

Report

Report to:	Executive Committee
Date of Meeting:	21 February 2024
Report by:	Executive Director (Community and Enterprise Resources)

Subject:	Hamilton Town Centre Masterplan
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ update Committee on the work undertaken to prepare a masterplan for Hamilton Town Centre
- ♦ seek Committee approval of the Hamilton Town Centre masterplan as the basis for the future strategic approach to investment

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) to note the work undertaken in the preparation of the masterplan;
- (2) to note that the masterplan sets the strategic approach for the future of Hamilton Town Centre and informs the investment and policy position of the Council moving forward;
- (3) to agree that officers are authorised to progress the relevant statutory and legal processes within the context of the masterplan set out in Appendix 1; and
- (4) to agree that further reports are provided to relevant committees in due course setting out the delivery structure, funding model and programme of activity.

3. Background

- 3.1. Like most town centres across the UK, Hamilton has seen a change in customer behaviour over the past 20 years. The continued growth of online shopping, mobility of customers and move towards “click and collect” has changed retailers’ requirements with less demand in business models for town centre locations.
- 3.2. Online retail has grown steadily over the past decade, peaking at 37% in January 2021 and settling to around 26% mid 2023. Traditional retailers have struggled to compete with major online retailers. Further, the current cost of living crisis has put even more pressure on town centres.
- 3.3. Middle market towns (towns outside the UK’s top 50 that are looking to serve more than a convenience shopping purpose) have been particularly vulnerable to retail’s evolutionary change. Spend in these towns has been eroded due to changing shopping habits. Retailers, particularly in the fashion sectors, have been ruthless in such locations, closing stores or moving them to nil rent/ turnover rents where landlords are flexible enough to offer such terms.
- 3.4. Hamilton is ranked 48th out of 200 centres within the UK (1 being the lowest and 200 being the highest) for overall retail performance. This measure does not accurately

depict the dynamics across the whole town and is, in reality, skewed by the strength of the out-of-town provision. The town essentially has three constituent parts with Hamilton Retail Park and the Palace Grounds area thriving at the expense of the traditional town centre. There is simply too much retail space within Hamilton for the current provision to operate effectively. Further, the size and configuration of retail units within the traditional town centre no longer meet retailer requirements. At the current level, there will always be a significant amount of vacancy and the quality of operators will gradually reduce as landlords take any offers to keep space occupied.

- 3.5. Hamilton is a town centre with strong assets and a definable place quality. This is evident though the strong civic presence, business base, historical architecture, and investment to date. These provide the foundations for Hamilton to reassert its role as a strong and vibrant town centre. Recognition of the change in retail requirements allows focus on other key aspects of the town centre including leisure and cultural offering, services, and town centre living. The town has been steadily expanding over recent years and has an ever-increasing population base which can support a multi-functional town centre. As one of Lanarkshire's largest towns, Hamilton is well placed to provide a variety of functions to a large catchment area.
- 3.6. The current commercial backdrop has generated the need to review a number of prominent town centre sites as a whole and create a masterplan which meets the needs of today and tomorrow. The challenges facing Hamilton Town Centre were presented to this committee on 29 August 2023 and approval was granted to begin the masterplan process.

4. Hamilton Town Centre Masterplan Process

- 4.1. The process has involved an intense period of activity over the last 6 months with a series of workshops with external consultants along with officers from across the Council. These sessions have been led by Community and Enterprise Resources with support from officers from Housing and Technical Resources.
- 4.2. The vision for the town centre is to repurpose underperforming areas into high quality, high-density, mixed-use developments which the residents of Hamilton can be proud of. This is an opportunity for innovative place-making solutions which will attract developer interest. The vision and framework produced has identified where investment will have the greatest benefit and demonstrate the ambition for the town centre to the community and investors. It sets the context for public and private sector investment over the next 15+ years. The masterplan reflects aspirations for a resilient, mixed-use economy which repositions the centre to meet the needs of 21st century living in a high quality and sustainable manner.
- 4.3. Key components of the masterplan exercise are as follows:-
 - ♦ Analysis of Market Potential – Specialist market advice and potential developer/investor interests have been sought.
 - ♦ Analysis of Council Strategies – consideration has been given to existing Council Strategies including the Local Development Plan, Economic Strategy, Local Transport Strategy, Housing Strategy, the Strategic Housing Investment Programme, Waste Strategy and the ongoing South Lanarkshire Leisure and Culture Asset Review.

