

**REPORT TO:** Planning Committee

**MEETING DATE:** 28 October 2014

**BY:** Depute Chief Executive (Partnership and Services for Communities) **1**

**SUBJECT:** Planning Application No. 14/00219/PM - Planning permission for erection of 112 houses, industrial units (Class 4 use), pub/restaurant and associated works on land at the former Gateside Commerce Park, Haddington.

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## **1 PURPOSE**

- 1.1 A Pre-determination Hearing is mandatory where a planning application is made for a major development that is significantly contrary to the development plan and consequently has to be determined by a meeting of the full Council.
- 1.2 As the area of the application site is greater than 2 hectares and the principle of development is for more than 50 houses, the proposed development is, under the provisions of The Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009, defined as a major development. Furthermore, in being on land allocated by the adopted East Lothian Local Plan 2008 for economic development purposes, the proposed development is significantly contrary to Policy BUS1 of the local plan.
- 1.3 Application 14/00219/PM is therefore brought before the Planning Committee for a Pre-determination Hearing prior to the consideration of its merits and determination of the application by the Council at their meeting immediately following the Pre-determination Hearing.
- 1.4 The purpose of this report is to provide a description of the development proposal, summaries of the development plan policies and other material considerations including consultation responses and public representations relevant to application 14/00219/PM, and an assessment of the development proposal. The report also sets out the officer's recommendation for determination of the application.

## **2 RECOMMENDATIONS**

2.1 That planning permission be refused for the mixed use development proposed in planning application 14/00219/PM for the following reasons:

1. The proposed housing development and the proposed pub/restaurant would result in the loss of business land that is part of the established business land supply of Haddington, to the detriment of East Lothian's economy and the greater Lothian economy, contrary to Policy 2 of the approved South East Scotland Strategic Development Plan (SESplan), Policy BUS1 of the adopted East Lothian Local Plan 2008 and Government policy guidance given in Scottish Planning Policy: June 2014.

2. If approved the proposed housing development together with the proposed pub/restaurant would set an undesirable precedent for the development of new housing and other uses not within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes) (Scotland) Order 1997 on land elsewhere in East Lothian that is established for such business and industrial uses, the cumulative effect of which would be the depletion of Council's supply of established land for business and industrial use to the detriment of the economy of East Lothian and the greater Lothian economy.

3. There is not, and there would not be sufficient capacity at Haddington Infant School to accommodate children that could arise from the occupancy of the proposed new build housing development, contrary to the requirements of Policy INF3 of the adopted East Lothian Local Plan 2008.

4. The new build residential development proposed in this application is contrary to part 5 of the Council's Housing Land Supply: Interim Planning Guidance on the following considerations:

(i) the desirability of securing housing does not outweigh the retention of the allocated use,

(ii) the housing use would not help deliver the allocated use on a significant remainder of the site;

(iii) in respect of lack of education capacity the application site is not immediately effective or capable of being so, is not demonstrably able to deliver early house completions and therefore cannot support the effective housing land supply in the short term.

### **3 BACKGROUND**

#### **3.1 Planning Assessment**

As a statutory requirement of major development type proposals this development proposal was the subject of a Proposal of Application Notice (Ref: 13/00007/PAN) and thus of community consultation prior to this application for planning permission being made to the Council.

As an outcome of that and as a statutory requirement for dealing with major development type applications a pre-application consultation report is submitted with this application. The report informs that 26 people attended the pre-application public exhibition, which was held at the Town House, Haddington, and that from those attendees 10 feedback sheets or emails were received making a number of queries and suggestions regarding the proposals. The development for which planning permission is now sought is of the same character as that which was the subject of the community engagement undertaken through the statutory pre-application consultation of the proposal.

The application site consists of 5.91 hectares of land which comprise the Gateside Commerce Park. It is bounded to the north by a length of the Haddington to Longniddry railway walk. To the east it is bounded by a length of road beyond which is a field (known as Gateside East). In February 2014 East Lothian Council agreed to grant planning permission in principle (Ref: 13/00800/PPM) for a residential and business development on that field subject to the prior conclusion of a Section 75 Agreement. That Agreement has yet to be concluded and thus the planning permission has not yet been issued. To the west the application site is bounded by land comprising the western part of Gateside Commerce Park for which planning permission in principle (ref: 11/00729/PPM) and approval of matters specified in conditions (ref: 12/00896/AMM) have been granted for the development of a Class 1 retail store and for a petrol filling station on the western part of the application site, for the reconfiguration of the existing car park of the Gateside Commerce Park and for associated works.

