Moray Retail Study 2021

Final Report – Executive Summary

For Moray Council

February 2022

Hargest Planning Ltd

Moray Retail 2021

Final Report: Executive Summary

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reference:

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1 Introduction

1.1 This Moray Retail Study has been prepared to provide an up to date assessment of retail and leisure floorspace provision within the Moray Council area and to provide an assessment of potential future demand and supply for retail & leisure floorspace for the period to 2035. The primary purpose of this assessment is to:

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

1.2 This information with assist Moray Council in the preparation of its next Local Development Plan.

1.3 The study has undertaken the following:

- The preparation of a Strategic Retail Model for the period to 2035 using up to date retail data on floorspace and expenditure.
- Identified recommendations for a retail strategy with the principal focus on the city, principal towns and smaller settlements within Moray. This strategy includes:
    - Review of the Network of Centres;
    - addressing retail deficiencies in existing urban areas;
    - identifying retail floorspace to serve new and expanded urban areas;
    - development opportunities within the City and principal Town Centres;
    - recommendations for amendments to existing retail and town centre policies to be included within the emerging development plans.

2 Overall Study Approach

2.1 The Study has been undertaken using a range of techniques and data sources. The principal techniques used for the Study are:

- Data review: existing and future population; existing retail and retail service floorspace; existing and future available expenditure forecasts; tourism expenditure.
- Household survey (Moray-wide) 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 Sources

2.2 The principal sources of information used for the study include:

- Floorspace data from the Grampian Assessor.
- Scottish Census and 2020-based population estimates for small areas
- Experian Area Comparison Report (expenditure data) for Moray and constituent study zones.
- Household interview survey of Moray residents
- In person surveys of Elgin City Centre users/visitors
- Expenditure growth forecasts have used forecasts produced by both Experian and Precisely (trend forecasts and Oxford Economic Forecasts).
- Tourism data from 2021 Moray STEAM data, VisitScotland, UK and Scottish National Statistics and other related sources. This identified occupancy rates, visitor numbers and expenditure.

