
Planning for Sustainable Economic Growth in Argyll and Bute

1.0 EXECUTIVE SUMMARY

- 1.1 The National Performance Framework states the Government's purpose is *"...to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth."* This is translated into a series of Outcomes at a local level through the Argyll and Bute Community Plan and Single Outcome Agreement 2013 – 2023.
- 1.3 The National Planning Framework states the Planning system is fundamental to achieving these Outcomes. Along with the Council's Economic Development Action Plan, the Local Development Plan and supporting Action Programme are fundamental documents and statements of policy which will facilitate the achievement of the Outcomes.
- 1.4 The Planning Service has adopted an "open for business" culture and approach. This is fully reflected in the up to date Local Development Plan which:
- identifies a very generous land supply with between 17-31 years housing land at current build rates and 90 hectares of employment land;
 - is actively pursuing development and promotion of a range of Strategic Business Sites; and
 - is promoting regeneration activity thus directly supporting the local building and construction industry.
- 1.5 Our performance is demonstrated in our annual Planning Performance Framework which has been commended by Scottish Government. It shows we:
- have delivered 632 housing consents in 2013-14;
 - have delivered in partnership with the SHIP 231 affordable houses during 2014/15 and should deliver upwards of 270 during 2015/18;
 - approve 97% of planning applications and do so quicker than the national average;
 - are exploring new ways to promote and secure investment such as delivering Masterplans for strategic sites, and adopting a proportionate approach to planning requirements; and
 - are committed to continually improving our Service in consultation with our customers.

- 1.6 The paper illustrates how we are working to achieve these Outcomes and the recommendation is that members note the report.

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2.0 SUMMARY

- 2.1 At a local level through the Argyll and Bute Community Plan and Single Outcome Agreement 2013 – 2023, national strategy is translated in to a range of objectives.
- 2.2 As stated in the National Planning Framework the Planning system is fundamental to achieving these outcomes. Along with the Council's Economic Development Action Plan, the Local Development Plan and supporting Action Programme are fundamental documents and statements of policy which will facilitate the achievement of the outcomes. These documents, aligned as they are to national and local priorities, dictate and guide how the Council plans for, pursues and facilitates sustainable economic growth in Argyll and Bute.
- 2.3 This paper aims to illustrate in summary how we are working to achieve these outcomes through implementing these policy documents and what challenges we are working to overcome.

3.0 RECOMMENDATIONS

- 3.1 Members note the content of this report.

4.0 DETAIL

A NATIONALLY INTEGRATED APPROACH

- 4.1 The National Performance Framework states the Government's purpose is "*...to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.*" This is expressed spatially through the National Planning Framework 3 which highlights that the planning system contributes to all 16 National Outcomes.
- 4.2 Good planning creates opportunities for people to contribute to a growing, adaptable and productive economy. By allocating sites and creating places that are attractive to growing economic sectors, and enabling delivery of necessary infrastructure, planning can help provide the confidence required to secure private sector investment, thus

supporting innovation, creating employment and benefiting related businesses.

4.3 At a local level through the Argyll and Bute Community Plan and Single Outcome Agreement 2013 – 2023, the national strategy is translated in to the following overall objective:

- *Argyll and Bute's economic success is built on a growing population;*

and this is then subsequently supported by the six long term outcomes including:

1. *The economy is diverse and thriving.*
2. *We have infrastructure that supports sustainable growth.*

4.4 As stated in the National Planning Framework the Planning system is fundamental to achieving these outcomes. Along with the Council's Economic Development Action Plan, the Local Development Plan and supporting Action Programme are fundamental documents and statements of policy which will facilitate the achievement of the outcomes. These documents, aligned as they are to national and local priorities, dictate and guide how the Council plans for, pursues and facilitates sustainable economic growth in Argyll and Bute.

4.5 This paper aims to illustrate in summary how we are working to achieve these outcomes through implementing these policy documents and what challenges we are working to overcome.

