

# An Economic Critique of Retail Proposals in Stonehaven

A Report for Stonehaven Town Partnership  
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## 1. Background

### 1.1. Introduction

This report presents an economic development critique of current proposals for retail developments in the Stonehaven area.

### 1.2. Background

The Stonehaven Town Partnership (STP) has commissioned an initial review of each of the proposed retail developments in order to inform an opinion on which development provides the best economic outcome for Stonehaven. The following twelve retail proposals have been reviewed as part of this assessment:

- Ury
- New Mains of Ury
- Mains of Cowie
- Loop Road
- Beatties Hill
- Mill of Forest
- Stonehaven South

- Braehead
- Spurryhillock
- Megray
- Cowie Caravan Park
- Recreation Ground

### 1.3. Approach

The aim of this report is to provide an independent economic appraisal of each proposal in order to help formulate an opinion for STP's consideration.

The analysis is based on a review of economic and planning policies, an overview of the local economic situation and a multi-criteria assessment of each development proposal. The research is largely based on a desk based review of available data sources.

The structure of the report is as follows:

**Section 2:** Confirms the policy context in both economic development and planning terms at both the local and national levels;

**Section 3:** Provides an up to date economic overview on the local and national economies to illustrate the economic conditions, challenges, direction and outlook of the area;

**Section 4:** Presents an independent appraisal of each development proposal against an agreed set of criteria; and

**Section 5:** Highlights the overarching findings and conclusions of the assessment.

## 2. POLICY CONTEXT

### 2.1. Introduction

This section sets out the latest policies and strategies of particular reference to economic development in Stonehaven. The policy review focuses on economic development and planning policies at both the national and local levels.

### 2.2. Economic Development Policy

The Scottish Government's '**Government Economic Strategy**' is Scotland's economic strategy, and it aims to increase Scottish economic output to match that of comparable EU countries.

To deliver sustainable economic growth the Scottish Government has identified six Strategic Priorities that are internationally recognised to be critical in maximising economic prosperity.

Of direct relevance to commercial development proposals are the aims under the 'Infrastructure Development and Place' priority, which supports the creation of developments that offer sustainable economic benefits, including employment creation. This priority also promotes projects which harness the geography and resource of an area to deliver sustainable economic growth.

Of similar significance are the aims under 'Supportive Business Environment' which focuses on stimulating investment, innovation and skills development.

The Scottish Government has a renewed focus towards delivering the GES in light of the economic recovery. The '**Economic Recovery Programme**', which builds upon the GES, focuses on tackling the economic recession by targeting policy towards three key areas: 'Supporting Jobs and Communities', 'Strengthening Education and Skills' and 'Investing in Innovation and Industries of the Future'.

The regional economic strategy is contained within Aberdeen City and Shire Economic Future's (ACSEF) '**Economic Manifesto**' and corresponding '**Economic Action Plan**'. The vision is for the region to be recognised as one of the most robust and resilient economies in Europe with a 'reputation for opportunity, enterprise and inventiveness that will attract and retain world-class talent'. Seven key priorities have been set to help deliver the vision, these being:

- Deliver a fully integrated transport network;
- Maximise our intellectual capital;
- Deliver city centre redevelopment;
- Anchor the offshore energy supply chain;
- Attract, develop and retain skilled people;
- Improve the efficiency of planning decision making; and
- Location of choice for company headquarters.

The scale and scope of the economic opportunity is significant, and the Economic Action Plan outlines the key actions and activities which are required to help broaden the economic base and safeguard future economic prosperity.

However, it also recognises that whilst the Aberdeen City and Shire economy has proved itself resilient despite the challenges faced by the global economic slowdown, investment in the fundamental underpinning infrastructure of the region will contribute significantly to supporting economic growth and quality of life.

These investments need to be from both the public and private sector to maximise this opportunity.

### **2.3. Planning Policy**

The consolidated '**Scottish Planning Policy**' (SPP) is the statement of the Scottish Government's policy on land use planning matters. The SPP is governed by the GES and confirms that the planning system should proactively support development that will contribute to sustainable economic growth and to high quality places.

Achieving sustainable economic growth requires a planning system that enables the development of growth enhancing activities across Scotland, and protects the quality of the natural and built environment as an asset for that growth.

SPP recognises the important role planning authorities play in facilitating economic development. The policy requires planning authorities to respond to the diverse needs and locational requirements of different sectors and businesses, and take a flexible approach to ensure that changing circumstances can be accommodated and new economic opportunities realised.