Household and In-Centre Surveys

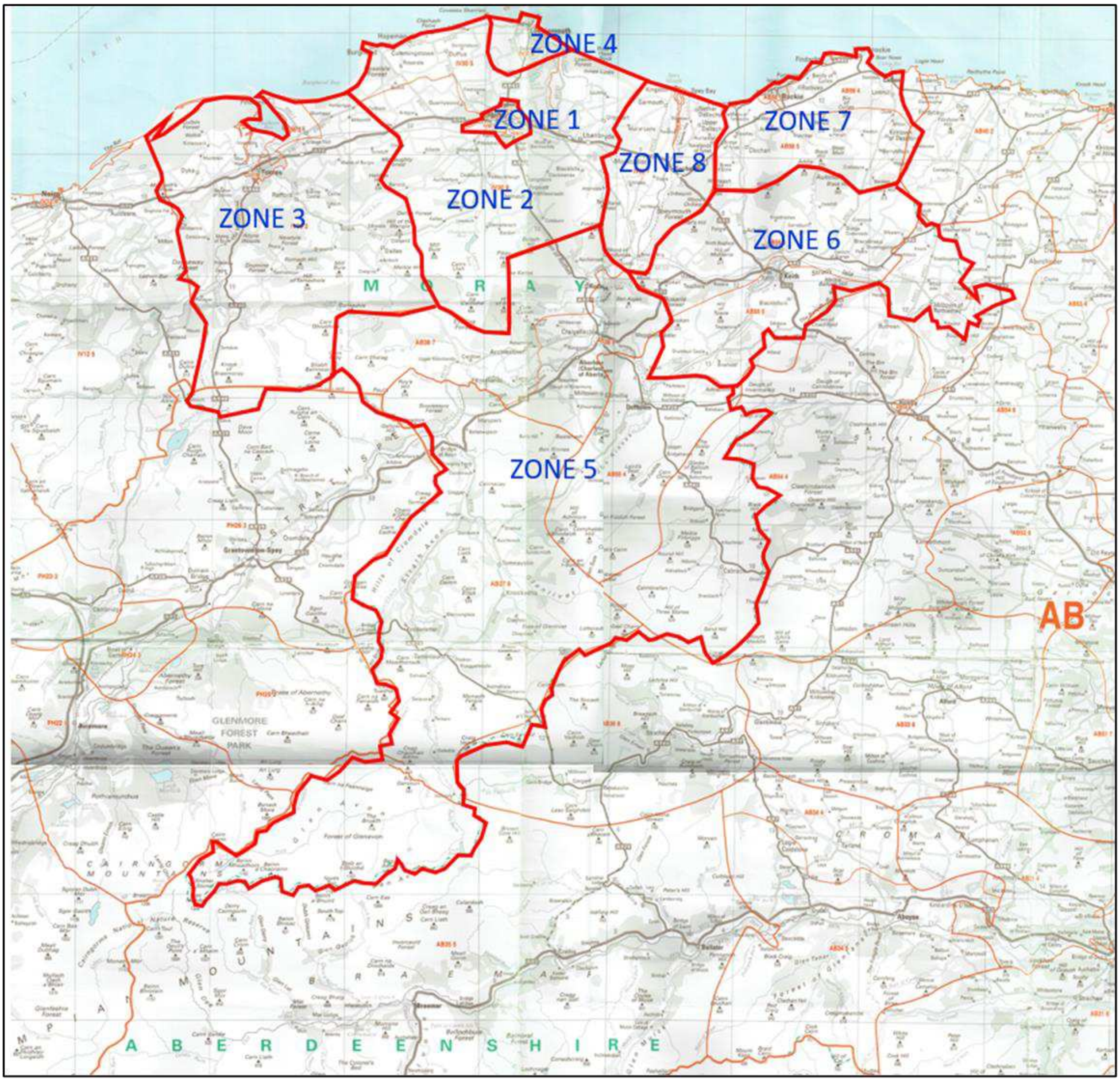
2.3 A key component for accurately understanding the operation of retail patterns and estimates of actual retail turnover is the use of extensive and detailed surveys. A household survey has been undertaken to establish both behavioural and attitudinal information about retail habits within the study area. The design of the survey was undertaken jointly by Hargest Planning Ltd and NEMS Market Surveys and was implemented as a telephone interview survey by NEMS in August-September 2021. In total 1000 interviews were completed reflecting the distribution of population and the zones used in the Strategic Retail Model.

2.4 The household survey was complemented with an in-centre survey interviewing 200 users and visitors to Elgin City Centre in August 2021. This addressed the purpose of the visit, food and non-food shopping patterns, expenditure and attitudes to the City Centre.

Strategic Retail Model

2.5 The purpose of the Strategic Retail Model 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 identifies actual turnover levels achieved in existing/future floorspace.

Figure 1: Moray Strategic Model Zones



3 Retail and Leisure Trends

3.1 The primary consideration in review has been to identify long term changes in the commercial retail and leisure markets and assess the implications that these have for the planning for these sectors in Moray in the forthcoming LDP. However, it is evident 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 long-term over the period to be covered in the study.

Long Term Retail Trends

3.2 A number of factors have been identified that have underpinned changes to retail in the long term. These include:

- Demographics – an aging population changing demand priorities for spending.
- Lifestyle changes e.g. consumers are happy to use a range of shopping channels with younger generations particularly comfortable with purchasing goods and services online.
- Technology – this has supported increased online retail, improved distribution networks and product development.
- Economic growth – this has increased uncertainty e.g. the long term effects of Brexit reducing access to low-cost labour (particularly important in the leisure sector)

