

PLANNING DEVELOPMENT MANAGEMENT COMMITTEE

ABERDEEN, 18 January 2017. Minute of Meeting of the PLANNING DEVELOPMENT MANAGEMENT COMMITTEE. Present:- Councillor Milne, Convener; Councillor Finlayson, Vice Convener; and Councillors Boulton, Cooney, Corall, Cormie, Hutchison, Jaffrey, Lawrence, Malik, Jean Morrison MBE, Nicoll and Sandy Stuart.

Also in attendance: Councillors Cameron, Copland, Delaney, Jackie Dunbar, Flynn, MacGregor, Reynolds and Townson.

SITE VISIT

1. The Committee conducted a site visit prior to the Hearing. The Committee was addressed by Mr Matthew Easton, Senior Planner, who summarised the proposal for the overall site.

The Convener explained that the Committee would return to the Town House to commence the Hearing.

PRIME FOUR BUSINESS PARK KINGSWELLS - 161429

2. The Committee heard from the Convener who opened up the Hearing by welcoming those present. He explained that the first person to address the Hearing would be Mr Matthew Easton.

The Committee heard from **Matthew Easton, Senior Planner, Aberdeen City Council** who addressed the Committee in the following terms:-

Mr Easton explained that the site comprised 13 hectares of largely agricultural land located to the south west of the existing Prime Four Business Park, at Kingswells. At the east end of the site was the Ardene House Vets Practice, beyond which was Kingswells House and Prime Four Business Park itself. The southern boundary featured the Five Mile Garage and Caravan Park and vacant cottages and post office, all accessed from the A944.

The AWPR South Kingswells Junction was currently under construction around 100m to the west of the site and when finished would join the A944 at that point. The land beyond the northern boundary was also agricultural, featuring pockets of woodland.

Mr Easton advised that the site was zoned as business land in the Local Development Plan as part of the wider allocation for Prime Four Business Park.

In regards to the proposals, Mr Easton explained that the application sought planning permission in principle for a retail led mixed use development with a gross floor space of up to 30,000sqm. This was proposed to comprise 26,000sqm of floor space for

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comparison retailing and 3,700sqm for convenience retailing. There would be further space for food and drink uses and other ancillary uses such as offices, along with all associated landscaping, infrastructure and access works. A new junction was proposed to provide access from the A944. Mr Easton intimated that at this stage no detailed layouts or designs had been submitted for consideration.

In regards to the relevant Planning Policies, Mr Easton explained that there was the potential for the development to have an impact on the city centre and therefore many of the relevant policies related to the role of the city centre as the focus of retail and leisure activity within the region. Mr Easton also highlighted that The Scottish Government's National Planning Framework stated that within the north east, Aberdeen city centre would be a focus for regeneration efforts and the Policy stated that it was important that planning supported the role of town and city centres to thrive and meet the needs of their residents, businesses and visitors. The town centre first principle (which included city centres) promoted an approach to wider decision-making that considered the health and vibrancy of town centres. The Policy also stated that planning permission should not be granted for significant travel-generating uses at locations which would increase reliance on the car and also where:

1. direct links to local facilities via walking and cycling networks were not available or could not be made available;
2. access to local facilities via public transport networks would involve walking more than 400m; or
3. the transport assessment did not identify satisfactory ways of meeting sustainable transport requirements.

In regards to the Aberdeen City and Shire Strategic Development (SDP) Plan, Mr Easton advised that the SDP set out a series of key objectives for the growth of Aberdeen City and Aberdeenshire, and the plan recognised the importance of the city centre as an asset, and highlighted that its regeneration was vital for the economic future of the area.

In relation to the Aberdeen Local Development Plan (LDP), Mr Easton explained that the following policies were relevant:-

- C1 – City Centre Development – Regional Centre
- D3 – Sustainable and Active Travel
- RT1 – Sequential Approach & Retail Impact
- RT2 – Out of Centre Proposals
- T2 – Managing the Transport Impact of Development

Mr Easton highlighted that several other policies would apply in considering more detailed aspects of the development such as policies on landscape, developer obligations, pipeline safety zones, green space network, trees and woodland, flooding and drainage and natural heritage.