To the south the site is bounded by the B6471 West Road, beyond which is agricultural land which forms part of a larger area of agricultural land allocated for a mixed use development of 750 houses, social and community facilities and associated infrastructure by Proposal H3 (Letham Mains) of the adopted East Lothian Local Plan 2008. In July 2013 planning permission (ref: 13/00519/PM) was sought for the erection of 385 houses and 48 flats on the western part of that allocated site. In January 2014 planning permission (ref: 14/00089/PM) was sought for the erection of 258 houses and 119 flats on the eastern part of that allocated site. In July 2014 planning permission (ref: 14/00534/PCL) was sought for the erection of a primary school on that allocated site. These planning applications are yet to be determined.

A residential property known as Gateside Cottage is also located to the south of the application site.

Planning permission is sought through this application for the erection on the site of 112 houses, business/light industrial units (Class 4 use), a pub/restaurant and for associated works. To facilitate this proposed development all the existing buildings of Gateside Commerce Park would be demolished and removed from the site.

The site plan submitted with the application shows how the proposed residential and business uses and the pub/restaurant would be accommodated within the site. It is proposed to provide for 14 small Class 4 business/light industrial units with associated parking, on some 0.26 of a hectare of the site, providing some 971 square metres of Class 4 business space. They would be located on the western part of the site. The proposed units would be single storey in height with mono-pitched roofs. Their external walls would be timber clad and with roller and pedestrian doors installed in their front elevations.

The proposed pub/restaurant would be sited on an area of some 0.4 of a hectare of the site, with a floor area of some 690 square metres. It would be located on the south-western corner of the application site. It would be partly single storey and partly two-storey in height with pitched roofs clad in slate tiles, with external walls a mix of sandstone and painted render finishes and with double glazed timber framed windows and doors.

The site plan shows that the majority of the site would be for residential use with the erection of 112 houses with associated access roads, parking areas, landscaping and open space. The houses would comprise of a mix of detached, semi-detached and terraced two storey houses. It is also proposed that a landscaped buffer would be planted between the business and residential uses.

Access to the proposed industrial units and pub/restaurant would be taken from the B6471 road via a new junction positioned to the east of the Oaktree roundabout junction. A new access road would be formed within the application site to serve them.

The proposed housing would be accessed from two points, one from a new junction with the B6471 road and also from the existing road which bounds the site to the east.

The application is supported by a Planning Statement, Employment Land and Property Market Review, Transport Assessment and a Design and Access statement.

Under the provisions of The Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2011 the proposed development falls within the category of a Schedule 2 Development, being one that may require the submission of an Environmental Impact Assessment (EIA). Schedule 3 of The Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2011 sets out the selection criteria for screening whether a Schedule 2 development requires an EIA. On 17 October 2013 the Council issued a

formal screening opinion to the applicants. The screening opinion concludes that it is East Lothian Council's view that the proposed development is not likely to have a significant effect on the environment such that consideration of environmental information is required before any grant of planning permission in principle. It is therefore the opinion of East Lothian Council as Planning Authority that there is no requirement for the proposed mixed use development to be the subject of an EIA.

Section 25 of the Town and Country Planning (Scotland) Act 1997 requires that the application be determined in accordance with the development plan, unless material considerations indicate otherwise.

The development plan is the approved South East Scotland Strategic Development Plan (SESplan) and the adopted East Lothian Local Plan 2008.

Policies 2 (Supply and Location of Employment Land), 5 (Housing Land) and 7 (Maintaining a Five Year Housing Land Supply) of the approved South East Scotland Strategic Development Plan (SESplan) are relevant to the determination of the application. So too are Policies BUS1 (Business and General Industrial Locations), INF3 (Infrastructure and Facilities Provision), H1 (Housing Quality and Design), H4 (Affordable Housing), C1 (Minimum Open Space Standard for New General Needs Housing Development), C2 (Play Space Provision in New General Needs Housing Development), DP1 (Landscape and Streetscape Character), DP2 (Design), DP14 (Trees on or adjacent to Development Sites), DP17 (Art Works- Percent for Art), DP20 (Pedestrians and Cyclists), DP22 (Private Parking), DP23 (Waste Minimisation, Separation, Collection and Recycling), T1 (Development Location and Accessibility) and T2 (General Transport Impact) of the adopted East Lothian Local Plan 2008.

