

THE HIGHLAND COUNCIL

NORTH AREA PLANNING APPLICATIONS COMMITTEE  
– 24 March 2015

Agenda Item	5.2
Report No	PLN/008/15

13/03976/PIP : Oatridge Limited Allan Campbell  
Land 300M NW Of Electricity Sub Station, Staffin Road, Portree, Isle Of Skye

Supplementary Report No 1 by Area Planning Manager

## SUMMARY

**Description** : Retail Supermarket, petrol filling station and associated parking and servicing areas. Access road from existing Home Farm Road roundabout with new bus stop, turning head and new pedestrian crossing. New link road and roundabout from Staffin Road to Home Farm Road.

**Recommendation - REFUSE**

**Ward** : 11 - Eilean A' Cheò

**Development category** : Major Development

**Pre-determination hearing** : n/a

**Reason referred to Committee** : Deferred from 16 September 2014 meeting.

## 1. PROPOSED DEVELOPMENT

- 1.1 Members will recall that this proposal was considered at the meeting of the North Planning Applications Committee on 16 September 2014 where it was deferred. This supplementary report should be read in conjunction with the parent report considered by Committee on 16 September 2014 which is appended.
- 1.2 The application presented to the 16 September 2014 committee was recommended for refusal for four reasons, three of which related to a lack of information concerning peat management and wetland ecology following an objection from SEPA. One of the reasons for deferral was to allow the applicants time to submit the necessary information and try to overcome the SEPA objection. This has now been completed as detailed below.
- 1.3 The second reason for deferral was to allow the applicants an opportunity to provide a cumulative retail impact assessment that would take account of a scenario in which both this proposal and a further retail development on land 250m to the south-west (Rubicon Land Ltd And Lochalsh And Skye Housing Association - 14/01464/PIP) were approved. This has now been completed as detailed below.

- 1.4 The Rubicon application (ref 14/01464/PIP) was also deferred from the 16 September 2014 committee to allow a cumulative retail assessment to be carried out. However, this application was reported (with a cumulative retail impact assessment) under a Notice of Amendment to the Planning, Development and Infrastructure (PDI) Committee on 5 November 2014. Following consideration of the matter they agreed subject to the completion of a s.75 agreement to grant permission subject to conditions and reasons.
- 1.5 Following the approval of the Rubicon application (ref 14/01464/PIP), Transport Scotland confirmed that, with a retail proposal already enjoying committee approval in close proximity, that the Oatridge proposal as it was undetermined would be required to augment its original transport assessment to take account of the potential cumulative transport impact of two supermarkets operating at the same time. This has now been completed as detailed below.
- 1.6 A further change in the application has also occurred since 16 September 2014 with the applicants now confirming that they wish to remove the 'link road' element from the proposal.
- 1.7 The application has been re-advertised, re-notified and re-consulted in respect of these amended details and further information. Consultation responses have been received as detailed below, but no further third party responses.

## **2. CUMULATIVE RETAIL IMPACT**

- 2.1 The applicants have addressed the cumulative retail impact question put to them by committee members by submitting an addendum to their original retail impact analysis. This builds upon their original study of the impact of this supermarket on the retail centres within the catchment area – Portree, Broadford and Kyle – and then models any additional impact from having both this and the Rubicon proposal operating at the same time.
- 2.2 The combined turnover of both proposals according to this addendum is £34.9 million. This compares to total available expenditure within the catchment area of £38.1 million. The turnover of existing and consented floorspace within the catchment is £34.4 million. It is therefore evident that the amount of "spare" capacity in the system (namely the amount of available expenditure - £38.1 million minus the turnover of existing and consented floorspace - £34.4 million) is, at only £3.7 million, insufficient to support both proposed stores.
- 2.3 The addendum concludes that although the trading of two new supermarkets would inevitably lead to the closure of the existing Dunvegan Road Co-op supermarket, it would only have medium level impacts upon the existing Co-op stores in the village centres. Members will recall that, in retail assessment, turnover reductions of 20% or more are considered likely to result in the closure of a store. In this addendum, the modelled impacts on the other village centre Co-op stores are;
- 15% for Portree, Bank St (up from 10% in the original analysis)
  - 16% for Broadford (up from 15% in the original analysis)
  - 11% for Kyle (up from 10% in the original analysis)

2.4 These conclusions are very different from those arrived at for the cumulative impact analysis carried out for the Rubicon application and presented to the PDI committee on 5 November 2014. Although Rubicon also predicted a very severe impact upon the turnover of the existing Dunvegan Road Co-op supermarket – a 67% reduction - its forecast for the reduction in turnover for the village centre stores was much more pessimistic than the Oatridge figures;

- 38% for Portree, Bank St
- 62% for Broadford
- 51% for Kyle

Such reductions in turnover were concluded to be likely to result in the closure of the stores in their current form with a negative impact upon the vitality and viability of the village centres.

