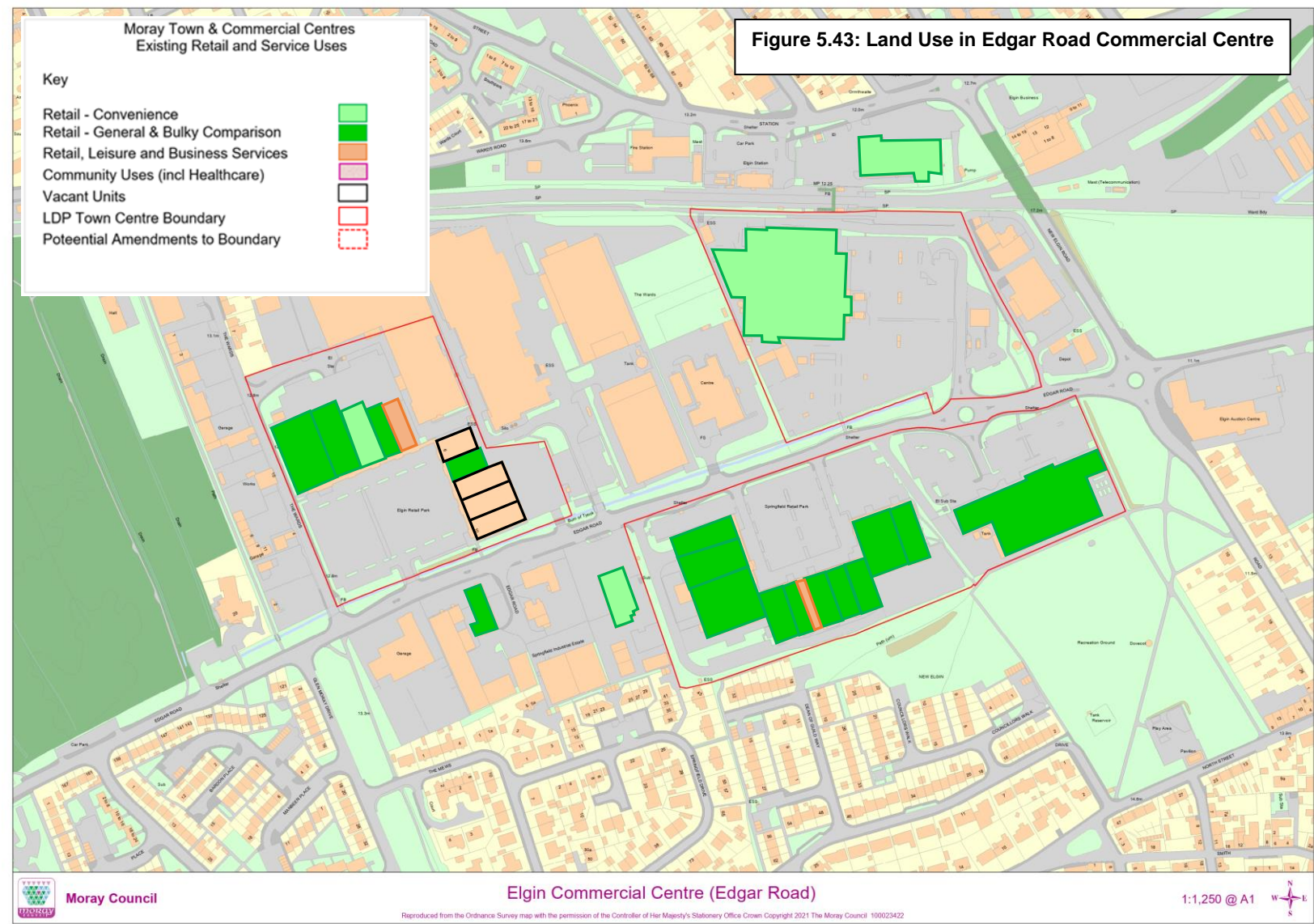
Space in Use*Numbers of Units by Type*

5.156 Figure 5.42 sets out information on the numbers of units and space by type of retail and leisure/service use in accordance with the categories identified in Goad centre reports. This covers the period 2010 to 2021. It should be noted that it is not always evident from visual inspection as to precisely which category a business/unit is most appropriate which accounts for some of the variation between different surveys.

Figure 5.42: Edgar Road Commercial Centre – Types of Use 2010-21

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	15	15	19	20	21		14
Convenience	2	2	2	2	2		3
Retail Services	0	3	3	2	2		
Leisure Services	1	1	2	3	4		2
Business and Financial Services	0	4	4	3	3		
Vacant	9	9	5	5	7		4
TOTAL	27	34	35	35	39		23
TYPES OF RETAIL/SERVICE UNITS	FLOOR AREA (Sq M)						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 GRA/HPL
Comparison	18432	18047	20719	21382	21172		23226
Convenience	12438	12387	12387	12387	12387		7363
Retail Services		626	626	547	547		706
Leisure Services		270	457	973	1182		
Business and Financial Services		1754	1754	1232	1232		
Vacant	6878	6375	3516	3260	4247		2533
TOTAL	37748	39457	39458	39781	40767		33828

5.157 The data in Figure 5.42 refers to all retail and related commercial units in the Edgar Road area, including those located immediately outwith the boundary identified in the LDP as shown in Figure 5.41. Figure 5.43 identifies the distribution of retail, service, community and vacant uses within the Edgar Road area (in this figure retail, leisure and business/financial services are combined).



Changes over Time

5.158 Examination of Figure 5.42 shows that, for the period 2010 to 2021 the number of retail units increased to 2018 but has subsequently reduced while, over the same period there has also been a slight reduction in total floor area for retail and related services. These trends reflect the amalgamation of units within the retail parks and the move of retail and vacant space. The figure also identifies that there has, over the whole period, been an increase in total comparison floorspace and reduction in vacant space and space used for services.

Vacancies

5.159 Figure 5.42 also sets out information on vacancies within the Edgar Road area. In 2021 the vacancy rates were:

- Number of units: 17%
- Floor area: 7%

5.160 Vacancies are, therefore, slightly above average by number of units but below national averages by floor area. Vacancy rates have steadily reduced since 2010.

5.161 These vacancies are concentrated in the Elgin Retail Park and are long term having been vacant since the Retail Park first opened in 2007/08.

Turnover and Sales Densities

5.162 Key information on numbers of units, floorspace and turnover in 2021 is provided from the SRM:

- Convenience Goods: 3 units; 7363 sq m GFA; 4524 sq m NFA (sales); and £46.09m turnover.
- General Comparison Goods: 8 units; 13266 sq m GFA; 9085 sq m NFA (sales); and £62.44m turnover.
- Bulky Comparison Goods: 7 units; 9961 sq m GFA; 7255 sq m NFA (sales); and £33.72m turnover.
- Services: 2 units; 706 sq m GFA (this excludes space within café's within major retail units)
- Vacancies: 4 units; 2533 sq m GFA

5.163 These figures confirm the dominance of retail floorspace within the Commercial Centre and the, generally, even spread between the three principal retail goods categories within the centre.

5.164 In terms of turnover rates compared to national averages:

- Convenience goods floorspace is trading at 95% of the UK national average
- General comparison floorspace is are trading at 136% of the UK national average
- Bulky Goods floorspace is trading at 127% of the UK average.

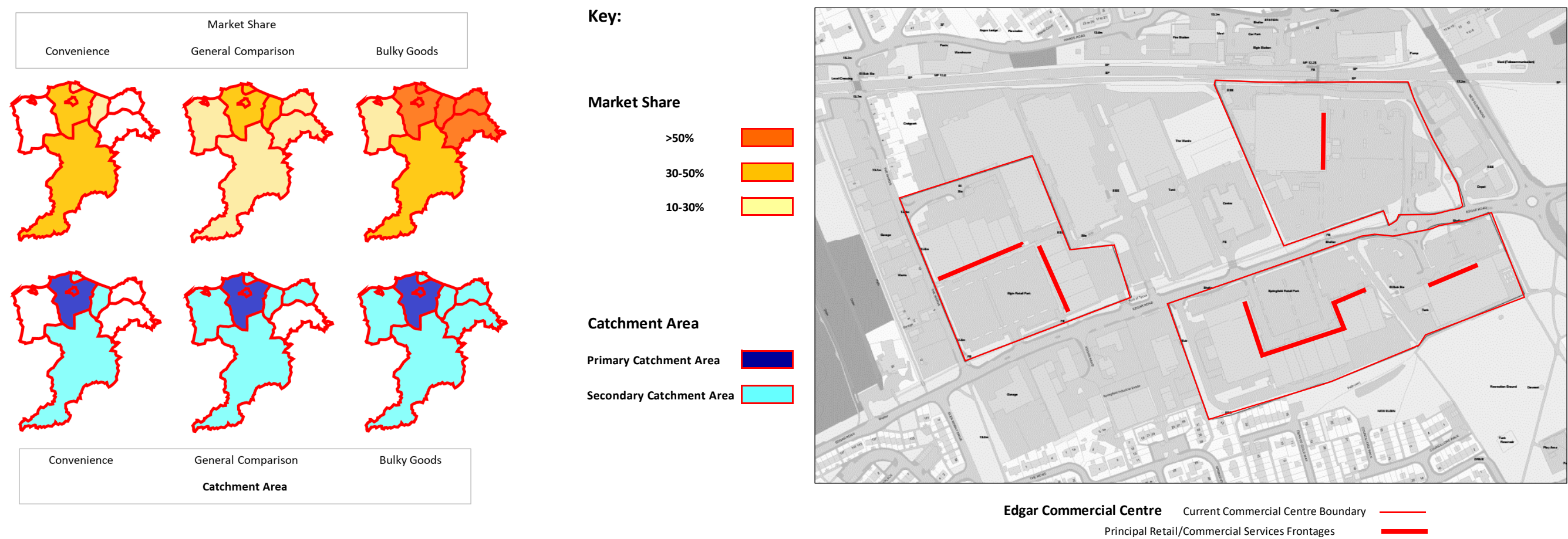
5.165 These figures indicate that the retail units at Edgar Road are trading strongly, particularly those retailing general comparison goods. These are the strongest sales densities for any location within Moray and, reflecting the commercial success of this location, it is likely that Edgar Road would be the most attractive location from a commercial perspective should demand for additional retail floorspace be forthcoming. Similarly it is also conceivable that there could be pressure to relocate existing retail units (e.g. from the City Centre) to space at Edgar Road.

Catchment Area and Market Penetration

5.166 Figure 5.44 presents information on the primary and secondary catchment areas for the Commercial Centre and levels of market penetration for different goods categories.

- For Convenience Goods: the centre has a clearly identifiable PCA Elgin and the immediate rural hinterland (Zones 1 and 2) and a secondary catchment area comprising Speyside, Lossiemouth and the Fochabers area (Zones 4,5 and 8). Market share in the PCA is 30-50% and in the SCA 10-50%.
- For General Comparison Goods: the PCA for the centre is the same as identified for convenience goods but the SCA extends further covering the whole of Moray with the exception of the Keith area. Market share is in the range of 30-50% in Elgin town, Elgin rural and Lossiemouth and 10-30% in the remainder of Moray.
- For Bulky Goods: the PCA for bulky goods is the same as for convenience and general comparison but the SCA is identified to comprise the whole of the remainder of Moray. Market share for bulky goods is high, greater than 50% expenditure for these goods is directed from Elgin, Lossiemouth, Fochabers and Buckie areas (Zones 1,2,4,6,7,& 8) and is 10-30% from Speyside (Zone 5) and 10-30% in the Forres area (Zone 3).

