SUMMER 2022

SCOTTISH BORDERS COUNCIL
RETAIL SURVEY

Contents

Key Findings

- The overall Scottish Borders retail unit vacancy is 12%
- The average floor-space vacancy rate stands at 11%
- The Scottish Borders is below the UK average retail unit vacancy rate of 14.5% [source: Local Data Company]. However, the Scottish Borders retail unit vacancy rate remains well above the low of 7% recorded before the economic downturn.
- In the two largest towns, Galashiels' retail unit vacancy rate has increased by 2% to 19%. Hawick's retail unit vacancy rate has remained at 14%, in summer 2021 and 2022.
- Tweedbank (67%) and Newtown St. Boswells (27%) recorded the highest retail unit vacancy rates. They have a relatively small number of shops and therefore any increase or decrease in property vacancies can significantly affect the overall percentage total.
- Earlston, Lauder, and St Boswells have no vacant units; the same as in summer 2021. Kelso (4%) and Melrose (4%) have the lowest retail unit vacancy rates. Peebles (3%) has a very low vacancy rate, which has decreased 5% since summer 2021.
- There were 32 town centre charity shops, which has dropped by 5 since the Summer 2019 audit.
- Jedburgh has the highest long-term vacancy rate (5%), and Galashiels has the highest number of long-term vacant units (13). For the purposes of this study, long-term vacancy applies to units vacant for five years or longer.

Introduction

1.1 This report sets out the results of the Council's bi-annual survey of **ground floor town centre units** within eighteen Scottish Borders settlements. The study monitors town centre health and is used to inform the Council's town centre planning policies.

1.2 The town centres covered by the study are those with a population of over 1000, namely:

Chirnside	Kelso
Coldstream	Lauder
Duns	Melrose
Earlston	Newtown St Boswells
Eyemouth	Peebles
Galashiels (town centre & 2nd centre) *	Selkirk
Hawick	St Boswells
Innerleithen	Tweedbank
Jedburgh	West Linton

*Two centres are monitored in Galashiels, the town centre and a second centre at Wilderhaugh. Where this report refers to Galashiels this will always refer to Galashiels town centre only, unless stated otherwise.

Policy Content

2.1 Scottish Planning Policy (SPP) notes the importance of town centres to our economic and social fabric and states that town centres are at the heart of communities and can be hubs for a range of activities. A town centre first policy is the focus of town centres policy, which encourages a flexible mix of footfall generating uses within town centres. The policy also highlights the importance of broad and robust monitoring of town centres and identifies a Town Centre Health Check, which has been a feature of the Council's retail survey for several years, a particularly valuable tool.

2.2 At a local level, the Council's Local Development Plan was adopted in May 2016. The Plan sets out a new Core Activity Areas policy, which replaced the previous Prime Retail Frontage policy. The policy encourages development which increases footfall within the central part of town centres, and allows class 3 (food and drink) uses, which encourage greater town centre activity. The policy will be reviewed as part of the Proposed Plan.

2.3 In July 2018, the Planning and Building Standards Committee agreed approval of a Town Centre Core Activity Area Pilot scheme. The pilot scheme operated for an initial one-year period. The primary purpose of the pilot scheme was to examine ways to revitalise and reinvigorate the town centres of Hawick and Galashiels by considering options to add more flexibility to Policy ED4 (Core Activity Areas in Town Centres) within the adopted Local Development Plan 2016, which is aimed at protecting core activity areas within these towns. In essence, the approved pilot scheme removed the core activity area in Hawick and, whilst retaining the core activity area in Galashiels, proposed a wider and more flexible range of uses, which could be supported.

2.4 The pilot scheme outlined further guidance, in relation to Policy ED4, for planning application proposals within other core activity areas within Scottish Borders towns (*i.e.* Galashiels, Peebles, Kelso, Melrose, Jedburgh, Selkirk, Eyemouth and Duns). As the pilot scheme removed the core activity area from Hawick, this would not be relevant to Hawick. An example of the guidance is that if premises had been vacant for 6 months and evidence was submitted, which confirmed it had been adequately advertised for a substantial period of that time, then that would carry much weight in the decision making process. Policy ED4 also referred to the need to give consideration of any "significant positive contribution", in relation to proposals within the core activity, and the pilot scheme expanded upon examples of what were considered to be factors determining "significant positive contribution".

2.5 The Planning & Building Standards Committee agreed that the pilot study should remain in place until the new retail policy is adopted as part of the next LDP. It should be noted that the Proposed LDP is currently subject to Examination with the Directorate for Planning and Environmental Appeals (DPEA) and it is anticipated that this process will be concluded in Spring 2023. Policy ED4 (Core Activity Areas in Town Centres) was reviewed as part of the Proposed LDP process. The review of Policy ED4 took into consideration feedback from the pilot study outlined above. Policy ED4 has been revised as part of the Proposed LDP to remove the Core Activity Areas for Hawick and Stow. Furthermore, Class 2 uses are supported in Duns, Eyemouth, Galashiels, Jedburgh and Selkirk. The Galashiels Core Activity Area has been reduced in size to include only Bank Street and part of Market Street. Channel Street and Douglas Bridge have been removed from this designation. As the Core Activity

Areas for Kelso, Melrose and Peebles continue to perform at a comparatively high level, there is less requirement for additional flexibility of uses.

Methodology

3.1 The survey covers the town centre of each of the surveyed settlements; explained in detail in Appendix 1. Retail units that fall out with these areas are not included within the survey. Ground floor units operating within the use classes listed below are monitored.

- Class 1-shops; class 1-non classified (sui generis);
- Class 2-financial, professional and other services;
- Class 3-food and drink; class 3-non classified (sui generis); and
- Class 7-hotels and hostels.

Those found to have changed to other uses since the previous survey are not counted in the results.

3.2 Town centre retail floorspace is also monitored through the survey. This data is based on information from the Scottish Assessors (see Appendix 1 for full survey methodology) and enables a more complete assessment of town centre retail performance than retail unit vacancy rates alone. Whilst some towns may have high retail unit vacancy rates, they may hold lower floorspace vacancy rates, or vice versa.

