Ryden

North Ayrshire Employment Land Review

For North Ayrshire Council

July 2009

Contents

1 Introduction

1.1 Background

Ryden was appointed in January 2009 by North Ayrshire Council to undertake an employment land review within the North Ayrshire local authority area. The findings of this study will inform the emerging Local Development Plan.

The main aim of the study is:

"to assess the current and future demand for employment land (defined as land for business, general industrial and storage and distribution use) as part of an overall review of the existing (allocated) employment land supply in North Ayrshire".

Essentially the study assesses the current reality of North Ayrshire's allocated employment land supply and compares this with future forecast demand to identify any potential surpluses or gaps in provision.

A key output of the study is a robust justification as to whether sites should remain allocated for employment use or whether they should be declared surplus. This is vital as there is pressure for reallocation from both public and private landowners and developers. The study therefore provides the rationale to use existing industrial and business land for **alternative purposes** if necessary.

The study also considers the need for **new employment land to be identified** should demand be established.

Throughout the study we have worked closely with North Ayrshire Council to review its approach in work done to date (stages 1-3 below) and to further develop other tasks (stages 4-11 below):

- 1. Information gathering and review – Policy context and analysis of supportive studies/ documents
- 2. Audit, spatial analysis qualitative assessment of the existing Employment Land Supply (2008)
- 3. Assessment of development in the pipeline in North Ayrshire

- 4. Economic and market assessment of supply of employment land within North Ayrshire
- 5. Economic and market assessment of the demand for employment land within North Ayrshire
- 6. A qualitative analysis of future demand for employment premises and assessment of the suitability of the land supply to accommodate future demand
- 7. Assessment of the potential scale of demand for mixed use development and types of location where this may be appropriate
- 8. Assessment of current and future infrastructure needs and constraints
- 9. Commentary on the implications of the identification of Hunterston as a National Development within the NPF2, and NPF2's recognition of the importance of the Energetic Cluster at Ardeer
- 10. Link to IBURC. The study should note proposals made by the IBURC, identify where the Council may support priority projects and further stimulate employment generating development through the planning system
- 11. Economic and market assessment of whether existing locations in North Ayrshire can accommodate market prospects to 2019 and potentially beyond. Comparison of supply and demand for employment land, informing:
  - identification of any surplus employment sites;
  - identification of any deficiencies in the employment land supply

1.2 Structure

Following this introductory chapter the report is structured as follows:

- Chapter 2 – Land Supply Assessment
- Chapter 3 – Land Demand Assessment
- Chapter 4 – Future Property Demand
- Chapter 5 – Suitability of Supply
- Chapter 6 – Key Findings

References and consultees are provided as Appendix A.

2 Land Supply Assessment

2.1 Introduction

This chapter assesses the supply of employment land within North Ayrshire.

2.2 Strategic Policy Context

SPP2 provides highly relevant national policy guidance. It highlights the role the planning system has in providing strong support for economic development. SPP2 states that development plans should contribute to providing this strong support through a range of policies of which we believe three are particularly relevant to this study:

- Maintain a supply of sites offering a choice of size, location and environmental amenity, and which allow the flexibility to provide for market uncertainty
- Safeguard national and other significant sites
- Regularly review allocated sites taking account of their marketability

Although of less relevance to this study, there are key points which can be taken from the **Ayrshire Joint Structure Plan**:

- Continues to recognise part of Riverside as a Strategic Business Site offering potential for a large scale single user
- Deletes Glengarnock and Ardeer from the list of strategic industrial sites and states they should be examined for options related to mixed use development
- Suggests that to address a shortage of certain types of modern industrial or business floorspace, new locations require to be brought forward in Irvine, Largs, Kilwinning, Kilbirnie, Ardrossan and Saltcoats

2.3 Assessment

Recent work by Irvine Bay URC 'Irvine Bay Priority Sites Justification' [1] highlighted a concern that many sites could come forward for development with similar, potentially competing uses. In terms of their future use (rather than their suitability as employment sites), the study aims to bring the right

[1] Kevin Murray Associates, February 2008.

areas forward in the right timing, with appropriate policy support by setting out **an approach to the justification of priority sites**.

The study identified two types of development as being particularly problematic and necessitating re-thinking:

- Greenfield development on the edge of settlement. This mitigates against brownfield regeneration and also generates more transport trips and carbon, unless on well served public transport routes
- Mono-use development particularly on larger sites. This prevents a diversity of use, investment and activity that can be both mutually reinforcing and more adaptable over the longer term

In our opinion the quality of industrial and business land should be assessed through an assessment against an agreed set of evaluation criteria. A qualitative assessment of the land supply is undertaken against criteria taken from the Communities and Local Government 'Employment Land Reviews' Guidance Note (2004).

Before comment can be made on the Council's assessment of individual sites, the suitability of the existing allocated employment land position needs to be investigated.

2.4 Local Plan Employment Land Position

The Local Plan text states that there is almost 2,400 ha of industrial land within the local plan area (page 15). However, our addition of the sites listed in Local Plan Table 1 – Industrial Allocations (pages 21-24) totals 2,823 ha.

In trying to arrive at an updated and effective employment land supply total to be assessed, this allocation has been reviewed in two stages:

First Cut – to take account of re-measurement, inaccuracies in Local Plan, new development and Countryside allocations; and then
Second Cut – to take account of land occupied by large single users, land reserved for their expansion and nationally important sites

This leaves available, marketable land in the general supply.

The result of the **first cut** establishes a total of 2,238 ha, based on the assumptions set out below:

- All the sites have been re-measured by North Ayrshire Council using GIS software
- The published Local Plan figure for Harbour Street, Ardrossan was wrong (4.1 ha should have read 2.64 ha, now amended below)
- Thornhouse Avenue, Irvine (1.4 ha) deleted (residential on site)
- Ravenspark Hospital, Irvine (4.1 ha) deleted (residential on site)
- Greenwood Interchange (RBP), Irvine (5.7 ha) added in
- Kyleshill, Saltcoats (0.4 ha) deleted (now office)
- Alexander Avenue, Largs (0.6 ha) deleted (now Council depot)
- Lamont Drive, Irvine Industrial Estate (0.5 ha) deleted (retail development)
- The published Local Plan figures for Paddockholm North and South had been transposed and should read 7.4 ha and 0.4 ha respectively
- The large industrial sites designated as Countryside near Beith have been excluded (Defence Munitions 425.6 ha, Willowyard Bonds 81.7 ha and Balgray Bonds 70.4 ha) as these have been developed there for safety and operational reasons[2]. Just because industrial activity takes place there this does not mean that if the current uses ceased then the locations would be attractive to modern business and industry occupiers.

Over the period since the preparation of the adopted Local Plan, there has been little change in the employment land supply position as a result of new industrial and office development. Overall out of the 59 allocated sites, only three have experienced new build business and industry development since 2005 (Riverside Business Park in Irvine, Alexander Avenue in Largs (by North Ayrshire Council) and Kyleshill in Saltcoats).

Furthermore, only 5.5 ha of employment land was redeveloped for alternative uses in the five years 2003-2008 despite this being a very active residential period. This either indicates an ample housing land supply, an

[2] Although Hunterston Peninsula (881.3 ha) is also Countryside, it remains at this stage due to its national significance as a deep water port.

employment land supply not attractive to housebuilders, a strong planning stance on development for alternative uses or a combination of all three.

The **second cut** takes account of land occupied by large single users, land reserved for their expansion and nationally important sites. Vacant land which is within the demise of an operating company and is reserved for that company's expansion is not considered available.

The result of this cut is that 1,019 ha of employment land remains after the assumptions set out below are taken into account:

- Sites for single occupiers requiring a specific location are not considered part of the effective employment land supply:
  - **Caledonian Paper** occupying 99% of Meadowhead, Irvine (all 61.2 ha removed)
  - **Glaxo Smith Kline** occupying Shewalton, Irvine (39.1 ha removed)
  - **DSM** occupying DSM site, Dalry (36.5 ha removed)
  - **Chemring** occupying Ardeer (IND6), Stevenston (39.1 ha removed)
  - **Chemring** occupying Ardeer (Chemring), Stevenston (105.6 ha removed)
- Expansion land for these users is also not considered part of the effective employment land supply:
  - **Caledonian Paper Expansion**, Irvine (9.5 ha removed)
  - **Glaxo-Smith-Kline Expansion**, Irvine (27 ha removed)
  - **DSM Expansion**, Dalry (19 ha removed)
- The deep water port at Hunterston is not considered part of the effective employment land supply as it is designated as nationally significant infrastructure (881.3 ha removed)

This leaves an employment land supply of 1,019 ha as set out below:

Employment Land Supply (Hectares)

Town/ Location		Published Local Plan	After First Cut	After Second Cut
Irvine	Riverside Single User Site	81.3	81.3	81.3
	Riverside Business Park	106.9	103.6	103.6
	Tournament Park: Redburn East	20.6	20.6	20.6
	Tournament Park: Redburn North	3.0	3.0	3.0
	Tournament Park: Redburn Gates	2.0	2.0	2.0
	Meadowhead	61.2	61.2	
	Caledonian Paper Expansion	9.5	9.5	
	Shewalton (GSK)	39.4	39.1	
	Glaxo-Smith-Kline Expansion	27.0	27.0	
	Drybridge Park	16.4	16.4	16.4
	South Newmoor	29.1	24.7	24.7
	North Newmoor	32.3	31.3	31.3
	Irvine Industrial Estate	67.6	67.6	67.6
	Marine Drive	7.1	7.3	7.3
	Church Street	4.6	4.6	4.6
	Montgomery Place	1.1	1.1	1.1
	Greenwood	5.1	5.1	5.1
	Greenwood Interchange (RBP)		5.7	5.7
	Thornhouse Avenue	1.4		
	Annickbank	2.5	2.5	2.5
	Ravenspark Hospital	4.1		
	Oldhall West	13.2	13.2	13.2
	Moor End/Shewalton	4.9	4.9	4.9
	Quarry Road	1.9	1.9	1.9
TOTAL IRVINE		**542**	**534**	**397**
Kilwinning	Nethermains	34.5	34.5	34.5
	Ashgrove	0.4	0.4	0.4
	Dovecot Lane	0.2	0.2	0.2
	West Byrehill	28.0	28.0	28.0
TOTAL KILWINNING		**63**	**63**	**63**
Ardrossan	Dalry Road	1.3	1.3	1.3
	Hill Street	1.7	1.7	1.7
	Inches Road	1.4	1.5	1.5
	Harbour Street	4.1	2.6	2.6
	Montgomerie Street	1.4	1.3	1.3
TOTAL ARDROSSAN		**10**	**8**	**8**
Stevenston	Ardeer (SIBS/ IND2)	66.1	66.1	66.1
	Ardeer (Chemring)	144.7	105.6	
	Ardeer Ind 6 (Chemring)		39.1	
	Ardeer Regeneration (IND5)	296.3	296.3	296.3
	Lundholm Road (First Avenue)	18.1	18.1	18.1
	Portland Place	9.2	9.2	9.2
TOTAL STEVENSTON		**534**	**534**	**390**
Saltcoats	Sharphill	6.8	6.8	6.8
	Rennie Place	1.9	1.9	1.9
	Kyleshill	0.4		

TOTAL SALTCOATS		**9**	**9**	**9**
Kilbirnie	Paddockholm North	4.0	7.4	7.4
	Paddockholm South	7.4	3.9	3.9
TOTAL KILBIRNIE		**11**	**11**	**11**
Glengarnock	Lochshore North (SIBS)	27.9	27.9	27.9
	Lochshore	76.6	76.6	76.6
TOTAL GLENGARNOCK		**104**	**105**	**105**
Beith	Willowyard I.E	14.4	14.4	14.4
	Mains Road	8.2	8.2	8.2
TOTAL BEITH		**23**	**23**	**23**
Beith Rural	Defence Munitions	424.2		
	Willowyard	81.8		
	Balgray	71.0		
TOTAL BEITH RURAL		**577**	**0**	**0**
Dalry	Drakemyre/Ryeside	2.8	2.8	2.8
	DSM	36.5	36.5	
	DSM (Expansion)	19.0	19.0	
	Bridgend	2.0	2.0	2.0
TOTAL DALRY		**60**	**60**	**5**
Largs	Alexander Avenue	0.6		
TOTAL LARGS		**1**	**0**	**0**
Fairlie	Main Road	1.2	0.7	0.7
	Waters Edge	7	7.7	7.7
TOTAL FAIRLIE		**8**	**8**	**8**
Millport	Boatyard	0.5	0.5	0.5
	Woodlands Street	0.4	0.4	0.4
TOTAL MILLPORT		**1**	**1**	**1**
Hunterston	Hunterston Peninsula (SNI)	878.5	881.3	
TOTAL HUNTERSTON		**879**	**881**	**0**
TOTAL		**2,823**	**2,238**	**1,019**

Source: North Ayrshire Council & Ryden

2.5 Confirmation of Vacant & Marketable Land Within the General Supply

The next step is to assess this remaining employment land in terms of it being vacant/ undeveloped and marketable. North Ayrshire Council and Ryden have reviewed and measured these remaining sites according to the following criteria:

- **Vacant land** as included on the Vacant & Derelict Land Survey 2008, also including opportunity land with entirely vacant obsolete buildings
- **Marketable land** as defined by SPP2, i.e. it has secure planning status, is serviced or can be serviced within five years and is consistent with the principles of SPP17

Taking this into account, there is 333 ha of vacant/ undeveloped and marketable employment land supply within the general supply of 1,019 ha as set out below:

Local Development Plan Vacant & Marketable Assessment (Hectares)