Figure 5.44: Edgar Road Commercial Centre – Key Retail Characteristics



Edgar Road Commercial Centre: Floorspace and Turnover 2021

	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
Elgin City Centre																
Retail Goods Shops	18	7363	4524	£10,384psm	£46.97m	13266	9085	£5,881psm	£53.43m	9961	7255	£4,638psm	£33.65m	30589	20863.54	£134.05m
Services	2													706		
Vacant	4													2533		
TOTAL	24	7363	4524		£46.97m	13266	9085		£53.43m	9961	7255		£33.65m	33828.24		£134.05m

Changes in Numbers of Retail and Service Units over Time

TYPES OF RETAIL/SERVICE UNITS	COUNT						
	2010 MC	2012 MC	2014 MC	2016 MC	2018 MC	2020 Goad	2021 HPL
Comparison	15	15	19	20	21		14
Convenience	2	2	2	2	2		3
Retail Services	0	3	3	2	2		
Leisure Services	1	1	2	3	4		2
Business and Financial Services	0	4	4	3	3		
Vacant	9	9	5	5	7		4
TOTAL	27	34	35	35	39		23

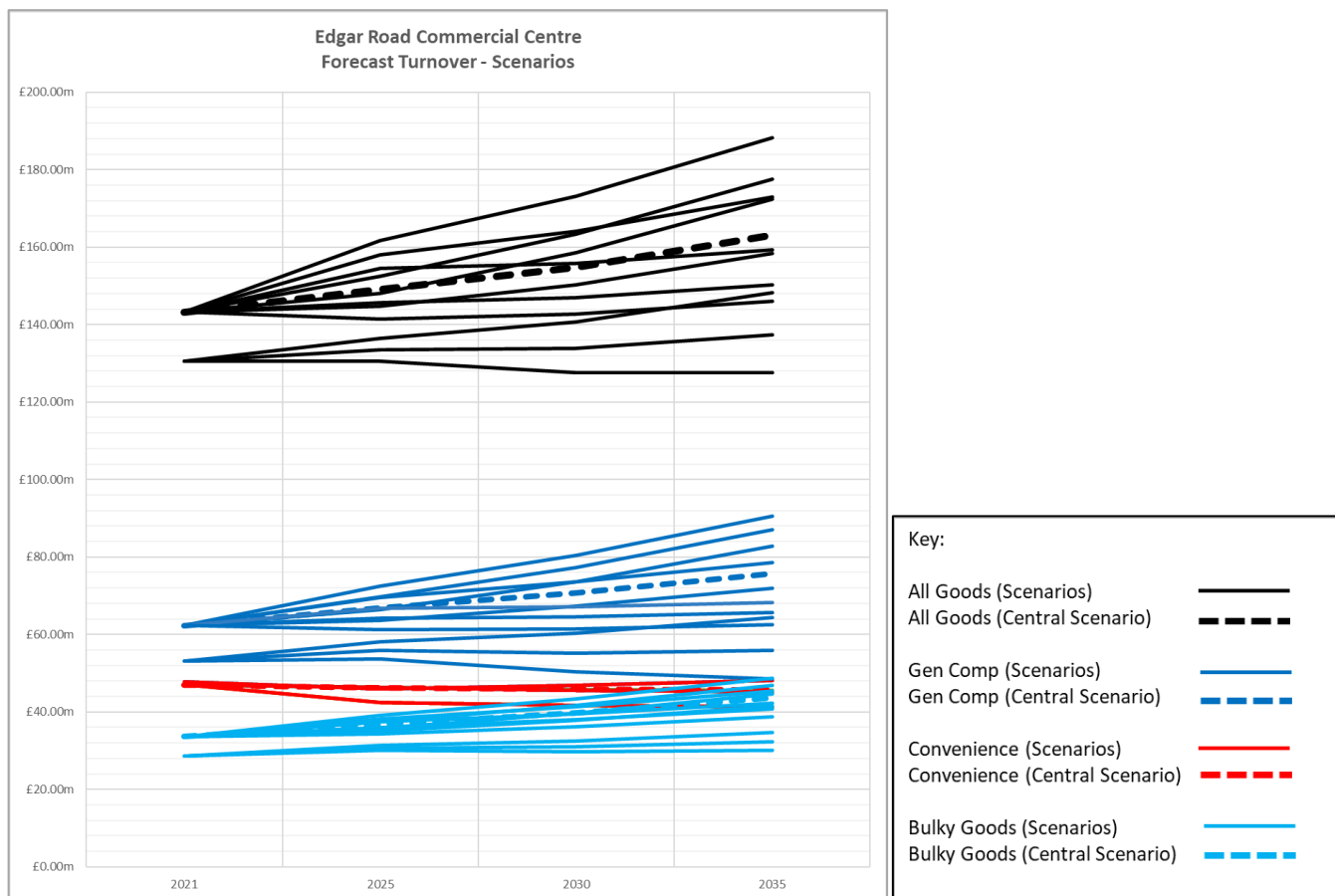
Future Turnover Growth

5.167 Information of future turnover growth has been derived from the Strategic Retail Model in the same way as set out for Elgin City Centre.

Forecast Changes in Retail Turnover: Edgar Road Commercial Centre

5.168 Figure 5.45 sets out forecasts of future turnover for each of the principal goods categories for the period 2021 to 2035. The central case is denoted by the dashed lines.

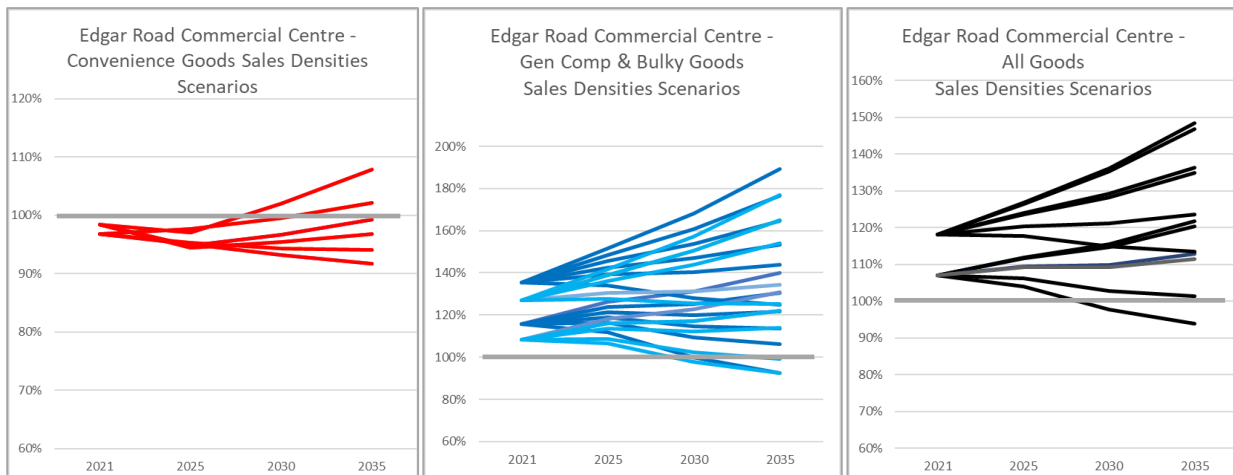
Figure 5.45: Forecast Future Turnover Edgar Road Commercial Centre



5.169 The figure shows that in the central case and in all scenarios turnover in the Commercial Centre is expected to increase in real terms for all goods. However, whereas general comparison goods turnover is expected to grow relatively strongly, that for convenience goods is expected to remain generally flat (no increase or decrease).

Forecast Changes in Sales Densities: Edgar Road Commercial Centre

5.170 Figure 5.46 (in three parts) considers these forecasts of turnover in terms of national average sales densities. This can be used as a proxy indicator for overall viability of businesses (subject to the earlier comment in para 5.31 above).

Figure 5.46: Edgar Road Future Sales Densities as a Percentage of National Average Densities

5.171 As with Elgin City Centre there is considerable variation in the assessments of sales densities – this reflects the fact that not only are there variations in the forecasts of future turnover but, in addition, there is significant variation in the rate at which increases in sales densities are considered appropriate. However, a general picture emerges which is:

- For convenience goods sales densities are more likely to increase than decline however densities will generally remain close to the UK national average (within the range of 90% to 110% of average).
- For comparison goods there is especially wide variation. Sales densities are more likely to increase rather than decline but there is possibility in some scenarios of a decline whereas there are also some scenarios with a rapid increase in sales densities. In almost all cases sales densities will remain above, and in some cases, well above national average levels.
- For all goods sales densities there is wide variation in forecasts.

5.172 The general conclusion from this is that the commercial viability of retail units at Edgar Road remains robust and this could reinforce the earlier conclusions that Edgar Road will remain an attractive location for retail operators for all sectors seeking large floorplate retail units.

6 Planning Recommendations for Retail and Leisure

Introduction

6.1 This section sets out the recommendations for the retail and leisure strategy to be considered by Moray Council for inclusion within the emerging draft Local Development Plan. It considers each of the following:

- The network of centres
- Specific retail and leisure planning issues for individual centres including:
 - *The vitality and viability of centres and prospects for future growth*
 - *Quantitative and Qualitative retail deficiencies*
 - *Market potential*
 - *Potential amendments to the boundaries of defined centres*
 - *Development sites*
- Provision for retail and leisure in masterplan areas and new neighbourhoods identified in the adopted LDP
- 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 Scottish Planning Policy and the draft National Planning Framework 4.

Key Issues to be addressed through the Retail Strategy

1. **The protection and enhancement of city, town and local/village centres.** *This reflects the importance of these centres providing important 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 city, towns and in rural areas to support local access to shopping facilities. This will support social inclusion and the minimisation of travel demand and reducing 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 centres which serve new masterplan areas.*
3. **To ensure that all new retail developments contribute towards reducing the need to travel** *and encourage 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 expansion areas** *in each of Elgin, Buckie, Forres and Mosstodloch.*
6. **Facilitating and supporting the growth of retail, leisure and related services within Elgin City Centre** *to maintain and strengthen the vitality and viability of the City Centre and to maintain the City Centre as the principal retail location serving Moray.*
7. **Identifying general policy principles** *to be applied for all new retail development consistent with Scottish Planning Policy and taking into account draft policy proposals set out in the emerging National Policy Framework 4.*

Network of Centres

- 6.3 Section 4 set out an analysis of centres within Moray and proposed the network of centres identifying the function/role of each centre. This network is recommended for inclusion within the LDP as set out below in Figure 6.4 (copied from Figure 4.6).

Figure 6.4: Proposed Network of Centres (from Figure 4.6)

Category of Centre	Function/Role of Centre	Locations
<i>Regional Centre</i>	<p><i>Principal retail location for Moray.</i></p> <p><i>Provides wide range of retail, retail service and non-retail public and commercial services and facilities.</i></p> <p><i>Provides a focus for the Elgin- and Moray-wide community and as a focus for transport.</i></p>	<i>Elgin City Centre</i>
<i>Town Centres</i>	<p><i>Provide a wide range of retail, retail service and non-retail public and commercial services and facilities.</i></p> <p><i>Provide a focus for the local community (town and immediate rural hinterland) and for local transport networks.</i></p>	<i>Buckie; Forres, Keith & Lossiemouth</i>
<i>Local and Village Centres</i>	<p><i>Provide a limited range of retail facilities and other services/facilities – primarily meeting some of the day-to-day needs of the local community.</i></p>	<p><i>Elgin Local Centres: Bishopmill; Southfield Drive</i></p> <p><i>Keith: Regent Street (see recommendations in Section 6)</i></p> <p><i>Village Centres: Aberlour; Cullen; Dufftown; Findhorn; Fochabers; Hopeman; Lhanbryde; Rothes</i></p>
<i>Commercial Centre</i>	<p><i>Retail developments (either purpose built or well-defined groups of separate units) that serve one or more specific retail market sectors with relative wide catchment areas.</i></p>	<i>Edgar Road (comprising the Elgin & Springfield Retail Parks and adjoining areas)</i>

Proposals for Town and Commercial Centres

Elgin City Centre

Vitality and Viability

6.4 Section 5 provided a review of the vitality and viability of Elgin City Centre undertaken during 2021. It concluded that the vitality and viability indicators present a very mixed picture of the health of the centre:

- Vacancies are close to national averages but have increased significantly since 2010 (although not in recent years) and are concentrated in prime retail frontages on the High Street and St Giles Centre.
- There does appear to be a shift in changes in types of use, from retail goods shops to services, but not as strongly as seen in national trends.
- The centre does provide a balance between large scale modern foodstore units and traditional smaller units. The In-street survey confirms that there are important linkages between the two parts of the City Centre despite these being separated by the A96.
- Current market information suggests relatively weakness in prime rents – but it is not clear whether this is a longstanding issue or simply a reflection of the hiatus caused by Covid-19.
- The City Centre's historic and architectural character, together with attractive pedestrianised areas, are important contributors to the vitality of the centre and this is appreciated by users/visitors to the centre.
- Household interview responses are muted in the degree to which there are positive views of the City Centre. Whereas the centre is seen as easy to access/park the retail offer is identified as weak.

