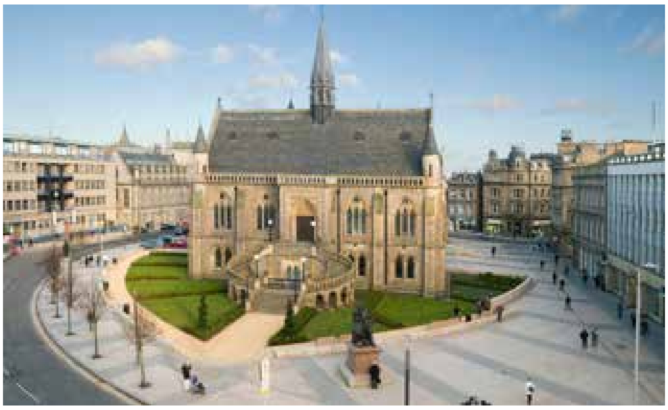
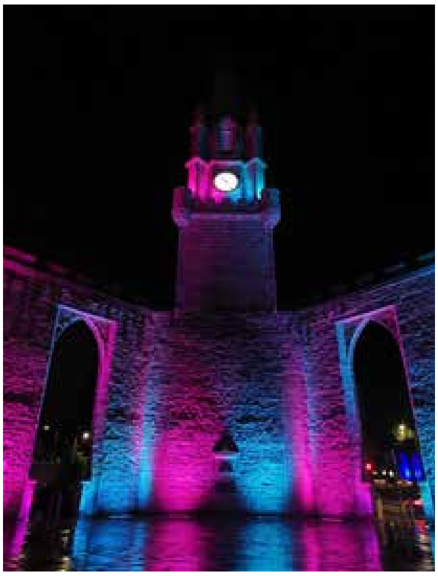
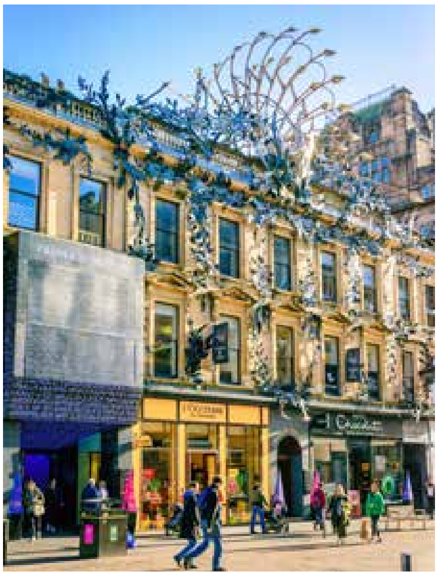
At the Heart of Economic Transformation

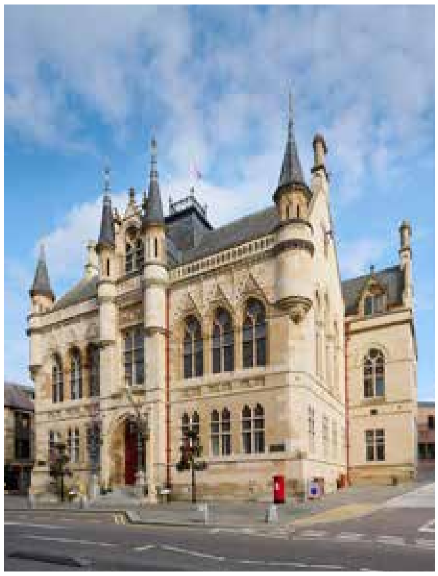
Report of the City Centre Recovery Task Force, 2021-22

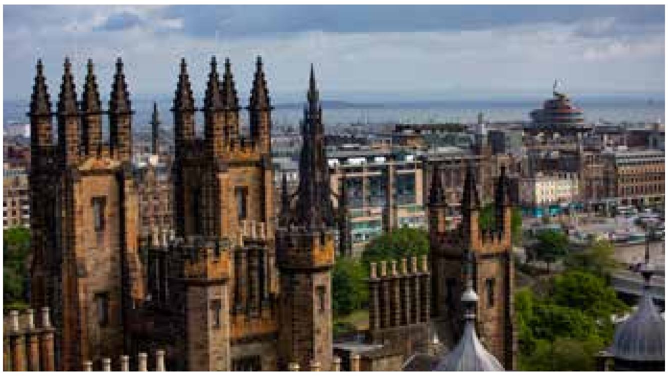

Aberdeen

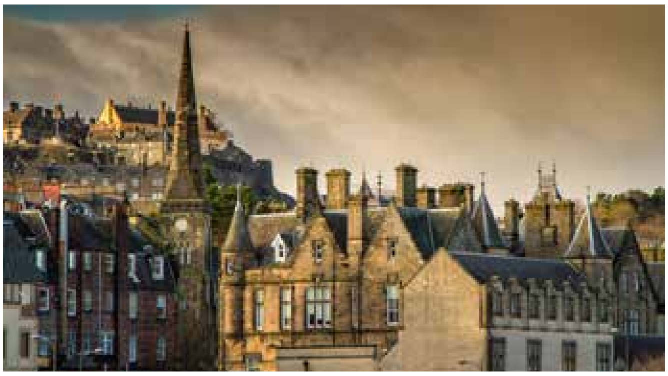

Dundee


Perth


Glasgow


Inverness


Edinburgh


Stirling

Contents

Foreword
by the Cabinet Secretary
for Finance and the Economy

Our seven cities play a central role in driving Scotland's economic growth. At their heart, city centres are hubs for business, people, and activity. The very density and interconnectedness that makes them thrive, however, also meant that the Covid pandemic's impact on them was profound. And the very particular nature of that impact on city centres required a focused response.

In 2021, the Scottish Government and Scotland's seven cities established a Task Force to identify the actions we needed to take together to support city centre recovery from the effects of the pandemic, working through our existing successful partnership of the Scottish Cities Alliance. I would like to particularly thank the range of experts and representatives from the private and third sectors, whose voices and feedback were so crucial in developing the findings you see here.

This report sets out the areas and the actions that we, as the Task Force, jointly agreed to prioritise. It outlines the steps we have already taken to deliver these priorities, and the structures we have put in place to continue that work beyond the immediate horizon. In February of 2022, the Scottish Government announced £6 million of funding for the City Centre Recovery Fund to put this report's findings into practice; and that work is taking place now, in all of our cities.

If our cities thrive, then Scotland thrives. They are fundamental to our achieving the vision for a wellbeing economy set out in the Scottish Government's 10-year National Strategy for Economic Transformation as we rebuild after Covid. I know that our city centres can, and will, be the vibrant, connected, healthy and safe places that we need them to be for a sustainable, resilient recovery.

Kate Forbes MSP
Cabinet Secretary for Finance and the Economy

Chapter 1
Introduction

Scotland's seven cities are rich and diverse, with their centres home to thousands of people and serving as an economic, social and cultural focal point for their wider regions. They are meeting places for people, business and commerce, custodians of our culture, engines for innovation, centres for education and medical treatment, and magnets for visitors to Scotland.

This interconnection with their wider regions means that city centres have been impacted heavily by the pandemic. (Chapter 2 sets out some of our evidence base for this work.) Essential public health measures during the course of the pandemic, including business closures, domestic and international travel restrictions, and a shift to many city centre-based employees working predominantly from home, have reduced day and night time footfall to historically low levels.

We know that this particularly pronounced impact on city centres has held across Scotland and internationally. While our towns and rural areas have also been impacted, it is generally larger city centres that have seen the greatest drop in footfall, of shoppers, workers, visitors and tourists.[1] And without people, our city centres cannot thrive.