Town/ Location		Area	Vacant & Marketable
Irvine	Riverside Single User Site	81.3	81.3
	Riverside Business Park	103.6	61.4
	Tournament Park: Redburn East	20.6	19.3
	Tournament Park: Redburn North	3.0	3.0
	Tournament Park: Redburn Gates	2.0	2.0
	Drybridge Park	16.4	1.5
	South Newmoor	24.7	7.2
	North Newmoor	31.3	7.8
	Irvine Industrial Estate	67.6	5.8
	Marine Drive	7.3	0.0
	Church Street	4.6	4.6
	Montgomery Place	1.1	0.0
	Greenwood	5.1	0.0
	Greenwood Interchange	5.7	0.0
	Annickbank	2.5	2.5
	Oldhall West	13.2	0.6
	Moor End/Shewalton	4.9	0.0
	Quarry Road	1.9	0.4
TOTAL IRVINE		**397**	**197**
Kilwinning	Nethermains	34.5	20.8
	Ashgrove	0.4	0.0
	Dovecot Lane	0.2	0.2
	West Byrehill	28.0	28
TOTAL KILWINNING		**63**	**49**
Ardrossan	Dalry Road	1.3	0.0
	Hill Street	1.7	0.6
	Inches Road	1.5	0.3
	Harbour Street	2.6	0.0
	Montgomerie Street	1.3	0.8
TOTAL ARDROSSAN		**8**	**2**
Stevenston	Ardeer (SIBS/IND2)	66.1	66.1
	Ardeer Regeneration (IND5)	296.3	0.0
	Lundholm Road (First Avenue)	18.1	10.1
	Portland Place	9.2	1.7
TOTAL STEVENSTON		**390**	**78**
Saltcoats	Sharphill	6.8	4.9
	Rennie Place	1.9	0.0
TOTAL SALTCOATS		**9**	**5**
Kilbirnie	Paddockholm North	7.4	1.2
	Paddockholm South	3.9	0.3
TOTAL KILBIRNIE		**11**	**2**

Glengarnock	Lochshore North (SIBS)	27.9	0.0
	Lochshore	76.6	54.4
TOTAL GLENGARNOCK		**105**	**54**
Beith	Willowyard I.E.	14.4	7.9
	Mains Road	8.2	1.8
TOTAL BEITH		**23**	**10**
Dalry	Drakemyre/Ryeside	2.8	1.5
	Bridgend	2.0	0.9
TOTAL DALRY		**5**	**2**
Fairlie	Main Road	0.7	0.0
	Waters Edge	7.7	0.0
TOTAL FAIRLIE		**8**	**0**
Cumbrae	Millport, Woodlands Street	0.4	0.0
	Millport, Boatyard	0.5	0.0
TOTAL CUMBRAE		**1**	**0**
TOTAL		**1,019**	**333**

Source: North Ayrshire Council & Ryden

In arriving at this total, it has been assumed that there is no supply available at:

Reason no vacant & marketable land identified

Location/ Town	**Reason no vacant & marketable land identified**
Marine Drive, Irvine	Not considered marketable due to environmental constraints.
Montgomery Place, Irvine	Not considered vacant as site is an established workshops complex.
Greenwood, Irvine	Not considered vacant as a Fire Station and TA Centre.
Greenwood Interchange, Irvine	To be developed by Police as a custody centre. It is understood that Police have purchased the site and secured planning consent.
Moor End/ Shewalton, Irvine	Not considered vacant as used as a tip.
Ashgrove, Kilwinning	Not considered vacant as site is an established workshops complex.
Dalry Road, Ardrossan	Single user site.
Harbour Street, Ardrossan	Small vacant plot due to selective demolition by owner (Stagecoach continues to operate from majority of site).
Ardeer Regeneration (IND5) Stevenston	No secure planning status + significant contamination issues.
Rennie Place, Saltcoats	Not considered vacant as site is an established workshops complex.
Lochshore North (SIBS), Glengarnock	No secure planning status + significant contamination issues + economic benefit from alternative use more effectively delivered elsewhere.
Main Road, Fairlie	Organic Growers of Fairlie occupying site.
Waters Edge, Fairlie	Reserved for marine based activities through Policy IND10
Woodland Street, Millport, Cumbrae	Not considered vacant as site is an established workshops complex.
Boatyard, Millport, Cumbrae	Reserved for marine based activities through Policy IND10

Source: North Ayrshire Council & Ryden

Furthermore, several sites require to be removed from consideration of the 'general' employment land supply at this stage. These are Ardeer Regeneration (IND5), Stevenson (296.3 ha) and Lochshore North (SIBS), Glengarnock (27.9 ha).

These are historic industrial and business allocations with significant contamination issues to overcome but yet offering the potential to be redeveloped for alternative uses subject to consideration through the Local Development Plan process. Also importantly in both locations there remains significant amounts of general employment land supply adjacent.

Considering the overall picture in these areas in terms of the land supply, individual sites have been assessed against the following criteria (shown at

Appendix B) and for their future inclusion or otherwise within the employment land supply:

Qualitative Assessment Criteria

Market Attractiveness Factors
- Has the site been formally identified for employment for at least 10 years?
- Has there been any recent development activity, within the last 5 years? This could include works on site but also new or revised planning applications/ building regulations applications.
- Is the site being actively marketed as an employment site?
- Is the site owned by a developer or another agency known to undertake employment development?
- Is the site in multiple ownership/ occupation, or owned by an organisation unlikely to bring it forward for development?
- Is there a valid permission for employment development, likely to meet market requirements? Or for an alternative use?
- Would employment development on this site be viable, without public funding to resolve infrastructure or other on-site constraints?

Sustainable Development Factors
- Would the site be allocated today for employment development, measured against present sustainability criteria (including public transport and freight access, environmental impacts and brownfield/ greenfield considerations)?
- Is employment the only acceptable form of built development on this site (e.g. because of on-site contamination, adjoining uses or sustainable development reasons)?

Strategic Planning Factors
- Is the site within an area identified as of strategic importance to the delivery of the RSS/ RES?
- Is the site identified or likely to be required for a specific user or specialist use?
- Is the site part of a comprehensive or long term development or regeneration proposal, which depends on the site being developed for employment uses?
- Is there public funding committed (or likely to be provided) sufficient to overcome infrastructure or on-site constraints to make employment development viable?
- Are there any other policy considerations, such as emerging strategic objectives or spatial vision, which should override any decision to release the site?

Source: Communities and Local Government

This audit of the existing employment land has involved site visits and desk based remeasuring. This qualitative analysis of the Employment Land Supply informs site specific recommendations on the future supply. This is considered good practice and contributes to ensuing accurate data is available.

The next chapter reviews the industrial and office property markets to inform our view on demand and the suitability of this existing supply.

3 Land Demand Assessment

3.1 Introduction

This chapter provides an economic and market assessment of the demand for employment land within North Ayrshire. To ensure a robust assessment, a number of methods are proposed to quantify future demand:

- Industrial and office **property market reviews** to provide context
- **Economic forecasts** suggest employment categories which may expand in the future and others which may contract. These forecasts are converted into estimates of business floorspace required
- Analysis of historic **take-up** of industrial and office premises acts as another indicator of demand
- **Current investment** in North Ayrshire catalyses demand for employment property in a number of ways
- Demand is also informed by a review of recent **property transactions** which highlight sizes and locations sought
- The **age breakdown** of industrial and office stock
- North Ayrshire Council **occupancy levels**

3.2 Property Market Reviews

This section provides a review of industrial and office property market activity across North Ayrshire.

Industrial Property Availability

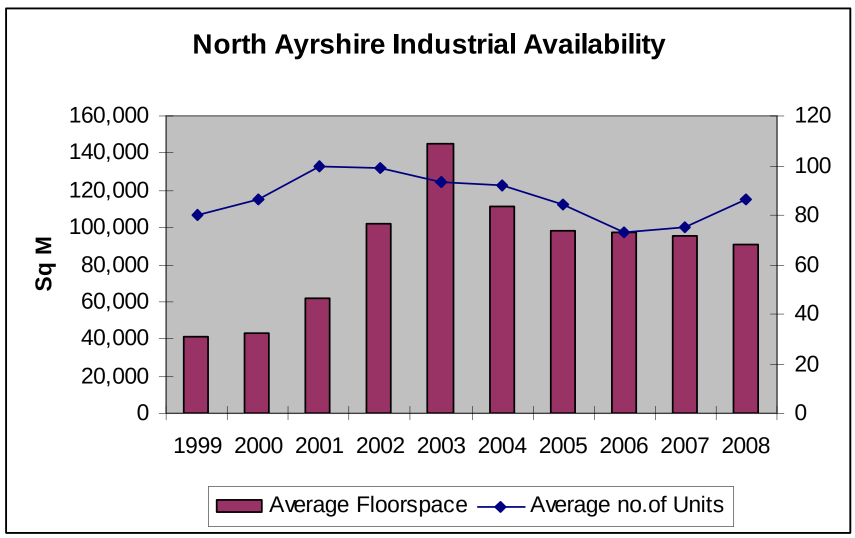
North Ayrshire has a total stock of over 825,000 sq m of industrial floorspace. Of this, the vast majority, some 720,000 sq m, is located within the Irvine Bay URC area of Irvine, Kilwinning, Saltcoats, Stevenston and Ardrossan (according to SPN).

Ryden’s Market Appraisal for the URC (2006) noted that the industrial market has changed significantly since the early 1990s. In 1993, the financial performance of the Irvine Development Corporation property portfolio was ahead of the Investment Property Databank (IPD) Scottish database and New Towns average. IPD reported Irvine’s strong industrial performance, featuring a number of large employers and a low vacancy level of 7%.

However, a vacancy rate in the former IDC industrial portfolio of almost 30% was highlighted during 2007, and that virtually no new speculative development had taken place since the demise of the Development Corporation. This has resulted in a low proportion of modern units, with around 5% of available units having been constructed since 1990, compared to a Central Scotland average of 23%.

The amount of vacant industrial space in North Ayrshire has averaged 88,595 sq m and 87 units available at any one time over the last ten years. Within this period the trend has generally been one of increasing amounts of floorspace on the market as shown below:

North Ayrshire Industrial Availability 1999-2008



Source: SPN (March 2009)

Analysis of current industrial availability by town illustrates the geographic spread of premises. Three quarters of North Ayrshire's available floorspace is in Irvine as shown below:

Industrial Availability by Town at March 2009

Settlement	Number of Available Properties	Available Floorspace (sq m)
Irvine	49	83,513
Kilwinning	14	4,623
Ardrossan	4	2,167
Stevenston	22	10,821
Saltcoats	1	2,428
Kilbirnie	2	146
Glengarnock	7	1,685
Beith	1	2,227
Dalry	4	4,800
Hunterston		
West Kilbride		
Largs		
Fairlie	2	92
Millport		
Total	**106**	**112,502**

Source: SPN March 2009

North Ayrshire Council is aware that a number of properties are not picked up by this list. Kilbirnie, for example, has a far higher number of available properties than the two shown. This illustrates that many properties are not picked up by the national database provided by SPN. This may be due to the owners of properties aiming at the local market only.

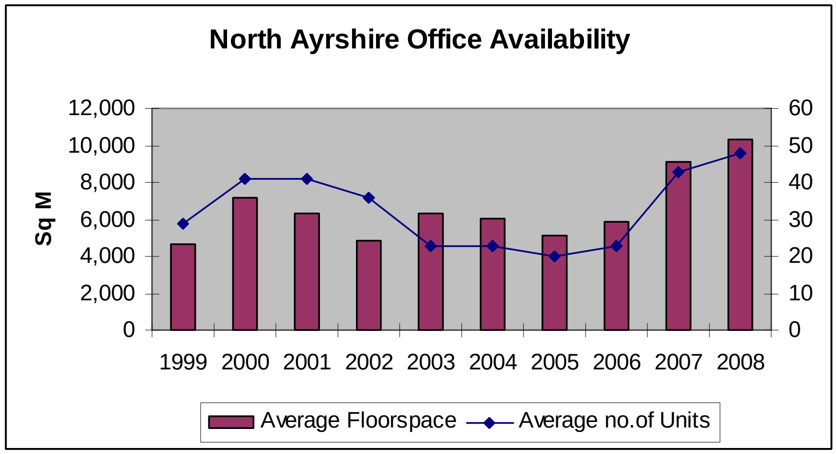
Office Property Availability

Apart from public sector occupiers, North Ayrshire has never had a large scale private sector office market. There is therefore a lack of modern office stock including limited innovation/ enterprise type modern office accommodation across North Ayrshire. This is a clear constraint to economic development in the future as, when a more normal property market returns, employment forecasts are for growth in the under represented service sector. If there is not a choice of suitable office property or opportunity to create offices, then demand may go elsewhere.

Office stock, particularly outwith the Irvine Bay area, is almost entirely traditional town centre stock above retail units. Generally however this is not attractive to modern mobile office occupiers.

The level of available office floorspace in North Ayrshire has increased over the last two years from a relatively stable level of c.6,000 sq m to c.10,000 sq m available at any one time. This is also the case in terms of the number of vacant properties which have also risen steeply over the last three years from 23 to 48 properties. The ten year average is 6,579 sq m and 33 units on the market at any one time as shown below:

North Ayrshire Office Availability 1998-2008



Source: SPN (March 2009)

Similar to the spread of industrial availability, current office availability by town is skewed to Irvine and Stevenston each with around 42% of total floorspace on the market as shown below:

Office Availability by Town at March 2009

Settlement	Number of Available Properties	Available Floorspace (sq m)
Irvine	26	7,359
Kilwinning	10	1,349
Ardrossan	1	85
Stevenston	39*	7,331
Saltcoats	1	48
Kilbirnie	1	28
Glengarnock	2	518
Beith	1	206
Dalry		
Hunterston		
West Kilbride	1	286
Largs	2	206
Fairlie		
Millport		
Total	**84**	**17,416**

Source: SPN March 2009

* 38 units are on Nobel Business Park (of these 27 units are within McGowan House).

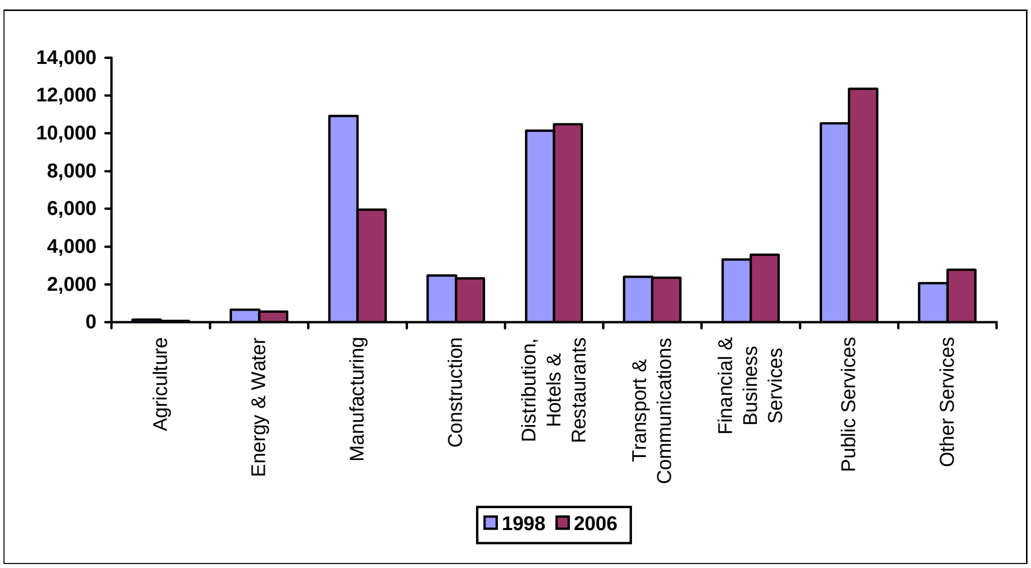
Both industrial and office available floorspace has increased recently due to parts of the office/ industrial complex at Shewalton Road, Drybridge Industrial Park, Irvine coming to the market. This currently offers around 10,000 sq m of industrial space and over 1,000 sq m of office space.