THE INTEGRATED STRATEGY

4.6 The Planning Service has adopted an "open for business" culture and approach. This is fully reflected in the Local Development Plan which has an overall vision:

- *Argyll and Bute is an economically successful, outward looking and highly adaptable area, which enjoys an outstanding natural and historic environment, where all people, working together, are able to meet their full potential and essential needs, locally as far as practicable, without prejudicing the quality of life in future generations.*

4.7 To deliver this vision the Local Development Plan:

- Identifies a very generous housing land supply which was considered recently by Scottish Government DPEA reporters to be both appropriate and sufficient to ensure that the assessed housing needs and demands within Argyll and Bute can be met.
- Identifies developable allocations for 4,500 housing units contributing to an overall established housing land supply of 8440 housing units

- Delivered in partnership with the SHIP 231 affordable houses during 2014/15 and should deliver upwards of 270 during 2015/18.
- Identifies 90 hectares of new industrial and business land, including significant new releases providing a flexible approach to sustainable economic growth in our fragile areas.
- Identifies and is actively pursuing development and promotion of a range of Strategic Business Sites distributed around Argyll and Bute's coast line which will tie in with a forthcoming Coastal Development Strategy to support Marine and Aquaculture industries.
- Makes land releases within Helensburgh Green Belt for the first time in over 15 years.
- Is actively preserving the Built Heritage and promoting regeneration activity which has a direct effect on the local building and construction industry and a wider stimulating trickle-down effect throughout the economy.
- Takes a proactive and innovative approach to Climate Change and Renewables, particularly through the agreement of the Renewable Energy Action Plan and ALIENERGY (Argyll, Lomond and the Islands Energy Agency) which are facilitating wider community benefits from renewables developments.
- Identifies 183 Potential Development Areas which are adding significant additional development flexibility, and 38 Areas for Action and 12 Strategic Masterplans

4.8 Examples of these and a great many other projects either instigated, supported, promoted or facilitated by the Local Development Plan are included in appendix A.

4.9 It is the key document for development in Argyll and Bute over the next five years, being the main consideration in determining planning applications and will support the Council in unlocking the development potential of the area which is in excess of £1 billion pounds.

WHAT WE ARE ACHIEVING

4.10 In order to demonstrate how we are achieving progress towards the national integrated approach outlined above, the planning service is required to produce an annual report to Scottish Government and the last report for 2013/14 can be found in the members' room. This report covers a broad range of performance measures covering a template devised by Heads of Planning Scotland and allows Scottish Government to compare our performance against other Scottish Authorities. It can also be found at the following link [PPF](#).

4.11 A review of our PPF was carried out by an independent consultant on behalf of the Scottish Government and was then considered by the Planning Minister – now Alex Neil MSP. The review was very positive and is included at Appendix 2. It stated:

- “We are encouraged by your outgoing approach to improving delivery of the planning service and commitment to improving Scottish planning services. It is clear you are committed to improving all areas of your service each year and that you wish to be at the forefront in introducing new working practices. ...your planning service works closely in partnership with business and public stakeholders to deliver economic development.”

4.12 The PPF shows:

- that we approved over 97% of planning applications during 2013/14 which was a small increase on the previous year and above the national average of 94%
- On average our decisions are made more quickly than ever before, and quicker than the national average.
- In 2013-14 we granted planning permission for 632 housing units.
- Demonstrating a proportional approach, we have relaxed affordable housing requirements in certain areas to increase flexibility for the development industry
- Where there are legal agreements to secure essential infrastructure or affordable housing we deliver these much faster than most local authorities concluding them on average in under 36 weeks compared to a national average of 61 weeks.
- In partnership with landowners and developers we are delivering masterplans for strategic development sites. This approach creates early certainty in design and layout and ultimately, creates places that are attractive to growing economic sectors, ensures delivery of necessary infrastructure and provides the confidence required to secure private sector investment, thus supporting innovation, creating employment and benefiting related businesses.
- Customer satisfaction surveys of applicants indicate 92% of respondents are satisfied or very satisfied with the service they receive.

A CHALLENGING CONTEXT

4.13 This positive performance must always be set in the context of the wider development industry and its activity on the ground.

