

FALKIRK COUNCIL

Subject: DELETION OF CONDITION 1 OF PLANNING PERMISSION
P/13/0663/VRC REQUIRING THE MARKETING OF
COMMERCIAL UNITS AT 1 - 11 (ODD) CROWN CRESCENT,
LARBERT, FK5 4XP FOR CALA HOMES WEST LTD -
P/14/0339/VRC

Meeting: PLANNING COMMITTEE

Date: 29 OCTOBER 2014

Author: DIRECTOR OF DEVELOPMENT SERVICES

Local Members: Ward - Carse, Kinnaird and Tryst

Councillor Stephen Bird
Councillor Steven Carleschi
Councillor Charles MacDonald
Councillor Craig Martin

Community Council: Larbert, Stenhousemuir and Torwood

Case Officer: Allan Finlayson (Senior Planning Officer), Ext. 4706

UPDATE REPORT FOLLOWING CONTINUATION

1. Members will recall that this application was originally considered by the Planning Committee on 10 September 2014 (copy of previous report appended), when it was agreed to continue the application to allow the submission of further information.
2. Members required that details of the applicant's marketing strategy were provided in order to further inform considerations of the Planning Committee in respect of the proposed development.
3. Subsequent to the request by the Planning Committee the applicant has now submitted a marketing strategy for consideration.
4. The applicant, CALA Homes West Ltd, commissioned Ryden Commercial Property Consultants to provide a report detailing the marketing strategy of the applicant in the context of the consortium development at Bellsdyke/Kinnaird. Ryden acts for the NHS who are the landowners of the wider master planned development area of Bellsdyke/Kinnaird. A copy of this is appended to this report.
5. The marketing report provided by Ryden details considerations relating to:
 - The proposal;
 - Planning history;
 - Economic market review;

- Commercial availability in the Stenhousemuir area;
- Retail development at Kinnaird Village;
- Site specific issues; and
- Retail developer view.

6. The Ryden report identifies that the approved masterplan for the site has evolved to provide the commercial core that has been provided at the site. A previous planning application P/13/0663/VRC was submitted to remove originally proposed shop units outwith the retail core as this evolved to provide the number of commercial units required by the original masterplan albeit at an alternative location.
7. Ryden confirm that the retail market in the area remains challenged and note vacancy levels of 50% in the Kinnaird retail core area and 12,000 square feet of vacancy in the nearby Stenhousemuir local centre.
8. Ryden has sought the view of one of its major retail clients who has expressed the view that, at the present time, the location of Kinnaird and the units available are not currently attractive to the commercial market and would prove difficult to let.
9. The Ryden report concluded that the current retail market remains challenged, has been sufficiently catered for by the commercial units already provided and that the vacancy levels of the provided units and in Stenhousemuir demonstrate that the demand for commercial units is some way from reaching market saturation. The submitted information raises no issues which would reverse the recommendation to grant planning permission.

10. RECOMMENDATION

10.1 It is therefore recommended that Committee grant planning permission.

Informative(s):-

- (1) In accordance with section 58(1) of the Town and Country Planning (Scotland) Act 1997 (as amended), this permission lapses on the expiration of a period of 3 years beginning with the date on which this permission is granted unless the development to which this permission relates is begun before that expiration.
- (2) For the avoidance of doubt, the plan(s) to which this decision refer(s) bear our online reference number(s) 01-03.
- (3) For the avoidance of doubt the development shall comply with all conditions of planning permission P/07/1129/REM.



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Director of Development Services

Date: 20 October 2014

LIST OF BACKGROUND PAPERS

1. Falkirk Council Structure Plan.
2. Falkirk Council Local Plan
3. Falkirk Council Local Development Plan (Proposed Plan).
4. Falkirk Council Economic Downturn: Action Plan.
5. Ryden Market Report of Retail Development in Relation to Planning Application

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 504706 and ask for Allan Finlayson, Senior Planning Officer.