3.3 Economic Forecasts

Before considering economic forecasts it is worth noting recent employment trends. The Council's draft Employment Land Study provides a summary of North Ayrshire's **economy**. It comments:

- Employment in manufacturing declined in North Ayrshire by 45% between 1998-2006 (-5,000 jobs) while the largest sector in terms of growth was public sector which increased by 17% as illustrated below. The Council correctly comments that an Employment Land Strategy 'requires to reflect the significant and continuing decline in the need for manufacturing land and property'.

Change in Employment in North Ayrshire by Employment Sector (1998-2006)



Source: North Ayrshire Council

- Employment is dominated by public services and by retail and catering with Business and Financial Services currently significantly under represented. This structure means North Ayrshire will face a challenge in order to significantly grow employment.

- An Employment Land Strategy 'should enable local job creation and reduce the reliance on out commuting'. It further states that the strategy 'will seek to ensure an adequate supply of appropriate premises required by a range of priority industries but focusing on those where North Ayrshire can offer a clear competitive advantage (e.g. chemicals, tourism and marine[3]) or whether it is seriously under represented (e.g. financial services).

It is considered that this last point, trying to target financial services occupiers, will likely prove difficult for various reasons including the current downturn in this market sector and the fierce competition the significant oversupply of office premises across West Central Scotland generates.

Finally, the Council states that an Employment Land Strategy should provide land and property opportunities which encourage business start ups. It is noted that this type of development is not likely to require large sites/ buildings.

Turning to **economic forecasts**, analysis provides an indication of the future mix of employment uses and therefore the likely required property mix. Strathclyde Labour Market and Intelligence Monitoring Services (SLIMS) forecasts in 2008 clearly showed an expanding office sector and a contracting industrial market.

Although SLIMS 2009-2019 forecasts have not been officially withdrawn, we have been advised (by SLIMS) that they have simply been overtaken by events.

SLIMS forecasts suggested that total employment in North Ayrshire would decrease by 300 jobs or 0.75%% between 2008-18. This was predominantly attributed to a decrease in the level of jobs within the manufacturing sector, which alone was forecast to account for a loss of 1,500 jobs by 2018, a 26% decrease from 2008 as illustrated in below.

[3] North Ayrshire's competitive advantage in the marine sector includes activities associated with both industry and leisure.

Employment Forecasts 2008-2018

	Total Employment		**Change 2008-18**	
	2008	**2018**	**No.**	**% Change**
Agriculture	400	300	-100	-25.0
Extraction	0	0	0	0.0
Manufacturing	5,800	4,300	-1,500	-25.9
Electricity, gas & water	600	500	-100	-16.7
Construction	2,200	2,300	100	4.5
Distribution & Hotels	10,500	10,400	-100	-1.0
Transport & communications	2,300	2,300	0	0.0
Financial & business services	3,600	4,200	600	16.7
Public administration & defence	2,400	2,300	-100	-4.2
Health & Education	9,800	10,200	400	4.1
Other services	2,800	3,300	500	17.9
Total	**40,400**	**40,100**	**-300**	**-0.75%**

Source: North Ayrshire Council/ SLIMS

The property implications of this loss of manufacturing jobs (based on average employee space to floorspace ratio of 1:29 sq m) equates to a drop in occupied floorspace of approximately 41,800 sq m of industrial space between 2008-18. This is based upon projected job losses and their property implications, but does not take account of large one off closures already announced such as that at NACCO Materials Handling, Irvine.

This picture of a contracting manufacturing sector and its impact on demand for industrial property is further evidenced by Ryden's Irvine Bay Market Appraisal work, in which there were several instances of developers mothballing larger industrial units in the absence of demand.

The sectors which generally require office premises to operate (financial and business services, public services and other services) are forecast to grow in size by 1,000 jobs in total over the period to 2018. The property implications of these shifts (based on the average employee space to floorspace ration of 1:14 sq m) are 13,940 sq m of office space required between 2008-18. This suggests an average take up of office property of 1,400 sq m per annum.

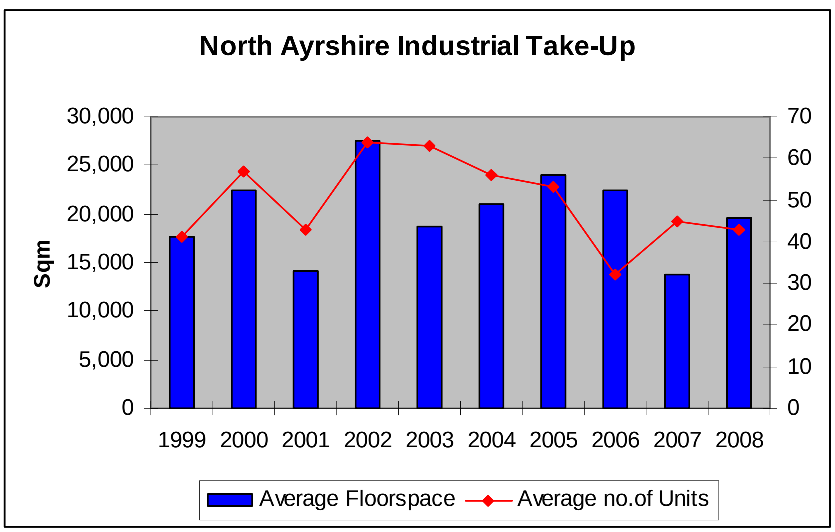
However, despite these forecasts and their projected office space requirements, generally new build office accommodation is not being provided by the market. The one exception to this rule (although public sector led) is the development of modern office space at Annickbank by the URC.

Employment projections mask the issue of the quality/ size/ age of the existing portfolio which does not meet the requirements of those sectors of the economy which are likely to see growth (financial, business and other services). Employers may therefore not currently consider relocation within North Ayrshire due to the lack of supply of appropriate facilities. The projected growth sectors normally require modern town centre property, or business park locations with a critical mass of employers and facilities. Although there is opportunity for both of these location types across North Ayrshire, progress is slow and there is therefore a gap in supply currently.

3.4 Take-up

The take-up of industrial floorspace in North Ayrshire has fluctuated over the last ten years but has averaged c.20,000 sq m and 50 units transacted per annum. Between 2005 and 2007, there was a decrease to c.15,000 sq m per annum which was followed by an increase in 2008. In general however the number of units taken-up has decreased as shown below:

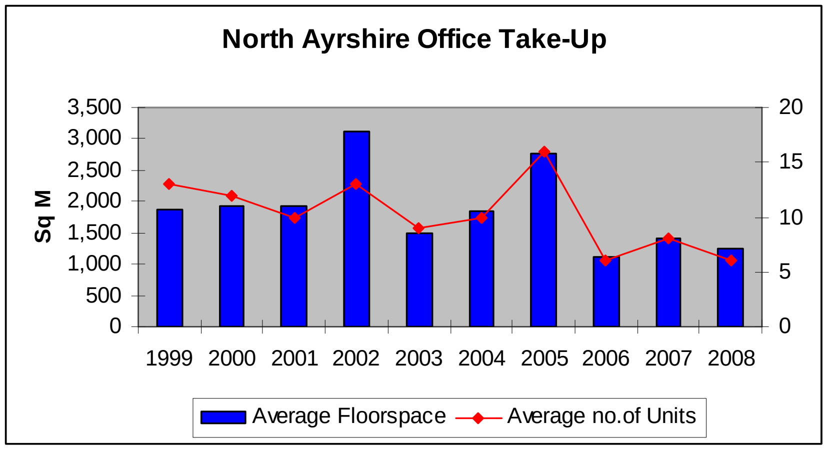
North Ayrshire Industrial Take-Up (1999-2008)



Source: SPN (March 2009)

North Ayrshire has seen low levels of demand for office property over the last ten years with an average of c.1,900 sq m and ten units transacted per annum. The overall trend has been decreasing levels of take-up of both floorspace and units despite sharp increases in 2002 and 2005 as shown below:

North Ayrshire Office Take-Up (1999-2008)



Source: SPN (March 2009)

3.5 Current Investment

Another assessment of the effectiveness of the allocated employment land supply is the extent to which current business and industry investment and development is attracted.

Analysis of planning applications submitted to North Ayrshire Council since 2005 involving Uses Classes 2 (Financial, professional and other services), 4 (Business), 5 (General Industry) and 6 (Storage & Distribution) found that:

- 50% of the applications relate to sites allocated for business and industry in the North Ayrshire Local Plan.

- Over one quarter of these applications for development on allocated sites were for a change of use from business/industry to an alternative use such as trade counter/ quasi retail. Appendix C, Table 1 details 'Change of Use from business/ industry to alternative use' and 'Change of Use to trade counter/ quasi retail'.

- The other 50% of applications involving Classes 2, 4, 5 and 6 are for sites not allocated in the Local Plan. These include a number of applications for sites within existing town centres related to change of use from Class 1 (retail) to Class 2 as well as applications for change of small office/ retail units to residential apartments. Appendix C, Table 2 distinguishes between 'Change of Use from business/ industry to alternative use', 'Change of Use from business/ industry to residential' and 'Change of Use from Class 1 to Class 2'.

Business and industrial applications generally relate to the development and expansion of existing business/ industrial properties on both allocated and non-allocated sites as opposed to speculative development.

This 50/ 50 split is down to a combination of influences, but primarily:

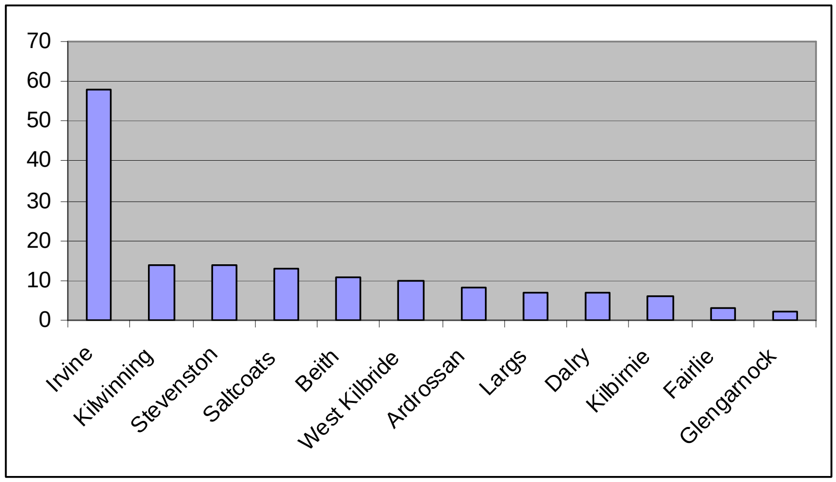
- Much activity occurs in town centres, the majority of which are not allocated employment sites
- There is evidence of landowners withholding employment land from the market in the hope of securing alternative use

This 50/ 50 split of industrial and business development on allocated/ non-allocated sites is to be expected for a Local Authority area like North Ayrshire. At one end of the spectrum, *deep rural areas* such as Dumfries & Galloway have more investment and development activity on non-allocated sites whereas the more *urban* authorities such as Glasgow and North Lanarkshire the opposite is the case.

The non-urban local authorities therefore have to have flexible policies including those which specifically mentioned that development can take place on unallocated sites with applications being dealt with on a case by case basis. For example local plans often include guidance such as there may be opportunities for specialist industries requiring a particular location specification which cannot be met within existing sites.

Analysis of the geographic spread of planning applications provides an indication of where market demand is being expressed. The location of planning applications involving Use Classes 2, 4, 5 & 6 premises are shown below:

Planning Applications Involving Industrial & Business Premises



Source: North Ayrshire Council

- 58 applications are in Irvine (38%)
- All other towns have less than 15 applications each (less than 10%)
- West Kilbride applications are predominantly associated with Hunterston power station

This clearly shows that that interest is focussed towards the Irvine Bay area.

3.6 Property Transactions

A selection of recent industrial property transactions in North Ayrshire are shown below. Recent take-up has been dominated by small to medium sized transactions, the largest being 1,487 sq m.

Recent Industrial Transactions

Address	Size (sq m)	Details
Unit 32D, 20A Kyle Road, Irvine Industrial Estate	988	Let to NPI Solutions Ltd in April 2009 on a co-terminus FRI lease until 30/09/2018 at £21,500 pa (£21.76 per sq m)
2 MacKintosh Place, South Newmoor Industrial Estate, Irvine	567	Let to Alexander Burns in February 2009 on a new FRI lease at £20,000 pa (£35.27 per sq m)
21 MacKintosh Place, South Newmoor Industrial Estate, Irvine	197	Let to First Glass (Scotland) Ltd in February 2009 on a new FRI lease at £8,500 (£43.15 per sq m)
Unit 9, 2 Cunninghame Road, Kyle Business Park, Irvine	95	Let to Jim McInnes in February 2009 on a one year FRI lease at £4,100 pa (£43.16 per sq m)
20 MacKintosh Place, South Newmoor Industrial Estate, Irvine	202	Let to Gavin Speirs in January 2009 on a new FRI lease at £3,900 pa (£19.31 per sq m)
Unit 17, 17 Whittle Place, South Newmoor Industrial Estate, Irvine	217	Let to Billy Petherick in January 2009 on a new FRI lease at £9,000 pa (£41.47 per sq m)
Unit 22, 22 Simpson Place, Nethermains Industrial Estate, Kilwinning	598	Let to Dougald & Deborah McIntyre in January 2009 on a new FRI lease at £9,000 pa (£15.05 per sq m)
Unit 65, 17 Third Avenue, Heatherhouse Industrial Estate, Irvine	1486	Let to Allanwest Wallacetown Engineering Ltd in January 2009 on a 20 year FRI lease at £30,000 pa (£20.10 per sq m)
Block 5 Unit 16, Paddockholm Place, Paddockholm North Industrial Estate, Kilbirnie	93	Let to George Smith in January 2009 on a one year FRI lease at £1,860 pa (£20 per sq m)

Source: SPN

Recent office transactions are shown below. Again recent take-up has been dominated by small to medium sized transactions.