3.3 Following changes to Hawick's town centre boundary, as designated in the adopted Local Development Plan 2016, this survey has seen a significant change to the area surveyed in the town. The town centre boundary now extends across the River Teviot.

Summer 2022 Results

4.1 In total, 1402 units were counted of these, 167 units were found to be vacant, compared to 160 out of 1401 units in the Summer 2020 audit. The overall Scottish Borders vacancy rate is 12%, increased by 1%, since the summer 2021 survey. The Scottish Borders average floorspace vacancy rate is 11%.

4.2 Settlement vacancy rates vary, Tweedbank (67%), Newtown St Boswells (27%), and Galashiels (19%) recorded the highest vacancy rate, Table 1 shows that some settlements have a relatively small number of shops and, therefore, any increase or decrease in vacancy can significantly affect the overall percentage total. Galashiels (including Galashiels 2nd centre) and Hawick together account for 53% of all vacant units. No vacant units were recorded in Earlston, Lauder and St Boswells, though these settlements have relatively low numbers of retail units overall, compared to other settlements.

4.3 Table 1 presents the summer 2022 results for the number of units per settlement; the number of vacant units per settlement; retail unit vacancy rates per settlement; and floorspace vacancy rates per settlement (floorspace only includes class 1 & 2).

Table 1: Settlement vacancy rates, ordered by summer 2022 retail unit vacancy rate

Settlement	Units	Vacant units	Retail unit vacancy rate	*Floorspace vacancy rate
Chirnside	8	1	13%	37%
Coldstream	38	4	11%	6%
Duns	59	10	17%	16%
Earlston	18	0	0%	0%
Eyemouth	66	10	15%	14%
Galashiels	239	46	19%	15%
Galashiels 2nd	49	7	14%	13%
Hawick	259	35	14%	9%
Innerleithen	52	8	15%	19%
Jedburgh	86	12	14%	15%
Kelso	165	7	4%	3%
Lauder	17	0	0%	0%
Melrose	78	4	5%	3%
Newtown St Boswells	11	3	27%	19%
Peebles	140	4	3%	1%
Selkirk	90	13	14%	22%
St Boswells	12	0	0%	0%
Tweedbank	3	2	67%	21%
West Linton	12	1	8%	6%
TOTAL	**1402**	**167**	**12%**	**11%**

*Floorspace takes account of class 1 and class 2 uses only.

Trends

5.1 Table 2 shows the changes in retail unit vacancy rates over the past five years. Since the last audit, retail unit vacancy rates increased in 10 towns. Retail vacancy rates decreased in Chirnside (-9%), Peebles (-5%) and West Linton (-9%).

Table 2: Retail unit vacancy rates over past five years

Settlement	S 2017	W 2017	S 2018	W 2018	S 2019	W 2019	S 2020	W 2020	S 2021	W 2021	S 2022
Chirnside	30%	20%	20%	10%	11%	*	*	*	22%	*	13%
Coldstream	20%	20%	19%	12%	15%	*	*	*	8%	*	11%
Duns	8%	8%	10%	10%	15%	*	*	*	15%	*	17%
Earlston	19%	15%	10%	10%	0%	0	*	*	0%	*	0%
Eyemouth	7%	7%	13%	15%	12%	*	*	*	15%	*	15%
Galashiels	18%	15%	15%	17%	15%	*	*	*	17%	*	19%
Galashiels 2nd centre	20%	20%	14%	14%	14%	*	*	*	12%	*	14%
Hawick	15%	14%	15%	15%	15%	*	*	*	14%	*	14%
Innerleithen	12%	12%	2%	8%	8%	8%	*	*	13%	*	15%
Jedburgh	13%	13%	15%	15%	15%	13%	*	*	14%	*	14%
Kelso	6%	6%	4%	6%	5%	4%	*	*	2%	*	4%
Lauder	11%	16%	22%	17%	22%	18%	*	*	0%	*	0%
Melrose	11%	8%	8%	6%	5%	8%	*	*	4%	*	5%
Newtown St Boswells	0%	8%	15%	8%	8%	23%	*	*	25%	*	27%
Peebles	8%	8%	8%	7%	8%	3%	*	*	8%	*	3%
Selkirk	11%	14%	13%	18%	15%	*	*	*	11%	*	14%
St Boswells	0%	0%	0%	0%	0%	0%	*	*	0%	*	0%
Tweedbank	0%	0%	0%	0%	0%	0%	*	*	33%	*	67%
West Linton	0%	8%	0%	8%	8%	17%	*	*	17%	*	8%

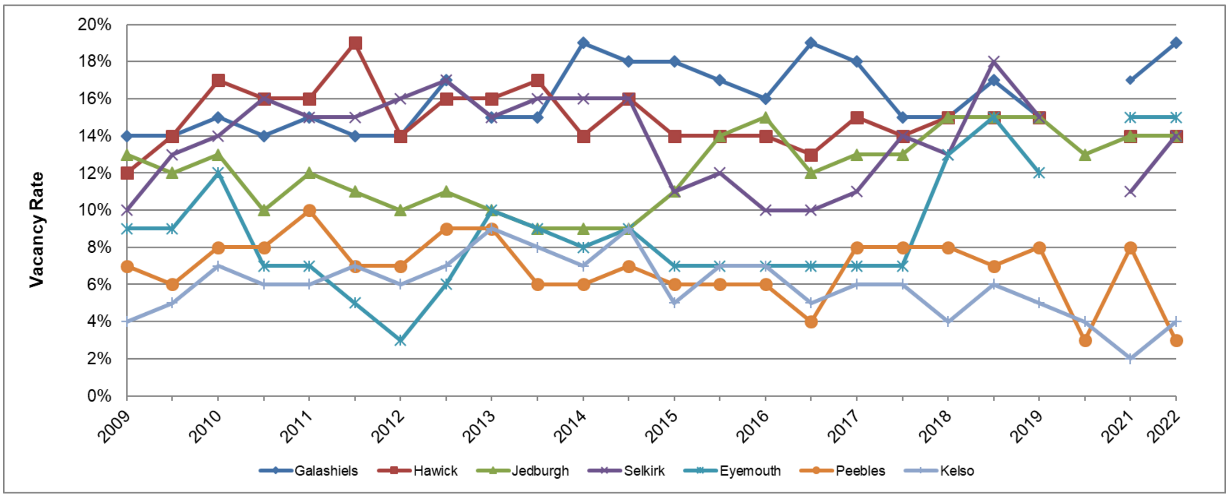
*Not completed due to COVID-19 restrictions.