Prospects for Growth

- 6.5 *Convenience Goods.* Prospects for growth from the SRM identify the central case to be flat to 2025 and gradual decline thereafter. Only limited variation is identified according to the different growth scenarios. Sales densities remain mostly below national average sales densities. From this there is no clear potential for additional new retail floorspace. In addition, it has also been noted that M&S have identified a requirement for a new foodstore to serve Elgin. The implication of this is that there is the potential for this store to close and relocate away from the City Centre unless a site is available within/on the edge of the centre is identifiable.
- 6.6 *General Comparison Goods.* Central forecasts identify steady growth in turnover (+6% to 2025 and +20% to 2035) however there is wide variation according to different growth scenarios which introduces significant uncertainty particularly in the period 2030-35. Even with the highest growth forecasts sales densities only slightly exceed national averages. From this, as with convenience goods, there is no clear potential for additional floorspace within the City Centre for general comparison goods.
- 6.7 *Bulky Goods.* This is a relatively small sector within the City centre and the most significant units are located on the edge of the defined centre. Forecast growth is higher than for other retail sectors. Market requirements would indicate a need for sites/units that have easy access and parking for cars which limits potential opportunities within the town centre.
- 6.8 The overall implication from the above analysis is that there is a limited requirement for additional space which cannot be met through the occupation of existing units (including vacant units) within the City Centre. However,

where there is potential demand (e.g. for relocated foodstores and bulky goods) the commercial requirement for stores would be for sites with easy access and parking for customers.

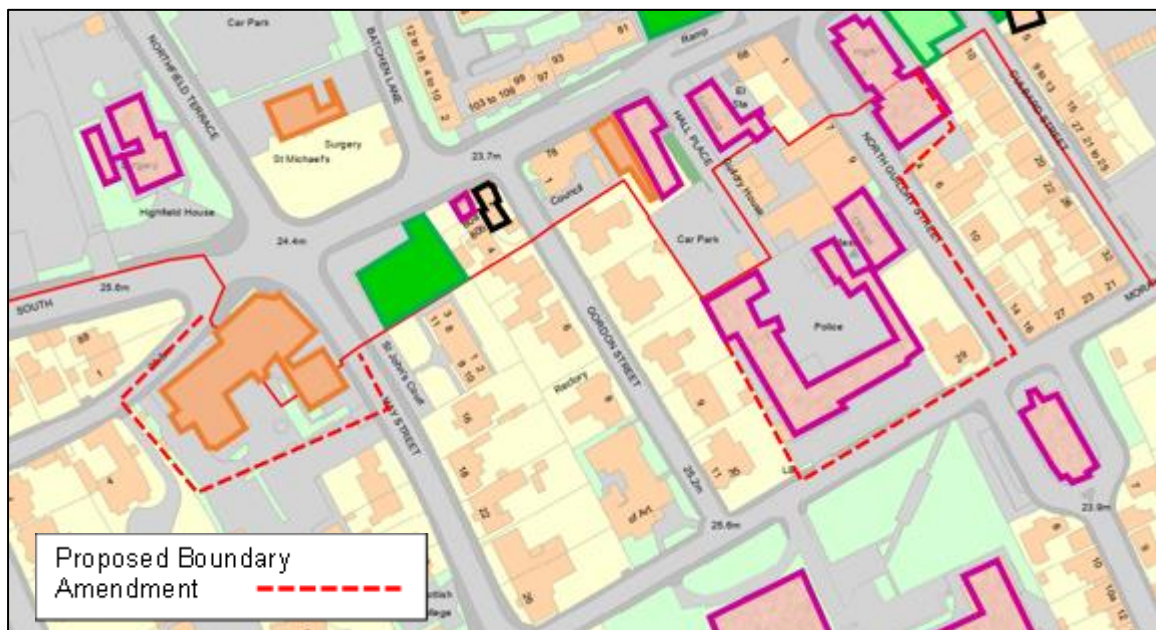
Retail Deficiencies, Capacity and Demand

- 6.9 The earlier assessment does not identify any clear deficiencies or capacity for convenience retail floorspace within Elgin City Centre. In considering Zone 1 in isolation there is a clear excess of floorspace compared to available expenditure for each of convenience, general comparison and bulky goods. For convenience goods this remains the case when one includes zones 2, 4, 5 and 8 in the analysis.
- 6.10 However, there is an identified quantitative deficiency for both general comparison and bulky goods when one undertakes this assessment for Moray as a whole. Notwithstanding this calculation it is evident that potential market demand for comparison goods is expected to be muted based on current market trends and is likely to reflect demands for large floorplate units with easy parking/access. It is not anticipated that, despite strong growth in available expenditure, this will translate into demand for traditional “High Street” type retail units.

Town Centre Boundaries

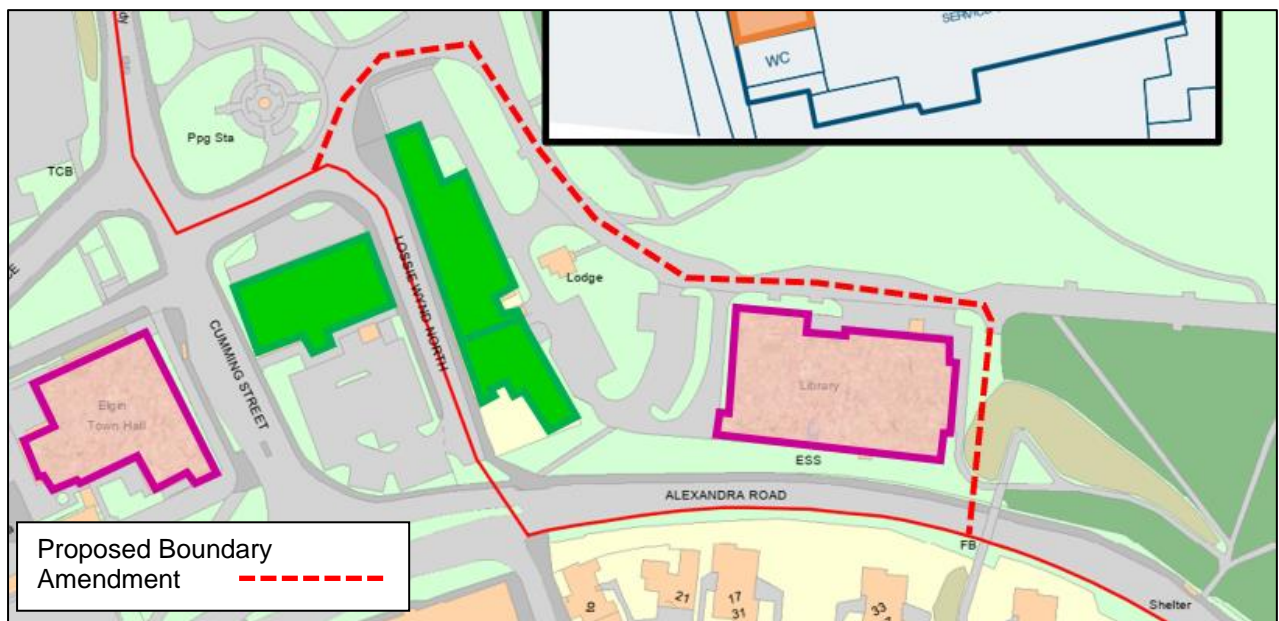
- 6.11 Figure 5.3 identified the existing boundary to Elgin City Centre in the adopted LDP and also included proposed amendments to this boundary. Figure 6.5 (parts A and B) identify those parts where is it recommended that consideration is given to extending the boundary of the City Centre.

Figure 6.5A: Elgin City Centre – Proposed Boundary Amendment South West



- 6.12 Two amendments are proposed in the south west part of the town centre:

- Inclusion of the Mansefield Hotel at Mayne Road/Hay Street. Hotels provide important leisure and tourist facilities appropriate for inclusion within the City Centre.
- Inclusion of the Police Scotland station at Moray Street. This is an important community facility and associated offices appropriate for inclusion as part of the City Centre.

Figure 6.5B: Elgin City Centre – Proposed Boundary Amendment North East

- 6.13 This proposal includes significant retail units located on Lossie Wynd North and also the library located north of the A96. Both uses are appropriate for inclusion within the City Centre. Consideration could also be given to include the pedestrian overbridge that links the library to the City Centre across the A96.

Potential Development Sites

- 6.14 The adopted LDP identifies 4 Opportunity Sites located on the north side of the A96 (OPP7, OPP8, OPP9 and OPP11) that have the potential to accommodate retail or leisure uses should demand be forthcoming. It is noted that each of these sites have significant development and/or ownership constraints but the basis of the recommendation in this report is whether the sites are suitable for potential retail or leisure use and, if so, how this would support the future development, vitality and viability of the City Centre:

- OPP7 Gordon Macphail. This is a large site located adjacent to Tesco and opposite the “traditional” part of the City Centre. It is considered that this site would support large format retail units, with appropriate surface level car parking for convenience, general comparison bulky goods and leisure uses. Demand for these uses may be limited and mixed use incorporating commercial and community use would also support the future development of the City Centre.
- OPP8 Lossie Green. It is noted that OPP8 identifies this large site for leisure, office and retail. Although these uses can be supported it is considered that OPP7 is preferred for these uses on the grounds that (i) OPP7 has more direct pedestrian links to Tesco and areas of the City Centre south of the A96 and (ii) OPP8 includes important existing community and related uses which could be lost from the City Centre if the site is redeveloped.
- OPP9 Town Hall. It is considered that the proposed use set out in the adopted LDP, i.e. for arts, cultural and community/visitor facilities, is the most appropriate use in that these uses fit with the current use of the building.
- OPP11 Lesser Borough Briggs. Although this site is included within the defined City Centre boundary it is, nonetheless, relatively remote from the retail core of the City Centre and it is unlikely to support linked trips other than to the football ground and existing Leisure Centre. On this basis it is considered that the site would

be appropriate for large scale leisure use but is less appropriate for retail use than either OPP7 or OPP8. This recommendation is consistent with the approval of planning application 20/00364/APP for the site.

- 6.15 In summary, it is considered that OPP7 provides an opportunity for large floorplate retail use or leisure use which would complement other retail uses on the north side of the A96. OPP8 also provides a similar opportunity although it is considered that OPP7 is preferred. It is agreed that OPP9 is appropriate for arts/cultural uses whereas OPP11 may be appropriate for large scale leisure use but, of the potential development sites, it is considered that this has the weakest links to the core parts of the City Centre.

Buckie Town Centre*Vitality and Viability*

6.16 The conclusions of the assessment of the vitality and viability of Buckie town Centre undertaken in 2021 set out in Section 5 identify mixed indicators of vitality and viability:

- Vacancies are below national averages in terms of numbers of vacant units and vacant floorspace.
- There does appear to be a shift in changes in types of use, from retail goods shops to services, but not as strongly as seen in national trends.
- The centre provides a reasonable range of services and facilities additional to retail and retail services.
- The town centre provides a mixed quality of environment which is adversely affected by traffic and vacant sites and has limited heritage interest (compared to other Moray towns)..
- The centre has a generally limited retail and service offer which is, primarily, a reflection of its relatively small size.

Prospects for Growth

6.17 *Convenience Goods.* Prospects for growth from the SRM identify the central case to be a slight decline to 2035 with only limited variation is identified according to the different growth scenarios. Sales densities remain mostly slightly below national average sales densities. From this there is no clear potential for additional new retail floorspace.

6.18 *General Comparison Goods.* Central forecasts identify steady growth in turnover (+8% to 2025 and +35% to 2035) with limited variation according to different growth scenarios. Sales densities vary considerably according to the scenario considered although, on average, they do not significantly differ from national averages although there is considerable variation (densities ranging from 70% to 125% of UK averages by 2035). From this, as with convenience goods, there is no clear potential for additional floorspace within Buckie town centre for general comparison goods. This is reinforced by limited market demand based on recent trends.

6.19 *Bulky Goods.* This is a small sector within the town centre. Forecast growth is similar for general comparison goods and sales densities, although less variable than for general comparison goods, on average remain broadly close to national averages. This would indicate no clear potential for bulky goods. However, the lack of local provision could provide an opportunity for new bulky goods floorspace serving the local market.

6.20 The overall implication from the above analysis is that there is a limited requirement for additional space which, if there is market demand for this, is most likely to be for bulky goods and this is likely to be from 2030 onwards although there is considerable uncertainty regarding forecasts this far into the future.