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In relation to the Proposed Aberdeen Local Development Plan, Mr Easton advised that it was anticipated that it would be adopted on 30 January 2017, and therefore would be in place when the application would be determined. The site was zoned for specialist employment use, reflecting the high quality nature of the existing Prime Four Business Park and the desire to see its success continue. Mr Easton intimated that as part of the preparation of the Proposed Plan, the applicant submitted a bid to have the application site zoned for a mix of employment, retail and leisure uses. In considering the proposal the Council discounted the option as it was considered that there was no quantitative retail deficiency in the area and that any new retailing that was required in future should be directed towards new communities such as Countesswells. It was also found that a retail development in this location had the potential to have a wide catchment given its prominence and location next to the new AWPR junction. Therefore the bid was not taken forward into the proposed plan.

In regards to retail, Mr Easton explained that the Aberdeen City and Aberdeenshire Retail Study (ACARS) was commissioned in 2013 and it showed there was potential for developing an additional 30,000-35,000sqm of retail floor space in the city centre by 2022. This potential was driven by a combination of expenditure growth per capita and large population increases within the catchment area served by the city. Additional floor space would also help to prevent expenditure leakage and maintain the city centre as the primary retail area in the North East. Mr Easton also noted that the City Centre Masterplan was approved by Full Council in June 2015, and there were several projects which were expected to focus on increased retail activity.

In relation to consultees, Mr Easton advised that Aberdeenshire Council objected to the proposed application, and Aberdeen City and Shire SDPA considered the application to be contrary to the Strategic Development Plan as it would result in the loss of important employment land and have a negative impact on the City Centre. Kingswells Community Council were in general agreement that retail would be a suitable use on the development site, however, they did consider that it was unlikely that a development of that scale would fit in the site. There were also twelve letters of objection to the proposed application., which in summary felt that there was a failure to comply with national, regional and local policy in relation to out-of-town retailing, and highlighted that the principle of retail had already been rejected by the Council through the local plan process.

Members then asked questions of Mr Easton and the following information was noted:

- officers had given the applicant the opportunity to respond to the retail study that had been undertaken;
- in regards to the Proposed Local Development Plan and the use of the land as a retail and leisure development, this had been discounted by the Local Development team.

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The Convener then invited **Mr Gregor Whyte, Engineering Officer**, to address the Committee.

Mr Whyte advised that the site was accessed from the A944 and was 300m away from the Aberdeen Western Peripheral Route (AWPR). There had been a transport assessment carried out however as this was a planning permission in principle, the full details had not been assessed. The details were fairly broad at this stage. Mr Whyte advised there would need to be access for people walking and cycling to the site and the nearest bus stop was 400m away. This could mean that the site would be car orientated. In summary Mr Whyte explained that further information was required in order to make an informed decision and that modelling was ongoing.

Members then asked questions of Mr Whyte and the following information was noted:-

- there was an existing bus service to the park and ride facility and to Westhill and there was a bus shelter at the north part of the Prime Four development;
- the Council could not enforce bus companies to provide a bus service;
- a planning condition could be added in regards to sustainable access;
- there may be an increase to the amount of traffic on the A944, after completion of the AWPR.

The Convener then invited the applicant, **Drum Property Group**, to address the Committee. The speakers on behalf of the applicant were as follows:-

Graeme Bone, Group Managing Director, Drum Property Group
Paul Doherty, Development Director, Drum Property Group
Fife Hyland, Communications Director, Drum Property Group
Alex Mitchell, Zander Planning
Graeme Laing, Director, Lambert Smith Hampton
Steve Crawford, Regional Director of Planning, Halliday Fraser Munro
Ross McDonald, Technical Director, Fairhurst
Drew Waddell, DWR Property

The Committee heard from Mr Graeme Bone, Group Managing Director for Drum Property Group, who provided a Power Point presentation to members to outline the application proposal. Mr Bone advised that Drum Property Group were an award-winning development and investment company, and had a long track record of growth across the UK. They specialised in the creation of large development schemes, redevelopment and construction of buildings, and they had invested £375m in Aberdeen in the last year. Mr Bone explained that Prime Four aimed to fill the office space deficiency in the city and major oil gas companies were based there. In regards to the Prime West site, Drum had been approached by major retailers who envisaged the benefits of the completion of the AWPR and as a result they decided to pursue the

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application for retail use, after originally not progressing it through the Local Development Plan due to lack of interest.