While the economic effect of the pandemic has been marked, city centres were already experiencing a process of change prior to its onset. The pandemic has heightened and amplified some long-term pre-existing challenges and trends. For example, management surveys suggest hybrid working is becoming the norm for many office-based workers, while the retail sector, a key component part of any city's offer, is undergoing a profound transformation, with more than a quarter of retail sales now taking place online compared to just 3% in 2007.

While we have increasing confidence about moving to a calmer phase of the pandemic, as set out in the Scottish Government's updated Strategic Framework (February 2022), the longer-term implications of changing behaviour patterns are unclear. This ongoing displacement and uncertainty raises fundamental questions about who city centres are for, and how to bring people back into them and restore their vibrancy.

As we begin to rebuild after Covid, the time is now right to focus on city centre recovery in both the immediate and longer term. Cities are extraordinarily resilient, evolving over centuries of changes - and Scotland's cities and their people have the strengths, skills and ingenuity needed to make our city centres the successful, flourishing places we want them to be.

Our recovery must address the harms caused by the pandemic, empower our communities and places, and support inclusive and sustainable economic development – in line with the Scottish Government's Covid Recovery Strategy and ten-year National Strategy for Economic Transformation (NSET). For our city centres, this means working to maximise economic, social and environmental wellbeing for city centres and their residents, visitors, and supporting the creation of new, good and green jobs. It means maximising the unique market opportunities of city centres to attract and deploy significant domestic and international investment in Scotland, strengthening our position in new markets and industries.

1 Cities Outlook 2022; Centre for Cities

Chapter 1
Introduction

It also means continuing our focus on a just transition to Net Zero, while we work to build an internationally competitive economy founded on entrepreneurship and innovation, promoting and celebrating the entrepreneurial energy that has helped our city centres thrive. It means supporting connection within our city centres, both physically, through clean and efficient transport routes connecting people, and digitally, through investment and infrastructure in our digital systems. And it means working with our cities, their businesses, their organisations and their people, to ensure that we keep a commitment to fairness and equality at the heart of our recovery work.

Establishing the Task Force

Scotland's seven cities and the Scottish Government have for more than a decade worked in partnership, through the Scottish Cities Alliance, to align goals and city policies in line with Agenda for Cities (first published 2011 and updated in 2016). The impact of the Covid-19 pandemic, however, has required a specific and urgent attention to the centres of cities.

With this in mind, the City Centre Recovery Task Force was established in March 2021 to urgently identify the steps we needed to take.

It was led by an Oversight Group comprised of the leaders of the seven cities and the Cabinet Secretary for Finance and the Economy, and set out to answer a principal question:

How can the public, private and third sectors work together to ensure Scotland's city centres have a prosperous future, contributing to inclusive and sustainable growth in our cities and their wider regions?

Collaborative partnerships between all sectors, including residents of city centres, is clearly crucial as we rebound from the pandemic. We know that recovery cannot lie with the public sector alone. We have therefore sought the views of private and third sectors – encompassing, for example, representatives from business, housing, young people and the travel industry – to identify how they have been affected by the pandemic and understand their recovery aims and plans.

Chapter 1
Introduction

We have a keen sense of the existing challenges, so the work of the Task Force has been purposely action-focused throughout. The priority in our dialogue has been agreeing key actions we need to take to revitalise our city centres as we rebuild after the pandemic and achieve the vision agreed by the members of the Scottish Cities Alliance (SCA), including the Scottish Government:

> **Scotland's city centres will thrive through embarking on a process of innovative change to offer visitors, workers and residents the quality services and facilities they want to access.**
>
> **Cities will embrace new business and development opportunities that will attract investors; improve productivity; protect and enhance the environment; and aim to make sure all city centre employment is secure and well paid.**
>
> **The Scottish Government will work in partnership with local authorities, businesses, the third sector and communities to help our city centres continue to make a positive contribution to the Scottish economy.**

We agreed that we wanted city centres which were:

- vibrant, living places;
- green and well connected, physically and digitally;
- safe;
- and working, for businesses, employees, investors, and visitors.

Within the scope of the Task Force, we jointly identified immediate priorities to support city centre recovery and lay the groundwork for this future. We have tested these with a review panel of sectoral representatives and urban policy experts, who have provided valuable insight and challenge. In Chapter 3, we set out what these priorities are; why we consider them important; and what steps we plan to take, working in partnership, to turn our agreement into action that can deliver for our city centres and their economies.

Chapter 4 outlines our wider ambition for city centre recovery over the next five years, and identifies the outcomes we want to work towards. It sets out how the cities, under the umbrella of the Scottish Cities Alliance and with the support of the Scottish Government, will lead work to prioritise, develop and deliver actions underpinning these outcomes.

Chapter Two
Scotland's city centres: the context

Introduction

City centres play a key role in Scotland's economic and social geography. They host high productivity firms, attract skilled labour, provide employment and mobility opportunities, and connect Scotland to global systems, acting as transport, tourism, and export hubs, and locations for large-scale conferences, events, and festivals. At the same time, for many they are places to live and also serve a crucial social function as places for culture, leisure, consumption, and wider social activities.

This chapter explores the economic and social functions of Scotland's seven cities – Glasgow, Edinburgh, Aberdeen, Dundee, Stirling, Perth and Inverness - and particularly their urban centres, as well as how these differ across Scottish cities, and considers how city centres have been impacted by the Covid-19 pandemic.

There is no consistent definition of city centres used across Scotland. Data at the city-centre level is scarce and inconsistent; indeed, the need to create and share better data is one of the recommendations we discuss in greater detail later in this report. For this reason, we use a deliberately loose definition of city centres as intra-urban historic and/or economic hubs, and we use a mix of data sources, most at the local authority level, for the seven cities in the Scottish Cities Alliance. The analysis moves between city-centre specific points and city-wide remarks as the data and wider evidence allows. The two are interlinked, and city centres as broadly understood are a key part of the wider role of the cities as economic centres.

The socioeconomic role of cities and city centres

A changing economic context

The second half of the 20th century saw a decline in Scotland's city centre populations, as a result of policy incentives, availability of housing credit and rise in living standards. This "hollowing out" affected cities across the industrial world, though differentially, and was exacerbated by the global relocation of key industry sectors.

Around the 1990s city centres in larger cities started making a comeback, as businesses (and indeed parts of the public sector), rooted in an increasingly service- and knowledge-based economy, sought to reap the rewards of agglomeration, through the ability to share infrastructure, to draw upon a deep pool of skilled labour and to benefit from knowledge spillovers. This has led to primary benefits centered around sustainable employment, high wages and job quality and secondary benefits including access to employment for low-skilled workers facilitated by public transport, environment and public realm benefits and a resurgence in city centre retail.[2] Cities and city centres are the powerhouse of Scotland's economy: as in other countries around the globe, they have been the main driver of growth in recent decades.

2 The importance of city centres to the national economy; Centre for Cities

Chapter Two
Scotland's city centres: the context

Increases in remote working and internet shopping had been gathering pace up to 2020, but these have clearly been catalysed by the restrictions and voluntary behavior changes in response to the Covid-19 pandemic, which has consequently delivered a huge economic shock to city centres. Jobs such as professional occupations and managers, directors and senior officials have been more easily able to adapt to home working while those working in hospitality, bricks-and-mortar retail, arts/entertainment and recreation have been less able to continue working and have been much more likely to be furloughed.[3] The likely growth in "hybrid" working for office workers may have long-term effects on city centre usage and spend patterns.

Socio-economic role of Scottish cities and city centres today:

Today, the seven cities of the Scottish Cities Alliance (SCA) are key economic areas within Scotland. Cities, and particularly city centres, perform regional and/or national functions as hubs of different activities – interactive, interconnected focal points for our experience of cities and all they have to offer.