Recent Office Transactions

Address	Size (sq m)	Details
Unit F12, APL Centre Ardeer, Stevenston Industrial Estate	13	Let to Pulse in March 2009 on a one year FRI lease at £720 pa (£55.38 per sq m)
Suite 1/6, Galt House, 31 Bank Street, Irvine	81	Let to Amici Procurement Solutions Ltd on a one year FRI lease at £7,000 pa (£86.71 per sq m)
Suite M6, McGowan House, Lundholm Road, Nobel Business Park, Stevenston	21	Let to Caledonian Contracting in February 2009 on a three FRI lease at £1,035 pa (£49.29 per sq m)
Suite M4, McGowan House, Lundholm Road, Nobel Business Park, Stevenston	22	Let to Caledonian Contracting in February 2009 on a three FRI lease at £1,080 pa (£49.09 per sq m)
Office Suite, 2 School Wynd, Kilbirnie	25	Let to an undisclosed tenant in January 2009 at £1,900 pa (£76.60 per sq m)
Unit F5, APL Centre Ardeer, Stevenston Industrial Estate	40	Let to Saltire Facilities Management Ltd in October 2008 on a five year FRI lease at £1,188 pa (£29.70 per sq m)
20 Aitken Street, Largs		Sold to Acre Lettings in October 2008 for £110,000
Ground Floor Office, 44-46 Bank Street, Irvine	801	Let to Irvine Housing Association in September 2008 on a 10 year FRI lease at £50,025 (£62.43 per sq m)
Retail/office premises, 77 High Street, Irvine	58	Sold to Winterthur Pension Trs UK Let in June 2008 for investment purposes on confidential terms

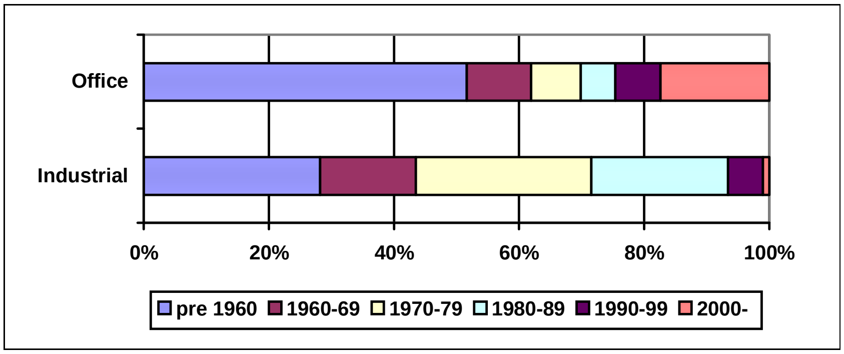
Source: SPN

In considering the geographic spread of transactions it is clear that the majority are in the Irvine Bay area. One reason for this (highlighted in our consultations and reported in the next chapter) was that the North Coast towns tend to look north to Inverclyde (and Glasgow) to satisfy business land/ premises requirements.

3.7 Age Breakdown

The age profile of office and industrial property is shown below illustrating the lack of development in recent years:

Age Breakdown of Office & Industrial Stock in North Ayrshire



Source: North Ayrshire Council

If a 40 year stock replacement cycle is assumed then this would generate nearly 22,000 sq m of new business premises built every year. This is based on a total industrial stock of 826,500 sq m and a total office stock of 44,100 sq m in North Ayrshire equating to a replacement requirement of 20,700 sq m of industrial and 1,100 sq m of offices per annum.

This is similar to the ten year average take-up figures established earlier of 20,000 sq m of industrial and to a lesser extent the 1,900 sq m of offices transacted per annum.

3.8 North Ayrshire Council Portfolio Occupancy Levels

Another indicator of demand for business space is levels of occupancy. Across North Ayrshire Council's industrial and office portfolio there is limited overall availability as shown below:

North Ayrshire Council Occupancy Levels

Town	Location (units/ suites)	Type of Property	Availability
Ardrossan	Hill Street Industrial Estate (15)	Industrial	3 units / 20%
Dalry	Bridgend Industrial Estate (7)	Industrial	3 units / 43%
Fairlie	Keppenburn Workshops (6)	Industrial	2 units / 33%
Irvine	Irvine Industrial Estate (88)	Industrial	3 units / 3%
Stevenston	Moorpark Place Industrial Estate (16)	Industrial	2 units / 13%
Irvine	Galt House (18)	Office	2 units / 11%
Irvine	North Vennel (7)	Office	3 units / 43%
Total	**(157)**		**18 units / 11%**

Source: North Ayrshire Council

With the exception of North Vennel in Irvine only the locations outwith the Irvine Bay area have vacancy levels above 20% reflecting a relatively buoyant small workspace market across North Ayrshire.

Employment Land Requirement

If industrial and office *historic take-up* trends and *stock replacement forecasts* are translated into employment land required then this provides guidance as to an appropriate allocation in terms of a range of site sizes, locations and quality.

If it is assumed that:

- 20% of *take-up*[4] will occur in new build premises (as opposed to existing property), and
- a similar figure for *stock replacement*[5] taking place on new sites (as opposed to existing industrial and business sites), then

this equates to a requirement of approximately one hectare of business land required for development per annum[6].

Whilst this is a relatively small figure, it would likely be the sum of a number of developments across North Ayrshire, thus requiring a range of employment sites to be allocated. Furthermore it is an estimate based on historic trend analysis which doesn't take into account potentially large strategic, national level projects which may be developed.

[4] Based on an average annual take-up of 21,900 sq m (20,000 sq m industrial and 1,900 office).
[5] Based on a stock replacement forecast of 21,800 sq m per annum (20,700 sq m industrial and 1,100 office).
[6] Based on a blended plot development ratio of 45% to allow for a mix of industrial and offices premises.

4 Future Property Demand

4.1 Introduction

This chapter provides a qualitative analysis of future demand for employment land and property. While the market often bypasses an academic scoring approach in assessing the quality of employment land a qualitative assessment is of value. To help inform our view on where the market is expressing demand for employment sites this chapter summarises our consultations with:

- **public sector stakeholders** including economic development, regeneration and estates officers
- **private sector operators** landowners/ developers

There are other influences on future demand for land and property. This chapter therefore also comments on demand influenced by:

- **Mixed use** development
- **Infrastructure** needs and constraints
- **NPF2**
- **IBURC** activities

4.2 Public Sector Stakeholders

Consultation highlighted the following key issues:

Scottish Enterprise is involved in the land and property markets across North Ayrshire in three specific areas:

- As an owner of employment land at Riverside Business Park in Irvine and Lochshore in Glengarnock. This is an asset management role involving sales and lettings
- Supporting priority industries. This can involve property support if a company requires such help
- Account managed companies. This is more locally focussed and can involve property guidance as part of general business development advice

Discussion centred on the **supply** of land at Riverside and Lochshore and any **demand** Scottish Enterprise it is aware of arising from contact with local companies.

Firstly Riverside Business Park in Irvine. Scottish Enterprise recognise that there is a need to redefine the role and scale of the Park. As such it is in the process of preparing a new masterplan (led by Irvine Bay URC as discussed later in this chapter) which aims to both:

- Refresh the existing masterplan and prepare a new development strategy to meet local and regional market requirements
- Understand the detailed scale and nature of future potentially wide ranging regeneration and development opportunities

In allowing work of this nature to be undertaken there is perhaps recognition by Scottish Enterprise that Riverside and its large single user site needs to be reviewed.

Discussion focused around the potential to cluster future industrial and business development to the west of Long Drive as opposed to the more dispersed approach previously allowed.

Secondly Lochshore at Glengarnock. There was recognition that this large site comprised a historic employment allocation and that it was unlikely that this scale of business and industry site would be required in Glengarnock in the future.

Previous work by Scottish Enterprise had identified the potential for Lochshore North and the northern Countryside industrial allocation to be redeveloped for alternative use (residential) and for Lochshore South to be retained for business and industry.

Scottish Enterprise felt there was a shortage of smaller sites, say 0.5-1 ha, to meet local demand. The example of Reid Foods in Dalry was provided in that the company was for some time frustrated in its search for a small site to develop. It had considered other locations in North Ayrshire including Riverside Business Park and South Newmoor, but none were deemed suitable.

Where small-medium sized serviced plots had been provided, e.g. Moorfield, near Kilmarnock, albeit in East Ayrshire, these had proved popular and been developed for business and industry use.

Consultation with **North Ayrshire Council** economic development, regeneration and estates officers highlighted the following key issues:

Economic Development – Discussion highlighted that decisions on the safeguarding of Riverside single user site need to be taken at a Scottish level. It was understood to be only one of four similar available sites in Scotland, i.e. publicly owned, undeveloped, reasonably good strategic road network access and with a significant 35 megawatt electricity supply.

There was recognition that Riverside Business Park had been successful in attracting investment and development in the past. However this had tended to be accommodated across a large area resulting in a fragmented park with no focus. The most recent medium to large size speculatively built units (by R&R Construction) were still available.

It was recognised that, if required, further medium to large units could be accommodated at Riverside Business Park. However, there was an issue with planning as storage and distribution uses were not permitted and this had caused problems in the past. For example it is understood that a larger occupier, Access Stock, came forward for the former FCI 14,000 sq m unit but had to go to a planning appeal as its proposed headquarters and storage and distribution warehouse use was not acceptable in planning policy.

Smaller units, e.g. Ashgrove Workshops in Kilwinning, Rennie Place in Saltcoats, Hill Street in Ardrossan, the 185-930 sq m of units at North Newmoor Industrial Estate, etc, were much more in demand and should be safeguarded and, if possible, replicated elsewhere in North Ayrshire.

Economic Development felt that it was acceptable for certain locations such as West Byrehill to be lost to the employment land supply but only if the remaining businesses were relocated and if some economic benefit was directed to remaining employment locations e.g. Nethermains

Industrial Estate. Nethermains was considered to be a slightly more commercially viable business and industry location than West Byrehill with its existing mix of owners and occupiers, e.g. Caledonian House's small workspace.

Economic Development also believes there is an opportunity to enhance certain other locations such as South Newmoor Industrial Estate and build upon the critical mass of occupiers there already, particularly at the 185-930 sq m end of the market.

Commentary on other areas included a lack of good quality office space in the Three Towns, a shortage of small to medium sized sites for sale across North Ayrshire and little demand for space in the Garnock Valley and probably not enough to justify new developments.

Regeneration – The view was that Riverside Business Park was not as attractive as it could be to potential occupiers mainly due to a lack of staff and business amenities. There was recognition that other aspects including landscaping and scale and location of development across the park could also be improved. Another issue was that the sites available were too big to cater for local demand.

The focus of the discussion was around regeneration and how appropriate types of employment space, i.e. office property as opposed to industrial premises, should be in/ as close to as possible existing town centres.

There was also a need to protect local employment sites, especially clusters of successful workshops.

Discussion also highlighted the need to continue investing in these important workshop type premises, by both public and private sector owners. There was a view that with several minor exceptions, neither group of owners were pro-actively investing in existing stock or developing new premises. This is therefore creating an aging and increasingly obsolete industrial and office portfolio of employment space.

Regeneration was also aware that as the stock of industrial land and property is rationalised/ replaced with modern stock, this generally occupies less land than before. In regenerating this surplus former industrial land created, some of which is well located to cater for a mix of uses, it was acknowledged that the opportunity for alternative use exists. In terms of residential development, this has to be reconciled with the existing allocated housing land supply.

The example of the successful regeneration of a former industrial site in Beith town centre was discussed. This well located site was redeveloped for a mix of uses including residential (sheltered housing) and retail.

Estates – Discussion highlighted high occupancy levels (c.90%) within the Council's portfolio of business premises (some offices but predominantly industrial space). The larger units (over 465 sq m) in some instances had proved difficult to let and so had been successfully sub-divided, e.g. Unit 33 Kyle Road, Irvine Industrial Estate (1,115 sq m) and a unit at Paddockholm Industrial Estate (700 sq m). Both were divided into three units.

In terms of the amount of industrial and business floorspace required locally, the Council commented that it felt that some Garnock Valley settlements could be considered together, i.e. Kilbirnie, Glengarnock and Beith, as individually they do not need their own distinct allocation of employment land. This is partly due to the ability of nearby Lochshore to accommodate significant levels of future business and industry activity (even allowing for a rationalisation in overall size).

Mention was also made on the appropriateness of existing supply in certain towns. For example the larger units at Paddockholm Industrial Estate in Kilbirnie were felt to be too large in relation to town size, whereas the Hill Street properties in Ardrossan were felt to be an appropriate unit scale in relation to the town.

It was noted that the Council had reduced the annual capital budget available to the Estates Team from £1m to £200,000 to now £100,000. Undoubtedly this gives the Council less flexibility in terms of refurbishment and investment and even ability to undertake basic repair and maintenance work.

Estates agreed that there was a shortage of small to medium sized allocated business and industry sites available to purchase. This is demonstrated by the success of Moorfield Industrial Estate to the west side of Kilmarnock where four serviced plots have been developed for owner occupation over the last 18 months.

It is noted that the Council uses some of its industrial investment portfolio for its own purposes. If a new centralised bespoke ‘industrial’ type complex was built, then this would free up workshop premises across North Ayrshire as well as creating an industrial requirement (the Council complex) which could act as a catalyst to prompt other private sector led development on the chosen site.

Irvine Bay URC – In its role as promoting regeneration, investment and development across Irvine, Ardrossan, Saltcoats, Stevenston and Kilwinning the URC was consulted. The URC is seeking to address a series of challenges of which we consider the following particularly relevant to this study:

- A shrinking employment base, particularly within the Bay’s manufacturing sector
- A lack of investment in the physical built environment
- A high prevalence of derelict and vacant land

One of the URC’s objectives to reverse these challenges is to ‘generate new employment through providing modern business property to attract and retain new business’.

Irvine Bay URC had recently been appointed by Scottish Enterprise as ‘managing agent’ and ‘development partner’ for Riverside Business Park. There was acknowledgement that development had not followed the exiting masterplan resulting in a fragmented business location. Also policy needed to be updated as currently Class 6 use (storage and distribution) was not permitted.