5.2 Figure 1 shows the longer-term results for the seven largest towns by population. The retail vacancy rate in **Galashiels** has increased by 2% since the last audit. Over a five-year period, there have been fluctuations in the figures with a high of 18% in summer 2017 and a low of 15% in summer 2019. The figure of 19% recorded in the latest audit shows the vacancy has remained above the Scottish Borders retail vacancy of 12%. There are a cluster of vacant units around and near Douglas Bridge and North West end of the High Street. Much of the remaining vacant units are interspersed throughout the town centre. The recent opening of the Great Tapestry of Scotland on the High Street in August 2021 is expected to produce benefits over time. Therefore, it is important to monitor future statistics. **Galashiels 2nd Centre (Wilderhaugh)** has increased to 14% from 12% in summer 2021; therefore, returning to the vacancy rate from 3 consecutive audits in 2018 and 2019. The total vacant floorspace is 13%.

5.3 **Hawick**'s town centre expanded following the adoption of the Council's Local Development Plan to include an additional eleven units north of the Teviot River. The retail vacancy rate in

Hawick has stayed between 14-15% since Summer 2017 audit. It currently stands at 14%. Generally, the vacancies are interspersed throughout the High Street and Buccleuch Street. Of the units west of the River Teviot around Commercial Road none are vacant. The town's floorspace vacancy rate is 9%. Hawick's town centre performance will continue to be monitored closely going forward as the council's Hawick Action Plan continues to take effect. Through the Town Centre Core Activity Area Pilot Study, the Core Activity Area in Hawick was removed for a trial period of a year and will be extended until the new Local Development Plan is adopted. The Hawick Conservation Area Regeneration Scheme (CARS) is anticipated to help regenerate the town centre.

Figure 1: Retail unit vacancy rates of seven largest towns, summer 2009 to summer 2022



Note: no survey data for 2020

5.4 **Peebles** has consistently recorded a lower than average retail unit vacancy rate, which this year dropped to 3%; well below the Scottish Borders average of 12%. Peebles town centre is considered to be performing well. **Kelso** also has recorded a very low retail unit vacancy rate of 4%, an increase from 2% in summer 2021. Kelso has repeatedly recorded a lower than average retail vacancy rate in comparison to the Scottish Borders average. Kelso continues to perform well.

5.5 **Jedburgh's** retail unit vacancy has fluctuated between 13-15% since the summer 2017 audit. The retail unit vacancy rate is currently at 14%, the same as the summer 2021 audit. The town also has a high floorspace vacancy rate (15%); Jedburgh will be closely monitored going forward. **Selkirk's** retail unit vacancy rate has fluctuated between 11% and 18% over the last five years; Selkirk's current vacancy rate is 14% an increase of 3% since summer 2021. Selkirk has received funding through the Selkirk Conservation Area Regeneration Scheme (CARS). The scheme gave grants for qualifying buildings in the conservation area to do external repairs; in conjunction with an upgraded streetscape. The scheme ended March 2018. **Eyemouth's** retail unit vacancy rate has increased by 8% to 15% since summer 2017, currently 3% higher that the Scottish Borders average of 12%. Eyemouth has recently received £400k through the Scottish Government's Place Based Investment Programme for redevelopment of the waterfront.

5.6 Turning to the towns not shown in figure 1, **Coldstream's** retail unit vacancy rate has increased by 3% since the last audit to 11% (4 units) in summer 2021. This is reflected in a 2% increase in floorspace vacancy rate to 6%. **Innerleithen's** retail unit vacancy rate has previously fluctuated between 2 and 13% in the last five years, however has increased to 15% in this year's audit. **Earlston's**, vacancy rate remains at 0%, see Table 2. The retail unit vacancy rate of **Duns** increased by 2% since summer 2021 to 17%.

5.7 **Lauder's** retail unit vacancy rate decreased from highs of 22% in the summers of 2018 and 2019, to 0% in the summer 2022 survey. Lauder has 17 shops. **Melrose's** vacancy rate has increased by 1% to 5% since the summer 2021 survey. Melrose is continuing to perform well and has consistently been below the Scottish Borders average. Table 2 shows significant fluctuations in the retail unit vacancy rates of **Chirnside, Newtown St Boswells** and **Tweedbank**, although these results, in part, simply reflect the low numbers of retail units in these settlements. This means any change in occupancy of a single unit has a significant effect on a vacancy rate as a percentage. **West Linton's** high vacancy rate of 17% in summer 2021 is only equal to 2 units, this year the vacancy rate dropped to 8% (1 unit). **Earlston**, **Lauder and St Boswells** have all recorded a vacancy rate of 0%, the same as the summer 2021 audit.

5.8 In **comparison to the rest of the UK,** Table 3 shows the overall Scottish Borders retail unit vacancy rate alongside the UK average retail unit vacancy rate over the last five years (source: Local Data Company). The table shows that the Scottish Borders retail unit vacancy rate is currently 2% lower than the UK average rate.

