

EAST AYRSHIRE COUNCIL

DEVELOPMENT SERVICES COMMITTEE – 28 AUGUST 2001

OFFICE DEVELOPMENT WITHIN KILMARNOCK TOWN CENTRE

Report by Director of Development Services

1 PURPOSE OF REPORT

- 1.1 To seek approval to commissioning the preparation of an integrated action plan for the north end of Kilmarnock Town Centre with a particular focus on opportunities to promote office development.

2 BACKGROUND

- 2.1 At its meeting of 16 June 2000 the Committee approved a programme of further investigation of significant development opportunities throughout East Ayrshire. One of the opportunities identified was for Kilmarnock town centre office development. This proposal has been the subject of further consideration at officer level. This report sets out the broad conclusions of the investigations commissioned to date and recommends that a further study is commissioned in conjunction with Scottish Enterprise Ayrshire which will include investigation of the suitable action plan.

3 THE OBJECTIVES OF THE PROPOSED ACTION PLAN

- 3.1 This action plan would be designed to support a number of policy objectives.
- 3.2 **Service Sector Employment:** Over the last 20 years and more employment opportunities in manufacturing industries, which formed the historic employment base of Kilmarnock, have been in decline nationally and locally. Employment opportunities have at the same time expanded in service sectors, in particular in financial business and personal services. With the introduction of new information technology and communications many of these service sector employment opportunities have developed at locations remote from their customers. This is seen most obviously in the establishment of call centres but is a feature of a rapidly changing pattern of a wide variety of service sector activities. This has been enforced by “out sourcing” of business support services by any larger business and public bodies.
- 3.3 A strong pattern has emerged within Scotland in the context of these developments. Centres which have been able to attract employers in expanding service sectors have thrived in locations such as Edinburgh, Stirling, Falkirk, Hamilton, East Kilbride Perth, and Glasgow City Centre. Unemployment has

fallen and labour shortages have emerged. Employers have looked at an increasing geographical range of locations for establishing new office centres. Kilmarnock has already benefited from this trend through the establishment of call centres by First Choice and National Bank of Australia at the Rowallan Business Park.

- 3.4** Future prosperity within Kilmarnock will continue to depend on attracting more businesses operating in expanding service industries. But to achieve this will require change in the perception of Kilmarnock from a declining manufacturing based area to one with an expanding service oriented economy.
- 3.5** **Vitality of the Town Centre:** Investment in the pedestrianised areas of Kilmarnock, and the redevelopment of Portland Street have helped to maintain the vitality of Kilmarnock Town Centre. This has resulted in recent favourable press reports. But retail businesses are continuing to suffer increased competition from out-of-town centres, and in particular the new regional “super centres” such as Braehead. Retail trends have resulted in a reduction in choice of goods such as clothing in second and third tier shopping centres, whilst the range on offer in city centres such as Glasgow and regional “super centres” has expanded. Kilmarnock Town Centre needs to consolidate and expand its local market.
- 3.6** The re-introduction of housing into the town centre has been promoted through local plan policies and specific projects. A key development would be the construction of new flats on the derelict sites at the north end of John Finnie Street which is currently the subject of a feasibility study. People living within the town centre will tend to shop locally supporting the retail centre.
- 3.7** Employment within easy reach of the town centre brings a further “captive” market to local shops. The link between vibrant shopping centres and employment based within town centres is a feature of successful city centres and some town centres. The action plan proposed in this report focuses on bringing more employment into the town centre.
- 3.8** **Key Site Concept:** The Scottish Executive has recently published a research report advocating the promotion through integrated planning of key development sites within town centres aimed at maximising the use of public transport through concentration of development. The main application of the concept will tend to be in or near city centres. But it is recognised that there may be the potential for smaller scale developments within town centres such as Kilmarnock.
- 3.9** The Council has recently invested in improving Kilmarnock Bus Station, and Railtrack has upgraded the main railway station. A new bid to the Public Transport Fund, reported separately on this agenda, would if successful enable the Council to improve further the circulation of buses along with the circulation of cars. This will have a particular focus on the north end of the Kilmarnock Town

Centre. A new traffic circulation system could be introduced which would make the sites within this zone more accessible both to public transport and to private vehicles. Further direct access from both the railway and bus stations to development sites and the retail centre could be introduced beyond those included in the PTF bid.

- 3.10** By promoting office development opportunities within this zone together with changes in the traffic circulation system and the further improvements in public transport infrastructure a “critical mass” could be achieved yielding a greater contribution to the economic regeneration of the town centre than any of the developments taken individually.

4 SPECIFIC DEVELOPMENT OPPORTUNITIES

- 4.1** The action plan proposed in this report is focused on the north end of the town centre. This would be aimed at taking advantage of the public transport links, direct accessibility to the pedestrianised shopping centre and the parking capacity, some of it unused, in the multi-storey car park and surface car parks to the south and north of the railway viaduct.

- 4.2** There are a number of development opportunities for office development within this zone. A planning application has recently been submitted for the Kilmarnock Infirmary Site which includes an office element. (This will require to be considered on its planning permits, but the principle of an office development would be consistent with the action plan proposed in this report). The surface car parks also provide a potential development opportunity if linked to securing better use of the parking spaces in the multi-storey car park. This might be achieved by direct link between the Green Street surface car park and the multi-storey car park. Alternatively it could be achieved through development on one of the surface car parks linked to investment in the multi-storey car park to make it more popular. There are also smaller scale development opportunities: office space is now available in the refurbished Kilmarnock Railway Station, there are vacant properties north of the viaduct, and proposals have been considered by Vico for using upper floors in their retail development for offices.