Mr Bone outlined that this application would not be a deterrent to the city centre and it could work along with the city centre. Retailers were keen to remain in the city centre but also wanted to expand and open a second unit at the proposed retail park. Mr Bone provided details on the successful retail parks in Edinburgh, which had worked well following the completion of the Edinburgh bypass, and highlighted the huge untapped expenditure in Aberdeen. He also noted that the current Masterplan showed minimal additional retail floor space potential and he felt that as a result there would be more retail leakage, overtrading and a rise in internet shopping, which meant no job creation or economic development.

In regards to the retail impact assessment, Mr Bone advised that this was a work in progress and would be completed by the time the application was due to be determined, however he provided the following details:-

- City and Shire catchment generates retail expenditure – c £2,577m
- Proposed Prime Four development projected turnover – c £113m
- Current leakage from Aberdeen to outside the region - £110m
- Total expenditure in City & Shire catchment will increase by c £440m (2017-22)
- Total expenditure in Prime Four catchment will increase by c£340m
- Low impact on Aberdeen city centre
- 2013 ACARS report identified enormous potential for additional retail floorspace in Aberdeen.

The Committee then saw a video of the proposed site and how it might look.

Mr Bone explained that nine sites had been examined to establish whether the proposals could be accommodated in the city and none were suitable, due to either being too small, the presence of a listed building, difficulties of land assembly and flooding. In relation to the existing retail parks, Mr Bone highlighted that the ACARS report concluded that the Berryden retail park was a constrained site which would limit the increases in retail floorspace, and the Beach Boulevard had a lack of land within the park for future growth.

Mr Bone also advised that a survey carried out by Aberdeen Grampian Chamber of Commerce concluded that from 963 completed interviews, 87% of responders were likely to use the new development and 67% were in favour of the development. He also intimated that 500 new jobs would be created should the development go ahead and retailers were proposing to open a new unit in the proposed development as well as keeping their existing shops in the city centre.

In conclusion Mr Bone explained that the masterplan was fantastic and noted that the impact to the city centre this new development would have would be negligible.

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Members then asked a number of questions of Mr Bone et al, and the following information was noted:-

- In regards to the anticipated £110m leakage, this figure was taken from the 2013 Aberdeen City and shire retail study;
- There was no guarantee that every retailer that would be in the proposed development would also have a retail unit within the city centre;
- In regards to the open space maintenance, within the deed of conditions to which the potential retailers would sign up, there would be a legal obligation that they contribute towards the maintenance in order to keep high standards;
- In relation to the new Local Development Plan, the applicant did not originally act on developing the site due to lack of interest, however after being contacted by various retailers they decided to pursue the development, as retailers saw the completion of the AWPR and the close proximity to the AWPR as a key driver for the development and a positive position next to an established site at Prime Four;
- There was potential for a number of different transport modes and the development sought to accommodate all forms of transport including walking and cycling;
- The retail assessment took into consideration the reduction in physical shoppers due to online shopping and it was noted to be 13%;
- There would not be a charge for the use of the car park, however there would be a traffic patroller to ensure high standards were kept;
- The applicant would look at speaking to the relevant bus companies about bringing the buses into the development to help with customer safety;
- Potential retailers were ready and willing to commit to long term leases for within the proposed development;
- Members requested that statistical information be made available when the application was submitted, to ensure that no detrimental impact would be felt in the city centre;
- Members requested that the applicant also look at the effect out of town developments had on Town Centres as well as City Centres;
- It was agreed that the clerk would circulate to Members a copy of the applicant's Power Point presentation.

The Committee then welcomed **Mr Adrian Watson, Chief Executive of Aberdeen Inspired**, who were against the development, and addressed the Committee in the following terms:-

Mr Watson explained that Aberdeen Inspired were the Business Improvement District for Aberdeen City Centre, and represented nearly 700 levy payers. Mr Watson highlighted that they submitted a detailed letter of objection to the planning application and this was because the proposals were contrary to Aberdeen Inspired's mission and objectives, as well as being contrary to national, regional and local planning policy and to the vision and objectives of the City Centre Masterplan and Delivery Programme. As

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such, Mr Watson believed that the development would undermine the vitality and viability of the City Centre.

Mr Watson outlined that Scottish Government planning policies were very clearly focussed on a town centre first principle to all new development which would attract significant numbers of people. Also the Council's own planning policy framework was consistent with the Scottish Government policy, and reinforced the importance of the city centre in the Strategic Development Plan, Local Development Plan and through the formal adoption of the City Centre Masterplan and Delivery Programme as supplementary guidance to the development plan. Approval of the application would be contrary to the above principles and development plan policies adopted by the Council, including the adoption of the new Aberdeen Local Development Plan at the end of this month.