Table 3: Vacancy rates etc. over time (source of UK rates: LDC), (S=Summer; W=Winter)

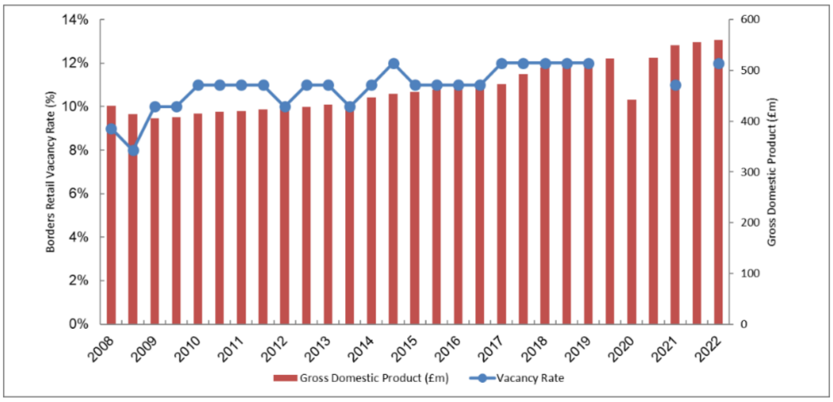
	S 2017	W 2017	S 2018	W 2018	S 2019	W 2019	S 2020	W 2020	S 2021	W 2021	S 2022
Borders vacancy rate	12%	12%	12%	12%	12%	*	**	**	11%	**	12%
UK vacancy rate	12%	12%	12%	12%	13%	*	**	**	15%	**	14%
Units (Class 1-3 & 7)	1427	1424	1427	1424	1417	*	**	**	1402	**	1401
Vacant units	177	170	164	173	165	*	**	**	160	**	167

* The Winter 2019 audit was only partly completed, so no figures given.

** Covid-19 restrictions and advice prevented surveys being completed in 2020 & winter 2021.

5.9 Figure 2 presents the overall Scottish Borders retail unit vacancy rate since winter 2008. This is shown against gross domestic product data to illustrate the relationship between retail unit vacancy rates and the state of the wider economy. The graph shows that the vacancy rate increased quickly in the early recessionary stages of the economic downturn, but has not decreased back to previous levels of 8-9% since, despite the subsequent return to economic growth. This may reflect other factors, such as the growth of online retail, especially during the COVID 19 lockdown periods. Although, internet sales, as a percentage of total retail sales, fell from a high of 37% in January 2021 to 28% in October 2021 (Office of National Statistics).

Figure 2: Scottish Borders retail unit vacancy rate against GDP, summer 2008 to summer 2022



Note: the break in the vacancy rate line is the result of no data being collected in winter 2019, 2020 and winter 2021.

Retail Chains

6.1 Existence of retail chains, or multiple shops, can be an indicator of external industry confidence in a town centre, whilst high numbers of local independent shops can be an indicator of local confidence in a town centre and can be attractive to visitors. Table 4 lists the number of retail chain shops per town centre and the proportion of shops, which are operated by retail chains. This data covers use class 1 only; sui generis uses are excluded. The table is presented in order, with settlements with higher proportions of retail chain shops listed first. The definition of retail chain shops covers both regional and national chains, and smaller, local, multiple shop chains. Overall, 27% of all class 1 shop units (206 units) are operated by a retail chain. This has increased from 19% in summer 2007.

Table 4: Number and proportion of shops (use class 1 only) which are retail chains, summer 2022

Settlement	Retail Chain Shops	Shops class 1	% Retail chain shops
Galashiels 2nd	10	19	53%
Tweedbank	1	2	50%
Galashiels	48	126	38%
St Boswells	3	8	38%
Earlston	3	10	30%
West Linton	3	10	30%
Kelso	29	99	29%
Hawick	37	129	29%
Peebles	23	87	26%
Chirnside	1	4	25%
Coldstream	5	20	25%
Duns	7	28	25%
Eyemouth	6	24	25%
Jedburgh	10	49	20%
Newtown St Boswells	1	6	17%
Selkirk	8	48	17%
Melrose	8	50	16%
Lauder	1	10	10%
Innerleithen	2	33	6%
TOTAL	**206**	**762**	**27%**

Use Classes

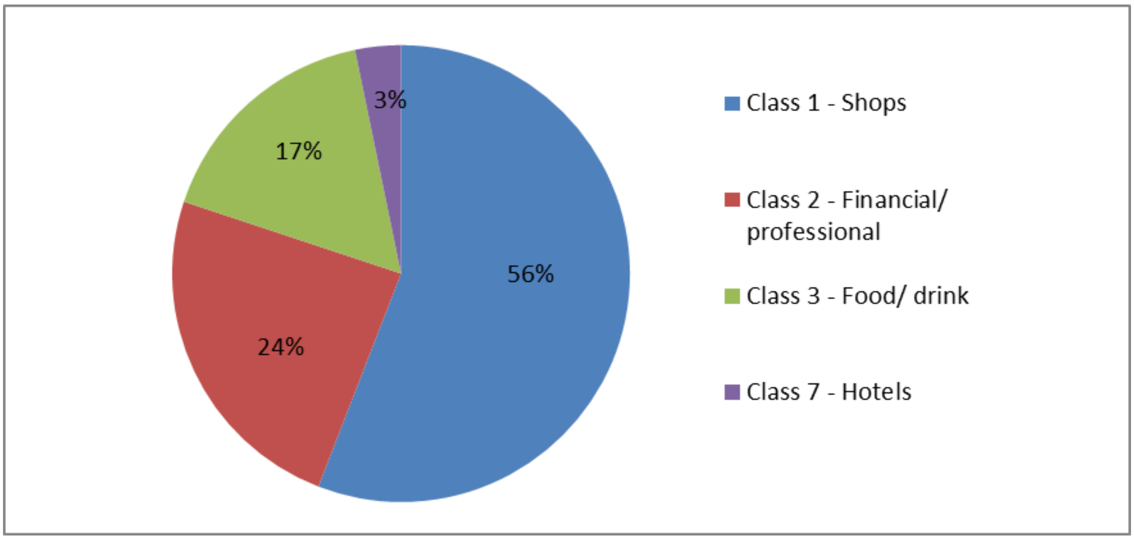
7.1 The retail survey categorises units by their use in planning law, as defined through the Town and Country Planning (Use Classes) (Scotland) Order 1997, and also by the Council's own categorisation system. Only units operating within the following use class categories are monitored through the survey:

- Class 1-Shops and class 1-non classified (sui generis);
- Class 2-Financial, professional and other services;
- Class 3-Food and drink, and class 3-non classified (sui generis); and
- Class 7-Hotels and hostels

7.2 These categories are explained in further detail in Appendix 2. By categorising the retail units by use class it is possible to establish whether a particular type of unit is in decline and where concentrations of use classes are located.