A material consideration in the determination of this application is the supplementary planning guidance of "Design Standards for New Housing Areas" approved by the Council on 10th March 2008. This guidance requires that a flexible approach be taken in road layout and design for proposed housing developments and sets core design requirements for the creation of new urban structures that will support Home Zone development as well as establishing design requirements for the layout of and space between buildings. Developers must provide adequate information to the satisfaction of the Council to demonstrate the merits of their design.

Also material to the determination of the application is Planning Advice Note 67: Housing Quality and the Scottish Government policy given in Scottish Planning Policy: June 2014.

Planning Advice Note 67: Housing Quality explains how Designing Places should be applied to new housing. In PAN 67 it is stated that the planning process has an essential role to play in ensuring that: (i) the design of new housing reflects a full understanding of its context - in terms of both its physical location and market conditions, (ii) the design of new housing reinforces local and Scottish identity, and (iii) new housing

is integrated into the movement and settlement patterns of the wider area. The creation of good places requires careful attention to detailed aspects of layout and movement. Developers should think about the qualities and the characteristics of places and not consider sites in isolation. New housing should take account of the wider context and be integrated into its wider neighbourhood. The quality of development can be spoilt by poor attention to detail. The development of a quality place requires careful consideration, not only to setting and layout and its setting, but also to detailed design, including finishes and materials. The development should reflect its setting, reflecting local forms of building and materials. The aim should be to have houses looking different without detracting from any sense of unity and coherence for the development or the wider neighbourhood.

It is stated in Scottish Planning Policy: June 2014 that local development plans should allocate a range of sites for business, taking account of current market demand; location, size, quality and infrastructure requirements; whether sites are serviced or serviceable within five years; the potential for a mix of uses; their accessibility to transport networks by walking, cycling and public transport and their integration with and access to existing transport networks. The allocation of such sites should be informed by relevant economic strategies and business land audits in respect of land use classes 4, 5 and 6. Business land audits should be undertaken regularly by local authorities to inform reviews of development plans, and updated more frequently if relevant. Business land audits should monitor the location, size, planning status, existing use, neighbouring land uses and any significant land use issues (e.g. underused, vacant, derelict) of sites within the existing business land supply. New sites should be identified where existing sites no longer meet current needs and market expectations. Where existing business sites are underused, for example where there has been an increase in vacancy rates, reallocation to enable a wider range of viable business or alternative uses should be considered, taking careful account of the potential impacts on existing businesses on the site.

Paragraph 110 of Scottish Planning Policy states that the planning system should identify a generous supply of land for each housing market area within the plan area to support the achievement of the housing land requirement across all tenures, maintaining at least a 5 year supply of effective housing land at all times.

At its Cabinet meeting of 10 December 2013, the Council agreed that East Lothian has a shortfall in its effective housing land supply and therefore approved its Housing Land Supply: Interim Planning Guidance against which planning applications for housing on land not allocated for housing development will be assessed. The application site is not allocated for residential development. Therefore the approved Interim Planning Guidance is a material consideration in the determination of this planning application.

Two written objections to the application have been received. The content of each is identical.

A copy of each written objection is contained in a shared electronic folder to which all Members of the Council have access.

The main grounds of objection can be summarised as follows;

- \* the proposed detailed design falls short of its potential to respond to its significant landscape setting and to maximise integration with the adjacent development sites;
- \* The permeability of the development with adjacent developments should be improved. Poor urban form and amenity results from the layout of access and parking arrangements for the pub/ restaurant;
- \* The proposed arrangement should be improved, establishing frontage-facing houses; and
- \* The landscape structure for the site is woeful, with paltry single lines of trees, rather than significant shelter belts. The opportunity should be taken to re-introduce shelter belts into the site.

Haddington Area Community Council object to the proposed development advising that another pub/restaurant in the last thing Haddington needs and that more housing is not required given the proposals at Dovecot Farm and Letham. They also state that the location of the proposed play park is too close to the public road.

West Road is an important gateway into Haddington. The houses along the frontage of the proposed development would be set back from West Road and separated from it by landscape planting (substantially so at the east side of the site). That landscape planting would not be as robust as at present along the full frontage of the development. However, the purpose of landscaping and planting is to integrate development with its surroundings, not to hide it from view. For this important gateway the appearance of the development should introduce urban character in an appropriate landscape setting. As proposed the development would ensure the setting of West Road on approach to the town centre retains a visually attractive landscape character, with the proposed houses visible but not appearing prominent or intrusive in their surroundings. The proposals respond appropriately to the character of this location in this respect.