2.5 The Policy team were consulted in respect of these two analyses and asked to comment on their methodologies and conclusions. They have concluded that although both assessments are based upon a robust factual analysis, as is inevitable with such modelling techniques, both make very different subjective assumptions about some elements of the local retail picture and how consumers and existing retailers might respond to the ‘two supermarket’ scenario.

2.6 Chief among these divergent assumptions is the degree to which the new supermarkets would draw customers away from the Portree, Broadford and Kyle stores. This Oatridge application assumes that these stores will hold on to most of their customers because of the travel distances to Portree from the southern villages and the unique ‘convenience’ store profile of the Portree, Bank St store. In contrast, the Rubicon analysis sees most customers drawn away from the existing shops to the two new supermarkets.

2.7 A further significant difference relates to the existing Dunvegan Rd store. This Oatridge application assumes that it will close and its turnover will be subsequently shared out across the remaining stores. However, the Rubicon forecast does not factor-in this shared out residual income from the closed store. That said, it must also be recognised that the vast majority of this residual income would be likely to remain in Portree – mostly with the two new supermarkets and a small proportion lessening the negative impact of these two stores on the Portree, Bank Street shop. It is not considered that the Broadford and Kyle stores would benefit from this redistributed income to any measurable extent.

2.8 On balance, the Policy team assessment finds the Oatridge analysis the more convincing but recognises that neither assessment “...*has quantitative evidence to support its predicted geographic spread of trade draw...*”. In other words it is unclear how ‘loyal’ Broadford and Kyle customers will remain to the existing village stores or to what degree they will be drawn to the new retail offer in Portree. However, the Policy team analysis still concludes that downsizing of the Broadford and Kyle stores might still result.

2.9 In the light of this lack of quantitative evidence, even if one takes a position somewhere between the two estimates of turnover decline at the existing Portree, Broadford and Kyle stores (paragraphs 2.3 and 2.4 above), it is clear that the impact is likely to exceed the 20% figure widely agreed to result in significant harm to the health of the store in question. This is supported by the residual capacity constraints identified at paragraph 2.2 above. In other words it is considered likely

that the Portree, Broadford and Kyle village centre stores will either close or be substantially reduced in retail offer to something more akin to a local convenience store. Either outcome is considered almost certain to lead to a wider negative impact upon the vitality and viability of the village centres of Portree, Broadford and Kyle.

- 2.10 On the basis of the Rubicon cumulative retail assessment, the report presented to the PDI Committee stated that the approval of both supermarket applications “...*would be contrary to national and local retail policy due to the significant adverse effect on the vitality and viability of the existing town centres of Portree, Broadford and Kyle of Lochalsh...*”. Although, the cumulative retail study with this application for Oatridge suggests a smaller negative effect, it is not considered, on balance, to alter the above conclusion of harmful impact.
- 2.11 In the Highland-wide Local Development Plan, Portree is identified as a sub-regional centre with Broadford and Kyle identified as local centres, the health of which, the Plan aims to support in accordance with national retail policy. In support of this approach, Policy 40 (Retail Development) states that out of centre retail proposals will only be favourably considered where among other criteria, “...*there would be no detrimental impact on the vitality and viability of the city/town/village centre...*”.
- National policy in the form of the Scottish Planning Policy 2014 requires a similar approach at paragraph 73 stating, “...*Out-of-centre locations should only be considered for uses which generate significant footfall where...there will be no significant adverse effect on the vitality and viability of existing town centres...*”
- 2.12 Consequently, in the context of the decision by the PDI Committee to approve the Rubicon proposal, it is considered that the second new supermarket proposed by this application cannot be supported because of its potential to have a significant detrimental cumulative impact upon the future health of the town centres of Portree, Broadford and Kyle. A reason for refusal on this basis is recommended.