Retail Deficiencies, Capacity and Demand

6.21 The earlier assessment implied that there are significant retail deficiencies for both general comparison and bulky goods. In market terms any demand for either general or bulky goods is most likely to come from an occupier identifying a specific market opportunity (i.e. it is unlikely to be speculative retail development).

Town Centre Boundaries

6.22 Figure 5.13 identified the existing boundary to Buckie town centre in the adopted LDP and also included proposed amendments to this boundary. Figure 6.6 (parts A, B & C) identify those parts where it is recommended that consideration is given to extending the boundary of the town centre.

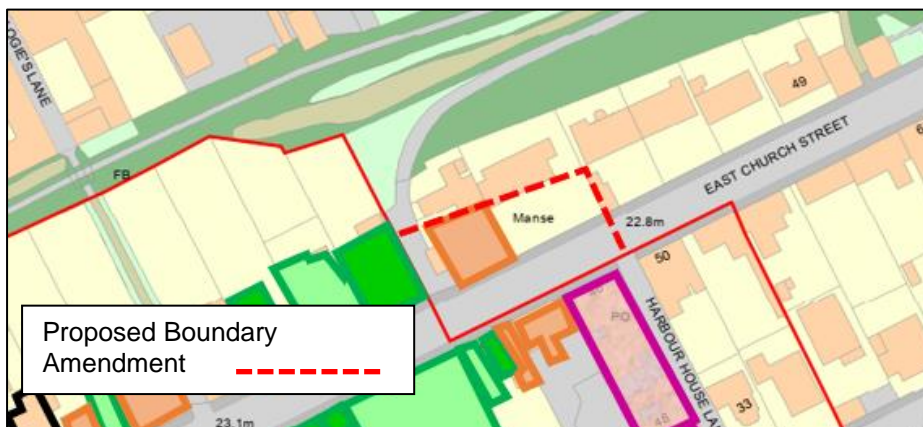
Figure 6.6A: Buckie Town Centre – Proposed Boundary Amendment South



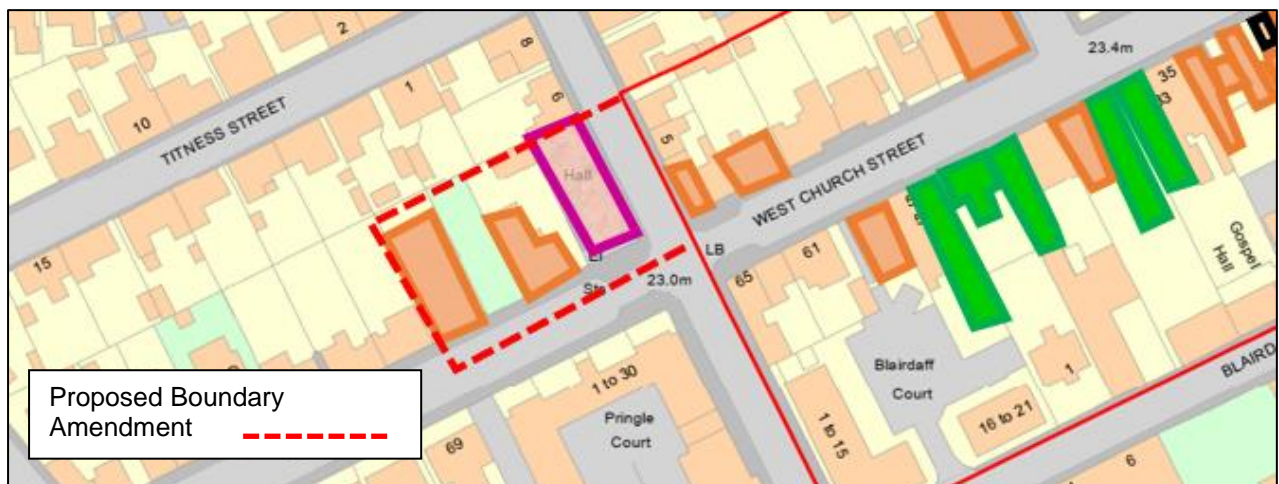
6.23 Two amendments are proposed in the south west part of the town centre:

- Inclusion of the Old /Coach House hotel and restaurant. Hotels provide important leisure and tourist facilities appropriate for inclusion within the City Centre.
- Regularisation of boundary around Lidl and the Original Factory Shop.

Figure 6.6B: Buckie Town Centre – Proposed Boundary Amendment North East



6.24 This proposal includes leisure service unit along East Church Street and regularises boundary with that on the opposite side of the road.

Figure 6.6C: Buckie Town Centre – Proposed Boundary Amendment West

- 6.25 This proposal includes retail and leisure service units and community facility on West Church Street (north side).

Potential Development Sites

- 6.26 The adopted LDP identifies 3 Opportunity Sites (OPP1, OPP2, OPP7) within or adjacent to the existing town centre boundary that have the potential to accommodate retail or leisure uses or affect existing retail should demand be forthcoming:

- **OPP1 Highland Yards.** The LDP identifies this site as suitable for residential use. It is important to note that this site includes most of the Lidl foodstore and car park which is the largest retail unit (in terms of floorspace and turnover within Buckie town centre) and accounts for approximately one third of the turnover of the town centre. Although it is quite possible that Lidl could seek to relocate this store if an alternative site became available within Buckie (the current store is smaller than their current preferred size) this has not been suggested in the company's property requirements brochure. At this stage therefore it is recommended that site OPP1 is amended to exclude the Lidl site.
- **OPP2 Blairdaff Street.** This is a small site located adjacent to the town centre boundary. The site has a limited profile and would not be suitable for significant retail or leisure development although it is possible that it could be converted for either retail, service or leisure use. It is considered that the existing proposed use, i.e. to be compatible with adjacent residential uses, is appropriate.
- **OPP7 Former Millbank Garage Site.** This is located within the town centre and has a high profile fronting onto the High Street. The site currently has a negative impact on the character of the town centre being located on the principal approach into the centre. The current LDP allocation for Class 1, Class 2 or Class 3 with residential above is appropriate although this should also support other leisure and sui generis uses that would support the vitality or viability of the town centre.

- 6.27 In summary, it is considered that OPP7 provides the principal opportunity for retail or leisure uses and a slight amendment to the proposed use of the site in the LDP should be made to reflect this. However, demand for space within Buckie is limited and the site has a negative impact on the appearance of the town centre so development of the site without commercial use could be considered acceptable in that it would remove a significant vacant site on an important approach into the town centre. Site OPP1 should be amended to exclude Lidl.

Forres Town Centre

Vitality and Viability

6.28 The conclusions of the assessment of the vitality and viability of Forres town Centre undertaken in 2021 set out in Section 5 are that the centre remains relatively strong:

- Vacancies are below national averages in terms of numbers of vacant units and vacant floorspace.
- There does appear to be a shift in changes in types of use, from retail goods shops to services, but not as strongly as seen in national trends.
- The centre provides a good range of services and facilities additional to retail and retail services.
- Current market information suggests prime rents have been maintained at reasonable levels despite the effects of the hiatus caused by Covid-19.
- The town centre provides a very attractive environment with numerous historic buildings.
- The centre's principal weakness is lack in terms of range of retail units and services which is, primarily, a reflection of its relatively small size.

Prospects for Growth

6.29 *Convenience Goods.* Prospects for growth from the SRM identify the central case to be flat to 2025 and thereafter a marginal increase (+2% by 2035) with only limited variation is identified according to the different growth scenarios. Sales densities increase steadily throughout the study period but still remain below national average levels. From this there is no clear potential for additional new retail floorspace.

6.30 *General Comparison Goods.* Central forecasts identify steady growth in turnover (+10% to 2025 and +44% to 2035) with limited variation according to different growth scenarios. Sales densities vary considerably according to the scenario considered but remain below relevant national averages. From this, as with convenience goods, there is no clear potential for additional floorspace within Forres town centre for general comparison goods. This is reinforced by limited market demand based on recent trends.

6.31 *Bulky Goods.* This is a relatively small sector within the town centre. Forecast growth is similar for general comparison goods and sales densities are highly variable but tend to remain above average. This would indicate that there could be potential for additional bulky goods retailing serving the local market although, as noted earlier, operators will prefer sites with good parking and easy access for private cars.

6.32 The overall implication from the above analysis is that there is some potential for comparison goods although demand for general comparison would be constrained by current low sales densities. The most significant opportunity would be to identify an opportunity for bulky goods and there could be market demand for a location within easy access of the A96.

Retail Deficiencies, Capacity and Demand

6.33 The earlier assessment implied that there are significant retail deficiencies for both general comparison and bulky goods. This is consistent with the analysis of future expenditure growth and sales densities.

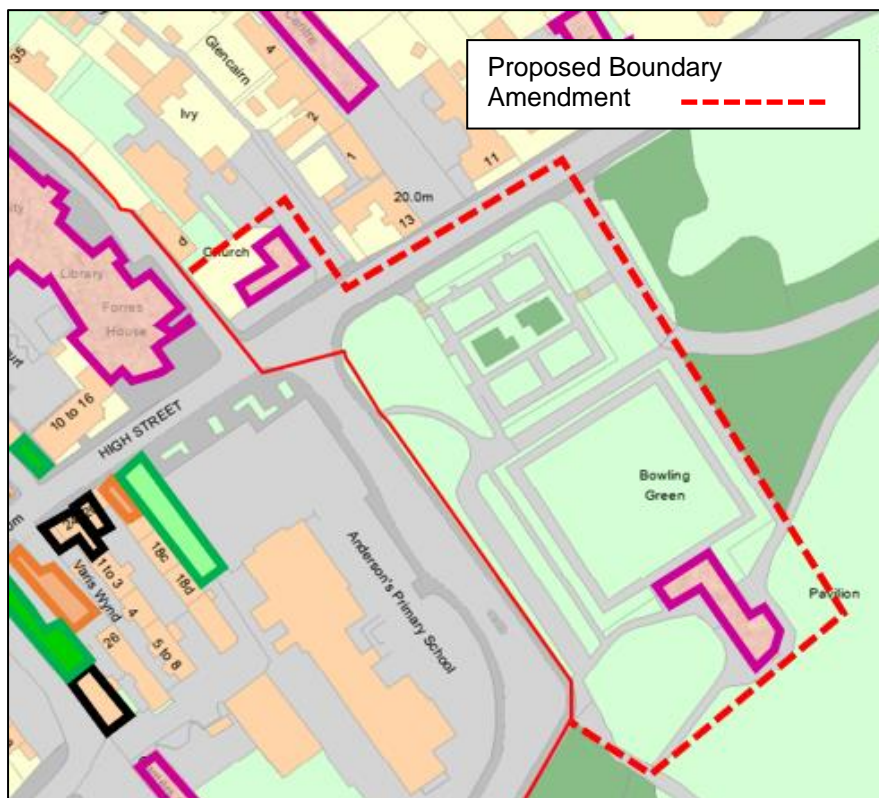
Town Centre Boundaries

- 6.34 Figure 5.21 identified the existing boundary to Forres town centre in the adopted LDP and also included proposed amendments to this boundary. Figure 6.7 (parts A, B & C) identifies those parts where it is recommended that consideration is given to amending the boundary of the town centre.

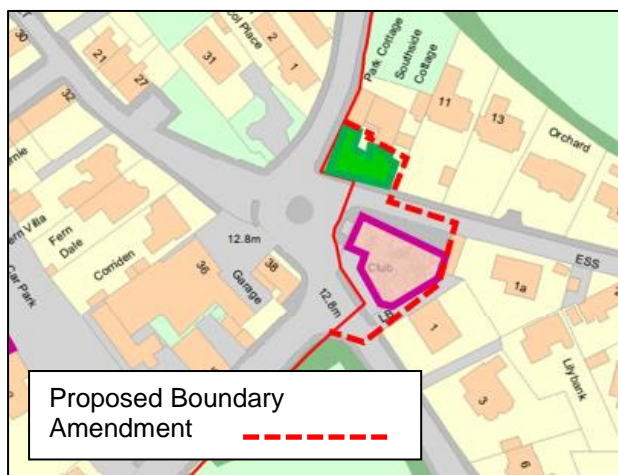
Figure 6.7A: Forres Town Centre – Proposed Boundary Amendment North West



- 6.35 The existing town centre boundary includes extensive residential areas which do not link to other significant commercial uses nor are there any significant potential development sites capable of accommodating significant commercial use. Figure 6.7A includes the former Castle Inn although it would be reasonable to exclude this area between Caroline Street and North Street from the town centre boundary as well.