7.3 778 surveyed units in the Borders operate as shops, 760 are use class 1, excluding sui generis uses, and 16 units are class 1 non classified (sui generis). Figure 3 shows the mix of uses across all of the town centres, and shows that the majority of units (56%) operate as shops (use class 1 including sui generis uses).

Figure 3: Mix of uses across all surveyed town centres, summer 2022



** Percentages in Figure 3 may not add up due to rounding*

Floorspace

8.1 Floorspace data from the Scottish Assessors is used in the retail survey. **This data is only available for class 1 (including sui generis use) and class 2 units**. Further information on the floorspace data collation process can be found in Appendix 2.

8.2 Table 5 shows the number of class 1 (including sui generis) and class 2 units per settlement; the volume of floorspace of these units; the volume of vacant floorspace; and the percentage of floorspace sitting vacant (the total floorspace vacancy rate). The table is ordered by floorspace, class 1 and 2, and shows Galashiels and Hawick have the highest total town centre floorspace; 54% of floorspace within the surveyed town centres is found in Galashiels and Hawick town centres.

Table 5: Floorspace data for class 1 and 2, ordered by Floorspace (rounded to nearest 100)

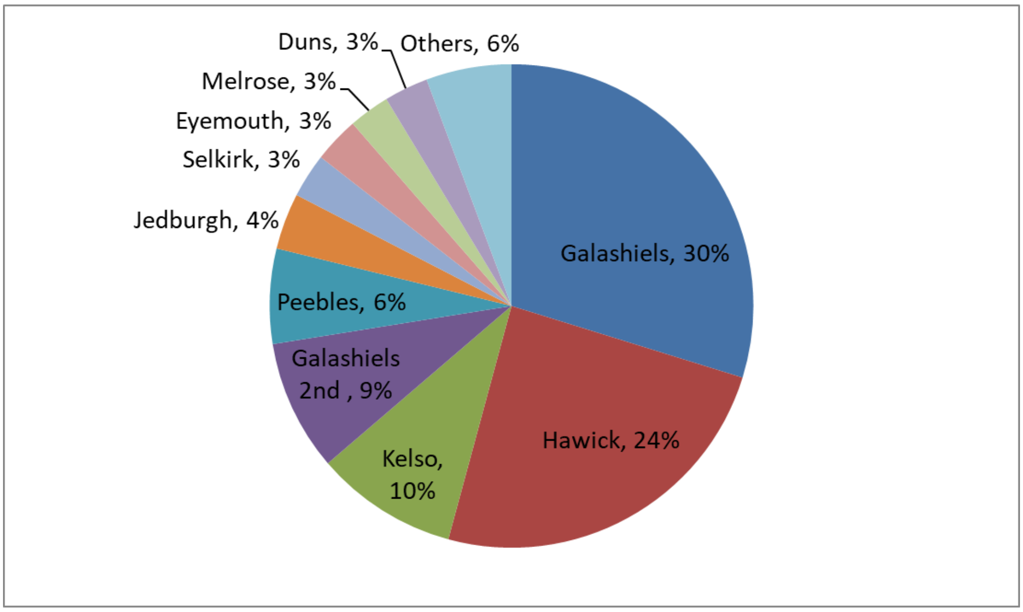
Settlement	Class 1 and 2	Floorspace	Vacant floorspace	Floorspace vacancy rate
Galashiels	239	59919	9105	15%
Hawick	211	49114	4252	9%
Kelso	135	19131	498	3%
Peebles	111	12770	87	1%
Selkirk	71	5955	1320	22%
Jedburgh	66	7567	1101	15%
Melrose	64	5517	168	3%
Duns	47	5925	927	16%
Eyemouth	46	6137	882	14%
Innerleithen	40	2366	457	19%
Galashiels 2nd	35	17606	2223	13%
Coldstream	27	3611	213	6%
Lauder	12	934	0	0%
Earlston	12	850	0	0%
West Linton	11	691	38	6%
Newtown St Boswells	10	709	137	19%
St Boswells	9	1279	0	0%
Chirnside	5	878	322	37%
Tweedbank	2	171	35	21%
TOTALS	**1153**	**201131**	**21764**	**11%**

* floorspace vacancy rates calculated prior to rounding of settlement floorspace

** 0 due to rounding

8.3 The findings show Galashiels, Galashiels 2nd centre, Hawick, Kelso, Peebles, Jedburgh, Duns, Eyemouth, Selkirk and Melrose have the highest volumes of floorspace in the Borders, and continue to contribute 94% of the total floorspace of the 18 surveyed settlements, as figure 4 illustrates.

Figure 4: Location of Town Centre floorspace, summer 2022



8.4 Table 6 analyses data by four floorspace volume categories. The majority of units are small (<100sq m)) or medium sized (100-250sq m). Only 3 large (>1000sq m) units are vacant; 2 units on Channel Street in Galashiels and one unit on Island Street in Galashiels) giving a floorspace vacancy rate of 4% for these units, compared to 14% of medium sized units (250-1000 sq m) and 16% of small units (100-250 sq m). There has been an increase in the number of units of 1000 sq. m or greater, following the extension of Hawick town centre boundary (2016) across the Teviot, which includes several very large units in this part of the town.

Table 6: Performance by unit floorspace volume, summer 2022 *

Floorspace volume	Units	Vacant units	Floorspace	Vacant floorspace	Floorspace vacancy rate	Breakdown of vacant floorspace
<100	709	82	36403	4180	11%	20%
100-250	270	46	43176	6884	16%	34%
250-1000	102	15	45672	6491	14%	32%
>1000	34	3	75992	2985	4%	15%
Total	**1115**	**146**	**201243**	**20540**	**10%**	**100%**

* Figures may not add due to rounding; percentage figures calculated before rounding.

Charity Shops

9.1 As charity shops are normally entitled to 80% mandatory rate relief, charity shops may be viable in circumstances where other shops are not. However, the presence of charity shops may be one factor that can increase footfall on a high street; although, a combination of factors are likely to affect footfall in any given town.

9.2 Table 7 lists the towns with charity shops operating; the number of charity shops operating per town; and the percentage of shops operating as charity shops. There are 6 charity shops in Kelso and Hawick town centres, and 5 in Galashiels and Peebles. . There are 32 charity shops within the surveyed town centres, making 4% of class one shops, overall, operating as charity shops.