### **3. PEAT MANAGEMENT AND WETLAND ECOLOGY**

- 3.1 The applicants responded to committee’s deferral in respect of SEPA’s objection by submitting a Habitat Survey report and summary details of a Habitat Improvement project to allow peat from the site to be relocated to other land in the same ownership.
- 3.2 On the basis of this further information SEPA have been able to withdraw their objection subject to a large number of conditions requiring the submission of a considerable amount of further detail.
- 3.3 The Habitat Survey confirmed that the development would result in the loss of a substantial area of groundwater dependant terrestrial ecosystem. However, given the other ecological improvements suggested (see below), SEPA were satisfied that the overall impact did not justify an objection so long as a condition requiring a report showing the scheme of mitigation measures to be implemented to protect the wetlands surrounding the site was applied to any planning permission.

- 3.4 SEPA remain concerned that the figure of 24,000m<sup>3</sup> of peat to be excavated for the proposal is based upon very limited site investigation. However, they are confident that the Habitat Improvement Plan, which will see ecologically better quality peat from the site moved to an area of poorer quality land some 700m to the north-west and deposited within an engineered environment to create an improved peat habitat, is an acceptable way of utilising most of it. Some peat will be able to be used as part of the finishing and landscaping of the site. The whole of this element of the proposal should be covered by an approved Peat Management Plan
- 3.5 SEPA also wish to see conditions controlling the re-routing of small watercourses and drains around the site, the submission and approval of a Construction Environmental Management Plan and details of a SUDS surface water drainage solution with two levels of water treatment.
- 3.6 Although heavily caveated by the requirement of an extensive set of conditions, SEPA's agreement to remove their objections to the scheme in the light of the further information submitted, means that reasons for refusal 2, 3 and 4 can be removed from the recommendation.

#### **4. CUMULATIVE TRANSPORT ASSESSMENT**

- 4.1 In response to Transport Scotland's request, the applicants have submitted an addendum to their original Transport Assessment which, rather like the retail assessment addendum, models the impact on the road system of having both this and the Rubicon supermarket proposals operating at the same time.
- 4.2 The addendum models both 'likely' and 'unlikely' scenarios for its analysis but is able to conclude that even the unlikely scenario, in which impact potential is maximised by assuming that the existing Co-op supermarket AND the two new supermarkets will all co-exist at about 80% of maximum turnover, would not result in unacceptable impacts on the main road junctions in the locality.
- 4.3 In their consultation response, Transport Scotland concur with these conclusions, remove their previous objection and request that a condition requiring the submission and approval of a Travel Plan be attached to any permission granted.
- 4.4 The Council's Transport Planning Team also agree with these conclusions and have nothing further to add to their original consultation response.

#### **5. REMOVAL OF THE LINK ROAD**

- 5.1 The applicants have been unable to reach an agreement with the owner of land through which part of the link road would need to pass. Consequently, they have removed this element from the scheme and submitted an amended site/location plan.
- 5.2 As previously explained to members, there was no planning requirement to include the link road within the original scheme and, although it would have delivered a long-term aspiration of the Council, its deletion raises no significant or material planning considerations. The link road was not factored into the original or the cumulative transport assessments. The amended details have been re-advertised

and re-notified to third parties. On this basis, the authority was content to accept this amendment to the original permission without the need for a fresh planning application.

## **6. SITING AND VISUAL IMPACT**

- 6.1 As previously reported to Committee the application site is in the wider countryside and on land that has not previously been assessed for its development potential either through an earlier planning application or Local Plan land allocation process. The Development Plans team concludes that this application does not accord with the development plan in this regard because it fails to demonstrate how the site would represent a natural and integrated extension of the village.
- 6.2 It is not clear from the application why this particular area of land was chosen for a supermarket site. The application was submitted alongside a further application for non-food retail and other business uses on land partial covered by an industrial allocation - 13/03980/PIP. However, even in this context, the site does not appear to draw any particular siting justification from its surroundings and reads as a relatively isolated area of blanket bog in the wider countryside.
- 6.3 When seen from the raised land bordering the northern edge of the Home Farm feeder road or from any vantage point within the settlement development area to the south-west, the relative isolation of the site from other development becomes very apparent. In operation, a supermarket in this location would read as an island of intensive development surrounded by wide, open, undeveloped and relatively featureless moorland.
- 6.4 The indicative plans show the main supermarket building positioned at the northern end of the site and this is considered to only accentuate the remote and incongruous appearance of the development relative to the nearest Home Farm buildings some 230m to the south-east. The applicants have responded to this point by suggesting that the positions of the building and car park could be swapped. Whilst this would move the supermarket building closer to neighbouring built development, it would, at the same time, place the car park in an even more visually incongruous and isolated position surrounded on three sides by open moorland. No overall visual improvement would be achieved.
- 6.5 This failure to physically and visually integrate the new development with the existing village is also highlighted by its shared south-eastern boundary with the area of open space identified as a future community woodland – now to be secured as a condition of the Rubicon proposal. As well as offering a public amenity function, this woodland will also provide a natural visual delineation of the edge of the Home Farm residential area and, indeed, the village as a whole.
- 6.6 Placing the supermarket and petrol filling station development immediately beyond this future woodland not only undermines the visual boundary function of the woodland feature but also further emphasises how the supermarket development will sit visually apart and separated from other development at this northern end of Portree.