Ryden

**Market Report of Retail Development in Relation to Planning
Application**

**Deletion of Condition 1 of Planning Permission
P/13/0663/VRC Requiring the Marketing of Commercial
Units at 1-11 (ODD) Crown Crescent, Larbert FK5 4XP for
Cala Homes West Limited P/14/0339/VRC**

Site : Crown Crescent, Larbert

Client : Cala Homes

By Ryden

DATE : October 2014

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APPENDIX 1 : Property Particulars – Vacant Retail Units, Stenhousemuir

APPENDIX 2 : Letter from Crucible Alba Group

1.0 Introduction

- 1.1.1 Ryder has been instructed by CALA Homes to independently review the market in relation to the provision of ground floor retail development within a residential block of flats, to be located at: Beltsdyke, Larnoch.
- 1.1.2 This concise report reviews the planning history of the subject property and provides observations on the retail market. The report also examines the availability of retail units in the area and highlights specific issues relating retail development located within the ground floor of residential blocks. In addition, observations from a developer's perspective is provided.

2.0 Planning History

- 2.1.1 The subject property forms part of the redevelopment of the former Belloc's Hospice which is guided by an approved masterplan. Within that masterplan, reference was made to the provision of retail development. A planning application to change the use of the commercial units (which are the subject of this application) to flats was conditionally approved by Falkirk Council on 17 February 2014. Condition number 1 states:

"Prior to the occupation of the approved flatbed dwellings (formerly approved as commercial units by previous planning permission P07/1 (28/REM)) the formerly approved commercial units shall be marketed for commercial use for a minimum period of one year commencing after the date of this permission. The marketing strategy to be used for the commercial units shall be approved in writing by Falkirk Council as Planning Authority within 3 months of the date of this permission."

The approved units consisted of:-

Unit No	Size (sq ft)
Unit 1	606
Unit 2	606
Unit 3	667
Unit 4	581

- 2.1.2 CALA has now submitted an application to remove the above condition.

3.0 Overall Market Review

- 3.1.1 To provide context to the request to remove the need to market these units it is both helpful and informative to provide an overview of the economic climate and in particular the retail market.
- 3.1.2 As detailed in Ryden's authoritative Scottish Property Market Review, April 2014 (74th), Scotland's improving economy has not yet translated into retail sales growth. While the late Easter in 2014 impacted negatively resulting in a fall of -3.8% in like-for-like sales (-2.5% total sales, SRCMPMG), the 12 months to March 2014 also further demonstrates the drag effect of weak income growth upon the sector.
- 3.1.2 More positively, the volume of retailers entering into administration has slowed although recent UK casualties include shoe retailer Barneys with 75 stores, 23 concessions and in the order of 1,500 staff at risk, together with Intermotionals across 80 stores and around 1,000 staff expected to be lost. Both retailers add to a long list of closures over recent years which may be categorised as over leveraged, poor businesses or those where the Internet and super-markets and department stores have eaten into their markets and margins.
- 3.1.4 Although convenience store expansion remains the main area of market activity, further stores are planned for Co-op, Tesco, Sainsbury's and Morrisons; the latter has a target of 100 new M stores across the UK over the year ahead. These operators are very selective, generally requiring prime locations on arterial routes. It is important to note that the floor plate and location of residential properties above these units would be a significant, if not critical, determining factor for these operators.
- 3.1.5 In summary, the retail market remains challenging, particularly outwith prime retail centres, and developers remain very risk averse.

4.0 Available Units - Stanhousemuir

- 4.1.1 Within this general location, the main focus for retail development is Stanhousemuir Shopping Centre, some ½ of a mile away. This shopping centre has well planned, ready to move in retail properties on the market as detailed below:-

Use	Unit	Size	Occupation
Class 1	Suite Unit 1 Unit 1	1,153 sq ft	Vacant
Class 1	Suite Unit 2 Unit 2	1,053 sq ft	Vacant
Class 1	Suite Unit 2 Unit 3	2,357 sq ft	Vacant
Class 1	Suite Unit 4 Unit 4	7,446 sq ft	Vacant
	Total	12,059	Vacant

- 4.1.2 The units, built in 2006, remain vacant despite a full marketing campaign. I enclose evidence of marketing (provided by Coster). These units would be capable of accommodating a range of occupiers and, given that they are still vacant and ready to be occupied, clearly demonstrates a lack of market demand.