These closely connected functions are:

- economic/business hubs
- human capital hubs
- international hubs
- consumption hubs
- cultural hubs

Economic Hubs

The seven cities are of key economic value to Scotland. Two thirds of Scotland's economic activity takes place in the city boundaries or surrounding areas. City centres are attractive places for businesses to settle because of their position as regional, and sometimes international, hubs and the benefits from proximity to human capital and networks.

The size of local economies, particularly of the larger cities, offers opportunities for clustering of businesses and agglomeration benefits. This can lead to efficiency gains through more intensive use of infrastructure, increased competition, and knowledge spillovers (e.g. through movement of staff between firms).

The benefits of this are most acute in some industries/sectors. Particularly, those that perform knowledge-intensive activities and have limited land/space needs – like finance, information and communication, and scientific and professional services. The Centre for Cities estimates 41% of knowledge intensive business services jobs in the UK are based in or around city centres.[4]

3 Scottish Cities Outlook: An Update, May 2021; Fraser of Allander Institute, University of Strathclyde (unpublished)

4 The importance of city centres to the national economy; Centre for Cities

Chapter Two
Scotland's city centres: the context

Human Capital Hubs

Links to universities and colleges mean city centres also act as knowledge hubs. Connections to further and higher education institutions and the highly skilled labour they provide attract knowledge-intensive activities such as research and development (R&D).

Almost two-thirds of private sector R&D expenditure takes place in the local authorities containing Scotland's cities, overwhelmingly spent in the City of Edinburgh.[5]

Finally, colleges and universities themselves demand highly-skilled labour and are producers of scientific research and technological and practical expertise. All this makes city centres hubs for investment and innovation.

International Hubs

Supported by their size and transport links, cities act as a point of entrance for international firms, and are also attractive to domestic firms looking to internationalise.

However, not all cities have the same strategic international economic importance. Only Edinburgh, Glasgow, and Aberdeen are significant exporters. In 2017, 37% of Scotland's international export value came from the seven local authorities which contain cities; however, 31% came from our three largest cities: Edinburgh, Glasgow and Aberdeen.[6]

These three cities also rank in the top 10 UK cities for inward investment projects, and attracted 23, 22, and 15 projects respectively in 2019.[7] Other Scottish cities play an international role in supporting particular sectors such as the food and drink or gaming sectors.

Another facet of cities' international dimension is attracting tourism. Again, aided by transport links, but also cultural and historical assets discussed below, Scotland's main city centres attract and host a large share of Scotland's international tourism. Here also there are significant inequalities. Around two thirds of international visitors to Scotland in 2019 visited Edinburgh (Lothians), while almost 25% visited (Greater) Glasgow.[8]

Consumption Hubs

High streets are a key part of the economy of urban centres. They offer retail, hospitality, restaurants and leisure, sectors which tend to be labour-intensive and support local jobs. The high streets in Scotland's city centres also attract expenditure from beyond the local area, thus playing a regional role as consumption hubs. Data from Centre for Cities estimates 67% of spend in Edinburgh's city centre came from outside the city before the pandemic; this was 57% for Glasgow, 53% for Dundee, and 48% for Aberdeen.[9]

5 Business Enterprise Research and Development Expenditure; statistics.gov.scot
6 Statistics Scotland 2017
7 Shaping Scotland's economy: inward investment plan - gov.scot
8 Inbound nation, region, county data | VisitBritain
9 High streets recovery tracker | Centre for Cities; Centre for Cities does not report data for the three other SCA cities

Chapter Two
Scotland's city centres: the context

Cultural Hubs

City centres also host a large share of Scotland's cultural assets in the form of museums and galleries, theatres, and music venues. The seven local authorities that contain SCA cities offer over 60% of all employment in the creative, cultural and entertainment sectors in Scotland.[10]

Cultural institutions, such as museums, also play a key role as anchor institutions in the communities where they are based.[11] The V&A Museum in Dundee, for example, has been designated Scotland's Centre for Design as part of the waterfront city centre regeneration of the city. While employment in the cultural sector can often be insecure, these institutions provide secure employment, and crowd in economic activity by bringing customers to local cafes and restaurants, and so work in support of city centres' role as consumption hubs. They often also offer a number of benefits for the local communities, like accessible and affordable leisure and meeting spaces, thus contributing to the quality of life in cities.

Impact of Covid-19 on city centres

Covid-19 has significantly impacted city centres' economies due to their reliance on mobility and social proximity. Offices, restaurants and cafes, museums, retail, theatres, all closed during the lockdown periods and have since been affected by continued physical distancing and behavioural change. This has meant that since March 2020, our city centres have experienced significant changes which have impacted their ability to perform the functions presented earlier.

The pandemic has driven a move from the office to home working. ONS data estimates that almost 47% of people in employment had done some work at home by April 2020.[12] Though the percentage working from home has since fluctuated as restrictions have changed, the new baseline may well involve more hybrid and homeworking. The pandemic shock also led to increased inequalities between those working in sectors that could easily adapt to working from home, those essential workers that continued performing their roles despite increased health risks, and those working in sectors deemed non-essential, that had to stop working altogether.

The move from the office has also altered city centre economic networks, impacting local businesses, such as restaurants and bars catering to office workers and commuters – which has been compounded by the wider changes to consumption patterns.

10 Business Register and Employment Survey (BRES) - Office for National Statistics (ons.gov.uk)
11 Culture Shock: Covid-19 and the Cultural and Creative Sectors; OECD
12 Working from home: comparing the data | National Statistical (ons.gov.uk)

Chapter Two
Scotland's city centres: the context

Spend

Determining spend on a city centre level continues to be challenging due to data availability. However, we have a reasonably high degree of confidence that our larger Scottish city centres followed the trend of average UK cities: that is, offline city centre spending dropping sharply during periods of lockdown but rebounding as restrictions eased.[13]

The aggregate change in consumer expenditure has been geographically asymmetrical. Anecdotal evidence suggests the three bigger cities saw a greater decrease in spend due to their reliance on external demand – from the surrounding areas, business travel, and tourism. On the other hand, business feedback suggests that the smaller cities (and towns and suburbs) may have seen smaller declines or even an upturn in demand as people spend more money in their local areas.

Footfall

City centre footfall saw a sharp drop at the beginning of the pandemic, and through the subsequent infection and restriction waves. The impact from these and subsequent recovery is captured by the Centre for Cities' high street recovery tracker.

The tracker shows city centre footfall fell 70-90% below the pre-lockdown baseline during the 2020 and 2021 restrictions, with the largest cities (Glasgow and Edinburgh) being hardest hit. Since summer 2021, there has been a progressive recovery and in early 2022 overall activity is roughly back to pre-pandemic levels across the four Scottish cities for which data is available: Aberdeen, Dundee, Edinburgh and Glasgow.

However, the recovery picture is more nuanced when we look across different types of activity. Centre for Cities data suggest weekend activity has seen the strongest recovery. But weekday daytime and nighttime footfall remains below pre-lockdown levels in Glasgow and Edinburgh. This suggests that as of March 2022, Scotland's two largest cities had seen only limited return of workers and might hint towards the longer term impacts of hybrid working.

13 High streets recovery tracker | Centre for Cities

Chapter Two
Scotland's city centres: the context

Future outlook

The future for cities as economic, human capital and international hubs is changing; future sectoral composition could change if some companies reduce city centre presence and decentralise. There is further uncertainty surrounding the future for sectors that are concentrated in particular cities, such as the oil and gas sector in Aberdeen. Major events may have the potential to regenerate enthusiasm for and within cities, and can contribute to raising an international profile.