3.3 The principal long trends for retail include:

- Over the past 20 years there has been steady and sustained growth in retail expenditure with growth up to 2018 averaging over 3% per annum. However, due to the pandemic restrictions expenditure since March 2020 has been volatile with substantial reductions in spend followed by rapid growth. Retail sales in Scotland have generally followed those for the UK as a whole.
- Long-term sustained rapid growth of expenditure using the internet ("special forms of trading"). Much of total expenditure growth for retail has been directed on-line reducing the requirement for new physical space for retail.
- In terms of spatial requirements the principal trends are:
  - Spatial concentration for multiple comparison retailers with a reduction in store portfolios focussed on the largest centres and reduction of units in mid-sized centres (such as Elgin).
  - 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 over the past 25 years or more. Their resilience reflects the importance of local/walk-in trade (especially for services) and reflects changing lifestyle and habits – especially in urban areas.
  - Greatest retail demand has continued in prime pitches with secondary and tertiary pitches declining both relative to the prime pitches and in absolute terms.
- Continued growth of both food and non-food discounters.
- "Right-sizing" of retail space – i.e. disposing of surplus retail space either in-store (for example in large food superstores) or reducing the retail portfolio by closing stores with the consequential need to "repurpose" former retail space.

- Significant increases in vacancies both prior to and during the pandemic. Worst affected have been managed shopping centres and least affected have been retail parks.

Leisure Market Trends

3.4 The commercial leisure market is highly diverse and includes: eating and drinking out; health and fitness; sports and pastimes; cinemas, theatres; hotels and other visitor accommodation, and other forms of entertainment. In most town centres, including those in Moray, there are significantly greater numbers of commercial leisure businesses than there are retail businesses. This sector is, therefore critically important for the future vitality and viability of town centres. In general the market for commercial leisure has experienced strong and sustained growth over the past 20 years, frequently exceeding the growth seen for retail.

Condid-19 Pandemic

3.5 Social restrictions have had profound short-term impacts on both retail and, especially, the leisure sectors. As a result sales and expenditure through stores has been highly volatile and supported even greater use of online based expenditure. What is not clear is whether this is a short-term impact or will result in a significant shift in consumer behaviour away from physical stores. Other impacts are on the viability of businesses – it is not apparent at this stage if there will be significant additional closures due to poor trading during the pandemic undermining business viability.

Implications for Moray

3.6 Key implications for Moray include the following:

Retail

- Continued reduction in multiple comparison retailers – this will affect Elgin City Centre significantly.
- Growth for food and non-food discounters, often taking vacated major units in centres as other multiples have closed stores.
- Reduction in requirement for new major foodstores, especially superstores and large supermarkets. More specialist foodstore operators will continue developing and seeking sites (e.g. Lidl, Aldi, M&S, freezer centres) but with a strong preference for locations with good surface level parking and easy car accessibility.
- Traditional High Streets in small and medium sized centres (i.e. in Moray's principal towns) will need to be increasing their reliance on independent retailers and retail, leisure and business services. This will affect shopping malls (such as St Giles) greater than other types of retail location and will require the repurposing of existing retail goods floorspace.
- Smaller town centres and local centres appear to have a more positive outlook and this may be reinforced through increased home-working during and following the pandemic.

Leisure

- Leisure is a form of "discretionary" spend and, as such, depends on overall levels of income which, in turn, depend on the strength of the local and economies.
- Prospects vary reflecting the enormous diversity of the commercial leisure sector. Some sectors will continue to grow and support use of space in town centres, others may require larger floorplates and/or

cheaper space located outwith centres. Demand for some leisure sectors will decline as markets become saturated and mature.

- Leisure has been severely affected by the pandemic and also additional costs associated with Brexit and other employment law changes. However, it is expected that, post pandemic, the sector will recover supporting future demand for a range of units with all types of centres in Moray.

4 Retailing in Moray

Overall Distribution of Retail Floorspace

4.1 Figure 2 provides a summary of retail floorspace and turnover, by principal retail goods category, for Moray. It also identifies the floorspace located in existing town and district centres used for retail services and vacant floorspace. The figure shows that the total retail provision within Moray, in 2021, is 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 totaling 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).