6.7 Policy 29 of the Highland-wide Local Development Plan states that,  
*“New development should be designed to make a positive contribution to the architectural and visual quality of the place in which it is located.....Proposals should have regard to the historic pattern of development and landscape in the locality and should, where relevant, be an integral part of the settlement.”*

This proposal for a supermarket and petrol filling station is considered to fail to meet these development plan requirements in a significantly detrimental manner and consequently this aspect of the proposal is considered to continue to justify a reason for refusal.

## 7. MATTERS TO BE SECURED BY SECTION 75 AGREEMENT

7.1 Developer Contributions – as previously reported, the applicant has held a meeting with the Council’s planning gain negotiator. The following four heads of term have been identified for inclusion within any s.75 agreement;

- Town Centre improvements to include shop-front refurbishment, street lighting, planting, surfacing etc.
- Public Transport contribution to meet the costs of extending the existing bus service to the site
- Green Infrastructure/Outdoor Access to meet the costs of extending footpath and cycle links between the site and the village centre
- Public Art either directly installed on site or through a financial contribution to the value of 1% of the capital budget of the project

## 8. CONCLUSIONS

8.1 All relevant matters have been taken into account when appraising this application. It is considered that the proposal does not accord with the principles and policies contained within the Development Plan and is unacceptable in terms of applicable material considerations.

## 9. RECOMMENDATION

**Action required before decision issued N**

**Subject to the above**, it is recommended the application be **Refused** for the following reasons:

1. The proposed development by virtue of its siting, orientation, physical and visual separation from the northern built development edge of Portree, fails to integrate with the village or represent a logical extension to it and appears as an incongruous addition to its landscape surroundings. As such the proposal fails to comply with the requirements of Policies 29 and 61 of the Highland-wide Local Development Plan.

2. The proposal, by virtue of its cumulative effect - in conjunction with retail developments in the catchment area which are operational or which benefit from a resolution to grant consent - of drawing retail customers from the defined sub-regional centre of Portree and the local centres of Broadford and Kyle, is likely to have a significant adverse impact upon the viability and vitality of those centres and the services they offer. As such, the proposal fails to comply with Policy 40 of the Highland-wide Local Development Plan and the "Promoting Town Centres" policy thrust of Scottish Planning Policy 2014.