Mr Watson went on to explain that the proposed development was also contrary to the Council's adopted policy on business and industrial land which sought to protect such land from use for purposes other than those aimed primarily at meeting the needs of business and employees within business and industrial areas. Mr Watson intimated that the current economic downturn in the North East meant that it was even more important to protect the city centre, prioritising investment there in line with planning policy, rather than allowing investment which would detract from it.

Mr Watson also advised that they would request that a net economic benefit assessment be carried out in accordance with Scottish Government guidance and reviewed by the Council to demonstrate the contribution of the development proposals to the economy and properly assess potential impacts over and above those highlighted in the retail impact assessment.

In conclusion, Mr Watson highlighted that there was no justification for departing from the Local Development Plan, and the approval of this application would seriously undermine the aspirations of the Council and the levy payers for the regeneration of the city centre and the considerable investment that they had made to achieve their own vision and that of the masterplan. For the above reasons, Mr Watson asked that the application be refused.

Members then asked a number of questions of Mr Adrian Watson, and the following information was noted:-

- Mr Watson advised that from the levy payers he was representing, the majority of them felt that this development was a huge concern and would be detrimental to the city centre.
- Mr Watson indicated that the current vacancy rate for Union Street was 13% and rising, which was above the national average, and for the city centre as a whole, was around 9.5% and rising which was around or just above the national average.

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The Committee then heard from **Alastair Wood, representing Union Square Developments**, who were against the development and addressed the Committee in the following terms:-

Mr Wood advised (a) that in respect of the proposed out-of-town retail development at Prime 4, the adopted and emerging planning policy was explicit in stating that proposals for town centre uses, such as that proposed at Prime Four, should be refused where they did not satisfy all the policy criteria requirements relating to the sequential approach to site selection, retail impact, quantitative and qualitative deficiencies, accessibility and travel patterns including any knock on effects on air quality; and (b) that Savills had submitted detailed representations on these issues which he recommended be reviewed in the further consideration of the application.

Mr Wood indicated that in terms of the 'Sequential Approach', the proposals were significant in scale with a corresponding citywide reach. They were in locational terms, wholly divorced from the identified hierarchy of centres defined within adopted and emerging planning policy, whilst also detracting from the fundamental SDP, LDP and City Centre Masterplan aspirations to maintain and expand on the current City Centre offer, as was required to help enhance Aberdeen as a destination, maintain its place as a top 20 UK retail centre and prevent trade leaking in such large amounts to lower order centres.

Mr Wood explained that the sequential approach was established throughout the planning policy hierarchy, with local level policy and Supplementary Guidance. All 'sequentially preferable' options must have been assessed and discounted as unsuitable or unavailable. They also required applicants to demonstrate that proposals could not reasonably be altered or reduced in scale to allow them to be accommodated at a sequentially preferable location.

Mr Wood intimated that it was their strong view that the applicant had failed to demonstrate compliance with the sequential approach. Firstly, the sequential assessment submitted did not consider sites in all necessary categories, for example existing neighbourhood and district centres and the edge of these locations. Secondly, City Centre sites and locations at the edge of the City Centre were assessed without demonstrating the required degree of flexibility when applying the sequential approach. As such, the supporting case incorrectly concluded that there were no suitable sequentially preferable sites or opportunities available.

Mr Wood advised that this translated to the proposal being technically flawed by applying the lack of flexibility required by policy, a failure to consider the scope of reducing or disaggregating the proposals. He added that clearly, when a scheme of this scale was predominantly a speculative, comparison goods proposal, there was great scope to sub-divide and/or reduce the scale of the proposal.

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Mr Wood explained that dismissing alternative locations on the basis of a grossly oversized, unjustified quantum of retail floorspace was wrong. While there was insufficient clarification on the form and characteristics of the proposed development within the submitted planning application (i.e. no indicative layout plan), it was almost certain that the current market would dictate a conventional out of centre retail park, potentially with detached convenience provision. He stated that once the necessary flexibility was applied i.e. the floorspace was subdivided, it became clear that the proposals could be accommodated across a number of different, sequentially preferable locations across Aberdeen City Centre. Indeed, given the applicant had not yet identified the format of its proposals, Mr Wood stated that it was impossible to properly consider how they could be accommodated elsewhere.