With this said, the agglomeration effect of city centres is expected to continue to provide benefits to businesses, sectors and people. We have seen new businesses choose to locate in our city centres over the pandemic, and new offices and other workspaces being built. We also note that as we are moving to living with Covid-19, our culture and leisure venues are again attracting people, especially to larger events such as live concerts.

The future of Scottish cities as consumption hubs is uncertain and without recovery efforts could continue to be impacted by the decline in city centre activity as a result of the pandemic. This is in addition to a pre-Covid decline in the share of spend which takes place in Scottish city high streets as people spend more online. The role of cities as cultural hubs is likely to continue to be important, due to the concentration of cultural assets in city centres, although the entertainment and tourism sectors have been heavily impacted by the pandemic. Social inequalities in cities are likely to continue to be significant, with living costs rising and inequality that is likely to widen in the short, medium and long term without appropriate intervention; something that the Scottish Government's ten-year National Strategy for Economic Transformation sets out to address.

We do not yet fully understand the longer term implications of Covid, but we do know that the role of city centres is changing regardless it is clear that some intervention will be needed to support city centres as vibrant, innovative, inclusive and sustainable places and that any response will have to be flexible and adaptive to the different future scenarios we might face.

Chapter 3
Our priorities

In identifying the most impactful actions to support city centre recovery, the Task Force Oversight Group jointly agreed on areas that we should take forward as more immediate priorities, focusing on a one-year recovery horizon, and those that warranted further attention in a five-year period.

As a group of seven different local authorities and national government, we are aware that we do not always agree on what should – or can – be done. Our joint work as the Scottish Cities Alliance, however, is not about setting aside all our disagreements, but rather about working in partnership to find the best way forward for Scotland and its cities. In the spirit of partnership, we have worked together to reach consensus where we can; in areas where we diverged in views, we nevertheless have committed to work together to better understand the problem that we are aiming to address, and to carefully and thoroughly look in more detail at any and all potential solutions, working together in partnership.

For immediate action on recovery, we have identified a series of broad, cross-cutting policy recommendations which we can work on jointly to support city centre recovery in a broad sense. These are:

1. Action on immediate recovery.

The £2m City Centre Recovery Fund provided in early 2021 enabled some much-needed short-term work to be carried out to support city centres. We recognised that beyond the picture of immediate business support, there was still a need to:

- close viability gaps for private investment, covering areas such as increased ventilation, energy efficiency, and conversion of vacant upper floors;
- incentivise and enable re-use of vacant ground floor units, such as shops and offices;
- create an appealing city centre experience to attract visitors back;
- tackle resource and other barriers to lay the groundwork for a refreshed city centre residential offer;
- allow for continuous and co-ordinated strategic response to city centre recovery.

To deliver on this, Scottish Government has provided a £6m for the current year for the City Centre Recovery Fund. As with the previous City Centre Recovery Fund, this funding has been allocated to cities proportionate to their size, and will be used to take forward local recovery priorities in line with the priorities we identify here.

In addition, the Scottish Government has made available an £80m Covid Economic Recovery Fund, targeting support for businesses and communities as Scotland moves to a new phase in the pandemic. With this funding, local authorities – including those of our cities - will have the flexibility to target support either using existing schemes like Scotland Loves Local, Business Improvement Districts or place-based investment programmes, or individual local authority grant schemes. Councils will also to able to use the funding to support low income households.

Chapter 3
Our priorities

To address issues around vacant buildings, aspects of Empty Property Relief will be devolved to local authorities on 1 April 2023, empowering local authorities to make decisions based on their own local needs. To incentivise the reoccupation of empty non-domestic properties, 100% Fresh Start relief is available for up to 12 months on properties with a rateable value up to £95,000 that had been empty for at least 6 months.

Throughout the pandemic Scottish Government has been focused on delivering the maximum support for businesses and the economy as possible. Since the start of the pandemic, businesses have benefitted from more than £4.5bn in support, including the extension of 50% non-domestic rates relief for retail, leisure and hospitality premises, for the first three months of 2022-23, capped at £27,500 per ratepayer. Scottish Government support went further than that provided in the rest of the UK – meaning hard-hit sectors such as tourism, creative industries and taxi drivers got the support they needed.

2. Data on spend.

We heard broad agreement that cities, businesses and prospective investors need more information about current and future trends around spend in city centres. Better data about the change in spend patterns, the geographical scope of spend, the sectors which are benefitting most from recovery and how the picture of online spend is changing will allow for better, more targeted decisions to support city centres. High-level analysis could be shared with businesses to help them better understand consumer trends.

To deliver on this, we continue to work together to make the most of our existing data, as well as pursuing several parallel lines of investigation to better procure and share data where there are gaps. As different consumer trends emerge – such as, for example, a predicted move towards an “experience economy” that some experts and sectors anticipate – we will be able to better map consumer wishes to city offers.

3. Building expertise.

We recognise a need for better resource behind recovery, encompassing the knowledge, skills, experience and best practice. Potentially, a centralised resource in the form of a small number of funded posts, based within the SCA or another organisation, could be provided for cities to use if they wished. Specific details of the expertise covered would need to be further refined should this recommendation be approved, but possible areas of focus could be on existing powers and tools that cities may find more challenging to implement (such as compulsory purchase orders (CPOs) and dealing with persistent vacant land problems), or on providing cities with more confidence around new ideas and strategic innovation.

We can also learn from the successes of others. Through the SCA, we can jointly run a programme of talks and seminars from speakers from an international range of cities targeting successfully implemented initiatives elsewhere. This would also allow all eight partners of the SCA to showcase our successes to international audiences as a way of indirect marketing, and ensuring that economic networks understand Scottish successes.

Chapter 3
Our priorities

To deliver on this, we have jointly set up a City Centre Recovery Peer-To-Peer Network which will allow officers across the seven cities and Scottish Government to share knowledge and best practice from Scottish and international examples. We will run a webinar series of talks, seminars, and round table discussions involving speakers from an international range of cities, targeting successfully implemented city centre initiatives that have enabled change. And we will look to broaden this beyond the public sector where we can to draw on expertise from academia and the third and private sectors, sparking cross-sector collaboration and connection.

Further, once we have worked together to finalise and embark on the next phase of our work, we will consider in partnership whether it would be useful for us to jointly invest in a centralised resource to advance longer-term actions on city centre recovery.

4. Visitor campaign.

We know that as restrictions ease, there may be still some reticence from some shoppers, workers and tourists about returning to city centres. Some of this is likely due to immediate concern over being exposed to the virus; beyond this, visitors may be less aware of or have changed their views on what city centres have to offer. The visitor economy, hugely important to our cities, also needs focus, and for the offer of our cities to be made clearer to domestic and international tourists. For other visitors, there may be a desire to return after restrictions, but less knowledge about what our city centres can offer to return to.

We expect this picture to readjust over time but we recognise the call from businesses for immediate action, as businesses reliant on footfall cannot survive prolonged periods without it. Cities and government could work together on a “Return to City Centres” campaign as public health considerations allow.

To deliver on this, we commit to working together to promote what our city centres have to offer to visitors, both local and from further afield. We recognise the importance of the visitor economy to Scotland, and the importance of the partnerships already underway across the public and private sectors for securing upcoming events. We note the business activity already underway to boost cities through, for example, Scotland’s Event Campus in Glasgow, the Edinburgh International Conference Centre, and P&J Live in Aberdeen, as well as our sporting and cultural festivals. We will seek to do what we can to promote and support this ongoing work as our visitor economy recovers.

Chapter 3
Our priorities

5. Investor attraction.

Scottish Government works with the other cities through the Scottish Cities Alliance to align our investment promotion ambitions within the broader frameworks for attracting inward capital to Scotland. We could consider joint work on marketing activity and investor targeting, highlighting what we have to offer on a broader stage as Scotland moves beyond this phase of the pandemic, with Scottish Government assisting in building skills and capability to support pipeline developments.