Signature: Dafydd Jones

Designation: Area Planning Manager North

Author: Mark Harvey

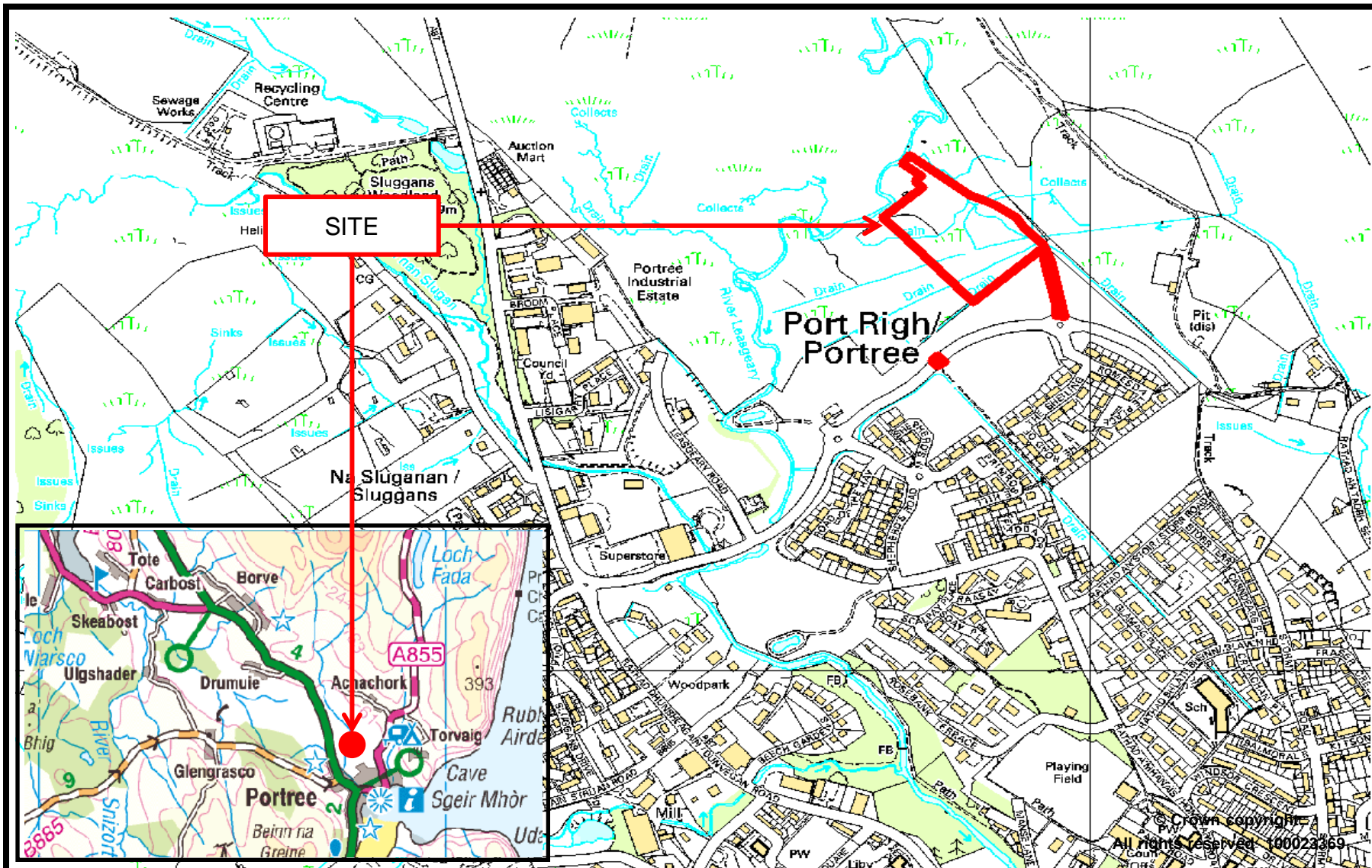
Background Papers: Documents referred to in report and in case file.

Relevant Plans: Plan 1 – Location Plan PL-10 Rev. A (submitted 22 January 2015)

Relevant Plans: Plan 2 – Annotated planning history

Relevant Plans: Plan 3 – Local Plan land allocations





**The Highland Council**  
Comhairle na Gàidhealtachd

Planning and Development Service

Location Plan  
13/03976/PIP  
**Retail Supermarket, petrol filling station and associated parking and servicing areas. Access road from existing Home Farm Road roundabout with new bus stop, turning head and new pedestrian crossing.**