In relation to certain business locations like North and South Newmoor Industrial Estates, there was a view that industrial and business use could be focused towards selected locations and in the case of North and South

Newmoor, the latter. The URC was in discussions with the owner, Ashtenne, to explore opportunities to assist in the promotion of new/ refurbished/ reconfigured units in South Newmoor to potentially accommodate relocations from other existing allocations like Nethermains or North Newmoor.

There was recognition that local demand was being successfully catered for in a range of local employment sites including the workshop locations mentioned earlier and to a lesser extent small office complexes like Caledonian House at Nethermains Industrial Estate and that these types of locations need to be protected from alternative uses.

The URC was of the opinion that some long term vacant/ derelict allocated sites could be regenerated through a mix of uses being allowed. For example Tournament Park in Irvine was discussed as being a site that lends itself to being suitable for a mixed use redevelopment solution. Given its scale, prominent location adjacent to the strategic road network and its proximity to the Ayrshire Central Hospital site which is to be redeveloped for a range of uses including new healthcare premises, residential and potentially leisure (currently the site is the preferred option for the relocation of the Magnum Leisure Centre), it was considered to offer good potential in this respect. This wouldn't be simply the retention of the Maxi Group offices, rather use of this existing office building to build a small office park around.

The URC also considered that the success of the Michael Lynch Business Centre in Ardrossan could be replicated elsewhere in the Irvine Bay area. Furthermore a version which was available to private sector occupiers would also help support the regeneration of town centres.

4.3 Private Sector Operators

Consultation with private sector landowners/ developers[7] highlighted the following key points:

- The sensible way to arrive at an appropriate amount of employment land was to consider the existing land supply on a site by site basis.

[7] NPL Estates, Ashtenne, Clowes Developments and Baronsgate.

This would lead to a situation whereby sites with similar characteristics could be grouped together and considered appropriately

- Although it was recognised that an oversupply situation exists, it was suggested that it was perhaps not as significant as it may seem. If, for example, the bonded warehouses, the munitions facility, Hunterston, land reserved for expansion of key businesses etc is discounted then the total land supply figure would "drop" dramatically
- There was good opportunity to cluster certain types of large land users including heavier industrial facilities at Ardeer due to the site's scale and location. For example there is currently interest for an "energy from waste system"
- Although alternative uses were being promoted on certain sites, there was a desire to see industrial and office development continue on others. This was particularly the case where landowners were also landlords and had in depth experience of which locations were popular and which weren't. For example both NPL's masterplan and the emerging Ashtenne one retain/ allow for a continuation of employment uses albeit on a rational basis
- The introduction of alternative uses creates value which allows for contamination clean up costs and investment in the retained industrial and office locations. North Ayrshire Council needs to ensure that the industrial investment plan part of masterplans is closely tied to the delivery of other non employment aspects
- The majority of demand arises from local companies. However this was not to say that it was all small scale demand. Demand included larger land users seeking significantly sized secure sites for new facilities, like British Plastics two new large industrial units at Ardeer
- Several landowners were involved in promoting masterplans which included employment uses. It is recommended that as these become available they are reconciled to identify any relevant issues before being considered for approval as supplementary planning guidance

4.4 Mixed Use Development

This section provides an assessment of the potential scale of demand for mixed use development and types of locations where this may be appropriate.

In terms of mixed use, one of the first aspects to consider is if the site is suitable for vertical or horizontal mixed use development. One of the key deciding factors in this is location particularly distance from the town centre.

Generally the closer to the centre of the town a site is the more likely it is to be suitable for a vertically integrated mixed use scheme. For example sites in the town centre are more suited to vertically mixed use solutions than suburban locations, which if an opportunity for mixed use exists, then it is more likely to be a horizontally integrated development.

As not many allocated sites are in town centres, it is more likely that horizontally mixed uses schemes would be appropriate. Where it is established that the entirety of a site is required then parts of the site could be designated for alternative use.

There are examples from across Scotland of where this approach has delivered a win win scenario in that a vacant/ derelict site is redeveloped and local employment, homes and/or amenities are provided.

When longer term employment trends are taken into account, i.e. the implications of the continuing sectoral shift in the economy from industrial to office based employment, **less employment land will be required to support this future economic base**.

<u>It is considered that the current supply of office property, particularly in town centres, will be insufficient to cater for future demand trends. However in relation to industrial property there is sufficient development capacity, indeed an oversupply, at existing designated sites including Irvine Industrial Estate and North Newmoor Industrial Estate.</u>

In our view the mixed use case study (presented as Appendix D) demonstrates that the redevelopment of a vacant industrial site for office and residential use can be achieved through building a complimentary mix of uses on site.

This approach is not considered to be feasible in all situations where sites are under pressure from an alternative use as some sites may not be attractive as a business location, e.g. too far from a town centre or public transport.

Another important aspect of mixed use is that the introduction of commercial uses are considered relevant in that increasingly staff and business amenities are a vital component in locational decision making. In our experience generally occupiers prefer locations with on-site or nearby retail, leisure, crèche, healthcare, etc, facilities as opposed to places with no support amenities at all.

Not only does the presence of these amenities help to attract tenants in the first instance; they also assist in the retention of staff in the long term.

The following sites offer potential to be subjected to a flexible masterplan approach as while they are considered to not be required in their entirety for employment use, they have potential to accommodate some industrial and office development:

- Tournament Park: Redburn East
- Church Street, Irvine
- Inches Road, Ardrossan
- Montgomery Road, Ardrossan

These sites require a masterplanning approach to identify whether vertical and/ or horizontal mixed use scenarios are appropriate. The approach will have to consider a solution which is both commercially viable and acceptable in planning terms.

For example these closer to town centres, like Church Street in Irvine, are more suited to include vertical mixed use while those further a field like Ardeer will probably include horizontal mixed use.

Undoubtedly as the property market returns in the medium term to more normal levels of activity the role of residential use as an enabler of development will also reappear.

Mixed use approaches should consider the full spectrum of uses including residential, business, commercial, small scale retail, health, education, civic, community, sport and recreation and 'greening'. Mixed use doesn't just mean residential with a token office unit. It does however require complimentary uses to be promoted.

Furthermore there will be windfall sites which come forward which may also be suitable for a flexible masterplan approach. This will likely include the Reid Foods in Dalry site. The company currently operates from an unsuitable location in the town centre. Reids has decided to relocate to Bridgend Industrial Estate on the outskirts of Dalry. This will result in a former industrial site becoming available in a town centre in a similar way in which a site in Beith has been redeveloped for retail and retirement/ residential use.

Further consideration needs to be given to the repositioning of long term industrial sites through the introduction of alternative yet complimentary uses on site. An example of this could be where an industrial site suffering from little or no demand, is kick started by allowing non-industrial or business use such as leisure or commercial space which leads to the development of modern business space. Given evident market failure, there may be justification for this being formalised through a planning policy response.

While potential issues of an oversupply of housing land and the likely need for programming/ phasing are recognised, it is not for this report to comment on the merits or otherwise of sites potential for this use. Only their merits and treatment as an employment location are considered by this report.

4.5 Infrastructure Needs & Constraints

This section provides an assessment of current and future infrastructure needs and constraints. We have not undertaken detailed site investigations and so our view of whether a site is serviced or not is based on our consultations undertaken and desk based research.

In general infrastructure is not considered a constraint in terms of roads, water, power, etc. Several of the larger allocations are relatively well positioned in terms of access and infrastructure. For example sites such as Riverside Business Park and parts of Ardeer and Lochshore offer a range of site opportunities which are considered available and marketable should demand be expressed. This is partly due to the existence of access and utilities. Some of this capacity is new private investment for example the new electricity sub station at Stevenston Industrial Estate, Ardeer.

Some infrastructure aspects which do constrain some currently allocated sites are contamination and presence of older obsolete buildings/ foundations. The costs of dealing with these are often mentioned as constraining development. One way of overcoming these is through a planning agreement which allows enabling development (either on site or nearby) to generate transferable economic benefit.

Circular 12/1996: Planning Agreements sets out the role planning agreements have in the planning system under Section 75 of the Town & Country Planning (Scotland) Act 1997. It is currently being revised in order that agreements can be taken forward in a more transparent and consistent manner. Councils should only seek planning agreements where they meet all of the following tests:

- Necessary to make the proposed development acceptable in planning terms
- Serve a planning purpose and be relevant to the published development plan of the authority
- Directly relate to the proposed development
- Fairly and reasonably relate in scale and kind to the proposed development; and be
- Reasonable in all other respects

Guidance includes that there should be a functional or geographic link between the development and the site for which planning permission is sought. Furthermore, in the case of financial payments, the agreement should contribute to the cost of providing necessary facilities required as a consequence of the development. Also the agreement should mitigate the loss of any amenity or resource which is present on the site prior to the development.

In the case of employment land and buildings, these are considered to be resources, which if lost, could be replaced elsewhere through provision of serviced sites or developer contributions to business premises initiatives. Given the opportunity for mixed use development outlined above, this could again be pursued through a planning policy response, i.e. through the emerging Local Development Plan.

4.6 NPF2

This chapter comments on the implications of the identification of Hunterston within the National Planning Framework 2 (NPF2) as a National Development, and NPF2's recognition of the importance of the Energetic Cluster at Ardeer.

NPF2 was laid before the Scottish Parliament in December 2009 and published in June 2009. It is a key current policy document outlining Scotland's spatial strategy until 2025 and used by the Scottish Government to prioritise expenditure.

NPF2 proposes 12 national developments related to major transport, energy and environmental infrastructure projects. These were identified following an assessment against criteria set out by the Scottish Government[8].

Hunterston is identified as a location for a new power station and transhipment hub where development could include the following:

- Clean coal fired power station
- Container transhipment hub
- Maritime construction and decommissioning yard
- Associated energy and industry development

[8] The document 'Assessment Matrix of Candidate National Developments against the National Development Criteria' published January 2009 provides details of the assessment of all candidate national developments.

Hunterston is considered to meet the locational requirements for this type of development due to the availability of land, capacity at the existing port and its accessibility by sea, rail and road. It is also likely to be suitable for required maritime construction and decommissioning activities. Further NPF2 context can be found in Appendix E.

Although there is a lack of general employment land in the North Coast, the scale of, and identified role for, Hunterston may not offer the opportunity to accommodate indigenous demand if expressed. This may prove inappropriate given the nature of the potential development set out above and careful consideration would be required as to the co-location of such uses.

As can be seen from the table below, one of the reasons that the Energetics Cluster on the Ardeer peninsula has not been designated as a national development within NPF2 is that it is not an infrastructure project. NPF2 does, however, highlight the importance of the Energetics Cluster for delivering economic development in Ayrshire.

Assessment of Energetics Cluster

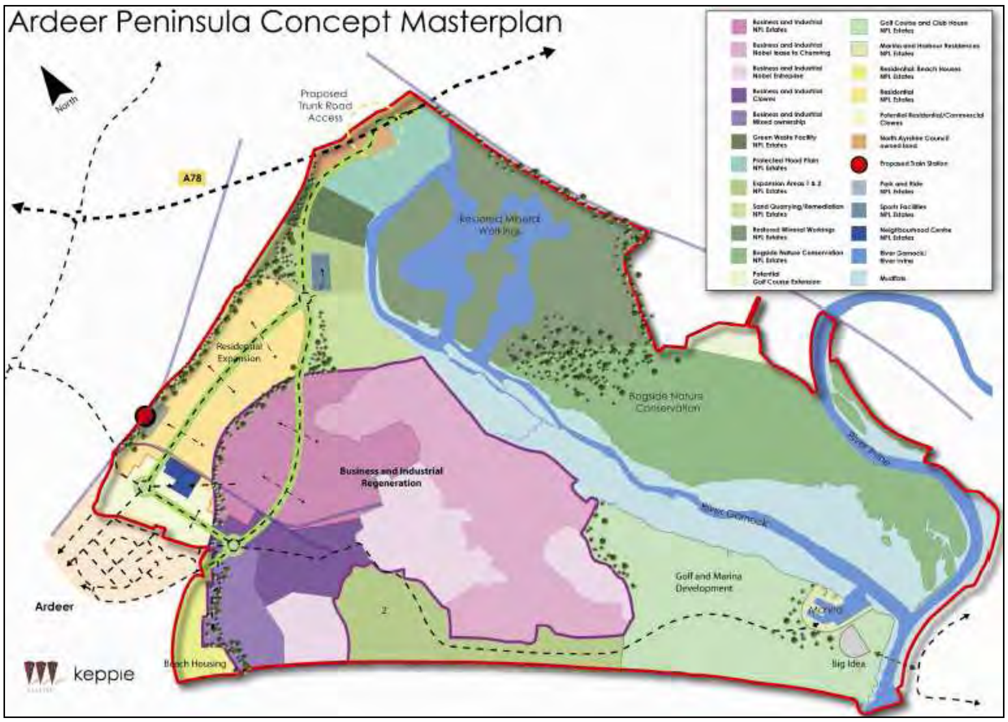
No.	Projects	Significant contribution to sustainable economic development	Strengthen global links	Improve internal connectivity	Significant contribution to climate change, renewable energy, waste management targets	Essential part of a national infrastructure investment programme (0= not programmed)	More than regional important	Overall Assess	Is the project a proposed national development	Commentary
167	Energetics Cluster on the Ardeer Peninsula	+	0	0	0	0	0	Mostly neutral	N	Not an infrastructure project, but significant in diversifying Ayrshire's economic base. Addressed in NPF text. Environmental issues considered in the Supplementary SEA

Source: Assessment Matrix of Candidate National Developments against the National Development Criteria, Scottish Government, Jan 2009

Development of alternative uses at Ardeer would therefore need to be carefully considered due to the presence of this nationally important Energetics Cluster. This is partly due to health and safety exclusion zones and partly due to ensuring that any alternative use development does not begin to constrain existing operations.

The masterplan for the Ardeer peninsula prepared for NPL Estates proposes a range of alternative uses including leisure, retail and new residential development, on currently allocated employment land as set out below:

Ardeer Peninsula Masterplan



Source: www.ardeerpartnership.com

It is noted that the masterplan includes significant amounts of land for continued employment use. However, North Ayrshire Council needs to carefully consider the masterplan in terms of the requirement for new housing land to be allocated. If there is a requirement for additional housing land in Stevenston, the question that needs answered is whether Ardeer is the optimal location relative to other sites in and around the town. The scale of residential use proposed would clearly have wider implications in terms of the Local Development Plan housing strategy.