Mr Wood indicated that the LSH report conclusion that “what separates Prime Four from other opportunities is the issue of effectiveness and deliverability” was plainly untrue. Indeed, he added that the applicant’s supporting case accepted that other City Centre locations had the ability to accommodate additional retail floorspace. He highlighted that it was critical for the Council to also appreciate that Planning permission would be granted for Class 1 retail units, not for individual retailers, and the fact that other City Centre sites could accommodate the retailers informally mentioned or courted, meant it was untrue to assert that the proposals were “fundamentally different in their form and nature to what is being proposed at Union Square”.

Mr Wood advised (1) that the applicant’s case stated that the proposed extensive floorspace “would be occupied by a range of comparison goods retailers, with a likely focus on clothing and fashion retailers”; (2) that clearly, that type of retailing could be accommodated in a range of unit sizes which could be dissipated across the City Centre; (3) that as such, there was clear conflict with the delivery of sites identified – and being actively progressed, for retailing within the City Centre; (4) that the Council must weigh very carefully all the implications of disregarding its policy provision and associated City Centre investment in favour of creating a new retail location in a wholly unsustainable location on account of the apparent ‘carrot’ of a fourth Boots or fourth Next store within the City, each having three stores elsewhere within Aberdeen; (5) that there was therefore a good supply of quality new retail floorspace in Aberdeen City Centre, which would combine to significantly improve the quantitative and qualitative retail offer; (6) that granting significant, unrestricted floorspace in an unsustainable location at Prime 4 or elsewhere would not only undermine the progress of these sites, but also undermine the delivery of the LDP and wider City Centre Masterplan provisions; and (7) that in respect of the work undertaken for the Council to provide an independent assessment of retail impact and retail deficiencies, it was unsurprising, given the factors at play in retailing in Aberdeen, that these were in line with their own findings.

Mr Wood indicated that the proposal would therefore have a significant adverse impact on the vitality and viability of Aberdeen City Centre. On Highways and access, he added that it should be noted that the proposals were detached from the urban form of both Aberdeen and Kingswells. In transportation terms, the site was inaccessible;

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unreachable by rail and reliant on the private car and infrequent and distant bus services - the site was currently between 750 and 1,000 metres from a bus stop without any proposals to improve that provision.

Mr Wood advised that their review of the submitted Transport Assessment, drawing also on commentary by Transport Scotland, concluded that the operational assessment carried out was fundamentally flawed with trip generation and base traffic flows underestimated which would be likely, if corrected, to require a redesign of the AWPR junction to increase its capacity here. Therefore, the conclusions drawn from this assessment as currently presented could not be justified.

Finally, Mr Wood suggested that given the aforementioned reasons, the Council must reflect on whether they really did envisage the future of Aberdeen City Centre as that set out in the approved City Centre Masterplan or if it was something entirely different as would be the case if the proposals at Prime 4 went ahead.

Members then asked questions of Mr Wood, and the following information was noted:-

- that the Retail Capacity Assessment produced by Hargest Planning Ltd, commissioned by Aberdeen City Council would be circulated to members;
- that there were a number of vacant units on Union Street; and
- that a junction of the AWPR may need to be improved if there was an increase in vehicle trips.

The Committee then heard from **Joanne Wilkes and Chris Miller, representing Aberdeen Shopping Centre Ltd (Bon Accord Centre and St Nicholas Centre)** who were against the development and addressed the Committee in the following terms:-

Joanne Wilkes advised that as well as the above, she was also representing properties in George Street, St Andrews Street, Loch Street, Schoolhill and Upperkirkgate.

Ms Wilkie indicated that they acquired those holdings, three years ago, and since that time they had already invested considerable funds in:-

- acquiring additional property on George Street;
- seeking planning consent for a major cinema and restaurant hub within Bon Accord – which they hoped to start later this year;
- completed a major review and refresh of the Bon Accord brand which was now being rolled out;
- spent over £2 million so far on the refurbishment of the centre's car parks;
- actively participated in the Aberdeen City Centre Masterplan review; and
- produced proposals for the regeneration of George Street, Crooked Lane and enhanced public realm on Upperkirkgate and Schoolhill, which had been the subject of two rounds of pre-application public consultation with a view to submitting an application for a Planning Permission in Principle this Spring

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Ms Wilkie explained that she recognised the role and responsibility of Bon Accord in helping the City thrive, however, none of this came without challenges, such as the impact of the fall in oil prices and the impact that this has had on spending and confidence; and the change being seen in consumer habits either through shopping on-line, as opposed to in-store, or not buying so much “stuff” in the first place because of a growing preference to spend money on experiences such as eating out and other leisure pursuits.