Figure 6.7B: Forres Town Centre – Proposed Boundary Amendment East

- 6.36 This proposal includes St Margaret's Church, the gardens and bowling green within the town centre on the basis that they all make significant contributions to the character and facilities available at the centre of Forres.

Figure 6.7C: Forres Town Centre – Proposed Boundary Amendment South

- 6.37 This proposes a small extension to include the retail unit (opticians) and Royal British Legion Club within the town centre. Although apparently distant from other commercial/community uses these buildings are located close to significant public car parks already included within the town centre.

Potential Development Sites

6.38 The adopted LDP identifies 3 Opportunity Sites (OPP1, OPP2 and OPP3) within or close to the existing town centre boundary that have the potential to accommodate retail or leisure uses should demand be forthcoming:

- OPP1 Caroline Street. This is a large site (1.5ha) which the LDP identifies as suitable for residential, commercial or retail. Although located relatively close to the town centre it is separated by significant existing residential development and would not be considered as an edge of centre site, in addition comments above recommend amendments to the boundary of the town centre moving it further away from this site. This site was the location of a Tesco supermarket up until 2001/02 when the store was relocated to Nairn Road. In terms of modern commercial retail requirements the site has a limited profile and does not have straightforward vehicular access and is, therefore, unlikely to be attractive to commercial retail use although there is a possibility that part of the site could be used for leisure use such as a gym or for services as part of a mixed development. In general it is considered that the existing proposed use could remain but it is considered very unlikely that a retail developer would consider the site to be suitable for development. It is noted that planning application 20/01455/APP for residential development has been refused on this site on the grounds of detailed design matters (open space/play areas etc).
- OPP2 Bus Depot. This is a smaller site (0.13ha) adjacent to site OPP1. Although located closer to existing town centre uses the site has similar problems to those identified for OPP1 and its smaller size further limits its potential for retail development, although it could be developed as part of a combined OPP1/OPP2 site. Overall it is considered that this site is most appropriate for residential development. It is noted that planning permission has been granted for change of use to a car park (20/01226/APP).
- OPP3 Castlehill Hall. This is a B listed building and the LDP proposes its use as residential with retention of the existing listed façade. The building has a frontage onto the High Street and therefore potential conversion to retail or leisure use should also be considered acceptable which would support the vitality and viability of the town centre.

6.39 In summary, it is considered that OPP1 and OPP2 have limited potential as either retail or leisure development sites although it is possible for leisure or services to be included as part of a residential-led development. Site OPP3 is well-located within the town centre and, as such, re-use or conversion for either retail or leisure use should be encouraged along with residential.

Keith Town Centre*Vitality and Viability*

6.40 The conclusions of the assessment of the vitality and viability of Keith town centre undertaken in 2021 set out in Section 5 are that the centre has mixed indicators of vitality and viability:

- Range of retail and service facilities within the town centre is relatively limited.
- Vacancies are close to UK averages by both numbers of units and floor area.
- Numbers of units and area of floorspace is close to that identified in 2010 but has declined from 2014/16.
- Rents are relatively low.
- There is a low level of multiple representation in the town centre.
- Environmental quality is good to mixed.
- Household survey attitudes towards the town centre are average to good with bulky goods identified as particularly strong.

Prospects for Growth

6.41 *Convenience Goods.* Prospects for growth from the SRM identify the central case to be a decline in convenience turnover (excluding Tesco) throughout the study period. Sales densities remain generally slightly below national averages. From this there is no clear potential for additional new retail floorspace.

6.42 *General Comparison Goods.* Central forecasts identify steady growth in turnover (+8% to 2025 and +28% to 2035) with limited variation according to different growth scenarios. Sales densities vary significantly according to the scenario considered but tend to remain relatively close to national averages. From this, as with convenience goods, there is no clear potential for additional floorspace within Keith town centre for general comparison goods. This is reinforced by limited market demand based on recent trends.

6.43 *Bulky Goods.* Compared to other town centres this is a relatively important sector within the town centre currently accounting for 24% of the turnover of the town centre increasing to 27% by 2035. Forecast growth is similar for general comparison goods and sales densities are variable but remain significantly above average. This would indicate that there could be potential for additional bulky goods retailing serving the local market although, as noted earlier, operators will prefer sites with good parking and easy access for private cars.

6.44 The overall implication from the above analysis is that there is some potential for comparison goods although demand for general comparison would be constrained by current low sales densities. The most significant opportunity would be to identify an opportunity for bulky goods and there could be market demand for a location with easy vehicular access.

Retail Deficiencies, Capacity and Demand

6.45 The retail deficiencies assessment identified a deficit of expenditure for both convenience and general comparison goods but a surplus for bulky goods expenditure again implying that there is some potential for additional bulky goods floorspace. This is broadly consistent with the analysis of future expenditure growth and sales densities.

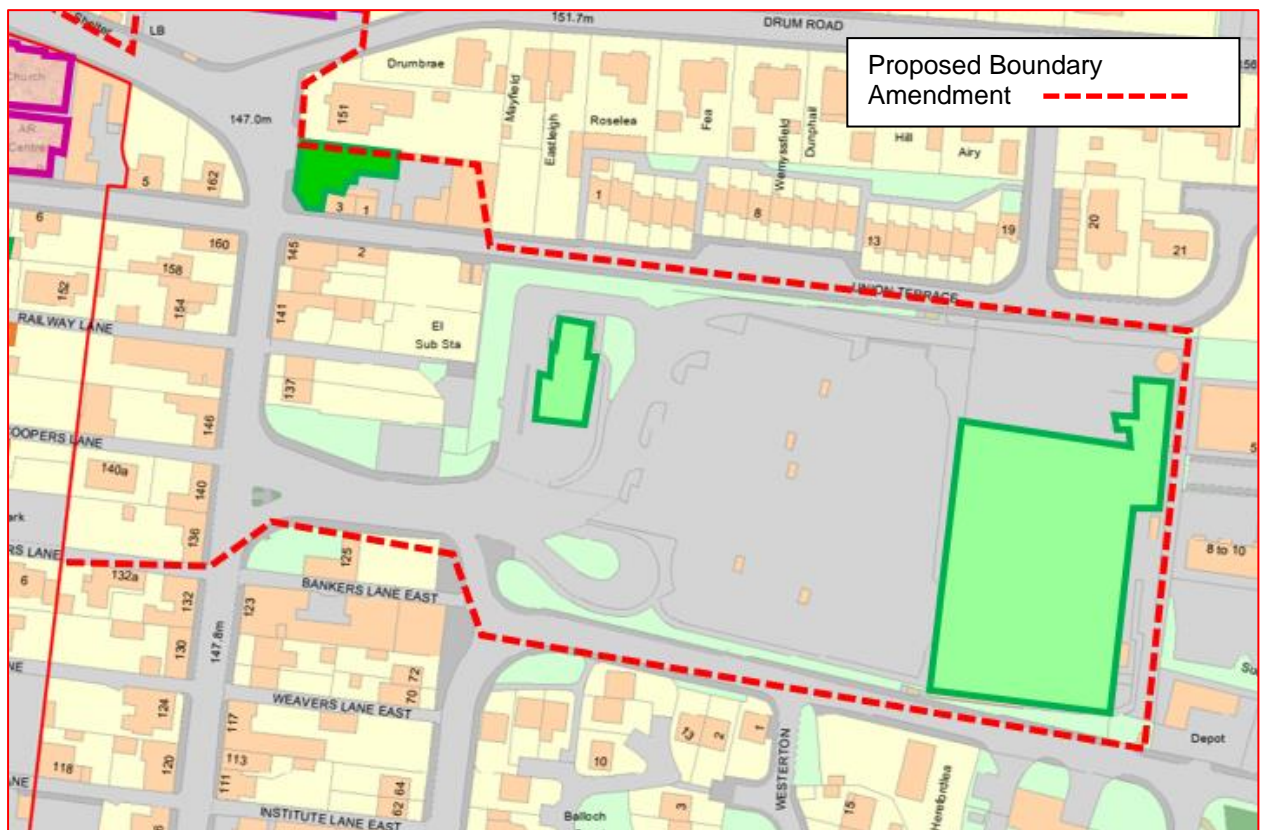
Town Centre Boundaries

- 6.46 Figure 5.29 identified the existing boundary to Keith town centre in the adopted LDP and also included proposed amendments to this boundary. Figure 6.8 (parts A & B) identify those parts where it is recommended that consideration is given to amending the boundary of the town centre.

Figure 6.8A: Keith Town Centre – Proposed Boundary Amendment North



- 6.47 It is recommended that consideration is given to the inclusion of parts of St Rufus Park comprising the tennis courts, play area and bowling club and war memorial gardens. These areas are important recreational areas within the town and add to the character of the town centre. In addition it is considered that the town centre should include the Longmore Community Hall and, to the east, the school of performing arts. These are facilities that serve the wider community and are typical of uses that would be expected to be located within town centres.

Figure 6.8B: Keith Town Centre – Proposed Boundary Amendment East

- 6.48 This proposal includes the Tesco supermarket and showroom (former garage) located on the east side of the A96. Observations at the time of survey identified significant numbers of pedestrians walking between Tesco and Mid Street indicating that there is a clear functional linkage between Tesco and the existing town centre.

Regent Street

- 6.49 In addition to the two proposed additions further consideration should be given to that part of the existing town centre located at Regent Street. There are a significant number of commercial units, in particular service units, but there is no indication that the use of these is linked to the Mid Street area. On this basis it is not considered that this area should be identified as part of the town centre. However, if it is agreed that this area is not to be part of the town centre the role of this area should be recognised and the area designated as a Local Centre in the network of centres.

Potential Development Sites

- 6.50 The adopted LDP identifies 2 Opportunity Sites (OPP1 and OPP2) within or close to the existing town centre boundary that have the potential to accommodate retail or leisure uses or affect existing retail should demand be forthcoming:
- OPP1 The Tannery. The LDP identifies the site as suitable for residential/business. Although located in an out of centre location the site is located close to the Original Factory Shop and would be suitable, in principle,

for a large floorplate bulky goods or leisure unit. It is therefore appropriate for these uses to be included as potential use for the site.

- OPP2 Former Primary School Church Road. This site is identified as suitable for business or residential use. As noted above the site is in active leisure/community use appropriate for inclusion within the town centre. On this basis, although the site could be redeveloped retail, leisure and community uses should also be encouraged on the site.

6.51 In summary, it is considered that OPP1 has the potential to accommodate a large floorplate bulky goods or leisure unit and the current use of OPP2 is consistent with its location within the proposed town centre.

Lossiemouth Town Centre

Vitality and Viability

- 6.52 In terms of vitality and viability Section 5 identified the key feature to be the centre's small size. There are only approximately two thirds the number of retail/service and related units within the centre compared to Keith (which is the smallest of the LDP defined town centres) and it has only about half the floorspace. The second important characteristic of the centre is that it is highly dispersed. Queen Street no longer provides a clear concentration of commercial or community uses, even with the relocation of the Co-op, and the Clifton Road/Pitgaveney Street area is, primarily, serving visitor and tourist trade with activity concentrated in the summer months.
- 6.53 Nonetheless, the facilities and services provided within the area identified in the central part of Lossiemouth are important to the local community. Furthermore, taking into account the small size of the centre it is reasonable to conclude that the centre is healthy and the relocation/expansion of the Co-op will have strengthened the centre following the earlier relocation of Grampian Furnishers to Elgin.