Removing unnecessary planning barriers to business development and providing scope for expansion and growth is a core feature of SPP. The planning system is charged with supporting economic development in all areas by:

- Taking account of the economic benefits of proposed development in development plans and development management decisions;
- Promoting development in sustainable locations, particularly in terms of accessibility;
- Promoting regeneration and the appropriate use of land, buildings and infrastructure;
- Supporting development which will provide new employment opportunities and enhance local competitiveness; and

- Promoting the integration of employment generation opportunities with supporting infrastructure and housing development.

SPP requires development plans to identify locations that will contribute to the economic success of their areas through provision of a range of employment sites for a variety of users. Planning authorities are now responsible for ensuring there is a range and choice of marketable sites and locations for businesses allocated in new Local Development Plans (LDPs).

In terms of retail provision, SPP confirms the importance of improving town centres and deploying a 'sequential approach' when allocating sites for retail uses, in other words favouring town centre sites ahead of edge of town and out of town sites.

Aberdeenshire Council adopted the '**Aberdeenshire Local Development Plan**' (ALDP) on 1 June 2012. The Plan sets out statements of the policies that will be used for assessing planning applications and through the proposals confirms the principle of development on sites across Aberdeenshire, including Kincardine and Mearns as a recognised sub-region.

As part of the reform of the planning system in Scotland supplementary guidance now has greater weight and forms part of the ALDP. The associated supplementary guidance was also formally adopted on 1 June 2012. The supplementary guidance provides more detailed information on specific issues, proposals and sets out detailed policies. This allows the plan to focus on the distribution of development between settlements, the spatial strategy, and the main policies and proposals.

The LDP has a number of overarching governing principles, these include:

- Grow and diversify the economy;
- To take on the challenge of sustainable development and climate change;

- To make sure the area has enough development land to provide for people, homes and jobs to support services and facilities;
- To protect and improve assets and resources;
- To promote sustainable mixed communities with the highest standards of design; and
- To make efficient use of the transport network.

The spatial aspect of the LDP confirms that within the strategic growth areas, one of the main development opportunities includes ‘significant development in Stonehaven’.

Specifically, the Proposals Map and Supplementary Guidance for Stonehaven set out a number of key planning objectives for the local area, these being:

- Enhance the settlements role as a sub-regional service centre;
- Provide employment opportunity;
- Provide affordable housing for local need; and
- Meet the demand for housing within the strategic growth area.

In terms of employment, business and retail land allocations, there are five proposed sites outside the town centre, namely:

- Business land 1: Spurryhillock
- Business land 2: East Newtonleys
- Employment land 1: Recycling Centre
- Employment land 2: East Newtonleys

- Retail: Adjacent to Spurryhillock

The other proposed sites in the Supplementary Guidance are associated with housing developments.

In terms of retail policy, Stonehaven is deemed a ‘Principal Town Centre’, where the policy approach to retail development is related to the ‘sequential approach’. The sequential approach requires that locations within settlements are considered in the following order:

1. principal and other town centre sites;
2. edge of town centre sites;
3. other commercial centres identified within the development plan;
4. derelict or vacant land in out-of-centre sites in locations that are, or can be made, easily accessible by a choice of modes of transport;
5. other out-of-centre sites in locations that are, or can be made, easily accessible by a choice of modes of transport

The principle for the sequential approach in Stonehaven highlights that the town centre is the preferred location for large comparison shop types, and for local convenience shops which serve the town centre. New retail development can be supported where the market area is not deemed as regional.

#### **2.4. Summary**

The economic development policy context in the North East is well known, the area has continued to grow throughout the UK and global recession, however it remains focused on a narrow economic base. Public and private stakeholders are committed to grow the economy through enterprise and innovation across key sectors.

Planning policy is designed to support such ambition, but to do so in a measured and sustainable manner. SPP is charged with facilitating economic ambitions and the Aberdeenshire LDP is designed to allocate key sites for key uses to fuel future economic prosperity.

A number of employment sites, including a retail site, have been proposed as part of the LDP process. The retail site has been situated according to the sequential approach and is proposed to be situated at Spurryhillock. However, a number of other retail sites, including mixed use retail sites, have been mooted and some are in the planning system.

Although contrary to the LDP, other sites are able to be considered on the basis that:

- The sequential approach to site selection has been used;
- There is no unacceptable individual or cumulative impact on the vitality of the identified network of centres;
- The proposal will help meet qualitative and quantitative deficiencies identified in the LDP; and
- The proposal does not conflict with other significant objectives of the LDP or other relevant strategies.