To deliver on this, Scottish Government will continue to work with the cities via the SCA's Delivery Group and Investment Promotion Working Group to align our investment promotion ambitions within the broader frameworks for attracting inward capital to Scotland.

6. Greater clarity around the return to offices.

At the beginning of this work, Scottish Government was still advising that people work from home where possible. Many of our stakeholders called for greater clarity around proposed changes to this.

To deliver on this, the Scottish Government's updated Strategic Framework, published 22 February, sets out the details of our approach to managing the virus in the medium-to-long term and our intention to rely much less on legal restrictions and much more on people and organisations taking basic and sensible steps to reduce the harm from Covid-19. This followed from the First Minister's announcement in January to a change in national guidance to allow hybrid working. We recognise that a greater cultural and/or voluntary shift towards hybrid working will have an impact on city centre offers (for example, on the demands for different types of office space, or on commuter public transport services into city centres) and the delivery of our ongoing work set out in Chapter 4 will take this into account.

7. Call on UK Government to make changes to VAT to better support city centre recovery.

The existing VAT system can serve to make re-use and renovation of sites within existing city centres less appealing to potential developers than a new build outside the city centre. We could investigate further action to mitigate this problem, while in the immediate term calling on UK Government to use the levers they have to create a more equitable playing field.

To deliver on this, Scottish Government wrote to UK Government on this subject most recently in March 2021, requesting VAT reduction for refurbishment and renovation of existing buildings. Officials are currently in discussion on VAT impacts on this and other areas of our economy, with a view to identifying the best approach to take to a joint letter to follow. If UK Government are unwilling to change their current approach, we will also seek to identify whether there are other levers we could usefully use to solve the problems we have identified.

Chapter 4
Putting recommendations into practice

Beyond those immediate areas for action, we have identified a number of outcomes that we want to work towards over the next five years.

These have been carefully chosen to support our collective vision of priorities for city centre recovery: as well as tackling the harm caused to our city centres by the pandemic, they support our wider ambition to create a wealthier, greener and fairer future. The declaration of a climate emergency, the focus on health and wellbeing of the population and the increasing inequalities across society and economy have all come to the fore during the pandemic and are key features of the Scottish Government's Covid Recovery Strategy and National Strategy for Economic Transformation.

This has altered the context for cities, towns and neighbourhoods. These strategies, the independent Review of the Town Centre Action Plan, and the Scottish Government's draft National Planning Framework 4, all emphasise the important role of towns and cities as solutions to the challenges we face – in line with the established Place Principle where people, location and resources combine to create a sense of identity and purpose, that is at the heart of addressing the needs and realising the full potential of communities.

With this in mind, the five-year outcomes for city centre recovery are:

1. increased residential capacity and occupancy in city centres

2. smaller city centre carbon footprint

3. reduction in the amount of vacant and derelict land and property

4. increase in city centre creative, entrepreneurial and startup activity

5. more revenue raising opportunities for local authorities

6. reduction in oversupply of retail, and increase in cultural offer

7. faster and more agile planning decisions

Chapter 4
Putting recommendations into practice

Making city centres more attractive
How to make city centres more attractive places to live, work and visit is at the heart of many of these outcomes. As such, issues around planning and vacant land have been identified as potential areas for investigation by many of the workstreams.

The draft National Planning Framework 4 (NPF4), which was laid in the Scottish Parliament in November 2021, explains how the Scottish Government will work together with local authorities to build sustainable, liveable, productive and distinctive places. It recognises that our cities and towns are a national asset and reflects on the challenges they are facing as a result of long-term change and the pandemic.

Under NPF4:

- the role of city centres at the heart of place-based strategies and in supporting 20-minute neighbourhoods is expected to be recognised and supported.
- proposals that improve the vitality and viability of city, town and local centres should be supported.
- support for development in town and city centres is strengthened, while out-of-town retail and leisure is restricted to help transition away from car-dependent developments towards those that enable walking, cycling, wheeling and public transport accessibility.
- opportunities for city centre living are actively encouraged and good-quality homes supported, including on vacant and derelict land and gap sites, in empty property and vacant upper floors.

Following parliamentary scrutiny and consultation, the Scottish Government aims to bring a finalised NPF4 back to the Scottish Parliament for its approval in summer of 2022.

In addition, the Scottish Government will shortly seek views in a forthcoming public consultation on whether new permitted development rights and/or changes to the use classes order could support the resilience and recovery of Scotland's high streets and city centres.

Continuing the spirit of partnership in which the Task Force was established, we will carry out this work through workstreams led by cities, under the umbrella of the Scottish Cities Alliance. The Leadership Group of the Scottish Cities Alliance will receive regular updates on delivery progress, and we will jointly work together to ensure that areas of overlap, synergy and conflict are properly addressed. Scottish Government will continue to offer support from relevant policy officials, and work together with cities to investigate pilot schemes to aid implementation.

Chapter 4
Putting recommendations into practice

Below, we set out some of the priority areas to explore that emerged in our conversations with stakeholders, which we have jointly agreed could be further explored under each workstream. We do not expect this list to be exhaustive, or expect that the workstreams will cover every action; rather, we present these as a starting point, and we are currently working with the officers assigned to every workstream to assist them in prioritizing and refining their plans.

We will regularly review these structures in order to ensure they remain valid in terms of delivery. Although we do not anticipate that all of these areas can be considered in depth within a 12-month period, we expect the workstream partners to make their own informed decision about which to prioritise and appropriate timescales for milestones and delivery.

The Covid-19 pandemic continues to be dynamic and fast-moving, and we recognise that this work may need to be able to flex and refocus as circumstances change, in order to achieve the overall outcome we are pursuing. Should this be the case, all changes will be agreed as part of the regular reviews by the Leadership Group.

Priority Area 1: Increased residential capacity and occupancy

We want cities to be vibrant, living places and more people living in city centres is crucial to achieving this aim. While city centres are already home to many, the pandemic-induced shock to commuter habits and the visitor economy has raised important questions about who city centres are for, and how cities could support a growth in urban rather than suburban living.

All seven of our cities are keen to see an increased residential presence in our city centres. While city centres by their nature will always rely on drawing from a geographically wide catchment area for visitors, tourists and commuters, there is a general consensus – in Scotland and internationally – that cities benefit from a greater proportion of city centre residential use.

More residential usage in city centres could support other national and local policy goals, including ambitions to lower carbon emissions in the creation of 20-minute neighbourhoods. We mentioned above that we want our city centres to be attractive, welcoming places; this may also include landscaping to improve local area image and optimism around particularly challenging sites. And we believe that good design is key to the future of our city centres.

The first of our workstreams will therefore, taking into account NPF4, work towards the outcome of increasing residential capacity and occupancy in our city centres, including what services may be needed (such as schools and health care centres) to support this. Potential areas of investigation include the following.

Chapter 4
Putting recommendations into practice

1. **High land values**. We note that high land values in some areas in city centres can impede residential development, particularly around social and affordable housing. We can therefore seek to explore what policies could address this barrier, and where any action, if appropriate and practical, can be taken.

2. **Supporting city centre development**. We could identify better ways to prioritise city centre sites in Strategic Housing Investment Plans (SHIPs), and we will explore the feasibility of increasing the Affordable Housing Supply Programme (AHSP) budget to support city centre developments.

3. **Taking on challenging sites**. We could investigate mechanisms, such as the Housing Infrastructure Fund (HIF), to increase confidence for councils and social housing bodies to take on challenging sites.

4. **Brownfield development**. We could consider mechanisms by which we, as local and national government, could jointly increase brownfield development in city centres and also in adjacent neighbourhoods which would help build demand for city centre uses.