Ms Wilkie advised that the Press over the last two weeks reported, whilst UK spending in the crucial Christmas period was up, the physical number of shopping trips and people shopping was down and indeed consumer spending in physical shops was also down. Furthermore, these were not one-off trends but trends that had been around for some time and trends that were also being seen in Aberdeen.

Ms Wilkie advised that they were already responding to this and were seeing an increase of restaurants and other leisure facilities in such locations and there was recognition, that through enhanced public realm and facilities that these places could be nicer places to visit and enjoy.

She explained that retail was a challenging business though and with an eye on their bottom line, retailers only needed so many physical shops. The proposal at Prime Four was to provide what was already being provided in the City Centre but out of town. If consent was granted to this proposal, with over 30 years of experience in the retail property market, there was no doubt in her mind that some shops and possibly some major stores would close because Aberdeen did not need all of these additional shops.

Ms Wilkie indicated that it was worth remembering that a number of retailers had dual representation in the city – Next had three sites (Berryden, Bon Accord, Union Square). She advised that she was not saying that, if consent was granted, the City would become a ghost town, like the P&J headline last week, far from it, but it would have even more challenges than it had already and it would affect investor and retailer confidence and may prevent some City Centre development and regeneration proposals, which tended to be much more expensive to deliver than on greenfield sites, from going ahead. A number of those proposals were in the City Centre Masterplan.

Ms Wilkie advised that given some of the comments made that Aberdeen needed, or deserved, an out of centre shopping development like other major cities, she would suggest that Union Square, which broke new ground, albeit brownfield ground, when it was built, was just that sort of development. She intimated that they were making good progress with their proposals for the regeneration of George Street.

Ms Wilkie concluded by requesting that the Committee safeguard that future and reject the Prime Four proposals.

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Chris Miller advised that they worked within a plan led planning system that has been designed to provide clarity and certainty in decision making for both communities and investors alike.

Mr Miller indicated that Scottish Planning Policy adopted a 'town centre first' approach when planning for proposals such as those before the Committee today. This approach to development was at the very forefront of current national planning policy, reaffirmed by Kevin Stewart MSP, the current planning minister; and was enshrined within national, regional and local planning policies. In planning policy terms, the application site was not located within or anywhere near a town or city centre or even allocated for retail development, in fact the application site was identified as a strategic business employment site.

Mr Miller intimated that the principle of retail development at this location was therefore wholly contrary to the provisions of the prevailing development plan. Whilst the emerging development plan had identified capacity for additional retail floorspace within Aberdeen, the plan asserted that retail deficiency should be met through a number of allocated sites. He advised that two of the largest were at the Bon Accord Centre and Union Square, both within Aberdeen city centre.

Mr Miller advised that the scale of development proposed by the applicants was wholly inappropriate and they had not sufficiently demonstrated how the proposals would address a quantitative or qualitative deficiency that could not otherwise be met within the city centre. Furthermore, he explained that the applicants' sequential approach wrongfully discounted sequentially preferably sites; and failed to demonstrate flexibility and therefore did not accord with the approach set out within Scottish Planning Policy.

Mr Miller indicated that much of their assessment of the applicants' proposals had also since been backed up by independent planning consultants Hargest Planning Ltd, who, following instruction from Aberdeen City Council, published a report earlier this month reviewing the applicant's retail assessment. It was essential that Aberdeen City Council continued to support the principles of the development plan and maintain investor confidence for the delivery of investment in Aberdeen city centre.

Mr Miller advised that whilst it might be easier for a developer to deliver a new retail development on a greenfield site such as at Prime Four Business Park; the more challenging development proposals, such as those within the city centre, required a greater level of confidence in the certainty of development plan policy in order to deliver them. In this regard, the emerging development proposals by BMO Real Estate Partners to extend the allocated Bon Accord centre would significantly contribute towards meeting a number of key policy objectives within the context of the local development plan. In particular, these related to providing significant new retail floorspace in the city centre to meet the identified shortfall; improving a key city centre site; and safeguarding the primacy of the city centre as the regional focus for retail and town centre uses.

