

## Argyll and Bute Council

### Kilchoman Distillery Company Ltd.

Supplementary submission to Notice of Request of Review under Section 43 (a) 8 of the Town and Country Planning (Scotland) 1997 and the Town and Country Planning (Schemes for Delegation in Local Review Procedures) (Scotland) Regulations 2008.

Planning reference 10/00263/PP.

It is confirmed that all Business and Industry Allocation on the island was considered as well as a site adjacent to Kilchoman Distillery. The findings were as follows:

- 1) Site adjacent to the existing distillery. Mr Mark French, the owner of Rockside Farm Kilchoman is the owner of all land surrounding the distillery and relationship between the distillery and Mr French is currently strained. There is no prospect of Mr French agreeing to release any land to Kilchoman Distillery Company Ltd. A meeting took place between one of the directors of the distillery and Mr French in the autumn of 2007 regarding this issue but no progress was made. Indeed the distillery has more recently attempted to have the car park area agreement formalised without success.
- 2) Whin Park, Bridgend (BI-AL10/3) As previously stated significant negotiations took place with the Islay Estate Company Ltd. Two possibilities were proposed here. The first was leasing premises which Islay Estate Company Ltd could build for the applicant and on which they were prepared to give a 15 year lease with two 5 yearly rent reviews and rent starting at approximately £50,000.00 per annum. These discussions became untenable when it became clear that they wanted all the rentals for 15 years guaranteed individually by the directors. The estate were intending to obtain a loan for the entire build. This effectively meant that they would be holding personal guarantees for many times the cost of erecting the building regardless of how the company was performing and the state of its balance sheet. This was impossible to agree to. Furthermore, the company would have no security of tenure in the building after the 15 year period. The second proposal was to simply rent a piece of land from Islay Estate Company Ltd at a figure that may have been acceptable. However, instead of a normal ground rent agreement written for say 99 years or longer, Islay Estate Company were only prepared to give a 20 year lease agreement after which the building, put up at the applicant's cost would revert to the estate. This was also clearly untenable.
- 3) Adjacent to existing bonded stores and Islay High School, Bowmore (BI-AL10/1). This site would have been suitable albeit the travel distance would have been significantly greater (12km) than that for original site. However, it is again owned by Islay Estate Company Ltd and it has been confirmed that a similar position would be taken by the estate regarding lease or acquisition to that at Whin Park.
- 4) Port Ellen (BI-AL10/4). This site is immediately behind the existing small industrial site within Port Ellen. This site is not large enough to accommodate the proposed bonded store, it is steeply sloping and is overlooked by several private houses. There would undoubtedly be significant objections from the proprietors of these houses to such a large scale development. The site is also a significant distance from the distillery as discussed in our main report.

- 5) Gleneedale (PDA10/28). This site is immediately behind the shellfish factory and belongs to Laggan Estates. Laggan Estates will not consider releasing this land.
  
- 6) There are also established Business and Industry Zones, mainly associated with the established distilleries on the island, most notably Bruichladdich. The site at Bruichladdich is adjacent to the existing bonded storage complex associated with Bruichladdich distillery and will belong to them. It is unlikely that they would allow the sale of land to allow a competitor to build a bonded warehouse. There are also established Business and Industry Zoned Areas at all the other distilleries but again, they are in the ownership of the distilleries and are unlikely to be co-operative in negotiating terms for release.

In our main submission, we also examined a number of potential sites within settlement zones, but even if acquisition were possible, any application for a bonded store development would have been vigorously opposed by adjacent local residents due to loss of amenities. It should be reiterated that no objections to the original planning application were made, either by local residents or consultees.

Bowman Stewart,

20 January 2012