- 4.14 In 2013-14 although we granted consent for 632 houses, only 239 housing units were constructed and completed during the same year. This is a trend that has been replicated for at least five years. Over that period on average only 33% of planning consents granted have been built to completion.
- Currently on average only one in three houses granted planning consent is built to completion.
- 4.15 It has been argued in certain quarters that this is because the planning permissions granted contain conditions which prevent them being implemented.
- 4.16 There is however, no evidence to support that argument. To the contrary, in 2014 we received only 19 requests to vary conditions attached to approved applications and 1 appeal against a condition. Of those only 3 were refused. This is a clear indication the vast majority of conditions are to the satisfaction of the applicants. In addition we use a list of Standard Conditions to give certainty and consistency to developers.
- 4.17 The reality is that in the context of an average annual construction rate of 265 houses over the last five years, there is an allocated land supply for 4500 houses which would be equivalent to 17 years at the current build rate, and an Established Housing land supply (including 2100 outstanding planning consents) for 8440 houses which would be equivalent to 31 years at that build rate. This gives a very significant degree of flexibility in the housing land market, with a great variety of choice in development opportunities.
- At current build rates we have 17-31 years housing land supply.
- 4.18 Despite this flexibility there are other factors which for the time being are likely to restrict any acceleration in the rate of housing construction. There can be no argument that the housing market and the wider development industry has slowed markedly since 2008 and; although there has been an improvement over the last 12 months, this has been quite varied by region and sector and has not been widely felt in rural Scotland or Argyll and Bute. This is reflected in the Clyde Valley City Region Plan which states there “...*has been significant reductions in the volume of house building since...2008 with private sector completions down 60%.*”
- 4.19 The reasons for the slow- down and the very slow recovery are extremely complex and varied but may, in part, be attributed to a combination of the following factors:
- the restricted availability of finance, both for development, and purchase;
 - the cost of finance, high for smaller enterprises even though we have a low base rate, partly hidden in arrangement fees;

- reduced and static land values which may mean many sites that transacted during pre-2008 are still in deficit value, and some sites which are in long term ownership may be held off-market until property prices recover an upward trend;
- there is a national and indeed international financial and housing supply crisis with a significant loss of confidence. This has not yet been repaired throughout the UK (with the exception of London) and is evidenced by continuing government schemes to publicly stimulate the housing market; and
- Stamp Duty is about to be replaced by Land Transaction Tax causing uncertainty and reduced activity in the market.

WHAT MORE CAN WE DO?

- 4.20 Publish a Key Sites Strategic Action Programme which will identify in detail the most important development opportunities within Argyll and Bute, explain the issues in bringing them forward and be used to promote their development.
- 4.21 Set up an internal Task Force to focus on selected Key Sites with a view to identifying and overcoming challenges to their implementation in partnership with other public and private sector organisations. This could include how and if the Council and or other public sector agencies might use innovative ways to facilitate development of stalled development sites (buying land, servicing sites, financing development etc...).
- 4.22 We need to explore the issues at a strategic level in the new Main Issues Report of the next Local Development Plan. These might include: settlement strategy and approach to rural development; delivering employment land; community plans; alternative mechanisms for delivery of affordable housing; strategic growth in Oban and Helensburgh.
- 4.23 Review the Housing Needs and Demands Assessment to ensure its continuing validity and appropriateness.
- 4.24 We can vigorously review our land supply to ensure we are not allocating sites which are unlikely to come forward for development due to intransigence on the part of the landowner in making sites available.
- 4.25 We can continue to develop a proportionate approach to planning requirements such as relaxing affordable housing requirements and developing an incremental scale of road adoption standards
- 4.25 Continue to improve a two way conversation with our customers and the development industry, particularly through:
- Developing our use of social media.
 - Continuing to hold user forums including customers who frequently submit planning applications to identify areas for improvement in our service.

5.0 CONCLUSION

- 5.1 The National Planning Performance Framework and National Planning Strategy set out a strategy and objectives to promote and achieve sustainable economic growth. This is translated to a Local Level through the Argyll and Bute Single Outcome Agreement.
- 5.2 The national strategy recognises the fundamental importance of the planning process in achieving these objectives. Reflecting this the Local Development Plan is strongly aligned with the achievement of these objectives.
- 5.3 It sets out a vision of how we will plan for and achieve sustainable economic growth and maps out in detail how when and where that plan will be delivered.
- 5.4 The Planning Service's performance in achieving these objectives is now nationally monitored through the Planning Performance Framework and compared with other Local Authorities. To date the performance we are achieving and have demonstrated in our PPF is amongst the best performing authorities and is acknowledged as contributing in partnership with business and public stakeholders to delivering economic development.