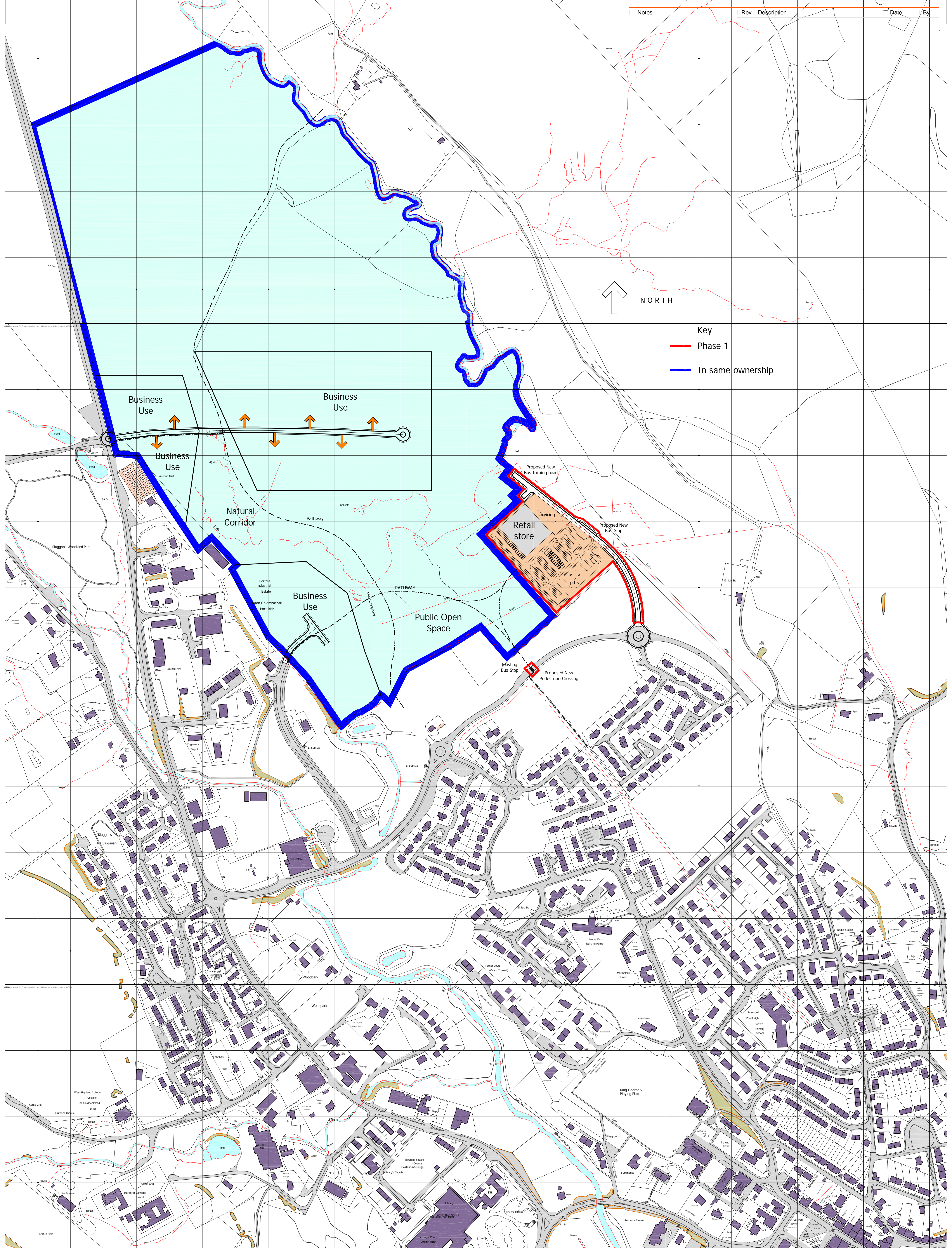
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