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Mr Miller explained that maintaining and enhancing the primacy of the city centre was of the utmost importance to BMO Real Estate Partners as well as other city centre operators and investors. This policy context was material to their decision to originally invest in Aberdeen city centre.

Mr Miller advised that the provision of substantial comparison retail floorspace with a focus on clothing and fashion retailers and a significant food and beverage offer out at Prime Four Business Park would deliver a significant quantitative and qualitative retail offer in the west of the city that would overlap with the offer of the city centre.

Mr Miller indicated that there could be no weight attached to the applicant's statement that the requirements of retailers seeking dual representation in the city somehow justified setting aside the 'town centre first' policy principle in SPP and related requirement to address the sequential test. The retail proposals were essentially speculative and the terms of the application did not include any form of commitment by any of the retailers seeking dual representation to maintain a presence within the city centre. The proposals would directly compete with other active proposals within Aberdeen city centre and approval would seriously harm city centre investor confidence and therefore posed a serious threat to its role and primacy in the network of centres. This alone provided a basis for refusal of the application.

Mr Miller advised that the proposals would also adversely impact upon Aberdeen City Council objectives for enhancing the vitality and retail attractiveness of the city centre and the wider delivery of aspirations of the City Centre Masterplan; particularly as there were specific development plan policies in place to support these objectives preventing out-of-centre development proposals on unallocated sites and promoting further retail and town centre based uses within the city centre.

Finally, Mr Miller intimated that they also had fundamental concerns relating to the sustainability of the proposals, particularly with regards to site accessibility by any mode of transport other than the private car, putting the application further at odds with planning policy and advised that these speculative development proposals be refused.

Members then asked questions of Ms Wilkes and Mr Miller, who confirmed that there was still capacity within the city centre to accommodate retail units if required.

The Committee then heard from **Heather Gallacher, Ellandi LLP, representing the Trinity Centre** who were against the development and addressed the Committee in the following terms:-

Ms Gallacher advised (a) that as a major investor in Aberdeen City Centre, Ellandi was committed to ensuring that new development occurred in the right location and at the right time to help sustain and improve the City Centre (b) that as part of this commitment, Ellandi fully supports the policies and strategies contained within the soon to be adopted Local Development Plan which sought to strengthen Aberdeen City Centre's role as a strategically important location for retail and town centre uses; (c)

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that the proposal by Drum Property Group Ltd was of significant concern to Ellandi and its investors and their full review of the Applicant's retail assessment was summarised in their objection; (d) that they fully concurred with the findings of the Hargest report which confirmed categorically that the information submitted with the planning application failed to satisfy the requirements of the development plan and relevant material considerations in terms of addressing retail deficiencies, assessing potential retail impact and the application of the sequential approach; and (e) that it was their strong view that the Applicant's retail assessment was not fit for purpose due to deficiencies in the methodology used, assumptions taken and conclusions drawn, it did not demonstrate that the application proposal complied with the soon to be adopted Local Development Plan which placed significant emphasis on protecting Aberdeen City Centre's role as the region's main shopping destination and as the preferred location for significant footfall generating uses.

Ms Gallacher indicated that the proposal would act as a deterrent to those who currently visited the City Centre to undertake their comparison goods shopping, particularly those who currently visited the City Centre from the west. It would also undermine investment in the City Centre and had the potential to lead to large voids and vacancies as retailers currently in the City Centre were enticed by attractive rent packages and the provision of ample free car parking for customers and staff. In the same vein, it would undermine attempts to attract new retailers to the City Centre, with new retailers instead choosing instead to locate at the proposal site.

Ms Gallacher intimated that the applicant's approach to sequential assessment did not adhere to the process set by Scottish Planning Policy and local policy due to a misinterpretation of case law; as a consequence, the sequential assessment undertaken was insufficient to demonstrate that all city centre options had been assessed and discounted as unsuitable or unavailable.

Ms Gallacher advised that the scale of the development proposed was inappropriate, the applicant had not applied any flexibility to the proposal to demonstrate it could not reasonably be altered or reduced in scale to allow it to be accommodated at a sequentially preferable location; the proposal was presented as a means to address qualitative and quantitative deficiencies within the city region and this would be at the expense of City Centre sites that had been identified in the LDP to address identified capacity for additional retail floorspace.