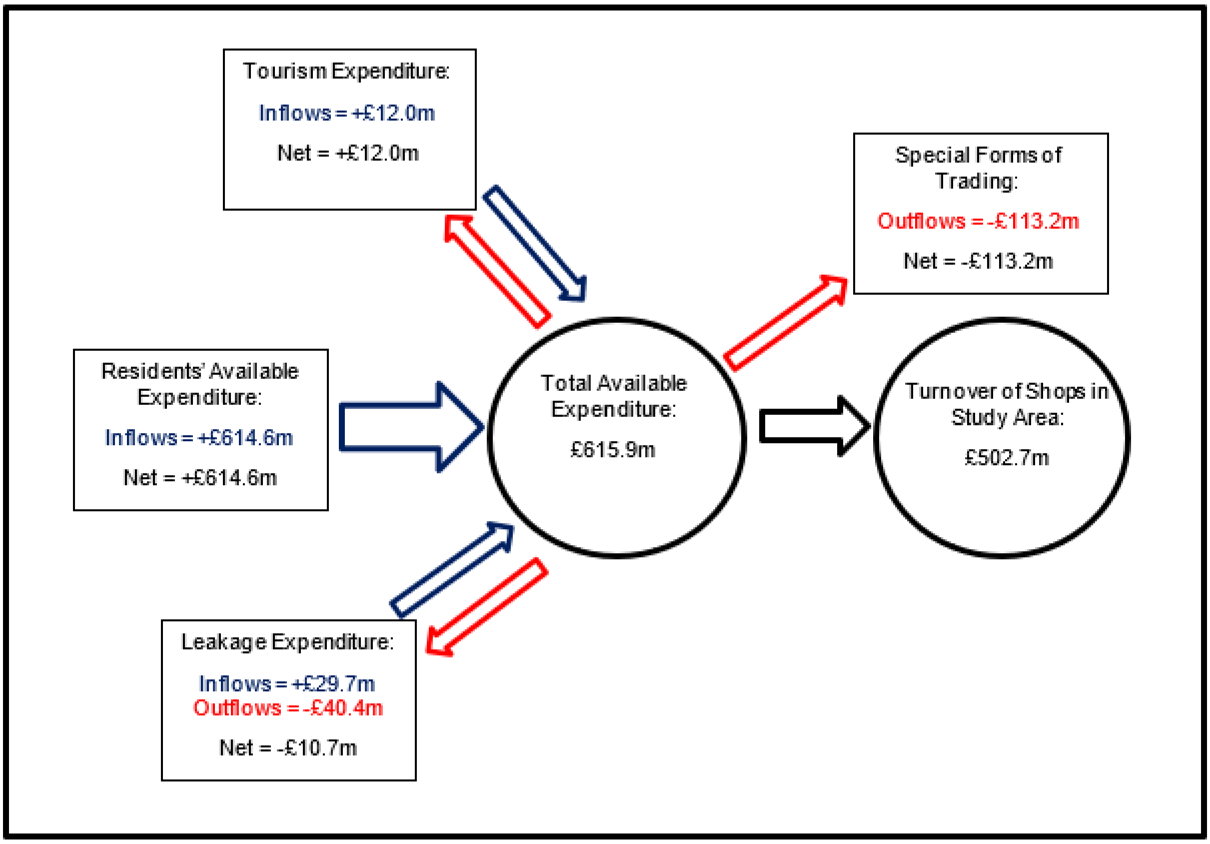
4.2 Figure 3 illustrates the general sources and destinations of retail expenditure within Moray. Total expenditure id generated from residents, tourists and expenditure from those living outwith Moray (i.e. Highland and Aberdeenshire. In total this amounts to £627m per annum. This is then spent:

- £498m spent in Moray shops
- £88m spent through special forms of trading (mostly online)
- £41m is spent in shops outwith Moray

Table 2: Summary of Retail and Services Provision in Moray - 2021

			Convenience			General Comparison			Bulky Goods			All Goods		
		No.	GFA	NFA	Total Turnover	GFA	NFA	Total Turnover	GFA	NFA	Total Turnover	GFA	NFA	Total Turnover
			Sq M	Sq M	£m	Sq M	Sq M	£m	Sq M	Sq M	£m	Sq M	Sq M	£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,	Retail	41	2908	1890	£9.24m	1667	1084	£2.83m	260	169	£0.25m	4836	3143	£12.32m
Fochabers,	Services	44									£0.00m	2981		
	Vacant	9									£0.00m	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**