Table 7: Number of class 1 (shops) units overall, and no. operating as charity shops, summer 2022

Settlement	Charity shops	Total class 1 shops	% charity shops
Coldstream	1	20	4%
Duns	2	28	7%
Eyemouth	1	26	4%
Galashiels	5	128	4%
Hawick	6	133	5%
Jedburgh	2	48	4%
Kelso	6	98	6%
Melrose	1	51	2%
Peebles	5	87	6%
Selkirk	3	52	6%
TOTAL	**32**	**671**	**5%**

Note – This is total of towns with a charity shop only, not all class 1 units

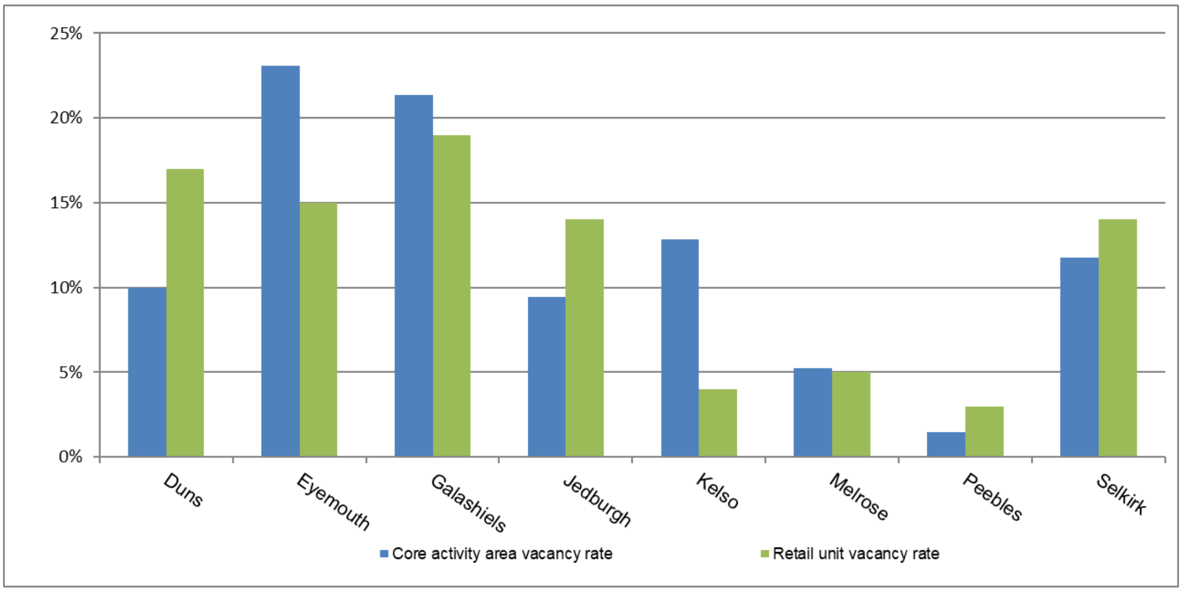
Supporting Town Centre Viability

10.1 In the central parts of our town centres, local planning policy is used to prevent the loss of town centre uses, which support most vibrancy and footfall. Local Development Plan policy ED4—Core Activity Areas supports class 1 (shops) and class 3 (food and drink) uses within core town centre areas. These uses are considered to support vitality and the policy restricts other uses, although, there is some flexibility of uses within the policy depending upon the performance of a town centre at that point in time.

10.2 Policy ED4—Core Activity Areas applies in the core parts of the nine town centres identified within the Scottish Borders Local Development Plan excluding Hawick (see para 5.3). Appendix 4 provides maps showing Core Activity Areas and town centre boundaries.

10.3 Figure 5 compares the overall town centre vacancy rates of the settlements covered by the Core Activity Areas policy against the average vacancy rates within the new Core Activity Areas.

Figure 5: Comparison of vacancy rates, summer 2022



10.5 The average retail unit vacancy rate within Core Activity Areas stands at 12%. The retail unit vacancy rate within Core Activity Areas equals the overall Scottish Borders vacancy rate, but this does not reflect wide variations amongst the towns surveyed.

10.6 Figure 5 shows that the Core Activity Areas within Duns, Jedburgh, Peebles and Selkirk have a lower vacancy rate than their respective town centres as a whole. The Core Activity Areas within Eyemouth, Galashiels, Kelso and Melrose have higher vacancy rates than their town centres as a whole.

10.7 The core activity area within Hawick was removed for a one-year trial period as part of the Town Centre Core Activity Area Pilot Study. The primary purpose of the study was to examine ways to revitalise and reinvigorate the town centres of Hawick and Galashiels by adding more flexibility to policy ED4 (Core Activities in Town Centres) within the adopted Local Development Plan (LDP) 2016. The Pilot has been extended until such a time that the Adopted Local Plan 2016 is superseded.

10.8 In Hawick, the vacancy rate has been repeatedly over the Scottish Borders average and has a number of long-term vacancies. Removing the core activity area completely allows a greater number of uses within the town centre. The pilot study in Galashiels allows greater flexibility for potential uses within the Core Activity Area.

Town Centre Health Checks

11.1 Town Centre Health Checks are conducted for each settlement to assess town centre vitality. The settlements are scored on a range of criteria relating to accessibility, safety, diversity of uses and the quality of the built environment. A copy of the checklist used can be found in Appendix 3.

11.2 The average vitality rating across all surveyed settlements is 65%, which is down 2% from summer 2021, although, still higher than the figure of 61% recorded in 2009. The settlements ranking highest were Duns (73%), Lauder (77%), Innerleithen (75%) and Peebles (83%). The towns which ranked lower were Coldstream (49%) and Newtown St. Boswells (49%).

Long-Term Vacancy

12.1 The length of time vacant units have been unoccupied can be an indicator of the specific challenges a town centre may be facing. Where a unit is long-term vacant there may be complex or technical causes of vacancy rather than direct market causes. For example, a unit's use could be prevented by a legal ownership dispute or legislative constraints that cannot be overcome. Furthermore, value of commercial property can be linked to the rent it has yielded. Long-term vacancy may also result from the gradual decline of a specific part of a town centre. Studying persistent vacancy can also help distinguish between short and long-term vacancy.