5. **Flexible planning**. We note a general desire for more flexibility in planning policies and legislation. We could investigate where such flexibility could be created, and whether there are appropriate ways we can jointly support greater flexibility in local government planning, particularly to support and/or incentivise mixed-use development.

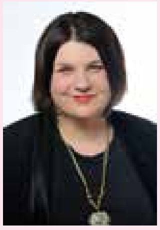
6. **Improving public spaces**. While high land values pose a barrier to development in some parts of our city centres, there are different obstacles in other areas. We can investigate opportunities to facilitate grant funding to improve public spaces to increase residential demand.

7. **Weighting scoring systems**. We can consider potential for the broader use of weighting scoring systems in assessing density of housing. We note previous efforts towards this such as the London Plan's density matrix, linking public transport accessibility levels (PTAL) to permitted housing density, and will investigate what we can learn from that.

8. **Working with existing and future capital funding programmes**. We can seek to define clear ways to ensure that capital funding for city centres and other goals (such as housing, education, or health) can support neighbourhood regeneration and/or creation.

9. **20-year leases**. In discussions with stakeholders we have noted some concern that the '20-year lease rule' (Section 8 of the Land Tenure Reform (Scotland) Act 1974, which makes provision so that residential leases cannot be more than 20 years long) may be impeding build-to-rent developments in Scotland. We can work to review the impact of this legislation, and to identify any changes that are necessary and appropriate.

Chapter 4
Putting recommendations into practice



Councillor Susan Aitken, Leader of Glasgow City Council

City centres are changing rapidly and fundamentally. With the right support targeted at the right challenges, Glasgow can be at the vanguard of this generational change, creating a more attractive, equitable and prosperous city centre. Completing across the next decade, the Avenues is the biggest overhaul of Glasgow's streetscape in over a century, delivering high-quality public realm and supporting new transport infrastructure. In the immediate term, the Spaces for People programme is expanding greener streets and active travel, complementing the impact of the Low Emission Zone on air quality. Compared with many of our peers, Glasgow's city centre population is low. We plan to double that in the next ten years and are creating the conditions required to attract more individuals and families, as well as the services communities need to thrive, back into the heart of Glasgow. We start from a good place. Investor interest is high and sites are becoming available. But equipping cities with more agile and streamlined compulsory purchase powers would expedite both recovery and transition.

Priority Area 2: Reducing the carbon footprint of city centres.

In the wake of COP26, we recognise that we need urgent work to meet our national and local ambitions around climate change. Our city centres, with their high public transport usage and density of housing and other buildings, provide us with opportunities to make a real difference.

Through the Scottish Cities Alliance partnership, we have already been working on the transition to Net Zero, and in this workstream we will build on our existing learning and successes.

We note that working towards Net Zero requires long-term planning and action, much of which is already ongoing.

But transition to Net Zero must also form part of our focus for the post-pandemic social and economic recovery of city centres. To create resilient, thriving city centres of the future, and to meet our goal of green city centres, we must embed work to reduce carbon footprints now. The first annual delivery plan for Scotland's National Transport Strategy, published in December of 2020, set out actions to improve transport for the future while supporting a green recovery from the pandemic. Scottish Government's blueprint for transport investment, the second Strategic Transport Projects Review (STPR2), includes recommendations for creating better connectivity with sustainable, smart and cleaner transport options.

The second of our workstreams will therefore investigate ways to further reduce city centre carbon footprints, working with existing programmes and mechanisms, identifying new potential routes to achieve this goal, and learning from successes elsewhere. Potential areas of investigation include the following.

Chapter 4
Putting recommendations into practice

1. **Procurement**. We could investigate ways to embed a low-carbon city centre focus at a procurement level for public sector capital investment. We note existing work towards this already ongoing through the City and Regional Growth Deals programme, a joint programme carried out by local authorities, Scottish Government and UK Government, and we will look to learn from and build in successes from this.

2. **Greater options**. We could look to create a toolbox of options which local authorities can use to meet carbon reduction targets; for example, initiatives such as the existing SCA-funded Carbon Scenario Tool Pathfinder project.

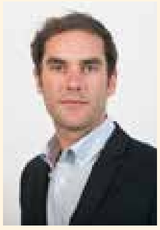
3. **District heating networks**. We can explore ongoing issues related to the rating of district heating networks.

4. **Building adaptations**. As part of our ongoing local- and national-level work, we could investigate measures to further stimulate improvements in energy efficiency, and climate adaptability, of city centre buildings. This could include, for example, triple glazing; insulation; solar panels; and green roofs.

5. **Viability gaps**. We have noted some concern that financial viability gaps may be impacting on conversion of existing buildings to energy-efficient and/or climate-adapted residential usage. We will investigate ways to support closing these gaps.

6. **Low-carbon freight**. We could seek to clarify policy direction and support for low-carbon freight and deliveries, including identification of any potential investment support for pilot projects.

7. **Car journey reduction**. We could provide clearer joined-up work and messaging around reduction in car journeys, including consideration of support for local authorities reliant on parking revenues.



Councillor Adam McVey, Leader of The City of Edinburgh Council

Edinburgh's city centre is a fantastic place to live, work , visit and invest. We need to make sure we continue to offer one of the most enviable and enjoyable visitor experiences in the world. Our vision is to see Edinburgh as a world-leading smart city, using new technology as an enabler to ensure shared prosperity, and opening up access to new technologies which benefit all. We want our city centre to adapt, thrive and build on momentum. Part of this includes enhancing our historical city centre so it is safe and welcoming for pedestrians. We must also come together as cities to collaborate on actions at the scale and pace we need to get to Net Zero by 2030; our plans for low emission zones will be part of that, and will ensure the city centre meets the needs of residents, businesses, and visitors.

Chapter 4
Putting recommendations into practice

Priority Area 3:
Reducing the amount of vacant and derelict land and property

The third of our workstreams will look at ways in which cities can reduce the amount of vacant and derelict land and property in their city centres.

We want city centres to be safe, vibrant, living places, and vacant and derelict sites can make areas look unappealing and attract anti-social behaviour.

As set out above, the Scottish Government will shortly consult on new permitted development rights and/or changes to the use classes order while, under the draft NPF4, our planning system will help city centres adapt and be vibrant, healthier, creative, enterprising, accessible and resilient places for people to live, learn, work, enjoy and visit.

This will be taken into account when considering the following potential areas of investigation:

1. **Compulsory Purchase Orders**. Compulsory Purchase Orders can be a useful tool for authorities and communities to use to tackle vacant and derelict land. However, we note some perception that the process could be easier to negotiate. In the Programme for Government, the Scottish Government has committed to reform and modernise the compulsory purchase system in Scotland, with the aim of making it clearer, fairer and faster for all parties.

2. **Local authority capacity**. Alongside the above, we could investigate ways to increase local authority capacity for carrying out processes such as Compulsory Purchase Orders. This might be through training, funding, knowledge-sharing, and/or measures to reduce the risk of taking on the new property.

3. **Brownfield land**. We could work to develop a clear policy ambition for the prioritisation of brownfield land over greenfield land for development.

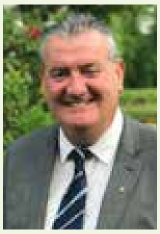
4. **Improvements to buildings**. We could explore the possibility of enhanced legal powers to compel the owners of persistent vacant or derelict sites to respond to the problem. This could include, for example, powers to force owners to “dress” the sites in a particular way.

5. **Working with the private sector**. We note the importance of the private sector in our city centres; to support city centre recovery, we could identify better ways to actively engage with private sector stakeholders in developing a vision for Scotland’s city centres. This will include exploring ways to increase investor confidence and reduce the friction and uncertainty of doing business.