In terms of employment land, it is considered that given the established mass of business occupiers already operating from Ardeer, in particular Stevenston Industrial Estate, it is a suitable location upon which to direct future industrial and office development. This is particularly the case relative to other allocated employment sites, e.g. Tournament Park, Irvine and West Byrehill, Kilwinning which have no existing critical mass of occupiers.

4.7 IBURC Activities

This section notes where proposals made by IBURC projects may impact on the employment land supply. It also identifies where the Council may support priority projects and further stimulate employment generating development through the planning system.

IBURC has a clear remit and expenditure allocated to deliver economic development and regeneration projects across Irvine Bay. Although this is only one part of North Ayrshire, the Irvine Bay area contains the bulk of the population and commercial property market activity. Development here therefore influences (positively and negatively) the commercial viability of development in the rest of North Ayrshire.

Discussion with IBURC has established its key business and industry sites/ projects and their influence on wider North Ayrshire supply and demand trends. These include:

Riverside Business Park, Irvine

As mentioned earlier, IBURC has recently issued an invitation to tender for a Masterplan and Development Strategy for the Park. IBURC has a Development Management Agreement with Scottish Enterprise whereby the URC will lead on implementation, management, promotion and development for an initial five years from 2009-2014.

The masterplan will include development scenarios/ strategic options on a wide spectrum of land uses.

It is suggested that the masterplan recommends a flexible approach to distribution uses at Riverside and the incorporation of supporting facilities to attract additional and retain existing businesses.

In relation to Irvine Industrial Estate, the URC was in negotiations to purchase a 15 ha site, the NACCO unit, for it to become part of its Beach

Park scheme. It is noted that commercial ‘roadside’ type uses are being considered as opposed to modern industrial or office units.

Annickbank, Irvine

This site is to be developed for office use in a joint venture with the private sector (Speyroc Properties), and the IBURC delivering up front infrastructure. This meets an identified market gap (Phase 1 will offer 93-2,323 sq m of modern office space). It is considered that further opportunities exist for new office development, particularly connected to town centre regeneration.

As already mentioned the provision of small-medium sized serviced plots for business and industry use would meet demand. This public sector intervention is being undertaken by URC’s elsewhere in Scotland at present; London Road, Glasgow by Clyde Gateway URC, Hospital Gate, Clydebank by Clydebank Rebuilt, etc.

Another potential IBURC intervention could be to capitalise on the success of small unit clusters, e.g. Ashgrove Workshops in Kilwinning, Rennie Place in Saltcoats, Hill Street in Ardrossan, etc. It is considered that this type of development could be successfully replicated elsewhere in North Ayrshire.

5 Suitability of Supply

5.1 Introduction

This chapter provides an assessment of whether existing allocated employment locations in North Ayrshire fit with market prospects to 2019 and potentially beyond.

5.2 Effective Supply by Housing Market Area

We have reviewed allocated employment land by Housing Market Area. This is felt to be acceptable given that these areas form relatively distinct employment land markets.

It is noted that the study does not include the Isle of Arran. This is considered acceptable as Arran is a relatively self-contained market in terms of the supply of demand for employment land, e.g. it does not need to offer a supply of sites to attract mobile demand.

Analysis of Employment Land by HMA

HMA	Effective Land	% of Total	Supply Position	Comment
Irvine & Kilwinning	246	62	Core industrial and office zone	Riverside BP offers potential to be focus for investment and development Also potential for office/ business centre space in town centres or mixed use regeneration + small-medium sites for owner occupation
Three Towns & Ardeer	85	21	Supporting industrial and office area After rationalisation/ consolidation, appropriate allocations	Ardeer provides opportunity to meet a broad spectrum of industrial demand on a consolidated site Also potential for office/ business centre space in town centres or mixed use regeneration + small-medium sites for owner occupation
Garnock Valley	68	17	Supporting industrial and office area After rationalisation/ consolidation, appropriate allocations	Lochshore provides flexibility for supply to be increased should demand be expressed in future Also potential for office/ business centre space in town centres or mixed use regeneration + small-medium sites for owner occupation
North Coast	0	0	None at present	There is no demonstrable demand for either speculative or bespoke industrial or office development at present. However in the longer term some attempt should be made to meet local need should it arise in the future.

Source: North Ayrshire Council & Ryden

This highlights an emphasis towards Irvine & Kilwinning but also the fact that the realisation of alternative use redevelopment opportunities at Lochshore in Glengarnock and Ardeer will create a more appropriate level of supply in those HMA's.

5.3 Suitability

The composition of the employment land supply has not significantly changed since the preparation of the current allocation in 2005. As mentioned earlier this relates to a low level of industrial and office activity. It is also a result of limited actual development of alternative uses especially residential. **This either indicates an ample housing land supply, an employment land supply not attractive to housebuilders, a strong planning stance on alternative development or a combination of all three.**

In any case the continued decline in the manufacturing sector has resulted in increased levels of vacant employment land and premises. Despite the poor current economic climate, there is continuing pressure for alternative uses demonstrated by anecdotal evidence of landowners withholding employment land from the market due to aspirations for a higher value.

The ongoing recession has implications for North Ayrshire's land and property market including:

- A reduction in already low levels of demand for industrial and office premises could effectively mean no development takes place at all
- It is even more difficult to deliver the business element of regeneration projects given the lack of cross-funding available from higher value uses such as residential

This report shows that the location of the majority of vacant and marketable land is around Irvine Bay with least being in the Garnock Valley and the North Coast. Our view on where the majority of industrial and office demand is focussed supports this distribution.

In assessing the current supply (Appendix C) it is our view that some sites should be deleted or considered for alternative uses for reasons of:

- sufficient supply adjacent
- limited potential for future employment use
- the requirement for overall consolidation of the supply
- the requirement to focus future take-up on the best sites, and to build up a critical mass on these
- development pending

These factors are highlighted below (the sites in red are considered to be suitable for alternative uses and thus the difference between a *maximum* vacant and marketable supply and a *minimum*):

Local Development Plan – Effective Employment Land Assessment

Town/ Location		Maximum Vacant & Marketable	Comments	Future Allocation	Minimum Vacant & Marketable
Irvine	Riverside Single User Site	81.3	At present there is no demonstrable need for this to be considered for alternative uses. Limited number of alternative single user, publicly owned, undeveloped sites in Scotland. Site is also well screened and does not 'blight' area.	Retain employment	81.3
	Riverside Business Park	61.4	An established employment location offering significant potential to be enhanced. Consolidation of boundaries and a more flexible approach to use classes and ancillary uses required.	Retain employment	61.4
	TP: Redburn East	19.3	Offers potential for business use albeit not to the extent that the whole site is required. A flexible masterplanned approach which includes some business space adjacent to TP Redburn North & Gates and considers links to the adjacent Ayrshire Central Hospital site is suggested.	Consider mixed uses	0
	TP: Redburn North	3.0	Should be retained. Well located for small office or other employment development.	Retain employment	3.0
	TP: Redburn Gates	2.0	Should be retained. Well located for small office or other employment development.	Retain employment	2.0
	Drybridge Park	1.5	Should be retained. A reasonably well occupied & self-contained industrial estate.	Retain employment	1.5
	South Newmoor	7.2	A reasonably well occupied & self-contained industrial estate. Proposals to provide ancillary facilities would broaden appeal.	Retain employment	7.2
	North Newmoor	7.8	A declining industrial estate suffering from issues with security and a lack of a critical mass.	Consider mixed use on northern part	0
	Irvine Industrial Estate	5.8	Should be retained. A reasonably well occupied & self-contained industrial estate. In relation to the NACCO site, given its proximity to the Beach Park and availability elsewhere on the Estate, a flexible masterplanned approach is suggested. Wilson Sporting Goods site offers potential for office use.	Retain + consider mixed uses on former NACCO site, Lamont Drive	0
	Church Street	4.6	Lies adjacent to the town centre within the Harbourside area thus offering the potential to be regenerated. A flexible masterplanned approach which includes employment space is suggested.	Consider mixed uses	0
	Annickbank	2.5	To be developed for office use.	Retain employment	2.5
	Oldhall West	0.6	Provides out of town low amenity industrial space. Unless alternative site identified elsewhere for future similar demand, this capacity should be retained.	Retain employment	0.6
	Quarry Road	0.4	Provides in town small workshop units with yards. However, given the site's proximity to the town centre, a flexible masterplanned approach is suggested.	Consider alternative uses	0.4
Kilwinning	Nethermains	20.8	Should remain & be the focus for any economic benefit derived from alternative use regeneration elsewhere in Kilwinning.	Retain employment	20.8
	Dovecot Lane	0.2	Small site with potential to be redeveloped for residential use.	Consider mixed uses	0
	West Byrehill	28	Existing Local Plan policy IND8 allows for a mixed use development to come forward subject to demonstration of economic benefit.	Consider mixed uses	0

Ardrossan	Hill Street	0.6	Should be retained. A well occupied & self-contained industrial estate.	Retain employment	0.6
	Inches Road	0.3	Lies within Ardrossan Pierhead site thus offering potential to be regenerated. A flexible masterplanned approach which includes employment space is suggested.	Consider mixed uses	0
	Montgomerie Street	0.8	Could be incorporated into Ardrossan Harbour regeneration as site contains two large vacant units which adjoin existing residential areas on three sides & the former Shell site on the other.	Consider mixed uses	0
Stevenston	Ardeer (SIBS/ IND2)	66.1	Should be retained. Provides good opportunity to build on existing critical mass of business and industry occupiers.	Retain employment	66.1
	Lundholm Road (First Ave)	10.1	Should be retained. A reasonably well occupied & self-contained industrial estate.	Retain employment	10.1
	Portland Place	1.7	Should be retained. A reasonably well occupied & self-contained industrial estate.	Retain + consider alternative uses on part	0
Saltcoats	Sharphill	4.9	Unless occupiers can be relocated elsewhere + alternative accommodation identified elsewhere for future similar demand, this site should be retained.	Retain employment	4.9
Kilbirnie	Paddockholm North	1.2	Should be retained. Reasonably well occupied industrial estate with a large single user (recycling centre) & various smaller workshops. However, given the site's proximity to Lochshore (and the latter's longer term residential potential), part of the site could be included in the Lochshore Masterplan.	Retain + consider mixed uses on northern part	0
	Paddockholm South	0.3	Should be retained. A well occupied & self-contained industrial estate.	Retain employment	0.3
Glengarnock	Lochshore	54.4	Even after Lochshore North (SIBS) allocation is removed, this still leaves this significant supply. It is considered that the countryside section (i.e. the most northern portion of the IND8 allocation) should also be removed. This leaves the southern portion which should remain & be the focus for any economic benefit derived from alternative use regeneration elsewhere at Lochshore. This fits with the masterplan prepared by Scottish Enterprise.	Mixed use masterplan with employment focus	54.4
Beith	Willowyard I.E.	7.9	Should be retained. Self-contained industrial estate not suited to alternative uses.	Retain employment	7.9
	Mains Road	1.8	Should be retained. Self-contained industrial estate not suited to alternative uses.	Retain employment	1.8
Dalry	Drakemyre/ Ryeside	1.5	In light of Bridgend being developed out, should be retained.	Retain employment	1.5
	Bridgend	0.9	To be developed by Reid Foods.	Retain employment	0.9
TOTAL		**399**			**329**

Source: North Ayrshire Council & Ryden

Alternative uses are recommended where market demand is low, where sites are derelict/ vacant or have significant constraints to their development (accessibility, servicing, environment, contamination, etc). The aim is for a managed transfer of employment land towards other uses (where this would contribute to regeneration and other aims). Less employment land will be required in the long term.

Taking into account the sites highlighted above as being suitable for alternative/ mixed use approach either in part or whole, the table suggests the supply of employment sites available for industrial and business development in North Ayrshire which should be retained.

This is the minimum *vacant and marketable* land supply to be defended within the *total* land supply established in Chapter 2 of 2,815 ha[9] and amounts some 329 ha. This reduced figure (from a maximum of 399 ha) takes into account the loss of land considered suitable for alternative uses[10]. This sub-portfolio of allocated employment sites amounting to 329 ha is considered defensible in terms of the requirements to review surplus land and continue to provide range and choice across North Ayrshire. Justification includes:

- Less land will be required over the LDP period (10-20 years) given economic forecasts, low levels of take-up in a strong economic climate/ sustained period of economic growth and the changing the nature of Scotland's economy since the allocation of many of North Ayrshire's employment land supply
- The headline figure of employment land allocation masks a significant level of land that is not actually available to the market should demand be expressed
- Provision of a range and choice of sites in North Ayrshire's core employment zone of Irvine and Kilwinning and to a lesser extent the Three Towns
- A number of the currently allocated sites have experienced little/ no demand for development over the plan period
- There are historic uses/ allocations with no realistic hope of being solely developed for office or industrial purposes which would better serve North Ayrshire if they were either developed for alternative uses or subjected to a flexible masterplan approach which included an element of business space

[9] First cut of 2,238 ha plus the large industrial sites currently designated as Countryside near Beith (Defence Munitions 425.6 ha, Willowyard Bonds 81.7 ha & Balgray Bonds 70.4 ha).
[10] TP: Redburn East, North Newmoor, Irvine industrial Estate, Church Street, Quarry Street, Dovecot Lane, West Byrehill, Inches Road, Montgomerie Street, Portland Place and Paddockholm North.

- Well occupied workshops, estates, business parks and attached vacant/ undeveloped sites should continue to be afforded protection

These sites are important as demand for alternative uses will undoubtedly increase as the economy rebounds out of recession and the property market returns to more normal levels of activity.

6 Key Findings

6.1 Introduction

This study has considered the current allocated employment land supply with future forecast demand. The key output is therefore whether sites should remain allocated for employment use or whether they should be considered for other uses. This chapter presents our key findings and suggests opportunities for planning intervention.

6.2 Key Findings

The key findings from this study are:

1. There is a significant amount of allocated employment land supply in North Ayrshire. In terms of years supply, it is an **oversupply**. However after certain unique large land uses/ occupiers are discounted, the total falls dramatically and the general supply amounts to some 1,019 ha.

2. Within this reduced general supply there are currently allocated employment sites which are extremely **unlikely to be required in their entirety** for industrial or office development. This is partly due to challenges in attracting mobile demand particularly as a result of competition from the Glasgow market, a reliance on indigenous North Ayrshire demand and the sheer scale of some of the allocations, e.g. Ardeer and Lochshore, Glengarnock. We have however highlighted where an element of industrial and office use should be retained/ incorporated as part of a mixed use scheme.