One of the principal objectives of the Council's approved Design Standards for New Housing Areas is to reduce the visual dominance of the car in the streetscape of new housing developments. The applicant has addressed this principle along the main frontage of the development and also along the primary routes through it, by use of parking courts to the rear of houses and in-curtilage parking to the rear or side of houses. Elsewhere the applicant proposes to plant hedges along the front boundaries of the front gardens of the houses in the development. To some degree, this would serve to reduce the visual dominance of the car

in these streetscapes. In this and in the design principles of the street layout the proposals generally respond to the requirements of the Design Standards.

The use of the range of house types proposed would give a variation of architectural form to the development, which coupled with the orientation and layout of the buildings, would give a degree of variety of appearance to the development. The architecture of the proposed houses is of a traditional pitched roof form with clean and simple modern detailing and materials. The use of render as the predominant wall finish would be an acceptable finish and would respect the built form of other housing developments in Haddington.

The proposed housing development would provide an attractive residential environment. The houses are shown to be laid out in such a way that adheres to the normally accepted privacy and amenity criteria on overlooking and overshadowing, whilst affording the future occupants of the houses an appropriate level of privacy and residential amenity.

The site is capable of accommodating all of the proposed development including vehicular and pedestrian access and amenity space without being an overdevelopment of it. The proposed development would be of a pattern and density consistent with existing patterns and densities of housing and other development within this part of Haddington.

The proposed pub/restaurant building would partly be seen in relation to both the approved Sainsburys supermarket and the proposed housing and business development. The proposed pub/restaurant building in such visual association with the approved and proposed development would not appear prominent or intrusive in public views from West Road. It would be appropriate to its location in terms of its positioning, size, form and finishing materials.

In respect of open space and play provision, the Council's Principal Amenity Officer advises that the proposed open space provision shown to be provided is sufficient to provide for the proposed development.

In respect of landscape matters the Council's Policy and Projects service advises that they are generally supportive of the proposed landscaping of the site subject to trees being retained on site being protected during construction works and a detailed landscape plan being submitted for approval; this could be made a condition of a grant of planning permission.

The Council's Biodiversity Officer raises concern over the loss of some of the existing trees but advises that the proposed development would not have any adverse biodiversity impacts and therefore raises no objection to the application.

The Council's Environmental Protection Manager raises no objection to the application.



The Council's Waste Services Manager raises no objection to the application.

The Council's Road Services advises on the need to secure a financial contribution from the applicant to enable the future signalisation of the Letham Mains site access which would be opposite the site access to the housing proposed in this application. Road Services also advise on the need to provide precise detail of the proposed pedestrian links from the site to the adjacent Gateside East site the subject of application 13/00800/PPM and of the barriers to be erected to prevent vehicular access along part of the road which bounds the site to the east as well as lighting for it. Otherwise Roads Services is satisfied that the site can be safely accessed and that sufficient parking would be provided. In their location the proposed houses, industrial units and pub/restaurant would be capable of being conveniently and safely accessed by public transport, on foot and by cycle, as well as by private vehicle. The recommendation for a financial requirement towards signalisation of the access junction relative to development at Letham could be made subject to an agreement under Section 75 of the Town and Country Planning (Scotland) Act 1997. The basis of this is consistent with the tests of a planning agreement set in Planning Circular 3/2012: Planning Obligations and Good Neighbour Agreements.

Transport Scotland advise that they have concern in regard to the development impact on the junction of the A1 trunk road and the A720 trunk road (i.e. the Old Craighall Junction south of Musselburgh, at the western end of East Lothian). In this regard they have sought a contribution from the developer towards mitigation of this perceived impact. Transport Scotland advise that they intend to enter into an agreement with the applicant under Section 48 of the Roads (Scotland) Act to secure a financial contribution.

The Scottish Environment Protection Agency (SEPA) raise no objection to the proposed development.

Scottish Water have made no comment on the application.

Given the scale of the proposed development and its prominent public location, if planning permission were to be granted it would be appropriate for artwork to be incorporated either as an integral part of the overall design of it or as a related commission to be located on the site or in an approved alternative location. This could be achieved by means of a condition on a grant of planning permission, subject to which the proposal would be consistent with the requirements of Policy DP17 of the adopted East Lothian Local Plan 2008.

The Council's Economic Development & Strategic Investment Service advises that in accordance with the Council's affordable housing policy, 25% of the proposed 112 houses should be affordable housing units, i.e. a total of 28 affordable housing units. They should be provided on site or if it can be demonstrated to the Council that this, or the off-site provision of 28 affordable units is not practicable, a commuted sum payment

should be made to the Council in lieu of such an on or off-site provision. The terms for the provision of this affordable housing requirement should be the subject of an agreement under Section 75 of the Town and Country Planning (Scotland) Act 1997. The basis of this is consistent with the tests of a planning agreement set in Planning Circular 3/2012: Planning Obligations and Good Neighbour Agreements. Subject to the Council securing the affordable housing requirement the proposal is consistent with Policy H4 of the adopted East Lothian Local Plan 2008.