Prospects for Growth

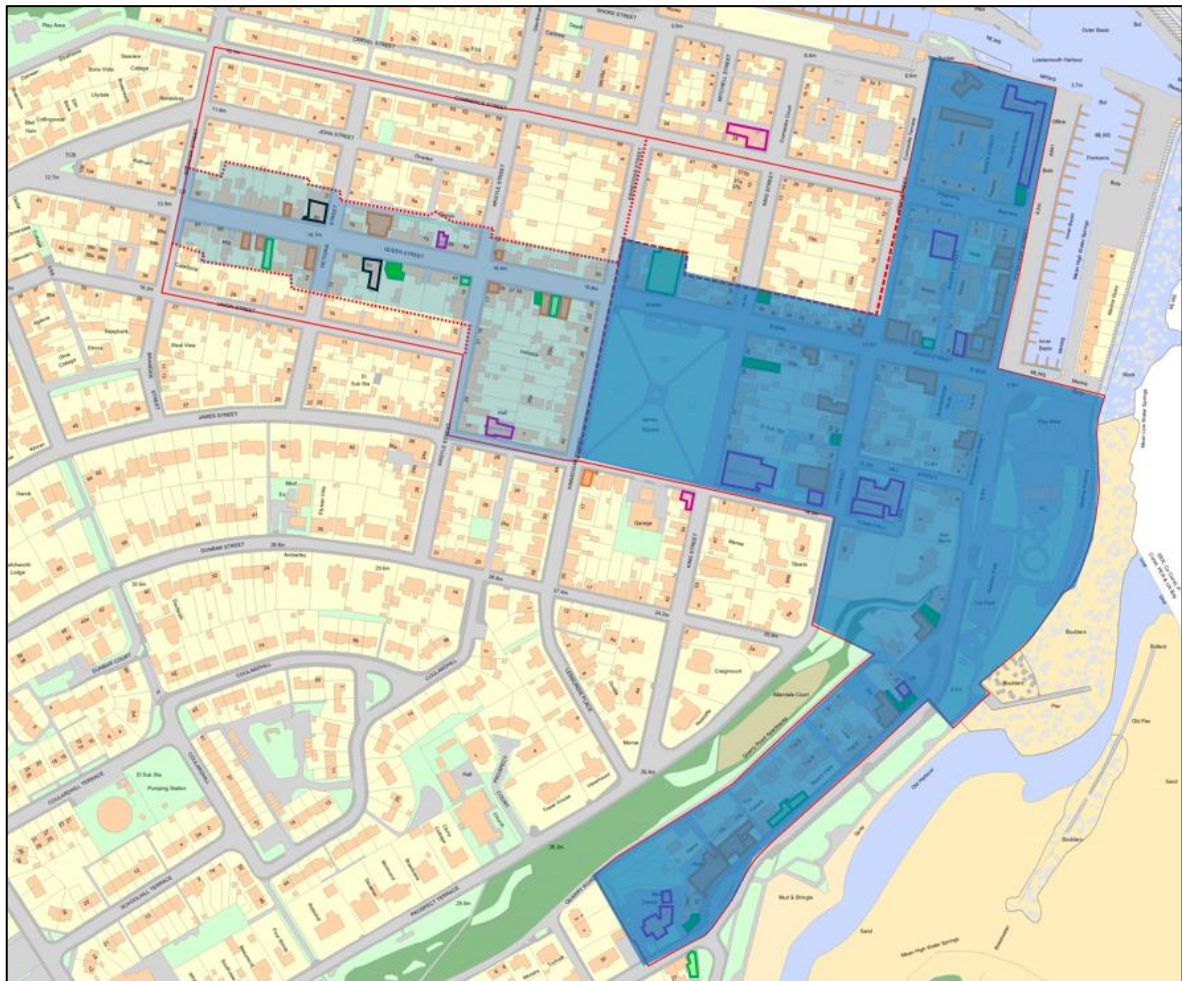
- 6.54 Due to the small size of the centre forecasts of future turnover and sales densities were not undertaken for Lossiemouth.

Retail Deficiencies, Capacity and Demand

- 6.55 The analysis of retail deficiencies identifies that, when considered in isolation (i.e. without reference to Elgin and other areas/zones) Lossiemouth is identified to have potential retail deficiencies for all retail categories (i.e. convenience, general comparison and bulky goods). However, if one takes into account that Lossiemouth is within the secondary catchment area of Elgin for these goods categories with relatively high levels of market penetration of Elgin shops for each of these goods categories within Lossiemouth (see Figure 5.8) then it can be concluded that deficiencies are more limited and reflect the relatively small size of the centre and town within the network of centres. Furthermore, in relation to convenience goods, unlike other smaller settlements in Moray, Lossiemouth does benefit from a small-mid size supermarket and a large convenience-format store, both operated by the Co-op.
- 6.56 The key factor that will limit potential for comparison goods retail is the limited size of the market area. This has been seen with the recent relocation of Grampian Furnishers which, as a successful local business, identified the need to relocate from Lossiemouth to a high profile location in Elgin with easy access for cars.

Town Centre Boundaries

- 6.57 Lossiemouth is not identified to have a defined town centre in the adopted LDP. However, for the purposes of town centre health checks Moray Council uses the boundary identified in Figure 5.37. Based on the characteristics of the centre this report recommend that the central part of Lossiemouth is included within the Network of Centres as a defined town centre. However it is recommended that the boundary of the town centre is less extensive than identified for the health checks and should be based on Pitgaveney Street and Queen Street. Two options are identified in Figure 6.9 – a limited central area (darker blue shading) and a slightly wider area which includes additional parts of Queen Street (light blue shading) although other variations on this can also be considered.

Figure 6.9: Lossiemouth – Proposed Town Centre Boundary Options

Potential Development Sites

- 6.58 The adopted LDP only identifies one development site within the town centre area of Lossiemouth – site T3 Old Station which is proposed for community and tourism uses. No additional potential sites have been identified.

Edgar Road Commercial Centre

Vitality and Viability

- 6.59 Section 5 notes that the Edgar Road Commercial Centre does not provide the range of retail, service and other facilities that would be expected within a town or district centre, instead it is dominated by a relatively small number of large floorplate retail units. On this basis it concludes that it is not, therefore, appropriate to undertake a full health check of the centre.

Prospects for Growth, Addressing Deficiencies and Potential Market Demand

- 6.60 *Convenience Goods.* Prospects for growth from the SRM identify the central case to be flat to 2025 and gradual decline thereafter. Only limited variation is identified according to the different growth scenarios. Sales densities remain close to but mostly slightly below national average sales densities. From this there is no clear potential for additional new retail floorspace.
- 6.61 *General Comparison Goods.* Central forecasts identify steady growth in turnover (+5% to 2025 and +19% to 2035) however there is wide variation according to different growth scenarios which introduces significant uncertainty particularly in the period 2030-35. In almost all scenarios sales densities significantly slightly exceed national averages. This would indicate that there is potential for additional general comparison goods growth in the Edgar Road area. However, there are significant vacant units within the Elgin Retail Park (greater than 2500 sq m GFA) which could accommodate a significant portion of the identified growth potential. However, consideration needs to be given to the desirability of directing any additional floorspace to locations within Elgin City Centre rather than accommodate them in the Commercial Centre or other out-of-centre locations.
- 6.62 *Bulky Goods.* This is an important sector accounting for approximately 24% of turnover within the Edgar Road area. Forecast growth is higher than for other retail sectors and sales densities are significantly above average levels.
- 6.63 Market requirements would support development in the Edgar Road area in the long term in that existing units have large floorplates and direct access to surface level car parking. The area is well established and, as such, has a high market profile within Moray.
- 6.64 The overall implication from the above analysis is that in the long term, given the opportunity, it is expected that there will be significant demand for retail units for all types. In addition, there could be similar demand for leisure units requiring larger floorplates. However there are two key issues. The first concerns the identification of sites that could accommodate growth and the second is the acceptability of growth in planning terms, in particular in terms of impact on the City Centre and in encouraging car-based retail.
- 6.65 In relation to potential development sites, existing vacant units in the Elgin Retail Park (ERP) will be able to accommodate some of the long term demand. Occupation of units within the ERP have been slow reflecting the relatively poor profile compared to the Springfield Retail Park and generally muted demand that has occurred over the past 5-10 years. Nonetheless, it is considered that, based on current forecasts, all units within the ERP should be occupied within the medium term (i.e. by 2030). There are also other locations on the edge of the Commercial Centre that are, should there be strong demand, capable of being redeveloped for retail and leisure use – this includes properties south of Edgar Road opposite the ERP and, as has been proposed in the past, for development at Linkwood Road.

- 6.66 However, there are also potential sites within Elgin City Centre that have also been identified as having the potential for accommodating large floorplate retail and leisure units, in particular the Gordon Macphail site should this become available. In planning terms a site within the defined City Centre would be preferable to development adjacent to Edgar Road in that this would assist in supporting the vitality and viability of the City Centre and would be in a location that has the potential greater accessibility by sustainable modes of transport. However, this is dependent on the sites identified within the City Centre having a reasonable expectation that they will become available. In the absence of City Centre sites the Edgar Road area does benefit from being an established retail location which is relatively well served by public transport.
- 6.67 Finally, it should be recognised that the forecasts of long term growth and market demand are subject to considerable uncertainty at the current time and, as a result, this should support the adoption of a cautious approach to identifying potential development sites.

Commercial Centre Boundaries

- 6.68 Figure 5.43 identified the existing boundary to the Edgar Road Commercial Centre in the adopted LDP. Reflecting the above comments no amendments to the boundary of the Commercial Centre are proposed.

Potential Development Sites

- 6.69 The adopted LDP identifies a site adjacent to the Commercial Centre as an existing business area (Site I10) suitable for Use Classes 4 and 6. Reflecting the above recommendation it is considered that this should be retained without any new allocation for either retail or leisure use subject to potential review if City Centre sites are confirmed not to be available and forecasts of sustained expenditure growth are confirmed.

Masterplans and New Neighbourhoods

Introduction

- 6.70 A specific requirement of the brief for this study is to undertake a review of five masterplan areas which are identified in the adopted LDP for major residential development in order to assess retail and commercial floorspace requirements, taking into account the principle of 20-minute neighbourhood concepts. The five masterplan areas are:
- Findrassie, Elgin (including adopted LDP sites R11, I8, R12 and MU2)
 - Elgin South (including sites R19, R20, LONG2 and CF2and CF4)
 - Barhill Road south west Buckie (including R8 and LONG1)
 - Lochyhill (including sites R3 and LONG1) Forres; and
 - South of A96 Mosstodloch (MU LONG1)
- 6.71 The following factors have been considered in this review:
- 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 (summarised in Section 4 above).
- 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 (summarised in Section 2 above).

Key Issues for the provision of Retail/Commercial Space

Evidence from Comparators

6.72 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

6.73 The comparators examined are set out in Figure 6.10 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.
- There is considerable variation in commercial responses dependent on the views of individual proprietors and the terms on which space is offered and it is inevitable 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.

Figure 6.10: Comparison of Approved Major Developments

Site	Location	Type of Development	Total Development		Phasing			
			Housing	Retail/Retail Services Floorspace	Initial Phases		Later Phases (incl earlier)	
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

6.74 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, 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.

6.75 Section 4 set out a review of retail deficiencies within Moray. This identified that both at the Moray-wide level and within individual zones there are no clear retail deficiencies for convenience goods. The primary concern for

these goods in masterplan areas is, therefore, to meet local requirements for convenience provision (i.e. top-up and similar floorspace) and not for larger foodstores that would serve wider market areas. For comparison goods, although an excess of expenditure compared to average turnover was identified, provision of additional floorspace to address these deficiencies, insofar as there would be market demand, would be directed to the principal retail centres. New floorspace would, therefore, be serving local trade which is consistent with the general principle of 20-minute neighbourhoods although walking distances are likely to be potentially greater than the 0.5 mile implied with 20-minute neighbourhoods³.

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

- *Convenience goods.* Trade is 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 £400-£700 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. 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 figure would reduce if the shop is able to draw trade from existing residential areas and pass-by trade. 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.
- *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

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

- For retail and service units trade 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. 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 – Classes 2, 3 and others), 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 these other commercial unit(s) flexibility is required to maximise the attractiveness of the units to potential occupiers. This should include any of Class 1, Class 2, 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. On this basis it is

³ It should be noted that PAN75 sets maximum travel distances when assessing a development site for walking and cycling including up to 1600m for access to local facilities/amenities and Transport Assessment Guidance (Transport Scotland, 2012) identifies appropriate journey times of 20-30 minutes are appropriate for walking

considered appropriate that these units should only be available after approximately 150 residential units are built and occupied.

- There is very wide variation in the total quantity of space that can be provided for retail and commercial services in developments.
- 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.

Recommendations for Masterplan Areas

1. Findrassie

6.78 The Findrassie masterplan area is identified as comprising sites R11, R12, I8 (Newfield Industrial Estate) and MU2 (proposed for business/live-work units). Total proposed housing is 1650 units. Phase 1 of the development is currently in progress for 113 dwellings. During 2020 the developers (Barratt North) were in discussion with Moray Council regarding the timing and scale of commercial space provision retailing to the early phases of development.