6.0 IMPLICATIONS

- 6.1 Policy Address issues raised through the next Main Issues Report which will be required to initiate preparation of the 2020 Local Development Plan. Create Key Sites Task Force
- 6.2 Financial Ensure up to date LDP and planning service performance to avoid the newly implemented Penalty Clause which would affect the level of planning fees chargeable.
- 6.3 Legal None as a result of this report
- 6.4 HR None as a result of this report
- 6.5 Equalities None as a result of this report
- 6.6 Risk None as a result of this report
- 6.7 Customer Service None as a result of this report

7.0 APPENDICES

- 7.1 Appendix 1 – Economic Development Projects.
- 7.2 Appendix 2 – Scottish Government Review of Argyll and Bute PPF Report.

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11th March 2015

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Appendix 1 – Economic Development Projects.

Oban, Lorn and the Isles

Saulmore golf course, marina and hotel on site by April
Tom Laith Development full planning awaiting finance;
New hotel north pier – planning in for alteration.
Stafford street Oban public realm phase 1 - on site - £650,000 project;
Public Realm Phase 2 - Scheduled to start in Aug/September 2015 – Circa £2.6 - £3 million project;
North Pier Maritime Visitors Facility – Awaiting approval to tender - £1.6 million project;
Corran Halls Oban refurbishment – 2015;
Oban business park at the airport – planned start September;
Kirk Rd, Dunbeg – start dependent on CPO - £2.7 million scheme;
New Council road depot at Oban airport;
Seaweed factory at Barcaldine – final finance negotiations multi million pound investment;
5 affordable houses on Iona to start in 2015;

Kerrera marina – planning consent granted water constraint;
Dunstaffnage marina scoping expansion for 2015;
Liddell supermarket planning application lodged -2015;
Dunstaffnage phase 2 housing – 25 affordable houses;
New Oban High School Council funded project;
New class 4 offices under construction on business allocation – HIE funded.
Shuna south-west new marine salmon farm - under construction
Next Generation Broadband – H&I – A85 corridor and Seil areas
Giga Plus Argyll Community Broadband Project
Vodafone Rural – Tiree, Seil, Luing, Dunbeg, Connel
SG Mobile Pilot – Coll
Mobile Infrastructure Project – Clachan Seil, Ellenabeich/Balvicar, Bunessan, Cuan
Ferry – IF technical solution can be found
Local Energy Challenge Fund Bid – ACCESS (Mull) and Microgrid Accelerator (Dalavich)

Maki

50 Main Street, Campbeltown - under construction;
Campbeltown cinema – scheduled refurb 2015;
Campbeltown Town Hall refurb – under construction;
Campbeltown Berthing Facility – Under Construction – Estimated completion date May 2015- £1.5 million project;
Campbeltown old quay and fish market nearing completion;
Campbeltown 6 business units - under construction;

Campbeltown grammar school – start date?;
Campbeltown CARS phase 2 – Historic Scotland funding to be announced in March 2015;
Campbeltown former call centre new council offices;
Campbeltown old hospital ward 1 converted to council offices;
MERL expansion value £322k HIE investment;
Machrihanish shared depot with Transport Scotland – in planning;
Machrihanish/Campbeltown SPACEPORT bid round 2 – multi billion pound proposal;
Machrihanish NIRI aquaculture investment – awaiting funding agreement;
Tangy wind farm re-powering – in planning;
Escairt wind farm - in planning;
Cour Windfarm – SSE – construction starting 2015;
RES Freasdail wind farm – due to commence 2015;
RES Blary Hill wind farm - in planning
Minard wind farm under construction;
Carradale grid upgrade under construction - £200 million project;
Tarbert marina expansion 500k coastal communities fund;
Islay private house upgrade on site to create 5 star hotel;
New Distillery being considered for Port Ellen;
Sound of Islay Tidal Array 10 MW awaiting funding approval;
Jura Ardfin Estate golf course and luxury accommodation £50 million project on site;
Jura Craighouse Hotel extension on site;