Policy INF3 of the adopted East Lothian Local Plan 2008 stipulates that new housing will only be permitted where appropriate provision for infrastructure required as a consequence of the development is made. This includes funding necessary school capacity.

The Council's Deputy Chief Executive (Resources and People Services) informs that the application site is located within the school catchment areas of Haddington Infant School with its nursery class, St Mary's RC Primary School, King's Meadow Primary School and Knox Academy.

He advises that Haddington Infant School does not have sufficient capacity to accommodate children that could arise from the proposed development. He advises that Haddington Infant School has a notional capacity of 325 and is currently within a constrained site. With the children that could arise from the proposed development, the Deputy Chief Executive (Resources and People Services) advises the school will require one additional classroom which cannot be accommodated within the constrained school site and he therefore objects to the application.

As there is not, and would not be sufficient capacity at Haddington Infant School to accommodate children that could arise from the proposed development, it is contrary to Policy INF3 of the adopted East Lothian Local Plan 2008.

Notwithstanding these technical considerations, the primary material consideration in the determination of this application is whether or not the principle of the proposed development accords with development plan policy and if not, whether there are material considerations that outweigh any conflict with the development plan.

The application site is part of the established employment land supply of East Lothian and is covered by Policy BUS1 of the adopted East Local Plan 2008. Policy BUS1 supports in principle uses within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes) (Scotland) Order 1997 and states that development that does not fall within these classes will not normally be permitted, with the exception of retail activity that is directly related and ancillary to a business or industrial process being carried out on the site.

The part of the application site proposed for the business/light industrial units would be used for purposes within Class 4 of the Town and Country Planning (Use Classes)(Scotland) Order 1997. This part of the proposals

is consistent with Policy BUS1 of the adopted East Lothian Local Plan 2008.

Restaurant use falls within Class 3 of the Town and Country Planning (Use Classes) (Scotland) Order 1997. A public house is a sui generis use that does not fall in any Class of the Order.

Residential use falls within Class 9 of the Town and Country Planning (Use Classes) (Scotland) Order 1997.

Policy BUS1 of the adopted East Lothian Local Plan 2008 does not give any support to residential uses or a pub/restaurant use on any part of the application site. The housing and the pub/restaurant elements of the proposed development would be sited on and thus would result in the loss of land within the application site that is part of the established employment land supply and is allocated by the Planning Authority for business and industrial use as part of the Gateside Commerce Park to in part meet the identified need for business land in East Lothian to enable and sustain the economy of East Lothian and of the Lothians. This allocation is safeguarded by Policy BUS1.

The housing and pub/restaurant elements of the proposed development are therefore contrary to Policy BUS1 of the adopted East Lothian Local Plan 2008.

Notwithstanding this, it is necessary to consider whether there are material considerations in this case that outweigh the safeguarding provision of development plan policy.

In a planning statement submitted with the application, the applicant's agent informs that the site contains a number of large footprint industrial buildings totalling around 17,650sqm of space that form part of the Gateside Commerce Park, developed in the 1970s and occupied by Mitsubishi Electric UK for twenty years before closure of the television factory in 1998. The site has been largely vacant since then and the buildings are now unoccupied with the exception of part of one building. The buildings are of an obsolete design with inadequate eaves height for modern occupier requirements and are not viable for continuing employment use. The applicant's agent states that the occupier market in East Lothian and Haddington is for small unit size spaces of modern design. It is also stated that the proposed pub/restaurant facility will provide services for those carrying out shopping trips or as a local facility once the proposed housing is completed and that it would not adversely affect the town centre. The proposed housing would effectively contribute towards the recognised housing land shortage within East Lothian.

The applicant's agent has also submitted an Employment Land and Property Market Review with the application, in which it is stated that the commerce park buildings have proven difficult to let over a fifteen year period, due to their location in Haddington away from major employment locations and their large size, age and condition, and configuration with

low eaves height. Rents at Gateside Commerce Park have tended to be very low, at £20 per sqm or below, equivalent to less than £2 per sq.ft. reflecting the marginal uses and building obsolescence.