5.0 Retail Development within Kinnaird

- 5.1.1 Within very close proximity to the subject property there is a Sainsbury's store and a further 5 retail units. These provide the following accommodation:-

Use	Size	Occupation
Retail Class 1	4,005 sq ft	Sainsbury
Retail Class 1	979 sq ft	Vacant
Retail Class 1	979 sq ft	Score Magic
Retail Class 1	979 sq ft	Harry Ramsden's
Retail Class 1	979 sq ft	Vacant
Retail Class 1	5,025 sq ft	Vacant

- 5.1.2 The provision of these units, 3 of which remain unoccupied, suggests strongly that the market demand for retail development in this area has been fully met and indeed, it could be argued is now exceeded given the 7 available units situated within Kinnaird and Stanhousemuir Shopping Centre.

6.0 Site Specific Issues

6.1.1 The location of retail units within residential blocks prove problematic to both operators and residents primarily because these two distinct uses are generally incompatible.

6.1.2 Occupiers require service vehicles, often large HGV's to make deliveries at unsociable hours, particularly early in the morning. This is likely to cause disturbance to nearby residential occupiers and this conflict will likely be a significant deterrent to retail occupiers. The question which has to be considered is why would a retail operator locate in the subject property - below residential properties - when there are many to move in retail spaces in the vicinity which would allow unfettered operation of their retail business. It is reasonable to assume that retail occupiers would focus their interest on the existing available retail units elsewhere and would not consider locating in the relatively more constrained and less visible units within the residential block.

7.0 The Retail Developer's View

7.1.1 It is normative to seek the views of the development industry in these circumstances. Crucible Alba is an active retail developer specialising in convenience retail development and have successfully developed schemes Scotland wide, including within the Falkirk area, for example, the recent town centre retail development within Bonnybridge.

7.1.2 The Crucible Alba Group has confirmed that the subject property would be "of no interest" and "the location, size of units and format are simply not attractive to the market and would likely prove very difficult, if not impossible to let..."

8.0 Conclusion

8.1.1 The retail market remains very challenging, in particular outwith prime retail areas. Whilst there is interest in convenience provision, this has already been well catered for by the existing retail development within the former Bellsdyke Mespills site, notably Sainsbury's, and also Glenhousemuir shopping centre. In any case, the location, layout and format of the retail units do not meet the usual key requirements of convenience retail operators. This point is supported by the evidence provided by Crucible Alba Developments.

8.1.2 It is also worth noting that combined available retail space extending to over 20,000 sq ft, dwarfs the 3,000 sq ft, provision which is the subject of this application which suggests an oversupply and lack of demand for retail space in this area.

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COMMERCIAL UNITS AT 1 - 11 (ODD) CROWN CRESCENT,
LARBERT, FK5 4XP FOR CALA HOMES WEST LTD -
P/14/0339/VRC

Meeting: PLANNING COMMITTEE

Date: 10 SEPTEMBER 2014

Author: DIRECTOR OF DEVELOPMENT SERVICES

Local Members: Ward - Carse, Kinnaird and Tryst

Councillor Stephen Bird
Councillor Steven Carleschi
Councillor Charles MacDonald
Councillor Craig Martin

Community Council: Larbert, Stenhousemuir and Torwood

Case Officer: Allan Finlayson (Senior Planning Officer), Ext. 4706

1. DESCRIPTION OF PROPOSAL / SITE LOCATION

- 1.1 The application site lies within a residential and mixed use development on the grounds of the former Bellsdyke Hospital north of Bellsdyke Road, Larbert.
- 1.2 The site is level and is surrounded to the north, south and east by newly completed residential development. To the west are the partial remains of a former hospital building.
- 1.3 The proposal is to delete condition 1 of previously approved planning permission P/13/0663/VRC to change the use of 4 approved ground floor commercial units to form 4 flatted dwellings and make a minor change to the position of the approved flatted block.
- 1.4 Condition 1 of planning permission P/13/0663/VRC states:
 - (1) Prior to the occupation of the approved flatted dwellings (formerly approved as commercial units by previous planning permission P/07/1129/REM) the formerly approved commercial units shall be marketed for commercial use for a minimum period of one year commencing after the date of this permission. The marketing strategy to be used for the commercial units shall be approved in writing by Falkirk Council as Planning Authority within 3 months of the date of this permission.

- 1.5 Condition 1 included in planning permission P/13/0663/VRC following consideration by Planning Committee at its meeting on 26 February 2014, this following an earlier site visit.
- 1.6 The applicant is seeking to make amendments to the original approval on the basis that commercial units have now been provided elsewhere within the wider development site and that marketing of flats with ground floor commercial units is more difficult.
- 1.7 The applicant contends that condition 1 of planning permission P/13/0663/VRC is unnecessary and has submitted justification, which is considered in more detail later in this report.
- 1.8 Five commercial units have been constructed adjacent to the recently opened Sainsbury's shop at the development site. These units are currently vacant.