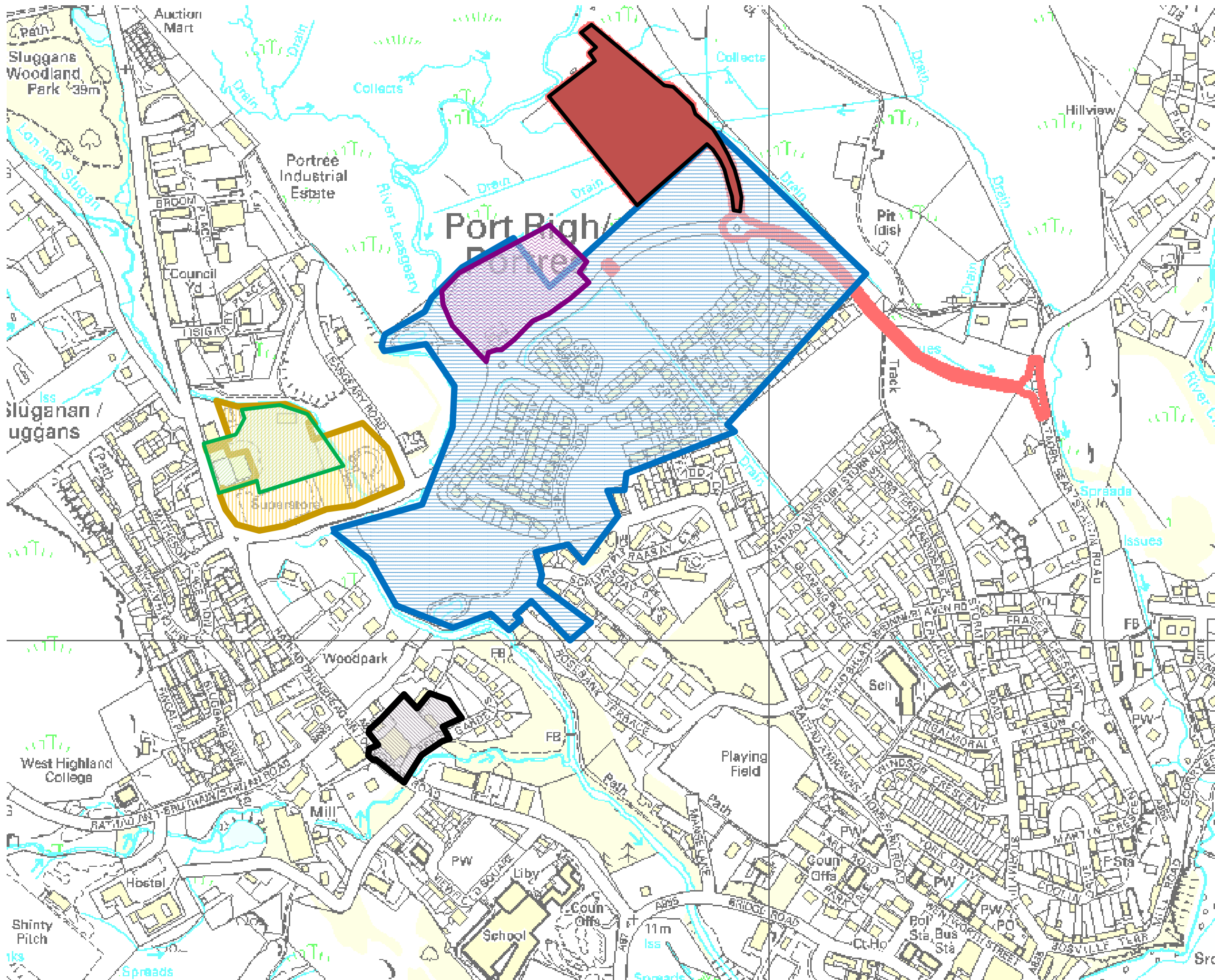