Chapter 4
Putting recommendations into practice

6. **Working with creative and startup ventures**. We can consider models to support the use of vacant and unused space by creative and startup ventures. This could include brokering relationships between building/landowners and potential temporary users of those sites, and exploring mechanisms to give confidence to both parties (such as rolling short-term leases).

7. **Local government acquisition of property**. We could examine local government powers to acquire and pursue commercial property for fair work opportunities, or for other less commercial reasons.



Councillor Scott Farmer, Leader of Stirling Council

Stirling has a thriving and vibrant city centre set within a magnificent built landscape and cultural heritage.

Our ambition is to build on existing strengths; including a strong business base, highly skilled workforce and world-class connectivity, and support a move towards low carbon and all the opportunities that this brings around transport, energy and future sustainability for our residents.

Economic success for Stirling is a city recognised internationally as a well-connected location, which is outstanding in place development to support a dynamic, enterprising, diverse, resilient and inclusive economy which benefits our residents, businesses and visitors.

To support the growth of our city, we engage and work with a broad range of key partners to monitor circumstances and adapt our support, focus and interventions as the situation evolves and needs dictate. Also, by bringing together a broad range of skills and experience, and maximising capacity to deliver, Stirling will be in a strong position to respond to future challenges.

Chapter 4
Putting recommendations into practice

Priority Area 4: Increasing creative, entrepreneurial, and startup activity

We are agreed that we need our city centres to be creative, innovative, and thriving places, on a cultural and an entrepreneurial level. Enabling and supporting these ecosystems is an important part of recovery; our city centres cannot become the city centres we need for our future without a driving force of innovation and creativity. Some of this, we know, is already captured within the existing larger businesses and firms who are choosing our cities to locate within. More, potentially, could be supported and grown by assisting those presently operating at smaller scale.

The Scottish Government's ten-year National Strategy for Economic Transformation outlines plans to maximise the greatest economic opportunities of the next ten-years in a way that will transform the very fundamentals of how our economy works. It aims to establish Scotland as a world-class entrepreneurial nation, encouraging, promoting and celebrating entrepreneurial activity in every sector of our economy. It also aims to make Scotland's businesses, industries, regions, communities and public services more productive and innovative, including through improving connectivity infrastructure and digital adoption, and realising the potential of economic and community assets and strengths in all parts of Scotland.

This workstream, therefore, is looking to increase creative, entrepreneurial and startup activity within our city centres, supporting delivery of Scotland's National Strategy for Economic Transformation. Potential areas of investigation include the following.

1. **Innovation zones**. We note that innovation zones – typically focused around anchor institutions or sectoral clusters, and encouraging or incentivising partnership-building – are an important way to create "soft" ecosystems and support physical infrastructure that drives innovation. We can work to promote and develop existing innovation zones, and evaluate locations that would be suitable for the establishment of new ones.

2. **Business Improvement Districts**. We could encourage the development of city centre Business Improvement Districts (BIDs), and investigate the feasibility of offering higher levels of startup grants for new BIDs.

3. **National priority themes**. We could explore specific grant support and investment into startups covering national priority improvements, such as digital grants.

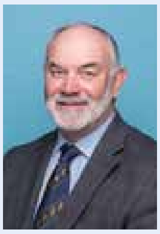
4. **Creative hubs**. We could investigate routes to encourage the development of "creative hubs" in city centres that connect creative practitioners, support cross-sector innovation, and foster the development of creative entrepreneurs and businesses.

5. **Co-working spaces**. We could look to support the creation of cheaper, more accessible co-working spaces and hybrid-working touch-down hubs in vacant units.

Chapter 4
Putting recommendations into practice

6. **Digital collateral**. We could consider local authority investment in new digital collateral to support inward investment.

7. **External connections**. We could work to foster and develop connections with universities and with the creative and tech sectors.



Councillor Murray Lyle, Leader of Perth and Kinross Council

The Council and business leaders have committed wholeheartedly to the pursuit of making Perth one of the most sustainable small cities in Europe. Growth will be founded on environmental responsibility and innovation and creating opportunities for all – creating a city where everyone can live life well. With ambitions to place itself firmly at the forefront of clean energy and the circular economy, Perth and the wider region has set its sights on addressing climate change and sustainable growth by harnessing its abundant natural resources, cultural heritage and local talent.

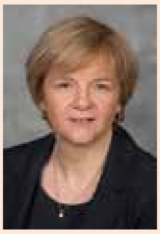
The city centre will be the shop window for a revitalised, confident and cosmopolitan city, the focal point of community life in Perth and Kinross, and a defining feature of the visitor experience. We want people to choose the city centre as a place to live, shop, work, learn and meet, and our businesses and cultural venues to offer their customers unique products and experiences.

Chapter 4
Putting recommendations into practice

Priority Area 5:
Identifying more revenue-raising opportunities for local authorities

Our seven cities differ in their needs for recovery, but share an interest in identifying more ways by which local authorities can raise, leverage and control their revenue in order to meet those needs.

As such, this workstream will explore innovative approaches to empower local authorities to make revenue-raising decisions appropriate to their place and leverage in financing for themselves.



Councillor Jenny Laing, Leader of Aberdeen City Council

Our city centre masterplan aims to respond to both the effects of Covid-19, and for Aberdeen, the transition within the energy and renewables sector. As we recover, we will maximise opportunities from the refurbished Aberdeen Art Gallery as UK Museum of the Year and our investments in attractions at Provost Skene's House and Union Terrace Gardens. These are exactly the type of projects cities need to build confidence of our people, businesses and investors. We are also supporting city centre living and a flagship proposal to improve access in the heart of the city – the Aberdeen Market will re-purpose vacant prime retail sites to showcase food, drink and creative industries. The Council is backing these exciting plans with a commitment to invest £150m to support development that I believe will transform our city in future and make sure Aberdeen retains its position as both a regional and international investment location.

Chapter 4
Putting recommendations into practice

Priority Area 6: Working towards an increase in the cultural offer and reduction in oversupply of retail.

The principal question for this workstream is how to attract people back into city centres. In doing so it needs to address the visible increase in vacant high street units due to the closure of shops and other businesses.

This issue needs to be considered in the context of longer-term retail trends accelerated by the pandemic, particularly a transition to online and out-of-town retail. While a move away from high street retail will undoubtedly impact city centres, "online retail" includes both retailers who trade entirely online and retailers who have increased their online offer while keeping a high-street presence. The significant uncertainty around these changes requires a nuanced and thoughtful policy response. Work to support the retail sector will continue through the Scottish Government's Retail Strategy while the draft National Planning Framework 4 strengthens support for development in city centres ahead of out-of-town retail and leisure to help us transition away from car-dependent developments towards those that support active and accessible travel.

City centres need a strong and vibrant offer to attract visitors, residents and tourists. They need to feel welcoming, safe and pleasant. As set out above, vacant units can undermine these aims. Creative re-use of these spaces, both temporary and long-term, presents an opportunity – particularly to enhance city centres' cultural offering and visitor economy. Thriving culture and creative sectors bring vibrancy and life to city centres, enriching the lives of residents and tourists alike. Although the culture and events sector will take time to rebuild and recover from the impact of the pandemic, city centres must capitalise on opportunities offered by the reopening and new investment in cultural attractions such as the Burrell Collection.

Potential areas of investigation for this workstream include the following.

1. **Maker-spaces**. We could seek to incentivise the creation of "maker-spaces" in former retail units. These are collaborative work-spaces incorporating varying technologies, allowing people to make creative use of machinery too expensive or unwieldy for home use and creating shared exploratory space for people to collaborate on projects of their choosing.