2. REASON FOR COMMITTEE CONSIDERATION

- 2.1 It is considered to be appropriate for this application be considered by the Planning Committee as the condition subject to the application was agreed at its meeting of 26 February 2014.

3. SITE HISTORY

- 3.1 Outline planning permission F/2002/0611 for the development of land at the former Bellsdyke Hospital and Hill of Kinnaird, Larbert which includes the application site for residential (1,700 units), business/employment purposes, local services, community primary school, public park, off road/footpath, landscaping and open space, sustainable urban drainage system and construction of distributor roads and two roundabouts was approved on 18 May 2006. A masterplan for the Bellsdyke Hospital and Hill of Kinnaird was approved under the terms of that permission.
- 3.2 Planning permission P/07/1129/REM was granted on 5 September 2009 for the erection of 56 dwellinghouses, 127 flatted dwellings, supermarket and commercial units.
- 3.3 Planning permission P/11/0811/FUL was granted on 21 May 2012 for the erection of a shop (Sainsbury's) and five additional retail units ranging from 94m² to 367m².
- 3.4 Planning permission P/13/0663/VRC was granted on 17 March 2013 following consideration by Planning Committee. Condition 1 was imposed following the Committee decision that the site should be marked for commercial use before a change to residential use could be implemented.

4. CONSULTATIONS

- 4.1 No consultation required in relation to this application to delete a condition.

5. COMMUNITY COUNCIL

5.1 No comment received.

6. PUBLIC REPRESENTATION

6.1 No representations received.

7. DETAILED APPRAISAL

Under section 25 of the Town and Country Planning (Scotland) Act 1997, as amended, the determination of planning applications for local and major developments shall be made in accordance with the Development Plan unless material considerations indicate otherwise.

Accordingly,

7a The Development Plan

Falkirk Council Structure Plan

7a.1 There are no relevant policies within the Falkirk Council Structure Plan.

Falkirk Council Local Plan

7a.2 Policy EP8 - 'Neighbourhood and Rural Shops and Services' states:

"The Council will support the provision, retention and improvement of neighbourhood and rural shops. Accordingly:

- (1) Proposals involving the loss of neighbourhood or rural shops (Class 1) and services (Class 2) which serve an important community function will be only be permitted where the Council is satisfied that the premises are no longer viable for such uses; and*
- (2) The provision of neighbourhood shops to serve major new housing developments and existing residential areas which have poor access to such facilities will be encouraged."*

7a.3 The proposal is considered to comply with Policy EP8 in that there is no loss of neighbourhood shops. The new housing development at Bellsdyke has benefitted from the recent opening of a local shop (Sainsbury's) with a further five retail units being provided adjacent to this store. Bellsdyke has good access to commercial centres at Stenhousemuir and Larbert and beyond by pedestrian and cycle linkages and public transport availability on Bellsdyke Road and from Larbert Station.

7a.4 The granting of planning permission for the Sainsbury's shop and additional retail units has resulted in a net increase of one retail unit over the number originally envisaged in the approved masterplan for the site. This has resulted from a re-designed layout which has evolved following the marketing of commercial development by the development consortium (led by CALA) for the Bellsdyke re-development site. The retail units that have been constructed are considered to offer an increased range of unit sizes and increased total floorspace over the commercial units subject to this application.

7a.5 Accordingly, the proposal accords with the Development Plan.

7b Material Considerations

7b.1 The material considerations to be assessed are the Falkirk Local Development Plan (Proposed Plan) and the supporting statement submitted by the applicant.

Falkirk Local Development Plan (Proposed Plan)

7b.2 The Proposed Falkirk Local Development Plan (FLDP) was approved by the Council for consultation in March 2013, with the period for representations running from April to June 2013. It is expected to be adopted in early 2015, at which point it will replace the current Structure Plan and Local Plan. It provides the most up to date indication of Falkirk Council's views in relation to Development Plan policy and constitutes a material consideration in the determination of planning applications.