The agent further states that the buildings have proven difficult to subdivide and do not sit together well as independent structures for multiple occupation. Units 3, 4 and 5 might be let as they are more physically separate, but it would not be possible to let units 1 and 2 due to their configuration. The buildings cover most of the site which affects the potential to offer access, circulation and parking for individual units.

The agent continues that the buildings are unusually large for the Haddington market area, of poor quality and require extensive upgrading. Their size, condition and increasing obsolescence constrains their market appeal. The only occupational interest is short term and ad hoc, for example for East Lothian Council's roads department. The agent contends that sustainable market demand in East Lothian and Haddington is for small, modern, well-located business units and that the proposed development offers the opportunity to cross-fund serviced sites for new employment and leisure uses, rather than retaining obsolete buildings on a site that are surplus to economic development requirements. It is stated that the proposed uses would meet market demand and offer the potential to create 65 jobs.

It should be noted that the applicant's Employment Land and Property Market Review further informs that a development appraisal of the indicative small unit industrial scheme by the applicant's agent Ryden shows a loss. Therefore it would not be the intention of the applicant, PLOT (Haddington) LLP, to develop these units speculatively at this time.

Thus although the application drawings show the provision of 971 square metres of Class 4 business/light industrial units the applicants state that it is not their intention to develop the proposed industrial units at this time. Therefore there is no guarantee that if planning permission were to be granted for the proposed mixed use development that the Class 4 units would be delivered. In any case it would only be this small retention of 0.26 of a hectare of Class 4 business use that would be left on site following the removal of the existing 17,650sqm of industrial units on the 5.9 hectare established employment site.

The Employment Land and Property Market Review report submitted in support of the application notes 4 employment land allocations totalling 8.6 hectares within Haddington and argues these are sufficient business/industrial land provision for Haddington.

However, the sites referred to are constrained and for the most part cannot deliver viable business/industrial land provision for the following reasons:

Proposal BUS6 – Gateside East – 3.5ha of land for uses within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes) (Scotland)

Order 1997. Planning permission resolved to be granted for a mixed use development of the site of housing and business use (0.96 hectares).

Proposal BUS7 – Hospital Road - 1.5ha of land for uses within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes) (Scotland) Order 1997. This site is owned by the adjacent business for its own potential future expansion.

Policy BUS 7 – Former Oak Tree filling station site – Planning permission granted for a Class 1 retain store and associated works.

Policy BUS8 – Bermaline Maltings – 3.6ha of land for uses within Classes 4, 5 and 6 of the Town and Country Planning (Use Classes) (Scotland) Order 1997. This site is owned by the adjacent business for potential future expansion.

As identified above the sites are constrained and not readily available for economic use with only one site at Gateside East coming forward for new businesses/business relocation on some 0.96 hectares of the site. Therefore it must be considered whether or not these sites can be taken to provide sufficient business/industrial land provision for Haddington.

The Council's Economic Development and Strategic Investments Service has been consulted on the planning application.

The advice of that Service is that economic development is a key priority for East Lothian and is at the forefront of East Lothian Community Planning Partnership's Single Outcome Agreement and East Lothian Council's Council Plan 2012-2017. The East Lothian Economic Development Strategy 2012 to 2022 is a reflection of the priority placed on economic development and acts as a guiding framework for future activities. It sets out clear strategic direction and is the foundation of the vision set out in the Council Plan of increasing the number of businesses in East Lothian with growth potential and to increase the proportion of East Lothian residents working in and contributing to East Lothian's economy by an increase in East Lothian's jobs by an additional 7,500. Over the 10 year period of the East Lothian Economic Development Strategy 2012 to 2022 the average number of new jobs which need to be created in Haddington as a part of achieving the creation of 7,500 new jobs across East Lothian is 70 new jobs annually.

The Economic Development and Strategic Investments Service consider the proposed development as having a clear negative impact in terms of delivery of the East Lothian Economic Development Strategy 2012 to 2022 and the 2 strategic goals of increasing the number of businesses in East Lothian with growth potential and increasing the proportion of East Lothian residents working in and contributing to East Lothian's economy.

The Economic Development and Strategic Investments Service note that the proposed development would lead to a loss of 17,650sqm of business space that in the 1980s employed a substantial workforce. However, the Service acknowledges, as noted in the applicant's

submitted 'Employment Land and Property Market Review', there has been little or no demand for such large industrial space over the last 10 years. However, whilst the units at Gateside Commerce Park were constructed in the mid 1970s (so life span must be a consideration), the demolition of this large employment space would mean that East Lothian would have nothing of this scale to offer any possible future inward investor. There are no other units of this capacity within East Lothian.