12.2 Figure 7 breaks down overall retail unit vacancy rates across nine town centres by length of vacancy, whilst Table 8 lists long term vacant unit numbers and long term vacancy rates per settlement.

Figure 7: Town centre vacancy rates by vacancy length

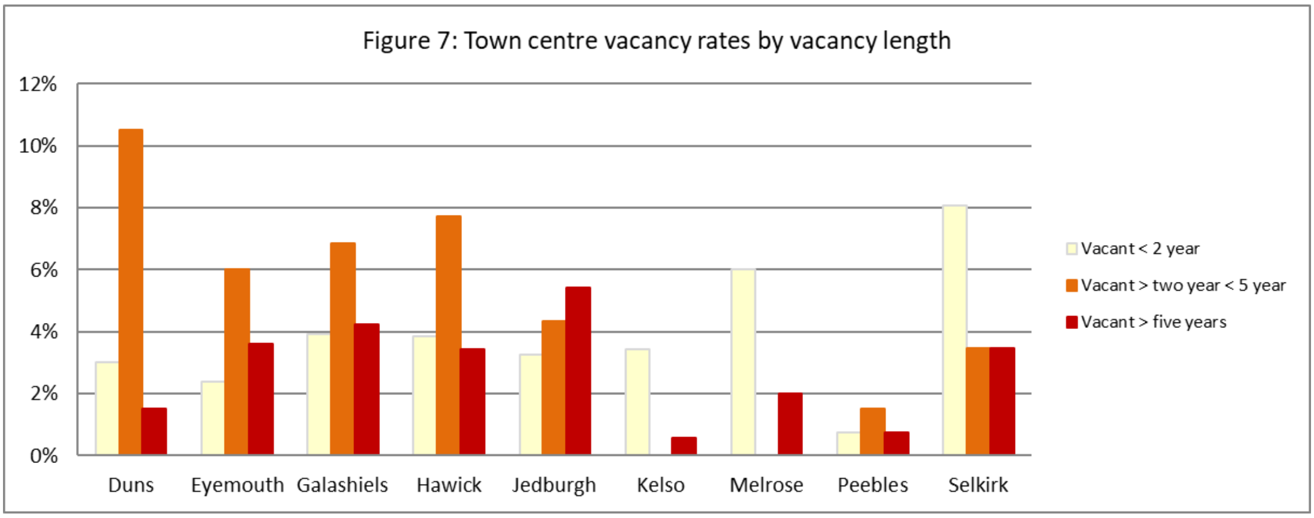


Table 8: Long term vacant units (units vacant 5 yrs +) and long term vacancy rates

Settlement	Long term vacant units	Total units	Long term vacancy rate
Duns	1	59	2%
Eyemouth	3	66	5%
Galashiels	13	239	5%
Hawick	8	259	3%
Jedburgh	5	86	6%
Kelso	1	165	1%
Melrose	1	78	1%
Peebles	1	140	1%
Selkirk	3	90	3%

Conclusions

13.1 The overall Scottish Borders retail unit vacancy rate has increased to 12%, previously 11%. Since summer 2014 the vacancy rate has varied between 11% and 12%. The rate stood at 12% in winter 2014 and consequently dropped to 11% for a stable period of 5 audits prior to rising back up to 12% in summer 2017. The vacancy rate remains at 12% despite a slight drop in summer 2021 to 11%. However, the vacancy rate remains well above the low of 7% recorded before the economic downturn. The current Borders retail unit vacancy rate is lower than the UK average retail vacancy rate of 14% (source: Local Data Company).

13.2 Hawick's retail unit vacancy rate has been 14% since summer 2021, a decrease of 1% from previous years. Hawick has experienced generally declining footfall in recent years and its retail unit vacancy rate has varied between 12% and 19% since 2009. In planning terms, the Council has responded by allowing a more flexible range of uses via the removal of the Core Activity Area from Hawick through the Town Centre Core Activity Area Pilot Study. On a broader level through a partnership, funding was secured from Historic Environment Scotland (HES) in April 2019 for heritage and conservation based regeneration activities within Hawick town centre. Funding from HES (£1.315m), the South of Scotland Enterprise (£60k) and the Council (£200k) will run until 31 March 2025. The Council will continue to pay close attention to the position in Hawick, and particular attention will be paid to the High Street.

13.3 Galashiels' retail vacancy rate stands at 19%, an increase of 2% since the summer 2021 audit. The vacancy rate in the town centre has fluctuated over previous years notably from a high of 19% in winter 2016 to 15% in winter 2017. The opening of the Galashiels Transport Interchange, Border Railway and The Great Tapestry of Scotland should benefit the performance of the town centre over time, once these developments bed in. The performance of the town centre will continue to be monitored closely, particularly the vacant units along Channel Street and the north end of the High Street, and via the Town Centre Core Activity Area Pilot Study.

13.4 Elsewhere, Innerleithen's retail unit vacancy increased to 15%. Selkirk's retail unit vacancy rate has increased from 11% to 14% at the current audit. The Council responded to the challenges in Selkirk by initiating the Selkirk CARS regeneration scheme, which ran into 2018 and included major public realm improvement works in the Market Square. Jedburgh has had a vacancy rate of 14% for the last two summer audits, the CARS regeneration scheme in Jedburgh will end this year. Eyemouth vacancy rate has been at 15% for the last two summers, an increase since the summer 2019 survey. Funding has been secured through the Scottish Government's Regeneration Capital Grant Fund (£545k) and the Council (£300k) to Eyemouth Harbour Trust for redevelopment of the former disused and dilapidated old fish market and former Maritime Museum, which has been closed for several years. It is noted that in terms of low vacancy levels Kelso, Melrose, and Peebles continue to perform well and, Earlston, Lauder and St. Boswells have nil vacancies.

13.5 As noted, planning policy is provided by the adopted Local Development Plan. Future retail surveys will continue to monitor the impact of the policies the LDP sets out.