Bowmore expansion phase 1 nearing completion 20 affordable houses phase 2 funded;
Bruichladdich bonded warehouses - in planning
Inveraray expansion phase 1 under construction 12 affordable houses/flats; phase 2 new coop to commence shortly;
Inveraray CARS buildings refurbishment with a minimum of 2 key buildings on site in 2015;
Kilmory Industrial Estate expansion being scoped with private owner and HIE;
Yot Spot Ardrishaig chandlery under construction;
Clock Lodge refurb with Harbro new shop expected start 2015 - water constraint;
6 affordable houses nearing completion Ardfern;
Lochgilphead - new Argyll and Bute Hospital start on site 2016;
Extension to Srondoire Bay marine fish farm, Loch Fyne -in planning
Kimichael Glassary footpath on site in February £400k project Sustrans funding;
A83 £900k investment by Transport Scotland in 2015 south of Kennacraig;
Next Generation Broadband – H&I – Campbeltown exchange area
Gigha Plus Argyll Community Broadband Project
Vodafone Rural – Ardfern, Ormsary
Mobile Infrastructure Project – Crinan, Clachan, Achnamara, Southend – IF technical solution can be found
Cour Windfarm – SSE – construction starting 2015
Local Energy Challenge Fund Bid – Microgrid Accelerator (Machrihanish)
Inveraray to Crossaig Overhead Power Line Upgrade – planning stage

Helensburgh and Lomond

CHORD Helensburgh Public Realm works entering final phase - £7.2 million budget;
Helensburgh Pierhead development – New leisure swimming pool facility, flood defences and public realm works – Circa £18 million development;
East Clyde Street Council Offices nearing completion;
East King Street 24 flats shortly to start
Dunbritton HA;
Succoth Arrochar 26 houses shortly to start on site – Dunbritton HA;
Helensburgh Golf course 15 to 18 houses shortly to start Dunbritton HA;
Gasometer site proposal for commuter car park funding application to transport Scotland - £400k project;
Sawmill site pre planning for 150 houses and road access to industrial site;
Kirkton Farm site in Cardross pre planning for 150 houses with road improvements;
Hermitage former school site closing date for offers 13 th February 70 house development;
Helensburgh Golf Course dunbritton 15 affordable houses;
Hermitage Park refurb stage 2 application to HLF - £2 million development;
The Tower and submarine Museum Helensburgh Town Centre under construction, 450k project council, MoD and coastal communities fund;
NVA Cardross St Peters Seminary under construction with first phase – multi million pound project;
Maritime Change Project estimated value £1.3 billion project - projects on site, post and pre planning stages;
Helensburgh innovation centre feasibility stage looking at 1 East Princes Street;
Helensburgh Sustrans upgrade on site £500k; Cardross to Dumbarton cycle path upgrade on site;
Shopfront upgrades to 17 shops in Helensburgh on site and in post and pre planning - £140k;
Helensburgh public art on site - £100k;
Helensburgh town centre free WI FI scoping stage;
A 82 upgrade Crianlarich by pass completed; Pulpit Rock under construction; feasibility underway for £18 million pound improvements north of Tarmachan;
A 83 additional £3 million of upgrades announced by Transport Scotland;
Ben More marina, hotel and luxury housing awaiting finance- multi million pound development;
Next Generation Broadband – RoS – most exchange areas
Rollout of 4G by Vodafone & O2

Bute and Cowal

Pavillion refurb and creation of community hub - on site in 2016 - Council, RCGF, Coastal Communities Fund ,HIE and HLF funding secured - Subject to 2.6 million pounds funding - £9.2 million project;
Rothesay THI and CARs nearing completion targets meet – new tesco scheduled to open in 2015 on former guildford square gap site;
Royal Hotel secured structural integrity of building through council investment;
Mount Stuart £8.5 million investment in estate buildings and better tourism offer on site;
Queens Hall Dunoon skills and wellbeing centre out to tender in 2015 (£9.5 million project);

Dunoon pre CARS bid feasibility work - £30k;
Wooden Pier refurbishment start scheduled for 2015 (£2.85 million committed for Phase 1);
Burgh Halls refurb and conversion to community arts centre;
17 affordable houses St. Cuthberts fyne home development;
Dunoon Sustrans upgrade to Esplanade on site – value £500k;
Dunoon Primary school upgrade - £7 million investment;
Dunoon new unit for children in need of care - £ 1 million investment;
Ardynne pre planning scoping for aquaculture business site – multi million pound investment with HIE input;
Sandbank industrial site new advanced offices on site –HIE/ERDF investment £1.9 million;
Cairndow community forest buyout and MERK 1 MW hydro scheme under construction;
Portnavadie latest phase of development £7 million plus spa, energy centre and workers accommodation on site with HIE input;
Cowal Way upgrade 300k coastal communities fund;

**Appendix 2 – Scottish Government Review of Argyll and Bute PPF
Report.**