The Economic Development and Strategic Investments Service advise that with the proposed development meaning the demolition of the existing industrial buildings on the site this would remove the opportunity for any request for large industrial space in Haddington and the surrounding area to be satisfied. Consequently if those units were demolished there would be nothing of that scale throughout East Lothian to offer potential future businesses, which would set a dangerous precedent and could lead to businesses looking to locate elsewhere.

Moreover even if there is little interest in the uptake of the larger industrial units on the site the Economic Development and Strategic Investments Service expresses the view that there appears to be no reason why they could not be subdivided to cater for smaller businesses wanting to operate from the commerce park.

Additionally, the loss of such an amount of economic space as proposed in this application undermines the potential to achieve the projected 70 new jobs required annually for Haddington as Gateside Commerce Park remains the only viable business/industrial site in Haddington. Therefore the loss of 17,650sqm of class 4, 5 and 6 industrial space to housing and replacement with 971sqm Class 4 use as proposed is not supported.

The provision of the pub/restaurant hospitality outlet, although out of town, is a concern as there would be displacement from similar facilities in Haddington town centre and any new jobs created may be balanced with those lost.

On all of the above considerations the Economic Development and Strategic Investments Service objects to the application and recommend that planning permission for the proposed development be refused.

The proposed development of the application site for Class 9 housing use and Class 3/restaurant, sui generis/pub use is significantly contrary to Policy BUS1 of the adopted East Lothian Local Plan 2008 and with national policy guidance given in Scottish Planning Policy: June 2014.

If approved the proposed development would set an undesirable precedent whereby it would be difficult for the Council, as Planning Authority to refuse to grant planning permission for housing and other non-business and industrial uses on established employment land elsewhere in East Lothian, the cumulative effect of which would be the depletion of the Council's supply of established sites for such business and industrial uses to the detriment of the economy of East Lothian and the greater Lothian economy.

Although not forming a part of the application, the applicant has indicated in response to the above objection, a willingness to examine options including:

- Redesigning the layout of the business units to provide an additional business unit and overall additional 2700sq ft of ground floor space
- Incorporate mezzanine space in the units to give an additional 6045 sq ft space
- Agreement of joint marketing of the land with the Council and undertake construction if there is a viable tenancy proposal
- Agreement of a lease of units with the Council or a transfer of the land
- Binding agreements on the servicing of the land

The Economic Development and Strategic Investments Service has been advised of these options but does not consider them sufficient to remove their objection to the proposals were they to form part of the application.

Another material consideration relates to the need to augment the supply of effective housing land in East Lothian.

Scottish Ministers have approved SESplan subject to supplementary guidance on housing targets for each member local authority. That supplementary guidance is now approved by Ministers with a modification required in terms of calculating the housing land supply.

Policy 7 of SESplan requires planning authorities in the SESplan area to maintain a five years effective housing land supply at all times. It also requires developments to be in keeping with the character of the settlement and local area and requires that any additional infrastructure required as a result of the development is either committed or to be funded by the developer.

East Lothian Council has agreed that East Lothian has a shortfall in its effective housing land supply. In respect of this the Council approved its Housing Land Supply: Interim Planning Guidance against which planning applications for housing on land not allocated for that purpose will be assessed.

The approved Interim Planning Guidance states that the weight the Council affords its terms, and the terms of other Development Plan policies, to individual planning applications will depend on the extent to which the proposed development is able to satisfy the following criteria:

- 1 Effectiveness;
- 2 Scale;
- 3 Timing;
- 4 Development Plan Strategy; and

## 5 Locational Considerations.

In respect of criteria 1; effectiveness, the applicants' agent has confirmed that there are no physical constraints to the development of the site and confirms there is strong developer interest should planning permission be granted, meaning in these respects only it can be considered to be physically and financially capable of achieving early delivery.

In respect of criteria 2; scale, the proposed housing development of 112 residential units would be below the Guidance threshold of 200 units and be of a scale in keeping with the scale and character of Haddington.

In respect of criteria 3; timing, the applicant's agent has confirmed strong developer interest in the site and have indicated that housing completions could be delivered by 2019. There is no evidence to suggest that they would not be able to develop the site within this suggested timescale.

In respect of criteria 4; development plan strategy, it is considered that the proposed housing would not prejudice the delivery of the existing Development Plan strategy as it would not compromise the ability to provide infrastructure to existing housing land allocations that do not yet have planning permission or are committed but have not yet started. Nor is it dependent on the prior provision of infrastructure required by existing housing land allocations that do not yet have planning permission or are committed but have not yet started.