Figure 3: Moray Council – Retail Expenditure Flows and Turnover 2021 (2019 prices)



Changes Since 2008

4.3 Figure 4 shows the changes in available expenditure, turnover and gross floorspace that have been observed between 2008 and 2021 for the whole study area. This shows that there are marked differences between different retail goods categories:

- Convenience goods: both expenditure growth and turnover has remained broadly flat (expenditure grew by 1% and turnover by 2%) but floorspace declined by 7%.
- For both general comparison and bulky goods expenditure and turnover have increased rapidly but floorspace has declined. This implies that sales densities for comparison floorspace have increased markedly over this period.

Figure 4: Expenditure, Turnover and Floorspace Changes – Moray 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%		
Total Goods			*141,531*			*139,880*			*-1%*
Retail etc Services	n/a			45,025					
Vacant	n/a			16,593					

Network of Centres

4.4 Scottish Planning Policy requires the identification of a network of centres within a planning authority area. The role of individual centres within the network should also be identified. Figure 5 sets out the recommended network of centres for Moray together with a summary of the function and role of each category.

Table 6: Recommended Network of Centres

Category of Centre	*Function/Role of Centre*	*Locations*
Regional Centre	*Principal retail location for Moray.* *Provides wide range of retail, retail service and non-retail public and commercial services and facilities.* *Provides a focus for the Elgin- and Moray-wide community and as a focus for transport.*	*Elgin City Centre*
Town Centres	*Provide a wide range of retail, retail service and non-retail public and commercial services and facilities.* *Provide a focus for the local community (town and immediate rural hinterland) and for local transport networks.*	*Buckie; Forres, Keith & Lossiemouth*
Local and Village Centres	*Provide a limited range of retail facilities and other services/facilities – primarily meeting some of the day-to-day needs of the local community.*	*Elgin Local Centres: Bishopmill; Southfield Drive* *Keith: Regent Street* *Village Centres: Aberlour; Cullen; Dufftown; Findhorn; Fochabers; Hopeman; Lhanbryde; Rothes*
Commercial Centre	*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.*	*Edgar Road (comprising the Elgin & Springfield Retail Parks and adjoining areas)*

4.5 The principal changes compared to the Network of Centres identified in Table 6 of the Moray LDP 2020 are:

- Inclusion of Lossiemouth as a Town Centre
- Removal of the western part of Keith town centre (Regent Street) and reallocation as a Local Centre.
- Inclusion of additional Local/Village Centres: Bishopmill and Southfield Drive (Elgin); Cullen; Findhorn; Hopeman and Lhanbryde.

4.6 Amendments are also proposed to the boundaries of the City and Town Centres.

Retail Deficiencies

4.7 Analysis of quantitative and qualitative retail deficiencies has been undertaken both by comparing expenditure and notional average turnover for Moray as a whole, individual study zones and taking into account existing expenditure flows as well as market potential. The conclusions of these assessments 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 of 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 seeking 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.
- Notwithstanding this, 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 Principal Town Centres

5.1 Reviews have been undertaken of each of the following principal retail and town centre locations within Moray:

- Elgin City Centre
- Buckie town centre
- Forres town centre
- Keith town centre
- Lossiemouth town centre
- Edgar Road Commercial Centre.

5.2 For each of these centres the following have been included within the review:

- Numbers of units and space for principal types of retail, commercial leisure and services. This includes identifying the principal changes that have occurred between 2010 and 2021.
- An update to the town centre health check for the centre (the most recent health check undertaken by Moray Council officers was in 2018).
- Summary of the perceptions of each centre from the household and in-centre surveys
- Assessment of the retail characteristics of each centre including identification of primary and secondary catchment areas, market penetration/share within Moray study zones and variation in forecasts of future turnover according to the Strategic Retail Model based on different future growth scenarios.