5 DEVELOPMENT ON SURFACE CAR PARKS

- 5.1** Although usage of the multi-storey car park has increased as a result of investment to brighten it up and make it feel safer, combined with the change in regulations relating to surface car parks, it contains over 200 parking spaces which are rarely used. Some of these parking spaces might be linked directly to a new office development on the Green Street car park, ideally physically by a bridge. In this way, it would be possible to offer a site which combined the attractions of a town centre location, immediate proximity to bus and rail hubs, plus dedicated car parking. This combination of attractions would provide a competitive advantage over out-of-town locations or city centre locations.

- 5.2** The obvious disadvantage of development on the Green Street site or another existing surface car park would be the reduction in surface car parking spaces. This will require careful analysis as part of the preparation of an action plan. But measures already planned by the Council or which could be brought forward will increase the number of short-term parking spaces available – the impact of reduction in spaces resulting from the proposed office development would be on the number of long-term parking spaces, which it is Council policy to reduce within the town centre.

6 INITIAL MARKETING STUDY

- 6.1** An initial marketing study has been commissioned from Healy & Baker. This focused on development on the Green Street site but would apply equally to other sites. They conclude that the lack of readily available new office space in the town centre is a major deterrent to employment expansion in office based sectors. They also conclude that there are opportunities to attract new employers into the town centre. In particular they confirm that “the trend for shifting back-office functions to shared service centres will continue”. They also conclude that the success in attracting call centres to the Rowallan Business Park demonstrates that employers are willing to consider a location in Kilmarnock. This conclusion was reinforced by a survey of potential development companies. The report from Healy & Baker emphasises, however, that promotion of the sites in the town centre will require effective marketing of its advantages. This will require to overcome perceptions of Kilmarnock as a “declining manufacturing town” and creating a view of Kilmarnock as a thriving business community with an attractive town centre, excellent public transport connections, and a skilled and readily available labour force. New offices in the town centre should also be designed to a higher quality which would set them apart from typical out-of-town office developments.

7 PROPOSED PREPARATION OF AN ACTION PLAN FOR THE ‘TOP OF THE TOWN’

- 7.1** On the basis of the preliminary investigations and the market study carried out by Healy & Baker it is proposed to commission the preparation of an action plan. The overall purpose of this study will be to work up a development vision for the ‘Top of the Town’ zone encompassing the north part of the town centre and the area immediately to the north of the railway viaduct. This will be used to help the Council ensure that any developments within the area could lead to an integrated development, aimed at reinforcing individual opportunities within the zone and also at changing perceptions of Kilmarnock Town Centre. More specifically it will be aimed to:

- Support bids for assistance in infrastructure costs from Government and European fund sources

- Attract final users to developments at all the opportunity sites within the development zone
- Market key opportunity sites to potential developers

7.2 The topics which the study will require to be considered in preparing the action plan will include:

- A development concept for the overall zone taking into account the proposals contained within the new Public Transport Fund bid and opportunity sites in the area
- A preliminary site investigation of development constraints within key opportunity sites
- The feasibility of integrating the development physically with the multi-storey car park and with the bus and rail stations
- An assessment of the overall supply and demand for car parking within the wider town centre
- A review of the public transport connections with the development area and key opportunity sites in particular
- A review of possible funding arrangements
- The preparation of a promotional brochure (possibly in CD Rom format)

7.3 The overall study would be carried out in four distinct parts: the development of the overall concept and promotional brochure (this will involve a graphical realisation of what the overall development might look like), an analysis of car parking supply and demand and possible investments, an analysis of possible funding arrangements and public grant funding which might be available, and an extension of the marketing study carried out to date by Healy & Baker to assess the potential for the broader development scheme proposed. The first study would need to incorporate the other three studies into a comprehensive action plan. Scottish Enterprise Ayrshire have agreed to contribute to the cost of the first study which would require to be carried out by planning or design consultants with a national stature. Healy & Baker would be retained to extend their first stage report, under their current contract. The car parking and funding studies would be carried out in house by Council staff with the assistance of staff from Scottish Enterprise Ayrshire. A timetable for completion of the preparation of an action plan would be set for the end of the year..

8 LEGAL IMPLICATIONS

- 8.1** There are no legal implications following directly from the proposed feasibility study.

9 FINANCIAL IMPLICATIONS

- 9.1** The cost of a contribution towards the proposed study can be contained within the current budget of the Development Services Committee.

10 POLICY IMPLICATIONS

- 10.1** The proposal would support the Council Plan economic development objectives of attracting inward investment and creating new employment and the Council's Local Plan Policies for the economy and Kilmarnock Town Centre. It would also be consistent with the Council's Local Transport Strategy.

11 RECOMMENDATIONS

- 11.1** It is recommended that the Committee:

- (a) approve the proposed preparation of an action plan as set out in Section 6 above; and
- (b) authorise the Director of Development Services to undertake preliminary discussions on a no commitment basis with potential development partners and with developers controlling opportunity sites within the "Top of the Town" development zone.

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Director of Development Services
20 August 2001
SC/JR

BACKGROUND PAPERS

Nil

For further information on the contents of this report please contact Stephen Chorley, Director of Development Services, on 01563 576011

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AGENDA