Appendix 1 – Methodology

The retail survey covers ground floor town centre units within eighteen Borders settlements and has been carried out on a bi-annual basis since winter 2006. The process for the audit is summarised below:

Data preparation:	1 Access database set up
	2 Access database changes, as necessary
	3 Identification of survey coverage
	4 Production of town centre survey maps
Survey:	1 Town centre site visits and surveying with town centre maps
	2 Recording of data
	3 Recording of new unit and unit spatial changes
Data update:	1 Database data entry
	2 GIS spatial changes
	3 Run database queries
	4 Results analysis

Database

The database records the following information for each unit: unique unit reference number; name of the business (if the unit is occupied); description of the business (e.g. bakery, clothes shop, newsagents); full address; use classification; SBC use categorisation; whether the unit is a chain/multiple; unit floorspace data; and whether unit is within a Core Activity Area.

New fields

New fields have been added to the database over time. These have enabled monitoring to extend to cover specific policy areas such as Core Activity Areas, charity shops, long-term vacancies and chain/ multiple stores. The coverage of the survey can be extended or reduced going forward in line with new trends, which happen to emerge in the future.

Geographic coverage

In 2006 thirteen town centres were surveyed. In addition to these, a second centre for Galashiels was also introduced in 2006. This was included due to the town's substantial retail and commercial developments outside the town centre. In 2007 this surveying was extended to include all eighteen settlements in the Borders with a population greater than 1000. There has been no change in these settlements following the publication of census 2011 results.

Central retail districts

The survey covers a single designated central retail district for each town, except Galashiels where both the town centre and a second centre at Wilderhaugh are monitored. Where the town has a designated town centre boundary in the Local Development Plan, this is used as the central retail district boundary. Where no LDP town centre boundary exists, a central retail district (which has no planning status and is only used for retail survey monitoring purposes) covers the parts of the town where retail units are focussed.

In 2006 three settlements (Tweedbank, Earlston and Coldstream) did not have boundaries identified in the Finalised Local Plan. Central retail districts were created for these three settlements following site visits. This was repeated in the 2007 survey for the additional five settlements brought into the survey: Chirnside, Lauder, Newtown St Boswells, St Boswells and West Linton.

In 2016, following the adoption of the Council's Local Development Plan, Hawick's town centre boundary was subject to a significant change, which resulted in a notable extension to the town centre. This resulted in 11 new units being monitored through the retail survey. There was also a minor change in the Garfield Street area, which resulted in two units now sitting outside the town centre. Overall, there was a net increase of 9 units following these changes to the town centre. Minor changes were also made to Galashiels town centre boundary but these did not result in any changes to surveyed units.

Floorspace

Retail unit floorspace has been monitored since the summer 2013 survey. This data is primarily based on the Assessor's data for the gross floorspace of each unit. The data collected covers use class 1 (shops) and class 2 (offices) but does not cover use class 3 (food and drink) or use class 7 (hotels). For the remainder of class 1 and 2 units for which we do not hold assessors data (around 7% of units), the Retail Survey GIS shapefile is used to establish an estimate of unit floorspace. A sample of single storey units were examined to establish the relationship between Assessors gross floorspace and unit area as ascertained from the shapefile. A calculation was then made for each of the remaining units using this relationship and other information known about the units (e.g. likely no. floors occupied) to arrive at an estimate for each. Note that this methodology differs to that used for the 2011 Retail Capacity Study.

Appendix 2 – Use Categorisation

Table 1: SBC Categories

SBC Categories	Description
0	Financial, professional and other services
1	Food
2	Drink, confectionary and tobacco
3	Clothing and footwear
4	Furniture, floor coverings and textiles
5	Domestic appliances and electrical
6	Hardware and DIY
7	Other non-food
8	Mixed Business
9	Hire and repair
10	Vacant
11	Charity Shop
Category X	No longer used for retail

Table 2: Use class order included in the survey

Class 1 **Shops**	**Retail sale of goods, hairdresser, undertaker, travel and ticket agency, post office.** **Dry cleaner, laundrette, cold food consumption on premises.** **Display of goods for sale, hiring out of domestic goods or articles, reception of goods to be washed.**
Class1 **Non classified** **(sui generis)**	Sale or display of motor vehicles. Amusement centre, taxi business, vehicle hire.
Class 2 **Financial, professional and other services**	Financial, professional and other services, including use as a betting office (which is appropriate to provide in a shopping area, principally for visiting members of the public).
Class 3 **Food and drink**	Restaurants, café, snack bar (use for sale of food or drink on the premises).
Class 3 **Non classified** **(sui generis)**	Public House (primary use sales of alcoholic liquor). Hot food takeaway.
Class 7 **Hotels and Hostels**	Hotel, Guest House or Hostel.

Appendix 3 – Town Centre Health Checklist

Rating 1-5 (1=poor; 5=excellent)

Town Centre: Officer Initials: Date:	1	2	3	4	5
Quality of town centre environment					
Overall cleanliness of town centre					
Property appearance, condition and maintenance					
Quality/ built heritage of buildings					
Evidence of recent investment by retailers					
Availability and quality of visitor infrastructure - e.g. street furniture, public toilets, payphones, signage					
Accessibility to Tourist Information Centre					
Presence and quality of open space					
Landscaping within the town centre					
Accessibility					
Provision of facilities for cyclists e.g. cycle lanes, cycle storage					
Ease of pedestrian movement e.g. signage, pedestrian crossings, pedestrianised zones					
Ease of movement for the less mobile e.g. lowered kerbs, pavement condition, automatic entrances					
Public Transport - e.g. presence and quality of bus timetables and bus shelters					
Location and quality of car parks, availability of disabled parking bays					
Impact of traffic on the town centre - e.g. traffic calming measures in place					
Safety and security					
Feeling of security - e.g. Presence of CCTV					
Presence of graffiti & vandalism (1= lots/5=none)					
Diversity of uses					
Presence of entertainment/leisure facilities e.g. swimming pool, cinema, bingo					
Presence of cultural and community facilities e.g. libraries, information boards, community halls					
Availability of food & drink facilities					
Additional Notes:					