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Key  
 — Phase 1  
 — In same ownership





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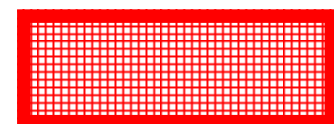
13/03976/PIP Amended Oatridge Supermarket Proposal



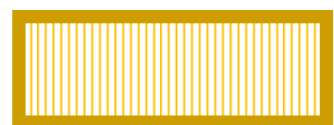
14/00464/PIP Rubicon Supermarket Proposal



13/03976/PIP Oatridge Supermarket Proposal



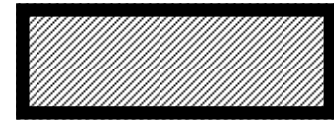
12/03919/FUL Extension to Co op Supermarket



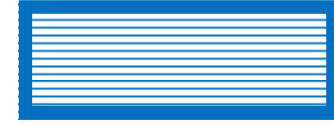
07/00357/OUTSL Previous Oatridge Supermarket application



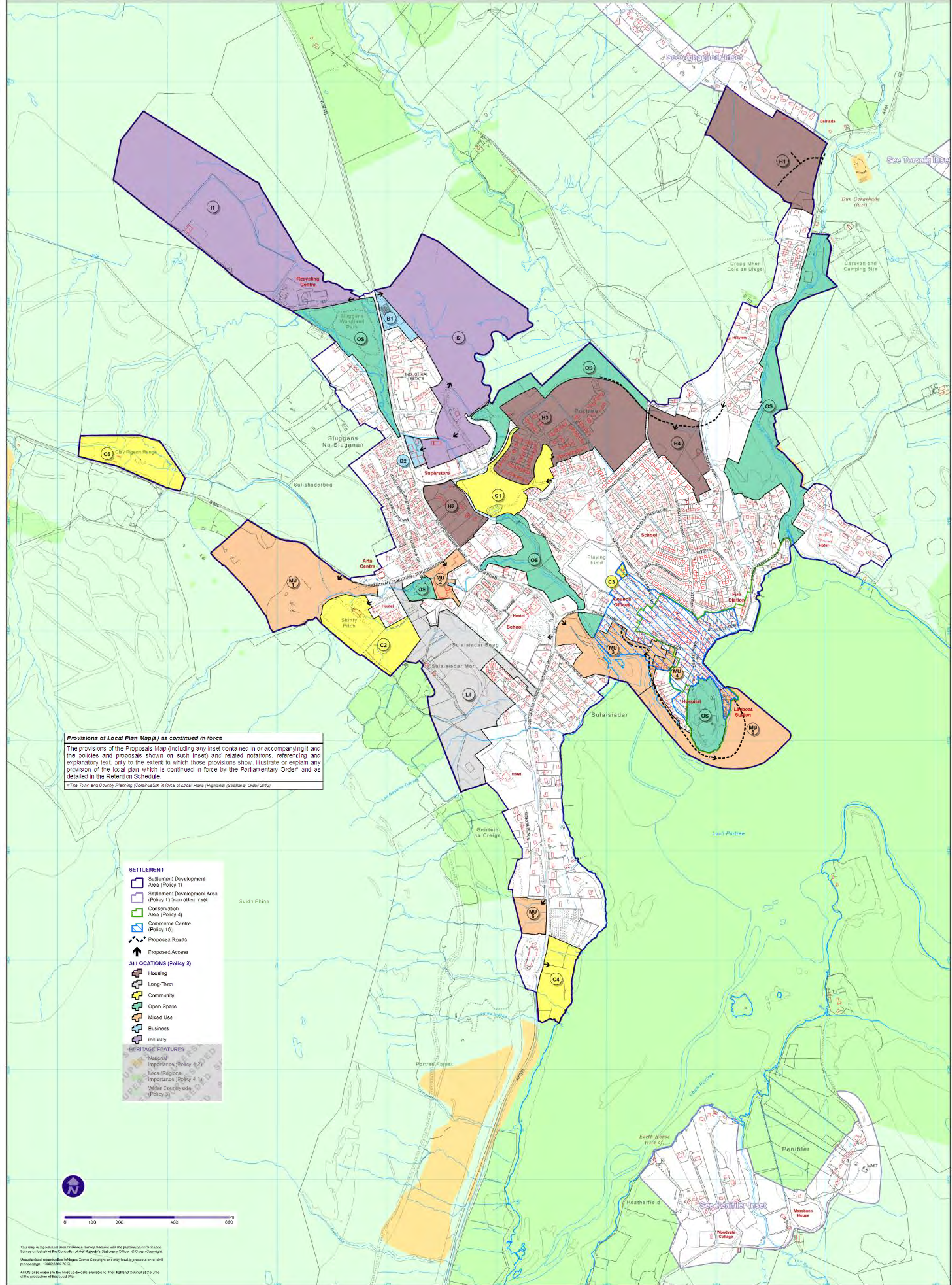
07/00212/FUL Lidl Supermarket



05/00116/FULSL Home Farm Housing Scheme

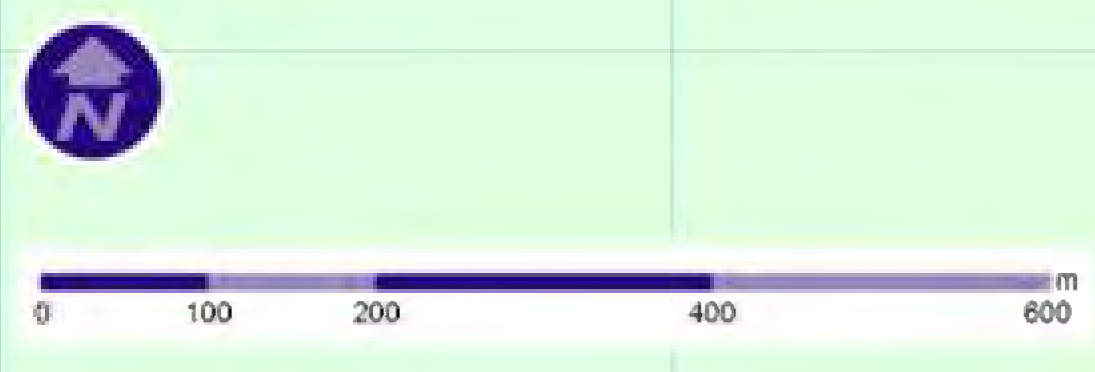






**Provisions of Local Plan Map(s) as continued in force**  
 The provisions of the Proposals Map (including any inset contained in or accompanying it and the policies and proposals shown on such inset) and related notations, referencing and explanatory text, only to the extent to which those provisions show, illustrate or explain any provision of the local plan which is continued in force by the Parliamentary Order\* and as detailed in the Retention Schedule.  
 \*The Town and Country Planning (Continuation in force of Local Plans (Highland) (Scotland) Order 2012)

- SETTLEMENT**
- Settlement Development Area (Policy 1)
  - Settlement Development Area (Policy 1) from other inset
  - Conservation Area (Policy 4)
  - Commerce Centre (Policy 16)
  - Proposed Roads
  - Proposed Access
- ALLOCATIONS (Policy 2)**
- Housing
  - Long-Term
  - Community
  - Open Space
  - Mixed Use
  - Business
  - Industry
- HERITAGE FEATURES**
- National Importance (Policy 4.2)
  - Local/Regional Importance (Policy 4.1)
  - Wider Countryside (Policy 3)



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