Ms Gallacher explained that the Hargest report clearly illustrated the applicant's quantitative economic trade draw analysis utilised assumptions which served to underplay the impacts of the proposed development. This included underestimating the trade draw from Aberdeen City Centre, overestimating capacity within the City Region and errors throughout the assessment which combined to underestimate the impact on the City Centre. The assumptions were at odds with normal practice and unjustified.

Ms Gallacher indicated that the assessment also had no regard to the associated qualitative impacts which should be taken into consideration as part of any assessment

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of retail impact. These included impact on investor confidence, retailer sentiment in the City Centre and the assessment of impact having regard to the relative health of Aberdeen City Centre. The assessment was not therefore fit for purpose and the Applicant had failed to demonstrate that the proposal would not lead to a significant adverse impact on the vitality and viability of Aberdeen City Centre.

Ms Gallacher advised (1) that Aberdeen operated a Plan-led system which was the starting point for decision making unless material considerations indicate otherwise; (2) that their assessment of the proposed development was that the purported benefits associated with it were by no means sufficient to outweigh its clear non-compliance with the very soon to be adopted and up to date LDP; (3) that it also failed to address the overarching objectives of national policy in regard to town centres and retailing which was to apply a town centres first policy when planning for retail uses; (4) that in this case, the scale of the proposed development was not envisaged in the soon to be adopted Local Development Plan 2016; (5) that the LDP set out a clear and comprehensive strategy for the delivery of additional retail floorspace, informed by a comprehensive masterplanning exercise and the Aberdeen Retail Study and all of which was to be within the City Centre; (6) that the approval of the application would undermine the soon to be adopted plan rendering its retail and town centre policies out of date from day one.

Ms Gallacher indicated that there was a clear and demonstrable willingness on the part of City Centre investors (including Hammerson and BMO) to deliver this additional retail floorspace in accordance with the LDP. She added that while there might well be an appetite from retailers to have additional facilities outwith the City Centre, this was not a material consideration as quite clearly retail planning policy at all levels directed these retailers to town centre locations first and foremost.

In conclusion, Ms Gallacher intimated that she felt that both herself and the Council's independent advisors found that the application failed to demonstrate that the scheme was compliant with national, sub-regional and local policy objectives which sought to maintain and strengthen the vitality and viability of Aberdeen City Centre and to strengthen its position at the top of the retail hierarchy. This large-scale development would have long lasting and damaging effects on the City's ability to attract new investment and its overall health. For all these reasons and as per their representation, she maintained the objection to the proposed development and respectfully requested that it be refused.

Members then asked questions of Ms Gallacher who confirmed that there was no guarantee that retailers currently based within the city centre would not close and relocate to the Prime Four development. Ms Gallacher also advised that connectivity/link improvements between the Trinity Centre, Union Square and Atholl House were being considered.

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The Committee then heard from **Adrian Smith, representing Countesswells Development Ltd** who were against the planning application and addressed the Committee in the following terms:-

Mr Smith advised that the indicative layout on the applicant's Powerpoint presentation had not been submitted as part of the application and the proposed development would be a departure from the soon to be approved Aberdeen Local Development Plan and would have a detrimental effect on the Countesswells Development. He indicated that the proposed terraced layout of the buildings as shown on the Powerpoint presentation did not accord with the plan that had previously been submitted in terms of access to the business park.

Mr Smith referred to the potential that Boots could be occupiers of the development and as this would be less than 1.5 miles from the Countesswells town centre, he had concerns that this could preclude the possibility of a pharmacy adjoining the Countesswells health centre.

Mr Smith indicated that Countesswells was a sustainable self-contained community, with the Town Centre having mixed uses, including residential, retail, offices, food stores, hotel and a health facility, however the proposed development at Prime Four was less than 1.5 miles away and included a proposed foodstore and the Council's own retail study recommended that any new convenience floorspace in West Aberdeen should be directed to the proposed Countesswells town centre.

Mr Smith advised that the proposed development was clearly biased towards car use access only, as there were no appropriate bus links to the business park.

Finally, Mr Smith responded to a question intimating that a survey had been undertaken which revealed that the Countesswells development project had no effect on city centre businesses.

The Convener thanked all those who participated in the pre-determination hearing and advised that the points raised today would be addressed in the report which would go before Full Council for determination.

- Councillor Ramsay Milne, Convener

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