7b.3 Policy HSG06 – 'Non-Residential Uses in Residential Areas' states:

"Within established residential areas, the introduction of uses which would be incompatible with the residential character and amenity of the area will generally not be permitted. Proposals for appropriate community services (e.g surgeries, day nurseries and neighbourhood shops), homeworking or other compatible business uses (e.g. guest houses) will be supported where it can be demonstrated that the quality of the residential environment would be safeguarded, the type and location of the property is suitable, and satisfactory access and parking can be provided."

7b.4 In this respect the proposal is also considered to comply with Policy HSG06 of the emerging Falkirk Local Development Plan (Proposed Plan) April 2013.

Additional Planning Considerations

7b.5 The retail opportunities approved by P/07/1129/REM were envisaged at a time before the recession of recent years. It is considered that insisting on their implementation could result in vacant commercial units which may threaten wider development at Bellsdyke.

7b.6 Subsequent to the grant of P/07/1129/REM, planning permission has been granted for further retail development that exceeds the provision originally proposed at the site. These units are now available for lease.

7b.7 These considerations were accepted in the assessment of planning application P/13/0663/VRC and resulted in a favourable recommendation being made. This recommendation was accepted by Planning Committee subject to the imposition of condition 1 requiring the marketing of commercial properties for one year before a residential use could be implemented.

7b.8 The applicant has submitted a supporting statement which seeks to justify the removal of condition 1 of planning permission P/13/0663/VRC. The statement makes the following observations:

- Specialist commercial consultants commissioned to represent the NHS have reported through monthly Development Group meetings held to discuss all aspects of the wider Bellsdyke/Hill of Kinnaird development proposals, that there is no appetite out in the marketplace for individual shop units on the ground floor of blocks of flatted properties.
- Design changes to the wider development area now provide a shop (Sainsbury's) supermarket, together with five further individual shop units with a "stand alone" commercial site. The overall commercial unit supply on the development has therefore exceeded the initial proposed provision.
- It is understood that the larger of the commercial units within the commercial area is to be split into two providing a further commercial unit, resulting in a total provision of seven commercial units including the Sainsbury's.
- Feedback from visitors and potential customers to showhomes clearly indicate that purchasers are reluctant to commit to purchasing a flat in or adjacent to a block which has the possibility of having a commercial use there.
- Condition 1 is affecting the viability of the flatted development in what is already acknowledged a very difficult flatted sales market. Persimmon Homes has already mothballed Site 14 (flats) due to the poor market for this type of accommodation.

7b.9 Previous consultation with the Economic Development Unit of Falkirk Council has confirmed that the commercial market in Larbert and Stenhousemuir remains challenged. This, and the further information provided by the applicant in relation to the impact of ground floor commercial uses in residential flatted blocks, is considered to be a valid submission.

7c Conclusion

7c.1 The proposed deletion of the condition complies with all relevant Development Plan policies.

7c.2 The proposed development of additional flats instead of originally approved commercial units is considered to be acceptable in terms of amenity and design and is not considered to adversely affect the wider development at Bellsdyke. The subsequent construction of other retail provision is considered sufficient for the needs of the area and to provide additional retail opportunities above that originally planned.

7c.3 There are no material considerations which would justify the refusal of planning permission.

8. RECOMMENDATION

8.1 It is therefore recommended that Committee grant planning permission subject to the following condition:-

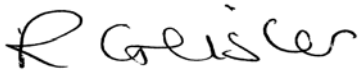
- (1) The development hereby approved shall be implemented in accordance with the plan(s) itemised in the informative below and forming part of this permission unless a variation is required by a condition of the permission or a non-material variation has been agreed in writing by Falkirk Council as Planning Authority.

Reason(s):-

- (1) The development hereby approved shall be implemented in accordance with the plan(s) itemised in the informatives below and forming part of this permission.

Informative(s):-

- (1) In accordance with section 58(1) of the Town and Country Planning (Scotland) Act 1997 (as amended), this permission lapses on the expiration of a period of 3 years beginning with the date on which this permission is granted unless the development to which this permission relates is begun before that expiration.
- (2) For the avoidance of doubt, the plan(s) to which this decision refer(s) bear our online reference number(s) 01- 03.
- (3) For the avoidance of doubt the development shall comply with all conditions of planning permission P/07/1129/REM.