In respect of criteria 5; locational considerations, the application site is within the settlement of Haddington.

As Haddington lies within the East Lothian Strategic Development Area identified in SESplan the proposed development also has to be assessed against the tests as set out in part (i) of criteria 5 as well as those set out in parts (iii), (iv) and (v) of criteria 5.

Given its location, in respect of part (iv) of criteria 5 the proposed development, would be compatible with adjoining or nearby existing uses and in respect of part (v) the application site is well contained within robust, defensible boundaries and would not set a precedent for subsequent future expansion.

In regard to part 5(i)(b) the phasing of the development is such that infrastructure in the form of education provision cannot be provided for it. As recorded above the Council's Deputy Chief Executive (Resources and People Services) advises, there is not, and would not be sufficient capacity at Haddington Infant School to accommodate children that could arise from the proposed development, nor scope to provide that capacity within the school site. Given this, the application site cannot be taken to be immediately effective or capable of being made so within an appropriate timescale. As such the land of the application site is not demonstrably able to deliver early house completions and therefore cannot support the effective housing land supply in the short term.



Therefore on this consideration the housing development of the application site is contrary to the Council's Housing Land Supply: Interim Planning Guidance.

In respect of part (iii) of criteria 5 the approved Interim Planning Guidance states that a proposed development must not use land that is allocated for another specific use unless: there is no reasonable prospect of that use being realised; the desirability of securing housing outweighs the retention of the allocated use, or a housing use on a part of the site would help deliver the allocated use on a significant remainder of the site.

It is noted in the applicant's planning statement that they consider the site has been largely vacant since then and the buildings are now unoccupied with the exception of part of one building, that the buildings are of an obsolete design with inadequate eaves height for modern occupier requirements, are not viable for continuing employment use and that the occupier market in East Lothian and Haddington is for small unit size space of modern design and in this they consider the continuing business industrial use of the site unviable.

However as stated above there is an indicative requirement to annually create 70 new jobs within Haddington. The Economic Development and Strategic Investments Service advises that the loss of 17,650sqm of Class 4, 5 and 6 industrial space to housing and pub/restaurant use and its replacement otherwise with only 970sqm of Class 4 business/industrial units as proposed with this application would be significantly contrary to the aims and objectives of the Council's East Lothian Economic Development Strategy 2012 to 2022 and would prejudice the target of job creation within Haddington.

They further advise there is no evidence to suggest that the existing business and industrial units on the site would not be taken up at some point in the future should a large company wish to open or relocate to Haddington, or that they could be subdivided to cater for smaller businesses and therefore it cannot be taken to mean that there is no reasonable prospect of the existing business and industrial use of the site being realised.

Although housing on the site could in theory make a contribution to the effective housing land supply in East Lothian it would result in the removal of the majority of the only currently existing viable business and industrial site in Haddington which can contribute to the aims and objectives of the Council's East Lothian Economic Development Strategy 2012 to 2022, and housing use on the site would not outweigh that material consideration.

Moreover the proposed development is mostly a housing development with a small part of the site retained for business/light industrial use and for a pub/restaurant and the most significant part given over to the proposed housing use. Therefore the proposed housing use would not help deliver the allocated use on a significant remainder of the site.

Thus on these considerations the housing development of part of the application site is contrary to the Council's Housing Land Supply: Interim Planning Guidance.

In conclusion there are no material considerations that outweigh the primary material considerations that the new build housing development and pub/restaurant proposed in the proposals are significantly contrary to Policy BUS1 and INF3 of the adopted East Lothian Local Plan 2008 and that the new build housing development proposed is contrary to the Council's Housing Land Supply: Interim Planning Guidance on three counts.

#### **4 POLICY IMPLICATIONS**

4.1 None.

#### **5 EQUALITIES IMPACT ASSESSMENT**

5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

#### **6 RESOURCE IMPLICATIONS**

6.1 Financial - None

6.2 Personnel - None

6.3 Other - None

#### **7 BACKGROUND PAPERS**

7.1 Adopted East Lothian Local Plan 2008

7.2 Approved South East Scotland Strategic Development Plan (SESplan) with Supplementary Guidance: Housing Land

7.3 Scottish Planning Policy: June 2014

<b>AUTHOR'S NAME</b>	Iain McFarlane
<b>DESIGNATION</b>	Service Manager, Planning
<b>CONTACT INFO</b>	x7292 imcfarlane@eastlothian.gov.uk
<b>DATE</b>	13/10/2014