2. **City centre services**. We could seek to incentivise and encourage local authorities and public bodies to do more to locate services in city centres, such as libraries, health centres and cultural institutions.

3. **Retail sector support**. Working through the Scottish Government's Retail Strategy, we will continue to support the retail sector, identifying ways to mitigate the impacts of closures and redundancies.

Chapter 4
Putting recommendations into practice

4. **Unused retail units**. Even before the pandemic, our city centres were seeing retail unit vacancies which took considerable time to fill. We could look to develop a range of options to support the re-use of derelict retail units, targeting both short-term and long-term re-uses through investigating planning barriers and potential incentives.

5. **Pop-up shops**. We can review whether there are feasible ways to tackle legislative or planning barriers to greater use of pop-up shops and temporary uses of vacant sites. Potential mechanisms could include the removal of the “28-day rule” on pop-up shops and other temporary uses, peppercorn rents, and addressing the perceived fiscal barriers including around non-domestic rates.

6. **Non-domestic rates relief**. We could look in detail at the effects of non-domestic rates reliefs in city centres, to learn more about whether some may be skewing the market - looking at, for instance, charity units and private companies.

7. **Large vacant units**. We can consider potential funding options for redesigning large empty retail units into smaller lettable units, which may allow for greater use of the space.

8. **Out-of-town retail**. We can explore potential incentives that local authorities could use to encourage retailers to trade from a city centre retail unit rather than an out-of-town site.

Councillor John Alexander, Leader of Dundee City Council

The role and nature of our city centre has been changing for some time, but Covid-19 has accelerated the pace of that change.

Resilience, flexibility and ambition will be necessary as we recover from the pandemic, and we look forward to a new chapter in the city centre’s development.

Inevitably, our city centre needs to be about more than its retail offering, however important that will continue to be. Centres need to be a celebration of people, public life, and vibrant and multi-functioning spaces. To thrive, they will need more people living, working and visiting, during the daytime and evening.

Therefore, we need more reasons to want to be in our city centre, which requires more homes, businesses, facilities, services, creativity, diversity, community and participation. Dundee has for many years had a reputation as an innovator and an ambitious rethink of Dundee’s city centre is underway, as well as a strategic investment plan to underpin it.

Chapter 4
Putting recommendations into practice

Priority Area 7: Supporting agile and creative planning decisions.

The pandemic has led to greater use of outdoor spaces by private businesses, and more consideration by national and local governments of how this can be best facilitated. Some of the previous funding for the 2020/21 City Centre Recovery Fund, for example, was used to waive the application fees for hospitality venues applying for outdoor space, without otherwise reducing the oversight of the application process.

This workstream will consider, in the context of NPF4 and the Scottish Government consultation on permitted development rights, how to make planning decisions more agile and creative.

Potential areas of investigation include the following.

1. **Positive learning**. We will jointly work to learn from and build on any positive learning that has emerged from the pandemic, such as the permissive approach to temporary interventions and the use of outdoor spaces.

2. **Limited-life and temporary buildings**. We could review and consider the building regulations relating to limited life and temporary buildings to support outdoor use, in order to extend options and maximise outdoor capacity.

3. **Planning freedoms**. We could explore the potential role of new permitted development rights and/or changes to the use classes order in providing greater flexibility around changes of use, taking account of how such measures fit with our wider place-making goals.

4. **Procurement**. We could seek to support and advocate for simplified procurement procedures, higher contact thresholds, and more flexibility at local level over procurement strategy.

5. **Local government planning policies**. We could seek to investigate ways by which local government could itself introduce more flexible planning policies, without compromising quality place-making goals.

6. **Non-statutory consultees**. We could look to identify ways in which we could improve decision-making partnerships between local authorities and non-statutory consultees in the cultural and third sectors.

Chapter 4
Putting recommendations into practice

Councillor Margaret Davidson, Leader of Highland Council

The Highland Council is working with its partners to deliver a new vision that will transform Inverness into an even more vibrant and attractive place to live, visit, work and do business. This vision will be delivered through an ambitious strategy that comprises an up-to-date City Centre Recovery Masterplan, an ambitious new transport strategy, a new approach to branding the city, and a suite of strategic investments and pipeline projects to deliver low carbon transport and major new city attractions. This collaborative approach, centred on partnering with all stakeholders, will provide investors with the confidence that Inverness is the best place to be, and it will enable the city to remain the beating heart of the Highland region and solidify its role as the Highland Capital now, and throughout the coming decades.

Major investment is already delivering transformational change, including at Inverness Castle, which will deliver a high-quality, high-profile visitor attraction right in the heart of the City, complemented by significant regeneration in Academy Street, Union Street and at Inverness Town House and the Victorian Market. Work has also commenced to transform Inverness railway station, the former Royal Mail site and Farraline Park which will provide much-needed civic space, public transport integration and vastly improved routes for people to move around city centre in an enhanced public realm.

Chapter 5
Conclusion

Covid-19 has changed the face of our city centres. Businesses and streets, normally packed with people, transformed overnight as necessary public health measures restricted trade and kept people at home.

Thanks to progress with vaccinations and treatments for the virus, we are now in a position to rely much less on legal restrictions. Instead, the focus is on managing Covid-19 effectively through adaptations and health measures that strengthen our resilience and recovery. The approach set out in the Scottish Government's Strategic Framework will help to ensure that businesses and society are much less affected by the virus as we rebuild for a better future.

Considerations about how to achieve this better future have raised important questions about the nature and role of city centres. For example, who are city centres for? What makes city centres special? The answer is people. Without people, city centres are just empty spaces and buildings – as we have seen so strikingly during the pandemic. What makes our cities flourishing, vibrant, social, creative, interesting and resilient is that they are places where large numbers of people come together. The principal challenge considered in this report is how to attract people back into our city centres.

The findings of the Task Force clarified the scale and urgency of the work that lies ahead of us. During our work, we consulted with a number of stakeholders across the public, private and third sectors, who shared their views on what cities need: for their people, their communities, their built environment, their transport, their services, their resilience, their culture, their institutions, and above all their vitality and ability to flourish.

With this publication, the City Centre Recovery Task Force itself is now concluded, but its work continues. The Task Force has established the foundation to deliver the actions that will support city centres through their immediate recovery and beyond, as places that people will want to keep visiting, working and living in. As we move into a delivery phase, it is right that delivery of this work should become part of the ongoing workplan of the Scottish Cities Alliance, alongside its other work on cities.

As commuters and visitors start to return in greater numbers, it is right, too, to consider our longer-term ambitions for city centres and indeed cities as a whole. The pandemic has heightened awareness of inequality, poverty and disadvantage, and there is clear evidence that harm has been felt unevenly.

The Scottish Government has set the national direction with its ten-year National Strategy for Economic Transformation, which will build on the Covid Recovery Strategy to create a greener, fairer, more inclusive wellbeing economy. Together as national and local governments, we must continue the leadership and partnership working demonstrated through the City Centre Recovery Task Force to deliver on this ambition as we rebuild after Covid and create a brighter future for all.

All images courtesy of:

Glasgow City Council
The City of Edinburgh Council
Aberdeen City Council
Dundee City Council
Perth & Kinross Council
Highland Council
Stirling Council

Scottish Government
Riaghaltas na h-Alba
gov.scot

This publication is available at **www.gov.scot**

Any enquiries regarding this publication should be sent to us at
The Scottish Government
St Andrew's House
Edinburgh
EH1 3DG

ISBN: 978-1-80435-176-5 (web only)

Published by The Scottish Government, March 2022

Produced for The Scottish Government by APS Group Scotland, 21 Tennant Street, Edinburgh EH6 5NA
PPDAS1041950 (03/22)