6.79 In terms of market potential, assuming development of the full 1650 units, which would be equivalent to approximately 3500-4000 persons, this would be capable of supporting a significant level of retail and commercial space consistent with the development of a local centre and/or two or more smaller neighbourhood centres/parades:

- Assuming market penetration of 50-75% of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 350-500 sq m GFA which could comprise a modern convenience-format store plus a small number of additional, smaller units.
- Additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace should be comparable in scale to that provided at Southfield Drive i.e. in the region of 1200-1500 sq m GFA (8 units, two of which are convenience goods).
- Apart from the provision of a convenience-format store the remaining space should be flexible permitting either Class 1, Class 2, Class 3 and sui generis uses that can respond to market demand.
- In addition consideration should be given to other uses including public house/bar and community uses to support the creation of a clear community focus.
- For phasing of retail space:
 - *Initial commercial space (ca 300-400 sq m GFA) could be provided by the completion of the 450th dwelling.*
 - *The convenience-format store should be provided by the completion of the 900th dwelling.*

2. Elgin South

6.80 The Elgin South masterplan area is identified as comprising sites R19, R20, LONG2, CF2 (Primary School and Sports Centre) and CF4 (Primary School). Sites R19 and R20 are allocated for 870 units and LONG2 comprises approximately 100ha of land with a capacity for 1250-1500 dwellings (depending on net development density).

Total development capacity is, therefore, in the region of 2150-2400 dwellings (i.e. 4500-6000 population). The masterplan for the development identifies:

- Total development period to be 2020-2045.
- Three areas which include retail/commercial space: the western village core in Phase 1D; the eastern village core in Phase 2/4A and a linear section identified in Phase 5.

6.81 The overall scale of development is anticipated to be approximately 40% larger than that at Findrassie which would be sufficient to support the two village cores identified in the masterplan as new local centres. Recommendations are:

- Assuming market penetration of 50-75% of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 500-700 sq m GFA which could comprise a modern convenience-format store plus a small number of additional, smaller units. This could include convenience-format stores in each village centre.
- Additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace in each of the two village centres should be comparable to that provided at Southfield Drive i.e. in the region of 1000-1250 sq m GFA.
- Apart from the provision of a convenience-format store the remaining space should be flexible permitting either Class 1, Class 2, Class 3 and sui generis uses that can respond to market demand.
- In addition consideration should be given to other uses including public house/bar and community uses to support the creation of a clear community focus.
- For phasing of retail/commercial space:
 - *Initial commercial space (ca 300-400 sq m GFA) could be provided by the completion of the 450th dwelling for each development area (i.e. east and west villages).*
 - *The convenience-format store should be provided by the completion of the 900th dwelling for each development area.*

3. Barhill Road, Buckie

6.82 The Barhall Road masterplan area comprises sites R8 and LONG1. An application for a screening opinion has been submitted for the whole of this area (ref 20/01638/SCN) which identifies the development potential for 500-600 dwellings. In addition planning application 21/01224/APP has been submitted for the north east part of the site (4.73 ha area) for 101 residential units and one commercial unit (86 sq m GFA).

6.83 This information implies the first phase of development would support approx. 225-250 residents and the whole development area support 1100-1350 residents.

6.84 The Barhill Road masterplan area is located adjacent to existing residential areas on the southern edge of Buckpool which have minimal retail and commercial provision (three small units, a Spar and carry-out units are located at St Paul Street, 600m to the north). It is reasonable, therefore, to assume that retail and commercial space provided in this development would also be able to serve existing residential areas. This would increase the potential market served to approximately 2000 population. Although the Tesco supermarket is also located

on the south side of Buckie this is not within a 10-minute walking distance of the Barhill Road masterplan area although parts of the development area would be within 1600m of Tesco.

6.85 The overall scale of development is anticipated to be one third of that identified for Findrassie and would not, on its own be sufficient to support a modern convenience-format store, although it could support additional retail/commercial units. However, the development does provide an opportunity to improve access in this part of Buckpool to local retail and other commercial services. On this basis the recommendations are:

- Assuming market penetration of 50-75% of top-up spend for convenience goods for the whole market area served this would equate to total convenience floorspace of ca. 150-250 sq m GFA which could comprise a small convenience-format store or one or two smaller units.
- Additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace that could be provided would in the region of 500-750 sq m GFA.
- Apart from the provision of a convenience-format store the remaining space should be flexible permitting either Class 1, Class 2, Class 3 and sui generis uses that can respond to market demand.
- For phasing of retail/commercial space:
 - *Initial commercial space (ca 150-300 sq m GFA) could be provided by the completion of the initial phase of development. This should be in a location that is close to Barhill Road and as close to existing residential areas to facilitate both walking access from existing residential areas and pass-by trade. It is considered that the extent of existing residential areas that are within walking distance of this location should be sufficient to support the viability of this space. It is noted that this scale of provision is larger than proposed in the current planning application for the first phase of development.*

4. Lochyhill, Forres

6.86 The Lochyhill masterplan area comprises sites R3 and LONG1. R3 is identified to have a capacity for 850 units and LONG1 has an area of 19ha which implies a capacity for approximately 250 housing units. The total housing capacity of this area is, therefore, approximately 1100 units, with a total population equivalent of ca. 2500-2750 depending on average household size.

6.87 The masterplan area is located adjacent to residential areas on the eastern edge of Forres which have minimal retail and commercial provision and both the existing and proposed housing areas are over 10-minutes walking distance from town centre shops. It is reasonable, therefore, to assume that retail and commercial space provided in this development would also be able to serve the adjacent existing residential areas. This would increase the potential market served to approximately 3500-3750 population.

6.88 The overall scale of development is therefore similar to that identified for Findrassie and it would be capable of supporting a significant level of retail and commercial space consistent with the development of a local centre and/or two or more smaller neighbourhood centres/parades:

- Assuming market penetration of 50-75% of top-up spend for convenience goods this would equate to total convenience floorspace of ca. 350-500 sq m GFA which could comprise a modern convenience-format store plus a small number of additional, smaller units.

- Additional space can be provided to accommodate retail, leisure and business services and comparison goods retail.
- Total floorspace should be comparable in scale to that provided at Southfield Drive i.e. in the region of 1200-1500 sq m GFA (8 units, two of which are convenience goods).
- Apart from the provision of a convenience-format store the remaining space should be flexible permitting either Class 1, Class 2, Class 3 and sui generis uses that can respond to market demand.
- In addition consideration should be given to other uses including public house/bar and community uses to support the creation of a clear community focus.
- For phasing of retail space:
 - *Initial commercial space (ca 300-400 sq m GFA) could be provided by the completion of the 450th dwelling.*
 - *The convenience-format store should be provided by the completion of site R3.*

5. Mosstodloch

- 6.89 The Mosstodloch (south of the A96) masterplan area comprises site MU LONG1. The total site area is identified to be 22 ha but this includes both residential and industrial development and it is not clear what proportion of this would be expected to be developed for housing. Assuming that 15ha is available for residential development this could accommodate up to, approximately 225 units, with a population equivalent of 500-550. This is considerably smaller than the other masterplan areas reviewed in this section and, in isolation, would not be expected to support more than a single retail/commercial unit.
- 6.90 However, Mosstodloch is a significant village and has additional housing allocations and only limited existing retail provision. Therefore, it is appropriate to consider whether the additional housing identified for site MU LONG1 provides the opportunity to improve the retail/commercial offer within the village.
- 6.91 The current population of Mosstodloch is 1022 and two additional sites for housing are identified for an additional 120 houses (sites R1 and R2). In total, therefore, the existing population and housing allocations (based on 225 units at MU LONG1) would result in an total population in Mosstodloch of approximately 1850 people. Information from the Regional Assessor identifies that there are 6 retail and service units within the village totalling 685 sq m GFA, two of which are convenience units with 444 sq m GFA/289 sq m NFA and turnover of just under £1m. This turnover would equate to almost all of the top-up convenience expenditure generated by residents of the village (including the development of the allocated housing sites). On this basis there is no significant deficiency in terms of convenience floorspace within Mosstodloch, even with the development of all allocated housing sites and MU LONG1.
- 6.92 In terms of additional retail and commercial space the village currently has 4 units (three services and one vacant). Whereas it would be desirable for a small comparison goods unit to be provided it would be unreasonable to require this as part of the MU LONG1 development. Furthermore the MUL LONG1 site is not well connected to the remainder of the village (it would require existing residents to cross the A96 to access any commercial unit located within MU LONG1) and provision of this would not support the strengthening of any focus within the village.
- 6.93 As a result it is concluded that, although the provision of small-scale commercial/retail space should be encouraged within the development, it would not be reasonable for this to be a requirement for the development..

Policy Review and Recommendations

Existing Policy Framework

6.94 The existing policy framework for retail, leisure and town centre uses is provided though:

- The Moray Local Development Plan 2020 Policy DP7
- Scottish Planning Policy (December 2020) paras 58 to 73

6.95 In addition the draft National Planning Framework 4 was laid before Parliament in November 2021. Comments on this can be submitted up until the end of March 2022. The NPF4 is particularly significant in that it will, for the first time, be part of the development plan. Given that the draft Plan is subject to both extensive consultation and Parliamentary scrutiny prior to its final publication it has, at the current time, only limited weight.

6.96 The adopted LDP and SPP adopt slightly different structures for the organisation of policies relevant to town centres but both adopt largely the same policy requirements. Figure 6.11 sets out a comparison between these policy documents together with the relevant provisions in the draft NPF4.

Figure 6.11 Existing Town Centres & Retail Policy Framework

<i>Policy Issue</i>	<i>Moray LDP 2020</i>	<i>SPP Dec 2020</i>	<i>Draft NPF4</i>
<i>Development Plan Requirements</i>	<i>N/A</i>	<i>Paras 61-69</i>	
<i>Network of Centres</i>	<i>DP7 a) para 3 and DP7 b) sub b) and Table 6</i>	<i>Identify Town & Commercial Centres (in DPs, paras 62-63); 72</i>	<i>Policy 24 a) & b) Policy 26 b)</i>
<i>Town Centre Health Checks and Strategies</i>	<i>TCHCs undertaken regularly; TC strategy set out in settlement statements</i>	<i>Paras 64-66</i>	
<i>Clustering of “non-retail” uses</i>	<i>DP7 a) paras 2-3</i>	<i>Para 67</i>	<i>Policy 25 c)</i>
<i>Core Retail Areas</i>	<i>DP7 a) para 2</i>		
<i>Sequential approach/Town Centres First</i>	<i>DP7 a) para 1; DP7 b) sub a)</i>	<i>Paras 68-69, 71</i>	<i>Policy 25 a); Policy 26 a) & c)</i>
<i>Scale of town centre development</i>	<i>DP7 a) para 3</i>	<i>Para 70</i>	<i>Policy 25 b)</i>
<i>Assessment of impact (retail and other)</i>	<i>See DP7 b) sub b) for out-of-centre only</i>	<i>Para 71 (outwith TCs only, retail, leisure, office & public buildings)</i>	<i>Policy 25 b)</i>
<i>Out of centre proposals</i>	<i>DP7 b). Acceptable if:</i> - <i>Satisfies sequential approach</i> - <i>No unacceptable impact on V&V</i>	<i>Para 73. Acceptable only if:</i> - <i>Satisfies sequential approach</i> - <i>Scale is appropriate</i> - <i>Helps to meet deficiencies</i> - <i>No significant adverse impact on V&V</i>	<i>Policy 25 a): Retail is <u>not</u> supported OOC Policy 26b): Non-retail proposals acceptable if:</i> - <i>Satisfies sequential approach</i> - <i>Scale is appropriate</i> - <i>No significant adverse impact on V&V of TCs</i> - <i>Not generate additional private car reliance etc</i>
<i>Small-scale/neighbourhood provision</i>	<i>New provision - DP7 c) para 1 Retention of provision – DP7 c) para 2</i>		<i>Policy 25 d)</i>
<i>Ancillary Retail</i>	<i>DP7 d)</i>		
<i>Retail proposals outwith settlements</i>	<i>DP7 e)</i>		<i>Policy 25 e)</i>

Comment on NPF4

6.97 Although, as shown in Figure 6.11, policies on the draft NPF4 cover the same issues as LDP Policy DP7, it proposes a radical shift in emphasis. The key issue is that there is a policy split between retail and non-retail uses such that:

- Draft Policy 25 Retail does not consider that any retail development which generates a significant footfall (which is not defined) should only be considered in edge-of-town centre or commercial centres where supported in the development plan and would not be acceptable under any circumstances in out-of-centre locations.
- Draft Policy 26 applies to all *other* uses that generate significant footfall. For these the approach is comparable to that set out in SPP summarised above.