3. Some of these sites may be suited to being redeveloped for a mix of uses including **alternative uses**. North Ayrshire Council should continue to use the policy approach begun in the current Local Plan which suggests a masterplanned approach as a means of delivering a managed transfer of surplus employment land. We concur with the Council when it states that a site being declared surplus from the employment land supply does not automatically mean that it should be included in the housing land supply. However, as we are only looking at employment land this is not a consideration of this report.

4. There are **opportunities for other business locations to benefit** from the redevelopment of employment land for alternative use. Examples include funding contributions to new business space (either on site or elsewhere) and public realm improvements. Where employment sites are considered for alternative uses, they will require to be phased so they don't constrain/ negatively impact on other projects. Equally where development produces economic benefit or regeneration impacts then this could be prioritised.

5. Within the allocated employment land supply there are vacant and marketable sites which need to be **safeguarded from alternative uses**. Those vacant and marketable sites highlighted as requiring to be defended are so on the basis of providing a range of choice for owner occupiers and public and private developers. Furthermore this allows a mix of industrial, workshops, offices and business centre space to be developed in appropriate locations.

6. There is a **lack of small sites** to meet demand from small-medium sized firms typically seeking up to half an hectare. If larger sites, or parts of them, could be subdivided, then this could attract interest from the owner occupation market. There is a lack of modern start-up business accommodation in North Ayrshire which constrains economic development. Annickbank Business Park is a good example of small to medium sized new office space coming forward to satisfy this scale of demand.

7. There are large employment allocations where the introduction of **alternative uses could create/ improve on-site amenities** available to businesses and staff. These complimentary uses should only be allowed at a size appropriate to the adjacent industrial/ office area and, in the case of retail, *should not threaten the viability of nearby town centres*. Complimentary uses would include small scale convenience retail, café, crèche, leisure, etc. Increasing developers realise the value of offering amenities such as these in business locations. If they are not built into business locations from Day 1, facilities are increasingly being retrofitted in response to occupiers demanding them.

8. It is difficult to specify what would be an **acceptable mix and volume of alternative uses**. The factors to take into consideration will include:

- Location, e.g. distance from town centre and adjacent uses
- Size of site
- Requirement for enabling development
- Compatibility of uses
- Phasing

A particular role for the planning system will be to encourage those land owners with alternative use aspirations to come forward with *masterplans/ development bids* so a North Ayrshire wide view can be taken on land use. This allows surplus sites/ parts of surplus sites to be redeveloped in a managed fashion.

9. The role of **planning agreements** needs to be carefully considered. There is real opportunity for alternative use on surplus employment sites to create economic benefit which could be transferred to employment sites to be safeguarded. Generally this will be where residential or retail uses are proposed on currently allocated employment sites. Agreements need to be justified and proportionate to the development proposed. However, this opportunity *should not influence planning decisions* on whether the actual proposal is appropriate to the site.

10. Consideration should be given to identifying additional land for employment use within the **North Coast HMA**. However, given environmental and infrastructure constraints, and land values, assembling such a site would be difficult. While consideration would require to be given to the juxtaposition of uses, the National Development site at Hunterston may provide such an opportunity given the established employment allocation, existing access, etc.

11. Certain opportunities are increasingly likely to emerge in the future, such as interest from the **waste/ green energy sector**, and will require careful consideration in terms of planning policy response. Not all industrial and business sites are suited to accommodating these types of uses.

12. Similar studies the consultant has been involved in have benefited from details of industrial and business sites being available in hard copy/ folder

format for ease of review and to enable tracking of land taken-up via an annual audit. This also enables a site's history to be available to subsequent Council Planning officers. It is therefore recommended that in addition to the industrial land supply being stored electronically on spreadsheets, it is also stored in hard copy/ folder format. These folders could contain site plans, photos, comments of parts of sites developed, ownership details and any information known on infrastructure.

13. In terms of **defensibility**, it is suggested that North Ayrshire Council:

- Continues to review its allocated employment land supply on an annual basis to ensure accuracy of information. Regular reviews will reflect take-up of sites, account for windfall sites coming to the market and economic and property market cycles
- Ensures that internal teams/ departments (particularly economic development, planning and estates) agree on the scale and nature of employment land to be safeguarded. This will help the Council in defending sites if required to do so at Inquiry
- Ensure that all Council documents which refer to employment land are consistent with each other and fit with national guidance. For example Council documents should fit with the Scottish Planning Policy Consultative Draft out at present which provides a new definition of brownfield land
- Tracks the progress of the Scottish Government's research into developing a policy on mixed use and how to remove barriers to delivering this type of development. The results could be incorporated into new Local Development Plan policies and applied to those sites identified as being suitable for a mixed use solution
- Undertakes a review of infrastructure availability and capacity of certain key employment sites in a similar way to which this type of information is factored into Housing Land Supply Audits. This would assist the Council in considering applications for alternative use enabling development where it is stated as being required to cross fund/ overcome infrastructure constraints

14. The North Ayrshire Local Development Plan, along with the established role of the Irvine Bay Urban Regeneration Company in supporting regeneration, provides an opportunity to:

- implement the findings set out above
- focus and prioritise development and investment; and,
- prioritise infrastructure through the LDP Action Programme.

APPENDIX A – References & Consultees

References

- North Ayrshire Local Plan, Adopted 4 November 2005
- Irvine Bay Market Appraisal, Ryden, Dec 2006
- Draft Employment Land Review, North Ayrshire Council, Jan 2009
- NPF2, Scottish Government, Jan 2009
- Irvine Bay Priority Sites Justification, Kevin Murray Associates, Feb 2008
- Assessment Matrix of Candidate National Developments Against the National Development Criteria, Scottish Government, Jan 2009
- Revision of Circular 12/1996: Planning Agreements Consultation Paper, Scottish Government, December 2008

Consultees

- Alasdair Laurenson, Planning, North Ayrshire Council
- Margaret Ferrier, Planning, North Ayrshire Council
- Fiona Morris, Regeneration, North Ayrshire Council
- John Adam, Irvine Bay URC
- John Fish, Scottish Enterprise West
- Lisa McKenzie, Scottish Enterprise West
- John Ferguson, Property, North Ayrshire Council
- Steve Cuthbert, Economic Development, North Ayrshire Council
- Arran Cameron, Project Manager, NPL Estates
- Alison Hazell, Surveyor, Baronsgate
- Derek Aitken, Surveyor, Ashtenne
- Gordon Arthur, Director, Clowes Developments

Appendix B – Qualitative Assessment

APPENDIX C – ANALYSIS OF PLANNING APPLICATIONS RELATED TO EMPLOYMENT USES

Table 1: Applications on Allocated Business/Industry Site

Key

(yellow)	Change of use from business/industrial to alternative use
(pale yellow)	Change of use to trade counter/quasi retail

Site Address	Planning Application Proposal
19 Kyle Road, Irvine Industrial Estate, Irvine	Erection of storage building
BPI Industrial, Lundholm Road, Stevenston	Erection of extension to factory to form storage area
2A Ailsa Road, Irvine Industrial Estate, Irvine	Erection of extension to side of workshop
70 Stevenston Industrial Estate, Stevenston	Change of use from vacant industrial building to indoor karting centre
Site To South East Of Unit 1,Sharphill Industrial Estate, Saltcoats	Erection of 2 storey office building (retrospective)
Allied Distillers Ltd, Willowyard Road, Beith	Erection of 6 maturation warehouses
Site To The North Of Car Park, Pier Road, Fairlie	Temporary change of use from vacant land to form community sustainable garden and nature reserve
25 Kyle Road, Irvine Industrial Estate, Irvine	Erection of timber framed unit and steel storage container with associated car parking (retrospective)
Unit 13,A P L Centre Stevenston Industrial Estate, Stevenston	Change of use from manufacturing unit to garage and MOT centre
Hunterston B Power Station, West Kilbride	Erection of maintenance workshop
Unit 6A 2 Ailsa Road, Irvine Industrial Estate, Irvine	Erection of extension to rear of warehouse
Hillhouse Blocks, Murdoch Place, Oldhall West Industrial Estate, Irvine	Erection of portal frame shed, formation of concrete plinth for batching plant and formation of new access road
Hunterston B Power Station, West Kilbride	Erection of single storey extension to side of Training Centre
Unit 44D,Stevenston Industrial Estate, Stevenston	Erection of steel portal frame storage shed
Electroconnect, Unit 1Riverside Avenue, Riverside Business Park, Irvine	Conversion of existing warehouse and offices to form Class 4 Business offices and erection of 2 additional office blocks
J S Trading,3 Dunlop Drive, Meadowhead Industrial Estate, Irvine	Part change of use of industrial unit to incorporate public sales area (retrospective)
12-14 Kyle Road, Irvine Industrial Estate, Irvine	Part change of use of industrial unit to form trade counter and erection of 2.4m high fence and gates with formation of new access
11 Kyle Road, Irvine Industrial Estate, Irvine	Erection of extension to rear
Site To West Of 1 Mackintosh Place, South Newmoor Industrial Estate, Irvine	Erection of 2 industrial units with associated access and car parking
Hunterston B Power Station, West Kilbride	Erection of 3 storage containers on a concrete base
Caledonian Paper Plc, Meadowhead Road, Irvine	Erection of paper storage building
7 Kyle Road, Irvine Industrial Estate, Irvine	Erection of 14 industrial units with associated access and car parking

12 Heatherhouse Road, Irvine	Erection of 5 single storey linked business starter units with associated car parking and 1.8m high fence
12 MacAdam Place, South Newmoor Industrial Estate, Irvine	Change of use of industrial unit to training centre
Former Rifle Range, Portland Road, Irvine	Change of use from former rifle range to form office and yard
Unit 44 Stevenston Industrial Estate, Stevenston	Erection of new steel portal frame shed for general storage purposes
20 Quarry Road, Irvine	Change of use from vacant workshop to form fencing supplier and storage yard
Site To East Of 4 Dunlop Drive, Meadowhead Industrial Estate, Irvine	Erection of warehouse incorporating offices with yard and associated car parking and erection of 2.4m high security fence
Site To North West Of Unit 65,Third Avenue, Heatherhouse Industrial Estate, Irvine	Use of open ground to form storage area incorporating siting of 4 containers, fence and gate
Unit 1,7 Kyle Road Irvine Industrial Estate, Irvine	Change of use from vacant industrial unit to form kitchen showroom
Site To South East Of Pet Crematorium, Murdoch Place, Oldhall West Industrial Estate, Irvine	Erection of gasification building with associated plants
11 Arkwright Way, North Newmoor Industrial Estate, Irvine	Change of use from Class 5 (General Industrial) to plumber's merchants with ancillary trade counter use
Tournament Park, Kilwinning Road, Redburn Industrial Estate, Irvine	Outline planning permission for Classes 1, 3, 4, 7 & 9
Unit 4, Ryeside Mill, Drakemyre, Dalry	Change of use from former manufacturing/retail premises to form car sales unit
3 Byrehill Drive, West Byrehill Industrial Estate, Kilwinning	Change of use of an industrial unit to provide a bus depot and ancillary accommodation (retrospective)
Allied Distillers Ltd , Willowyard Road, Beith	Erection of nine maturation warehouses
Site To North Of BP3,Long Drive, Irvine	Erection of custody centre with associated works
Hunterston A Power Station, West Kilbride	Erection of a warehouse
Unit 47,Second Avenue, Heatherhouse Industrial Estate, Irvine	Erection of 5 workshop units
Site To South Of Scotlee Transport, Portland Place, Irvine	Subdivision of existing transport and storage depot and the formation of gas storage compound with security gates and a bulk propane gas tank; siting of portacabin and portaloo; erection of floodlighting and CCTV columns and the erection of new palisade boundary fence
32B Montgomerie Street, Ardrossan	Change of use from office & storage to form car valet centre
Site To West Of Pumping Station, Harbour Street, Ardrossan	Erection of 2 no Class 5/6 industrial units with associated service yards, accesses and parking
Glaxo smith kline, Shewalton Road, Irvine	Erection of extension to chill store
Site To South Of Unit 10,Cunninghame Road, Irvine Industrial Estate, Irvine	Erection of building for use as workshop, office, training room, yard, store and formation of loading bay to side
Block 7, Unit 2,Lochshore Industrial Estate, Caledonian Place, Glengarnock	Change of use of vehicle repair garage to include car sales
Hunterston B Power Station, West Kilbride	Erection of 2 storey office block for power station
Caledonian Paper Plc, Meadowhead Road, Irvine	Erection of CHP Biomass Plant and associated plant and machinery
Glaxo smith kline,Shewalton Road, Irvine	Erection of extension to amenities building and erection of bicycle shed and storage shed
Unit 34,24 Kyle Road	Change of use from warehouse to cleansing unit

Irvine Industrial Estate, Irvine	
Site To North And East And West Of Irvine Car Spares, Shewalton Road, Irvine	Erection of 2 no industrial buildings - Building A to accommodate motor transport workshop (relocated from Kilwinning); Building B to accommodate existing waste recycling facility, and associated works
Unit 44,Stevenston Industrial Estate, Stevenston	Erection of storage shed
18 Kyle Road, Irvine Industrial Estate, Irvine	Alterations, partial demolition and sub-division of single industrial unit to form 4 units
3 Centenary Road, Riverside Business Park, Irvine	Erection of single storey extensions to sides of building
Site To The South East Of 4 Portland Avenue, Irvine	Erection of two single storey industrial units with associated car parking
Glaxo smith kline, Shewalton Road, Irvine	Erection of extension to factory including renovations
Unit 65,Third Avenue, Heatherhouse Industrial Estate, Irvine	Storage of hazardous substances
6-10 Kelvin Avenue, Kilwinning	Change of use of light industrial units to educational unit
Hunterston B Power Station, West Kilbride	Erection of extension to front of Training Centre
Site To East Of Block 1,Fairlie Quay Enterprise Park, Fairlie	Erection of commercial workshop unit
Block 5,Lochview Road, Willowyard Industrial Estate, Beith	Change of use from Class 4 & 5 to Class 6 (storage & distribution)
1 Telford Place, South Newmoor Industrial Estate, Irvine	Part change of use from Class 6 use to retail use
Lowmac Alloys, Unit 22 Murdoch Place, Oldhall West Industrial Estate, Irvine	Change of use of undeveloped ground to form extension to existing waste transfer station
10 Kyle Road, Irvine Industrial Estate, Irvine	Erection of extension to side of industrial unit
3 Byrehill Drive, West Byrehill Industrial Estate, Kilwinning	Change of use of part of industrial unit to Class 10 Educational Use
Site Opposite Johnston Castings, Drakemyre, Dalry	Erection of one and a half storey dwelling house with associated workshop
7 Kyle Road, Irvine Industrial Estate, Irvine	Alterations to industrial premises in association with sub-division to form 9 no industrial and storage units and erection of boundary fence and gates and demolition of building
18 Kyle Road, Irvine Industrial Estate, Irvine	Alterations, partial demolition and sub-division of industrial unit to form 5 units
13 Murdoch Place, Oldhall West Industrial Estate, Irvine	Change of use from skip hire business to form non-hazardous household, commercial and industrial waste transfer station
Site To East Of Block 1,Fairlie Quay Enterprise Park, Fairlie	Erection of commercial workshop unit
3 Crompton Way, North Newmoor Industrial Estate, Irvine	Partial change of use of factory premises to provide area for factory retail outlet for sale of goods produced on premises, and erection of 2.4 metre high palisade boundary fence
2 Byrehill Drive, West Byrehill Industrial Estate, Kilwinning	Erection of 3 storey office block and associated car parking
7-9 Ayr Road, Irvine	Change of use from car showroom and workshop to licensed restaurant, alterations, extension and erection of boundary wall and fence
6 Brewster Place, Riverside Business Park, Irvine	Change of use from office and industrial (Class 4 & 5) to storage and distribution (Class 6) with ancillary offices