5.3 Details of these for individual centres set out in the full report. In general key trends that can be identified from these review are:

- Health checks undertaken in 2021 have, unsurprisingly, been heavily affected by the social restrictions from the Covid-19 pandemic. This is considered to have particularly affected the identified types of use in units, vacancy rates and surveyed footfall. This renders direct comparison with previous surveys difficult.
- Notwithstanding the above, it is also evident that, in most centres there has been a long term shift from retail goods units to retail and other services.
- Catchment areas for centres are well defined. For Elgin City Centre and Edgar Road Commercial Centre these cover most of Moray whereas for each of the other town centres catchments are local.

6 Planning Recommendations for Retail and Leisure

Issues to be addressed in the Retail Strategy

6.1 The key issues to be addressed in the recommended Retail Strategy are identified in the following box.

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 choices attractive.*
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

6.2 The proposed network of centres and the role of centres within the Network was set out in Table 6.

Proposals for Town and Commercial Centres

6.3 The following sets out a concise summary of the principal findings and recommendations for strategies for the City, Town and Commercial Centres identified in the proposed network.

Elgin City Centre

Context and Prospects

- The town centre health check identified a very mixed picture of the vitality and viability of the city centre: vacancies were close to national averages but had increased since 2010; the centre has a good retail offer and wide range of additional services and facilities but public perception of these in the centre is relatively low, and the centre has a strong and attractive historic and architectural character.

- Prospects for retail growth are uncertain. Convenience turnover is expected to be flat/marginal decline whereas general and bulky comparison goods are forecast to grow but there is very wide variation according to different scenarios with some scenarios indicating potential decline.
- Market and commercial pressures indicate potential for further retail closures and/or desire by operators to relocate from city centre units.
- There are no clear quantitative or capacity for additional convenience retail floorspace within the catchment area served by the City Centre. 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 deficiency, 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 significant demand for traditional "High Street" type retail units.

Town Centre Boundaries

- Recommendations for consideration are made for limited extensions to the defined boundary of the City Centre for the emerging LDP.

City Centre Development Sites

- Recommendations are made for consideration for minor amendments to acceptable uses to be included for existing identified development sites within the City Centre for the emerging LDP. In particular it is considered that, provided that existing occupiers relocate, site OPP7 provides an opportunity for large floorplate retail or leisure use that would complement other uses on the north side of the A96. This could assist in offsetting potential demand for large floorplate uses that would otherwise seek locations outwith the City Centre.

Buckie Town Centre

Context and Prospects

- The town centre health check identified a mixed picture of the vitality and viability of the town centre: vacancies were below national averages; the centre has a reasonable range of retail goods and other services, taking into account the limited size of the town centre.
- Prospects for retail growth are uncertain. Convenience turnover is expected to be flat/marginal decline whereas general and bulky comparison goods are forecast to grow within only limited variation according to different scenarios.
- The retail deficiency/capacity analysis suggests that there are significant deficiencies for general or bulky comparison goods. However, in contrast to this, market demand is limited with the principal opportunity linked to an occupier identifying a specific local market opportunity (i.e. it is unlikely to be a speculative retail development).

Town Centre Boundaries

- Recommendations for consideration are made for limited extensions/amendments to the defined boundary of the Town Centre for the emerging LDP.

Potential Development Sites

- Recommendations for consideration are made in relation to existing LDP site OPP1 Highland Yards (to exclude the existing Lidl site) and site OPP7 former Millbank Garage site with the latter providing the best opportunity for retail/leisure development in the town centre.

Forres Town Centre

Context and Prospects

- The town centre health check identified that the vitality and viability of Forres town centre is relatively strong: vacancies are below national averages; the centre has not seen a shift from retail goods to services seen elsewhere in Moray or Scotland; the centre has a good range of retail goods and other services, taking into account the limited size of the town centre; and the town centre has an attractive historic core.
- Prospects for retail growth are uncertain. Convenience turnover is expected to be flat/marginal increase and general and bulky comparison goods are forecast to grow within only limited variation according to different scenarios.
- The retail deficiency/capacity analysis suggests that there are significant deficiencies for bulky comparison goods. However, as with Buckie, market demand is expected to be limited with the principal opportunity linked to an occupier identifying a specific local market opportunity (i.e. it is unlikely to be a speculative retail development).