6.98 It is not appropriate to set out a detailed review of these draft policies in this Report. However, it is considered that this proposed approach, in effect, placing a prohibition on any significant retail floorspace in out-of-centre locations presents a number of difficulties. The following summarises a few of these:

- The shift in emphasis compared to SPP appears to reflect a view that town centres are primarily retail locations. This is clearly not the case and, as demonstrated in Section 3, there have been long-term trends (of at least the last 25 years) that have reduced the importance of retail within town centres and supported led to greater diversity of use within centres. Policy should be aimed at supporting diversity of use for centres to support their long term sustainability as a focus in communities.
- It fails to recognise the importance of local, neighbourhood and rural centres as a key location for retail and other services serving local communities. The draft NPF4 would not support significant retail provision in these centres.
- As has been shown in Section 3 there are very strong societal and commercial trends that are reducing the dependence of the wider community of retail in town centres. These include substantial growth of internet-based retail and increased emphasis on shopping local (the latter mainly for convenience goods and for access to commercial services). The growth of the internet is reducing growth for comparison goods spend and also is having a significant impact on multiples who are pursuing multi-channel retailing reducing physical store portfolios. These trends have been exacerbated by the pandemic and, as explained earlier, it is not clear what the long term effects of this will be. Rather than direct retail back into town centres draft Policy 25 is more likely to further strengthen these trends and drive major retailers towards even greater reliance on the internet and the very largest centres.
- It fails to recognise that, in those out-of-centre locations which do have excellent public transport access out of-centre retail can make an important contribution for access to goods and services and can, if easily accessible from areas of deprivation, assist in reducing social and community inequities.
- It implicitly assumes that town centres would be capable of accommodating new retail floorspace. For many town centres there are not any sites within, or on the edge of centres, that are capable of accommodating significant new development. For most towns in Scotland limited rental and yields will render redevelopment of town centres sites for retail would be unviable and impractical. In these situations draft Policy 25 will prevent any significant new retail investment resulting in the communities being reliant on increasing older retail stock which will, over time, reduce its attractiveness to the public living in the community which will, in turn, encouraging consumers either to further increase the use of

the internet for retail or travel to larger/more modern retail locations (including both other large town/regional centres and out-of-centre locations).

- 6.99 In many cases out-of-centre retail may have contributed to the decline of centres but this is difficult to ascertain given the broader long term societal trends. To propose a ban on out-of-centre retail through draft Policy 25 is, in effect, an attempt by central government to impose a “one-size fits all” solution that is based on a lack of understanding of the complexities that have affected town centres and retailing over the past 25 years.
- 6.100 A preferred approach would be to have policies and proposals for retail, leisure and other own centre uses determined by planning authorities to fit the specific local geographies and community requirements of the authority’s area but within the context of a broad framework set by the NPF4. This is, in effect the approach that has been adopted to date through SPP. The recommendations set out below for the amendments to LDP Policy DP7 will provide policies that will permit out-of-centre retail only if rigorous criteria are fully met while, at the same time, ensuring that all communities within Moray have the opportunity to secure access to retail, leisure and other important services and facilities that will meet their needs.
- 6.101 With respect to the other aspects raised in draft NPF4 Policies 24, 25 and 26, it is considered that these are all fully addressed in Policy DP7 subject to the following recommendations. In conclusion, it is not recommended that any further amendments to retail and town centre policies are required in response to the policies contained in the draft NPF4

Recommended Amendments to Policy DP7

Network of Centres

- 6.102 Policy DP7 and Table 6 identify the network of centres. **Recommendations have been set out above concerning amendments to this network** with the principal changes proposed being:

- Identification of Lossiemouth as a town centre
- Reclassification of Keith town centre (west) as a Local Centre
- Identification of extended list of Local and Village Centres

- 6.103 It is also recommended that, for the purposes of clarification, any references to “Town Centres” also include Elgin City Centre.

Town Centre Health Checks and Strategies

- 6.104 Health checks are undertaken regularly by Moray Council and it is recommended that these should continue, indeed, the hiatus caused by the combination of the Covid-19 pandemic combined with structure changes to the retail sector (in particular) necessitate particularly careful monitoring and review over the next 5 years.
- 6.105 Various recommendations for town centres have been identified in this Section and these should be considered for incorporation in the emerging LDP.

Clustering of Non-Retail Uses and Core Retail Areas

6.106 These issues are closely related and addressed together in Policy DP7 a). It is considered that the proposals for Core Retail Areas as identified in the existing LDP proposal maps remain appropriate and no change is recommended. The policy adopts a reasonably flexible approach (i.e. through permitting Classes 1, 2 and 3 uses) **however it is recommended that further flexibility should be considered so that the following could also be considered:**

- Limited additional retail, leisure and business service uses in recognition of the diversifying role of centres⁴.
- Additional tourism and leisure use that generate significant footfall.

6.107 Whereas the principle of avoiding concentrations of particular uses that would be detrimental to the town *centre's* vitality and viability is important, it is considered that the wording of the policy is vague and would create significant uncertainty as to the types of uses that could be considered to be unacceptable. **It is recommended that consideration is given to restricting such uses to the examples provided in SPP** (i.e. betting offices or high interest money-lending premises). However, it is not possible to set precise limits on the numbers of these that would be unacceptable since this would depend on the size of the units, treatment of frontages, location within a centre and character of the centre as a whole. **Furthermore this policy should be extended to apply to any centre identified within the Network of Centres.**

Town Centres First/Sequential Approach

6.108 It is considered that the sequential approach set out in DP7 a) is appropriate subject to the comment below regarding small-scale/local provision.

Appropriate Scale of Development

6.109 Policy DP7 only requires that development should be appropriate to the scale etc of centre in which it is located in the context of Town Centres. **This principle should apply to all development proposed in all centres i.e. City, Town and Local/Village centres identified in the Network. Indeed the title of the policy DP7 reinforces this and should be amended to "Retail and the Network of Centres" to emphasise that the policy requirements apply to all locations.**

⁴ Goad surveys classifications provide a useful base for considering uses that could be acceptable (many are already included in Classes 1, 2 and 3, others are sui generis or other use classes). Not all would be acceptable in centres. Goad definitions are::

Retail Service: Clothing & Fancy Dress Hire ; Dry Cleaners & Launderettes; Filling Stations; Health & Beauty; Opticians; Other Retail Services; Photo Processing; Photo Studio; Post Offices; Repairs, Alterations etc; Travel Agents; TV, Cable & Video Rental; Vehicle Rental; Vehicle Repairs & Services; Video Tape Rental;

Leisure Services: Bars & Wine Bars; Bingo & Amusements; Cafes; Casinos & Betting Offices; Cinemas, Theatres etc; Clubs; Disco, Dance & Nightclubs; Fast Food & Take Away; Hotels & Guest Houses; Public Houses; Restaurants; Sports & Leisure Facilities; Other Leisure Services

Financial & Business Services: Building Societies; Building Supplies & Services; Business Goods & Services; Employment & Careers; Financial Services; Legal Services; Other Business Services; Printing & Copying; Property Services; Retail Banks

Assessment of Impact

6.110 As worded Policy DP7 only requires an assessment of impact (including retail and other impacts) for proposals in out-of-centre locations. It is important to recognise that impacts should also be considered in all locations and this would be linked to the requirement that proposals are appropriate to the scale, character and role of the centre in which it is located. Examples for this could include: further S42 applications to derestrict retail floorspace within the Commercial Centre which could affect the City Centre or Local Centres; proposals in Edge of Centre locations which may, or may not, effectively increase the size of that centre which could affect other retail locations within the network; development within town/local/village centres that could affect other centres within the network.

6.111 Additional considerations are:

- Setting out an indicative threshold of development size that could require an impact assessment. SPP refers to 2500 sq m but this would be a very large development in the context of most settlements in Moray. Reference could be made to developments in excess of 1000 sq m but recognising that the requirement will depend on: size of proposal; settlement location (i.e. smaller developments would require assessments in smaller settlements); and type of use proposed. Furthermore, it could be noted that the level of detail in the assessment would depend on the scale, character and sensitive of centres potentially affected by the proposal.
- The requirement for an assessment of impact should not be confined to retail proposals. Whereas quantification of impact assessments is establishing for Retail Impact Assessments a combination of quantitative and qualitative assessments could be used for leisure and other significant retail/leisure/business service uses.

6.112 It is therefore recommended that consideration is given to:

- **requiring impact assessments for developments attracting significant footfall in all locations;**
- **requiring impact assessments for non-retail uses as well as retail proposals;**
- **providing an indication of the size of development for which an impact assessment would be expected to be provided.**

Out of Centre Proposals

6.113 For centre proposals outwith town centres to be acceptable Policy DP7 b) only requires that they satisfy the sequential approach and do not have an unacceptable impact on the vitality and viability of the network of centres. SPP identifies a wider set of requirements for proposals in out-of-centre locations that are generally included in policies of other LDPs in Scotland. These additional requirements would provide a more stringent test before proposals would be acceptable outwith town centres. **Therefore the following recommended for consideration:**

1. ***Additional criteria are included for assessment of all proposals for retail and other uses that generate significant footfall. That is proposals would only be acceptable if each of the following are satisfied:***
 - a. *The sequential approach is satisfied (i.e. DP7 b) sub para a));*
 - b. *The proposal will help to meet either qualitative or quantitative retail deficiencies;*

- c. *The proposal will not adversely affect the vitality or viability of any centre identified within the Network of Centres.*
 - d. *The proposal is in a location that is, or can be made, easily accessible by a choice of non-car modes of transport.*
2. ***These additional criteria apply to all proposals located outwith town centres.*** *This would mean that, to be acceptable, any significant retail, leisure or other proposal that generates significant footfall, proposed in locations outwith either the City Centre or Town Centres, including edge-of-centre locations would require to meet all of the above criteria.*

6.114 The first of these options is consistent with SPP whereas the second option provides greater control over development proposals but would require a slight restructuring of Policy DP7 since these would apply to each of sections b) to f).

Small-scale/Neighbourhood Provision

6.115 The principle addressed in Policy ED7 c) is important. However, it should be noted that local/neighbourhood provision extends beyond convenience floorspace but also includes other retail goods together with retail, leisure & business services and other uses. Furthermore, modern convenience-format units may require slightly in excess of 400 sq m GFA to be viable and flexibility would also be required for other types of floorspace. In this context it is recommended that consideration is given to:

- **Make reference to meeting the *day-to-day local shopping and service needs* of a local neighbourhood.**
- **Remove reference to floorspace areas but, instead, provide units that demonstrably meet the needs of a local catchment area, in particular in accordance with the general principle of 20-minute neighbourhoods.**

Ancillary Retail

6.116 It is considered that this policy remains relevant and should be retained.

Proposals Outwith Settlement Boundaries

6.117 It is considered that this policy remains relevant and the only recommendation that is proposed for consideration is that “*retail*” development should be amended to “*retail, leisure and other commercial service uses*”.

Review, Monitoring and Health Checks

6.118 Moray Council undertake regular health checks on, normally, a biennial basis. These health checks address all the principal issues that should be considered for the City and town centres. It is recommended that these are continued.

6.119 In addition, it has been noted that there is considerable uncertainty associated with forecasts and the impact that both long term structural changes to retail (in particular) and associated with the ongoing pandemic have had on consumer expenditure and both retail and leisure activities in centres. Given this uncertainty

it is considered that an update of forecasts should be considered to be undertaken approximately 1-2 years after the end of the pandemic. This would allow sufficient time for post-pandemic expenditure patterns to become stabilised but is early enough to provide an update to the forecasts set out in this report. Assuming that the pandemic is effectively over by the end of 2022 this would imply undertaking a review in mid-late 2024. This review should include:

- Updating expenditure forecasts including the growth of special forms of trading.
- A new household survey to establish to what extent changes in expenditure have reverted to pre-pandemic patterns or stabilised. The survey can be based on a smaller sample than used for the current study with a more restricted range of questions.