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Director of Development Services

Date: 29 August 2014

LIST OF BACKGROUND PAPERS

1. Falkirk Council Structure Plan.
2. Falkirk Council Local Plan
3. Falkirk Council Local Development Plan (Proposed Plan).
4. Falkirk Council Economic Downturn: Action Plan.

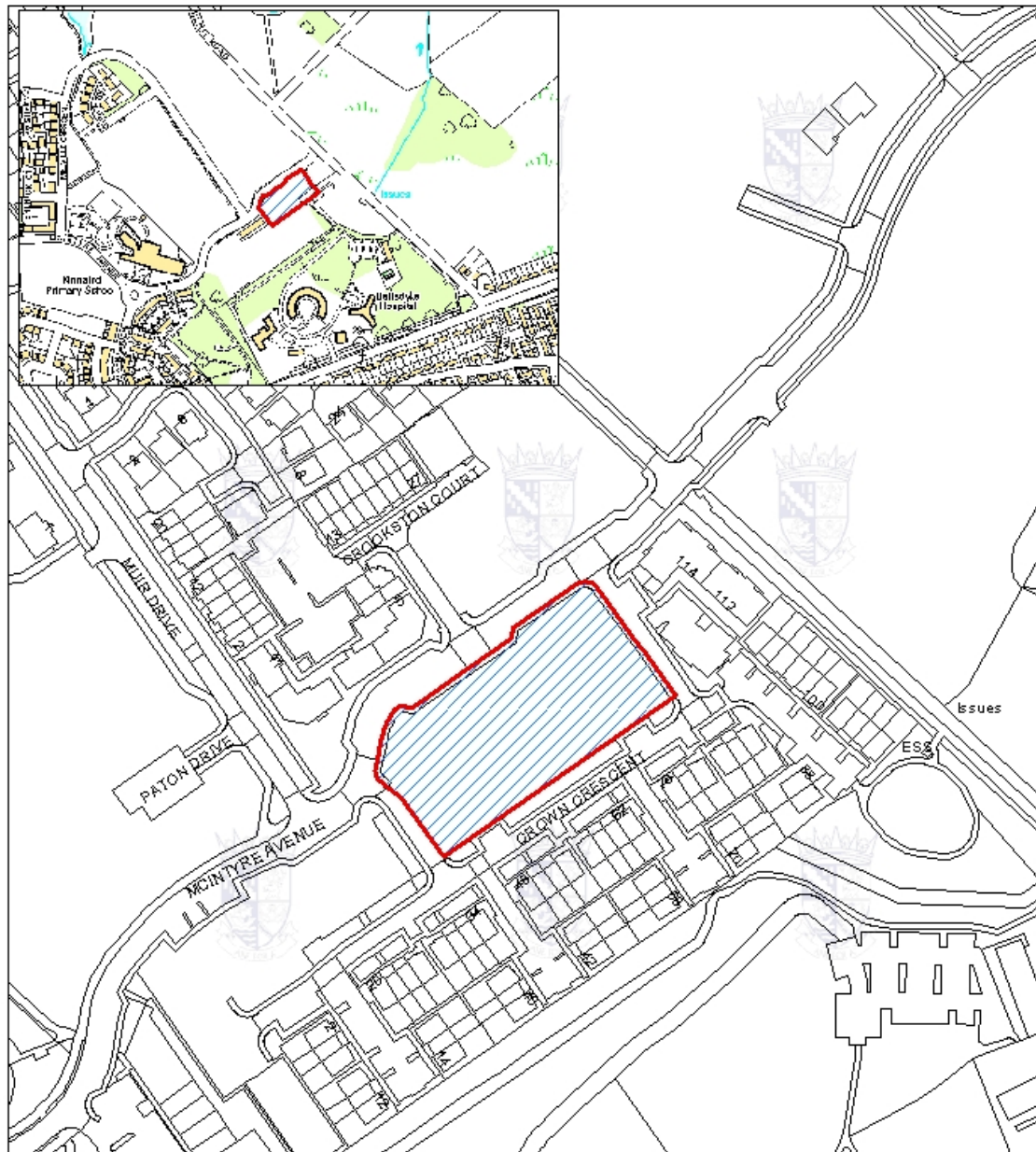
Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 504706 and ask for Allan Finlayson, Senior Planning Officer.

Planning Committee

Planning Application Location Plan

P/14/0339/VRC

This plan is for location purposes only. It should not be interpreted as an exact representation of the application site.



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