- ♦ Land-Use Strategy – a successful and thriving town centre requires a range of land uses including:-
 - Retail
 - Leisure
 - 'Town Centre Living' which can support the Council's Strategic Housing Investment Plan as well as the Council's Affordable Housing Supply Programme.
 - Civic and community uses
 - Public Realm/ Green Network; and
 - Transport Infrastructure including car parking
- ♦ Demolition and Site Clearance - A programme of demolition is likely due to the volume of retail space within the town centre. This could take place in advance of securing sale/disposal to facilitate investment.
- ♦ Neighbouring Uses - The masterplan must be mindful of how it connects to neighbouring areas and communities and seeks to optimise the functionality of the town centre as a whole.
- ♦ Sustainable Place-Making/Urban Design - Consideration has been given to the sustainability of future development including opportunities for district heating or other sustainable technologies.
- ♦ Creation of a Development Prospectus - A high-quality development prospectus will be produced to share the vision with potential partners and investors and inform investment decisions.

4.4. The development of the masterplan is a unique opportunity to deliver transformational change to the town centre. The plan will reduce the centre's reliance on retail and introduce new uses allowing Quarry Street to be the focus for smaller independent shops, cafes and restaurants. The masterplan is detailed and complex bringing together a range of solutions which balance the ambitions of the community with the challenging commercial environment. A summary of the masterplan is attached at Appendix 1 and illustrates the changes proposed to the centre. These proposals are ambitious, however, without significant intervention, the town centre will continue to decline. The strategic interventions are outlined below.

5. Key Interventions

5.1. The Regent Shopping Centre

With the loss of key anchors such as Marks and Spencer and Wilkos and with many other tenants coming to the end of their lease, the Regent Shopping Centre currently has a vacancy rates of 38% and is unlikely to regain full occupancy in the current retail climate. The centre is on the market and its owners welcome the masterplan as an opportunity to enhance the attractiveness of the asset in the market. The centre is held under a ground lease from the Council.

5.2. The masterplan proposes to create a development site for town centre living. This approach is consistent with that being proposed across the country for similarly challenged centres, including Paisley, Clydebank, Falkirk, Buchanan Galleries and East Kilbride. Every effort would be made to relocate existing tenants and retain them within the town. There is an option to retrofit the former Marks and Spencer store for office accommodation. The options for retrofit of this building versus demolition will be further explored. The wider site has the potential to create new residential blocks

incorporating family housing, later living, some commercial ground floor uses, amenities and car parking. There is the potential to provide around 350 new homes with approximately 20% earmarked for social housing. This would reduce the retail floorspace by up to 70%, create an attractive new neighbourhood for the town and support remaining retail in the town centre. It should be noted that development in this area also includes the Townhead Street and Keith Street car parks which are owned by the Council.

5.3. Former Bairds Building

This building was purchased by Wetherspoons in early 2020 to be converted into one of its pubs. The current economic climate has brought changes to Wetherspoons business model who have now confirmed they no longer intend to proceed with the proposals and the building is now on the market. While private sector development would be the preferred option, the building is a prominent feature of the town centre, therefore, the masterplan has considered options for this site including retrofit of the building, demolition and redevelopment as well as 'meanwhile uses' for the site which include use as an event and market space while development is progressed.

5.4. Duke Street Car Park

This car park is currently underutilised and in need of repair. The masterplan shows student or hotel accommodation on this site alongside new parking provision. An active travel corridor to the station is also proposed.

5.5. New Cross Shopping Centre

The previous owners of the New Cross Shopping Centre went into liquidation in 2021 which resulted in the centre being handed back to the Council as the ground landlord. The previous owners had not kept maintenance of the centre up to date and, as a result, it has a variety of maintenance issues and increasing vacancy rates making it commercially unviable as a retail site. The masterplan shows residential led redevelopment with active ground floor uses along the line of Chapel Street which mirrors the layout prior to the centre's development. There is the potential to make use of basement service areas for car parking for any redevelopment but the viability of this will be ascertained through the next stages of design development.

5.6. The site also has the potential to also accommodate a range of civic uses moving forward. Residential units could also extend to the site of Hamilton Police HQ (Police Scotland have indicated that they may wish to vacate this site). These two sites can provide around 80 new homes.

5.7. Former Vogue Building

This building was due to be developed by Clyde Valley Housing Association (CVHA) for social housing, however, CVHA has recently withdrawn from the project due to concerns over viability and financial pressures across their wider estate. The masterplan proposes developing this site with a flexible multipurpose building, most likely for a leisure purposes whilst retaining the building façade.