Town Centre Boundaries

- Recommendations for consideration are made for limited amendments to the defined boundary of the Town Centre for the emerging LDP.

Potential Development Sites

- Recommendations for consideration are made in relation to existing LDP sites OPP1 and OPP2 which are not considered to be well suited to significant modern retail or commercial leisure development (despite OPP1 previously being the location of the former Tesco supermarket prior to its relocation and expansion at Nairn Road). Site OPP3 Castlehill Hall is well located in relation to the High Street and has the potential for conversion to leisure or retail use which should be encouraged in addition to residential use.

Keith Town Centre

Context and Prospects

- The town centre health check identified a mixed picture of the vitality and viability of the town centre: vacancies are close to national averages; the centre has a more limited range of retail goods and other services compared to other Moray centres; environmental quality is good to mixed; but despite these apparent limitations household perceptions of the centre are relatively positive.
- Prospects for retail growth are uncertain. Convenience turnover is expected to be flat/marginal decline whereas general and bulky comparison goods are forecast to grow within only limited variation according to different scenarios.
- The retail deficiency/capacity analysis suggests that there are significant deficiencies for general or bulky comparison goods. However, in contrast to this market demand is limited with the principal opportunity linked to an occupier identifying a specific local market opportunity (i.e. it is unlikely to be a speculative retail development).

Town Centre Boundaries

- Recommendations for consideration are made for limited extensions/amendments to the defined boundary of the Town Centre for the emerging LDP. Particular recommendations for consideration are: removal of Regent Street area (current town centre west) from the defined town centre and recategorisation as a Local Centre in the network of centres; but inclusion of both Tesco (and adjacent areas) and parts of St Rufus Park within the defined town centre.

Potential Development Sites

- Recommendations for consideration are made in relation to existing LDP site OPP1 The Tannery which could be identified as suitable for large floorplate bulky goods and also Site OPP2 Former Primary School which is in active leisure/community use and therefore potential redevelopment could also include retail/leisure uses (in addition to residential and business use in current LDP allocation).

Lossiemouth Town Centre

Context and Prospects

- Lossiemouth is both significantly smaller than other town centres but, notably larger than the local/village centres in Moray. This limited size affects the assessment of vitality and viability.
- The retail deficiency/capacity analysis suggests that, when considered in isolation, Lossiemouth has significant deficiencies, however, the town lies within the catchment areas of Elgin City Centre. The key issue is that the town provides only a limited market area which significantly constrains the potential for additional retail or leisure space.

Town Centre Boundaries

- Recommendations for consideration are made for amendments to the defined boundary of the Town Centre which has been used by Moray Council officers for regular town centre health checks for inclusion within the emerging LDP.

Potential Development Sites

- No recommendations for consideration are made in relation to the existing LDP allocated sites within/adjacent to Lossiemouth town centre.

Edgar Road Commercial Centre

Context and Prospects

- Prospects for retail growth are uncertain. Convenience turnover is expected to be flat/marginal decline whereas general comparison and bulky goods are forecast to grow steadily within only limited variation according to different scenarios.
- Unlike other locations market interest in new retail floorspace at Edgar Road is expected to be strong in the long term. This could include a desire from City Centre retail operators to relocate to Edgar Road should suitable space become available.
- In terms of retail deficiencies the Edgar Road CC serves the same catchment areas as the City Centre. Therefore no clear deficiencies have been identified for convenience goods whereas, in the catchment area as a whole deficiencies are identified for both general and bulky comparison goods. Unlike the City Centre, however, units at Edgar Road have easy access to parking and this is likely to prove attractive to some retail occupiers in the long term.

Commercial Centre Boundaries

- No recommendations for consideration are made for extensions/amendments to the defined boundary of the Commercial Centre for the emerging LDP.