Site To The North Of 23 Quarry Road, Irvine	Change of use from general industrial (Class 5A) to retail (Class 1) as carpet store
Site To East Of Portland Place Service Roads, Stevenston	Change of use of vacant land for storage of vehicles and building materials, workshop and distribution depot
1 Willowburn Road, Willowyard Industrial Estate, Beith	Change of use from manufacturing and storage to maintenance, storage and retailing of agricultural equipment
5 Mackintosh Place, South Newmoor Industrial Estate, Irvine	Change of use from use Class 5 general industrial to wholesale plumbers
Unit 3a,Montgomerie Street, Harbour Industrial Estate, Ardrossan	Change of use of former business/industrial premises to form car sales (second hand)

Table 2: Applications on Non-Allocated Business/Industry Site

Key

Change of use from business/industrial to alternative use

Change of use from business/industry to residential

Change of use from Class 1 to Class 2

Site Address	**Planning Application Proposal**
12 Lade Street, Largs	Change of use from store to retail shop (retrospective)
Auchengree Works, Auchengree Road, Glengarnock	Renewal of unexpired planning permission ref no. N/03/00509/PP for alterations and change of use from industrial workshop to dwelling house
54 Sorbie Road, Ardrossan	Change of use from domestic garage to form garage services commercial premises
Site To West Of Cleansing Depot, Canal Place, Saltcoats	Erection of workshop/storage unit, fencing and formation of associated parking and yardspace
Site To South West Of 77 New Street, Stevenston	Change of use from garden ground to form car parking area for offices
10 Arran Place, Ardrossan	Change of use of office to form health fitness centre
35-41 Bank Street, Irvine	Partial demolition of existing office accommodation and erection of new office accommodation
Swinlees Quarry, Dalry	Certificate of lawfulness for existing use as concrete batching plant
Chamberhouses, Mill Road, Irvine	Alterations and extension of outbuildings to form plumber's offices
Site To The South East Of 9-11 Manse Street, Saltcoats	Erection of Class 4 office development
43 Nelson Street, Largs	Change of use from butchers shop (Class 1) to estate agents (Class 2)
Unit 1, 113 Glencairn Street, Stevenston	Renewal of planning consent 02/00361/PP for continuation of use as vehicle repair centre, MOT station and car and van hire centre
Duskview Yard, Dunlop Road, Barrmill, Beith	Erection of workshop, offices and dwelling house, including demolition of existing workshop and outbuildings
Eagle House, Warner Street, Stevenston	Change of use from coach and taxi operator to commercial garage to include MOT testing station and vehicle repairs
2 Townhead Street, Stevenston	Change of use from retail (Class 1) to office (Class 2)
8C Rivergate, Irvine	Change of use from Class 1 retail unit to Class 2 careers centre and alterations to front and rear elevation

Border Aggregates Ltd, Old Quarry Road, Stevenston	Erection of new baggage plant and industrial storage unit
36A Templand Road, Dalry	Alterations and extension to offices including change of use of vacant land to provide additional car parking and yard extension
Hillhouse Precast Concrete Ltd, Mains Road, Beith	Demolition of existing fire damaged office building, erection of new office building on original footprint and erection of new steel portal frame shed and installation of new access gate
98 Dockhead Street, Saltcoats	Change of use from office to form first floor dwelling flat
31B New Street, Stevenston	Change of use, partial demolition and alterations of store and yard to form office suite and lock-ups
Craighead Farm, Dalry	Change of use from existing outbuildings to agricultural vehicle driver training facility
1 School Wynd, Kilbirnie	Change of use and alterations to workshop to form dwelling flat
32 Green Street, Saltcoats	Demolition of existing builders offices and yard and erection of 2 shop units with 4 flatted dwellings above
4 Dalry Road, Kilwinning	Erection of vehicle storage building
21 Hamilton Street, Saltcoats	Erection of one and a half storey extension to rear of office building
Meadowhead Sewage Treatment Plant, Meadowhead Road, Irvine	Installation of liquified oxygen storage vessel and 2 vapouriser units
Auchencloigh Farm, Kilbirnie	Change of use and conversion of outbuildings to form food production unit with associated reception and ancillary areas
33 Ardrossan Road, Seamill, West Kilbride	Change of use from garage to form retail unit, showroom and office, 3 workshops and lock-ups
26 Ritchie Street, West Kilbride	Change of use from office to form dwelling house
30 Abbeygreen, Kilwinning	Change of use from office to form 2 dwelling flats including installation of rooflights
84-88 Main Street, Kilwinning	Change of use including alterations of former offices to form 6 dwelling flats
1 James Crescent, Irvine	Use of open ground to form storage area incorporating siting of 2 steel containers and erection of barbed wire to wall head (retrospective)
83 New Street, Stevenston	Alterations and extension with partial demolition to provide additional office accommodation
54-56 Princes Street, Ardrossan	Sub-division of offices to form 2 retail units including alterations to frontage
Site To North And East Of 2-6 Reform Street (Bellmans Close), Beith	Change of use of former bakehouse and workshop to form 2 no dwelling flats
Largs Yacht Haven, Irvine Road, Largs	Erection of building for sales and office use
47 West Road, Irvine	Change of use and erection of extension to side of building to form offices and meeting rooms and formation of additional car parking
Wastewater Treatment Works, Dunlop Road, Barrmill, Beith	Demolition of existing brickwork filter bed, construction of underground sewage pumping station and rising main, installation of underground GRP sludge storage tank, an above ground prefabricated submerged aerated filter (SAF) with GRP kiosk for blowers and control panel, 2 no above ground conical GRP tanks, removal of existing SAF and blower kiosk and conical GRP tank, construction of underground outfall to Dusk Water and all associated pipework
Site To East Of Old Power House, Dock Road, Ardrossan	Siting of a single storey temporary office block
T R Bonnyman Son & Co Ltd, Greenhills, Barrmill, Beith	Residential Development
Largs Yacht Haven, Irvine Road, Largs	Erection of building for sales. services and boat repairs

72-80 Main Street, Kilwinning	Change of use of the single unit at 72 Main Street (Unit 3) from retail (Class 1) to financial and professional (Class 2) and alterations to buildings
56 Hamilton Street, Saltcoats	Change of use from Class 1 (retail) to Class 2 (financial, professional and other services)
84 Stevenston Road, Kilwinning	Change of use from wedding car hire to book storage garage
Seven Acres Mill, Kilwinning	Conversion of mill including alterations and extension to form detached dwelling house
23-31 Cochrane Street, Kilbirnie	Change of use of open space to builder's materials storage yard
Ayrshire Central Hospital, Kilwinning Road, Irvine	Conversion of former ambulance garage to form offices and storage
76 Main Street, West Kilbride	Erection of storage shed to rear of shop
22 West Kilbride Road, Dalry	Erection of office accommodation
Site To West Of 7B The Yard, Mains Road, Beith	Erection of shed and link to existing shed
Site To West Of 30-34 Irvine Road, Largs	Change of use from yard to storage area incorporating siting of 2 containers
68A Townfoot, Dreghorn, Irvine	Redevelopment of former bus depot and joinery yard to form new residential development of 3 no blocks of 4 no flats
Site To The North West Of 1 McLuckie Drive, Kilwinning	Erection of office block with associated car parking
90-106 High Street, Irvine	Change of use from night club to office units
1-3 Chapelwell Street, Saltcoats	Change of use from Class 1 retail to Class 2 financial and professional
54 Main Street, Kilwinning	Change of use from Class 2 estate agents to Class 11 dance studio
98-100 Dockhead Street, Saltcoats	Change of use from Class 1 retail to Class 2 betting office
Former Dye Works, Muirend Street, Kilbirnie	Erection of 44 dwelling houses with associated roads and parking
44 Main Street, Kilbirnie	Change of use from offices to form dwelling house
19 Eglinton Street, Beith	Change of use from (class 1) retail to (class 2) office, including alterations & extension
160A High Street, Irvine	Change of use from office accommodation to 2 no dwelling flats and alterations to install new windows to front elevation
118 Main Street, West Kilbride	Erection of timber storage hut to rear of existing shop
Site To South Of Borestone Bungalow, Dalry	Erection of a steel storage shed
61 East Road, Irvine	Change of use from Church hall/house to office use
3 Bath Street, Largs	Change of use from office to form first floor flat
Highland Meats, Blakely Road, Saltcoats	Erection of extension to side of factory premises
The Lodge, The Garrison, Millport, Isle Of Cumbrae	Change of use from Class 9 (domestic dwelling) to Class 2 (financial, professional & other services)
24 Main Street, Largs	Change of use from first floor office to flat
23 Howgate, Kilwinning	Change of use from offices to day nursery and after school care facility
24-26 Eglinton Street, Irvine	Change of use of former funeral parlour to offices with associated car parking to rear
87 Dockhead Street, Saltcoats	Change of use and alterations to offices to form nightclub and part change of use of shop to form access stair
Site To The North Of School Road, Kilbirnie	Erection of 12 semi-detached dwelling houses, formation of associated access road and car parking

Site To The West Of 32 Stanley Road, Ardrossan	Change of use of former garage site to garden ground forming extension to curtilage of dwelling house, erection of double garage and boundary fence
Site To The South Of And 55 Wellpark Road, Saltcoats	Redevelopment of builders yard to form 2 and a half storey block of 5 flats, formation of associated car parking and landscaping
35-41 Bank Street, Irvine	Change of use from offices to form 3 no terraced dwelling houses and 5 no flats, alterations, extension to rear, formation of associated car parking, footways and erection of 2 metre high fences
Site Of Hay And Anderson (Kilwinning) Ltd, Byres Road, Kilwinning	Erection of 8 dwelling houses
23 Hamilton Street, Saltcoats	Demolition of existing offices and erection of replacement office block

APPENDIX D – MIXED USE CASE STUDY

This case study illustrates where a flexible, pragmatic approach by the local authority resulted in a win-win-win situation for the private developer, the local community and the local authority. A vacant brownfield site was redeveloped, local modern business premises were built and the developer achieved an acceptable financial return.

The former Garvies Lemonade factory site in Milngavie in East Dunbartonshire was generating little occupier interest despite being marketed for business for a number of years. The Council resisted pressure for housing despite the fact that the location was not suitable for industry in terms of its location far from the strategic road network and being accessed via a road with a bridge height restriction. The industrial buildings were old, redundant and not suitable for modern business.

The Council finally agreed that residential may be appropriate on the majority of the site and Bett developed 65 flats thereon. As part of the planning consent a portion was retained for employment. This was developed as a Class 4 office pavilion business centre and managed by Strathkelvin Trust (public funding by the Council and Scottish Enterprise). The consent required that Bett donate the land (no payment) and make a contribution of £150,000 to the business unit (covered by Section 75 agreement).

The implication of this case study is that there are often sound market reasons why sites are not developed for business or industry e.g. infrastructure and location. Furthermore, with an organisation like IBURC working closely with North Ayrshire Council, it may be possible to use it as the conduit through which public land and private finance are brought together.

APPENDIX E – PROPOSED NATIONAL DEVELOPMENT AT HUNTERSTON FROM NPF2

8. New Power Station and Transhipment Hub at Hunterston

Description of development
Clean coal fired power station, container transhipment hub, maritime construction and decommissioning yard, and associated energy and industrial development.

Location
Adjoining the existing bulk handling terminal and marine construction yard at Hunterston, Ayrshire.

Elements covered by the designation

- carbon capture ready coal fired power station and fuel storage yard;
- biomass / gas fired power station;
- container transhipment hub;
- maritime construction and decommissioning yard;
- downstream industrial processes;
- associated environmental works.

Need for development
There is a need for new baseload electricity generating capacity to replace the power stations programmed for closure over the next 20 years. Land at Hunterston offers the opportunity to develop a clean coal fired power station, a biomass / gas fired power station and associated downstream industrial processes using the existing bulk handling terminal, jetty facilities and grid connection. The increasing size of container ships combined with capacity constraints at existing ports is giving rise to a need for accessible deep water transhipment facilities. There is a demonstrated capacity at Hunterston to accommodate the largest container ships. It is favourably located in relation to world shipping routes and able to offer onward transhipment by sea, rail or road. The site also offers the potential to undertake maritime construction and decommissioning work.

Matters to addressed when consent is sought include:
The siting, design and layout of power generating plant and freight handling and industrial facilities; road and rail access arrangements; grid connections; carbon impact, including carbon capture readiness; ash management; heat utilisation; landscape, seascape and visual impact; effects on cultural and natural heritage, including Portencross SSSI; effects on coastal processes; measures to mitigate environmental effects.

The development will require environmental assessment, environmental impact assessment, an economic appraisal and a transport assessment.

wealthier and fairer	✓	contribute to sustainable economic development	✓
greener	✓	strengthen global links	✓
safer and stronger	✓	improve internal connectivity	
smarter	✓	help meet climate change, renewable energy or waste management targets	✓
healthier		essential element of a national infrastructure programme	✓
		more than regional importance	✓