5.8. Hamilton Town Square

This site is the main pedestrian route between the Palace Grounds and the traditional town centre. It is a vast space which is underutilised and has never fulfilled the potential of use originally intended. The introduction of commercial "pods" will add interest to the area and encourage footfall. Further, the masterplan shows the introduction of more greening which increases the attractiveness of the area. Greening measures have been proven to increase customer dwell time in town centres.

5.9. Quarry Street

No significant interventions have been proposed for Quarry Street. This part of the town is covered by the conservation area and many of the buildings are listed. Major redevelopment is, therefore, not possible. The street will continue to serve its function as a traditional town centre high street. The reduction in retail in other parts of the town centre will allow Quarry Street to strengthen its role as a shopping thoroughfare supporting independent shops, cafes and restaurants.

- 5.10. Proposals to reintroduce traffic to Quarry Street in a trial basis from February 2024 and improve the environment through greening and street furniture will reinforce its role as a local centre supporting a range of local businesses for an increased local catchment.

6. **Next Steps and Timescales**

- 6.1. As noted above, the masterplan is intended to set the strategic priorities and investment for the town centre over the next 15+ years.
- 6.2. Following completion and approval of the masterplan, a delivery structure and programme of activity will be finalised. Officers have considered the broad principles of how each element can be delivered and an appropriate funding model. It should be noted, however, that this report seeks strategic intent for the masterplan as a basis to move forward only. A separate report will be brought to Committee in due course setting out the details of a delivery structure and programme of activity.
- 6.3. It is anticipated that the delivery of the masterplan in its entirety will take 15+ years, however, early intervention will be identified to act as a catalyst to further change and investment.

7. **Member and Community Engagement**

- 7.1. Briefing sessions have been given to Hamilton Elected Members, MSPs and MPs.
- 7.2. Presentation of the masterplan to the wider community, tenants and town centre stakeholders including Hamilton BID will take place in March with council officers and members of the design team in attendance to answer questions over a three-week period. Consultation materials will also be available online for six weeks.

8. **Employee Implications**

- 8.1. There are no employee implications as a result of the proposals set out in this report. The development and implementation of the masterplan will be led by officers within Enterprise and Sustainable Development Services in consultation officers across Planning, Roads, Property, Housing, Legal, Finance and Procurement Services.

9. **Financial Implications**

- 9.1. The costs for the Council in preparing the masterplan are being funded through the Place Based Investment Programme and were approved at the 30 May 2023 meeting of the Community and Enterprise Committee.
- 9.2. Future investment by the Council in the town centre will be subject to a Full Business Case, funding availability and separate committee approvals.
- 9.3. The masterplan is intended to support future external funding bids. All external funding opportunities will be explored.

10. Climate Change, Sustainability and Environmental Implications

- 10.1. The masterplan has sustainability at the forefront and projects will be taken forward in line with the Council's sustainability objectives.

11. Other Implications

- 11.1. The risks associated with not supporting the masterplan is that Hamilton Town Centre will continue to decline if no action is taken. This will result in a process of managed decline rather than investment for growth.
- 11.2. The Council could face reputational damage if it is not seen to actively support and encourage investment in the town centre.
- 11.3. Redevelopment of the town centre allows the Council to respond to the demands for both affordable housing and the continued demand for private sector housing.

12. Quality Impact Assessment and Consultation Arrangements

- 12.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no Impact Assessment is required.
- 12.2. Consultations have been undertaken by Economic and Sustainable Development Services with a range of other Council services who have an ongoing role in town centres. This consultation and cooperation will continue throughout the duration of the initiative. Community consultation will commence in March 2024.

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Executive Director (Community and Enterprise Resources)

25 January 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Focused on people and their needs
- ◆ We will work towards a sustainable future in sustainable places
- ◆ Good quality, suitable and sustainable places to live
- ◆ Caring, connected, sustainable communities
- ◆ People live the healthiest lives possible

Previous References

- ◆ Hamilton Town Centre Strategy and Action Plan – Community and Enterprise Resources Committee – 30 October 2018
- ◆ Town Centre and Place Based Investment Programme Update - Community and Enterprise Resources Committee – 30 May 2023
- ◆ Hamilton Town Centre Masterplan - Community and Enterprise Resources Committee 29 August 2023

List of background papers

- ◆ None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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