Potential Development Sites

- No recommendations for consideration are made for potential development sites within or adjacent to the Commercial Centre for the emerging LDP.

Masterplans and New Neighbourhoods

6.4 As required in the study brief, consideration has been given to the future retail and commercial leisure requirements for each of five masterplan areas: Findrassie, Elgin; Elgin South; Barhill Road South, Buckie; Lochyhill, Forres; and south of the A96 Mosstodloch.

6.5 The assessment has been based on each of: experience with other comparable major residential developments in Scotland, in particular in terms of the ability to develop commercial floorspace as residential completions progress; assessment of deficiencies and forecast expenditure growth from the strategic retail model; and market potential associated with the proposed new residential areas.

6.6 Details of recommendations for both the quantity and type of space to be provided, and the phasing of this space are set out in the main study report.

Policy Framework

6.7 Recommendations in relation to policies relevant to retail, commercial leisure and town centres have reflected each of:

- The existing policy framework set out in the adopted Moray LDP
- Current Scottish Planning Policy
- The draft National Planning Framework 4 (NPF4)

6.8 The draft NPF4 sets a significant change in its approach to the location for new retail floorspace compared to the current Scottish Planning Policy and the adopted LDP. This change effectively proposes a prohibition of the development of retail floorspace which generates significant footfall in locations outwith town centres and only permits retail development in edge-of-centre and commercial centres if expressly permitted in the Local Development Plan. In contrast proposals for leisure, services and all other non-retail uses are expected to follow the conventional sequential/town centres first approach. It is the view of the authors of this report that the proposed change set out in draft NPF4 is based on significant failures to understand the nature of retailing and town centres, current trends and market forces that will determine future retail requirements and, equally important, fails to appreciate the wider benefits that retail development provides to the communities that these units serve. In effect it appears to impose a single policy approach which does not recognise the variation in retail needs for different communities across Scotland. The authors consider that LDPs provide a more appropriate basis for tailoring retail, leisure and town centre policies and proposals to meet local needs within a broad framework – comparable to the current position with the SPP. At this stage the NPF4 is a draft document and is subject to extensive consultation and Parliamentary scrutiny and therefore it is not known to what extent the draft policies will be retained in the final NPF4 when this is published.

6.9 Nonetheless, it is important to recognise and accept that town centres, and smaller village and local centres within Moray are changing and subject to pressure associated with the relative decline in the importance of retail as a town centre use and that this has been occurring for at least the past 25 years and which are anticipated to continue, particularly as a result of the ongoing growth of internet-based retail which will further exacerbate these trends in the future. Reflecting this it is considered that a strengthening of existing LDP policies to control and resist inappropriate out-of-centre retail, *and* commercial leisure/other services is the recommended approach to be adopted in the emerging LDP.

6.10 As a consequence the following recommendations for consideration are put forward for the overall policy approach to be adopted for retail, leisure and town centre development:

- In general, retention of the existing policy framework provided in the adopted LDP subject to a number of modifications.
- Amendments to the proposed Network of Centres:
    - 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

  - For the purposes of clarification, any references to "Town Centres" would also include Elgin City Centre.

- Extension of permitted uses within Core Retail Areas to include limited additional retail, leisure and business service uses (currently outwith Uses Classes 1, 2 and 3) and tourism.
- Potential limiting of uses that are considered detrimental to town centre vitality and viability (e.g. betting, high interest money-lending).
- Retention of current LDP sequential approach
- Inclusion of assessment of impact (retail and other uses) for locations in *all* locations (not just Out-of-Centre locations).
- Requirement that all proposals for retail, leisure and other uses that generate significant footfall, wherever located outwith defined town centres must satisfy a range of criteria for the proposal to be considered acceptable. These criteria include:

  - Sequential approach ("town centres first")
  - The proposal will help to meet either qualitative or quantitative retail deficiencies;
  - The proposal will not adversely affect the vitality or viability of any centre identified within the Network of Centres.
  - The proposal is in a location that is, or can be made, easily accessible by a choice of non-car modes of transport.

- Recommendations regarding ongoing town centre health checks, monitoring and review.