Essentially there is a requirement for unallocated sites to present a robust and evidence base for their possible future allocation, or in other words a Retail Impact Assessment (RIA).

Due to the level, range and scale of developments now is an opportune time to carry out an independent economic appraisal to help inform STP and guide the planning process.

### 3. ECONOMIC OVERVIEW

#### 3.1. Introduction

A review of the regional economy has been undertaken to present an understanding of the current opportunities and challenges. This section also assesses the performance of the local economy.

#### 3.2. The Regional Economy

The North East of Scotland is recognised as an affluent region, with one of the highest GDP per head figures in the UK and EU. The figure below, published by Eurostat, highlights the most affluent areas in the EU, where the North East of Scotland was identified as the 15<sup>th</sup> most affluent of all EU regions in 2009.

##### GDP per head: Top EU Regions

Rank	Region	Index
1	Inner London (UK)	303
2	Luxembourg (Lux)	251
3	Brussels (Bel)	248
4	Hamburg (Ger)	195
5	Vienna (Aut)	180
6	Ile de France (Fra)	175
7	Berks/Bucks/Oxon (UK)	174
8	Oberbayern (Ger)	169
9	Stockholm (Swe)	166
10	Utrecht (Ned)	158
11	Darmstadt (Ger)	157
12	Prague (Cze)	157
13	South/East Ireland (Ire)	157
14	Bremen (Ger)	156
15	North East Scotland (UK)	154
16	Groningen (Ned)	154
17	Noord-Holland (Ned)	154
18	Aland (Fin)	146
19	Antwerp (Bel)	145
20	Gloucs/Wilts/Nth Som (UK)	144

Source: eurostat 2009

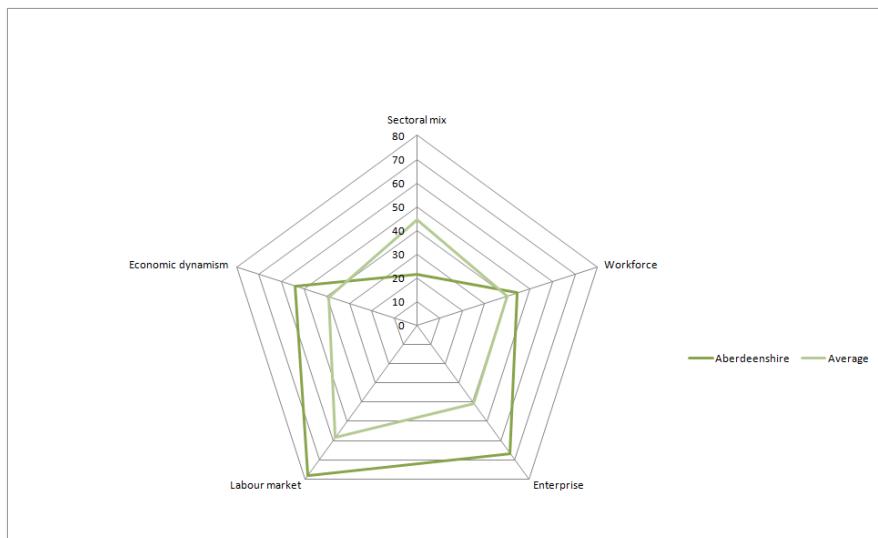
As a local authority area Aberdeenshire is a predominantly rural area in the North East of Scotland. Traditionally, it has been economically dependent upon the primary sector (agriculture, fishing, and forestry) and related processing industries. Over the last 40 years, the development of the oil and gas industry and associated service sector has broadened Aberdeenshire's economic base, and contributed to a rapid population growth of some 50% since 1975.

To maintain current levels of growth the Aberdeen City and Shire Economic Future (ACSEF), a partnership between the local business community and local authority partners, aims to sustain a vibrant business base and build on the success of the oil and gas sector and establish the region as the 'global centre of excellence'. The partnership recognises the vital importance of growing the regions other key sectors, namely food and drink, life sciences, and tourism.

A socio-economic model which measures the performance of each of Scotland's 32 Council areas across five critical determinants of economic strength confirms the key labour market strength but narrow economic base of the Aberdeenshire economy.

The chart demonstrates Aberdeenshire is a well structured and advanced economy, with high levels of income, education attainment and employment and lower levels of unemployment and benefit claimants. However, its weak sectoral mix is the obvious economic weakness and recognised opportunity.

## Aberdeenshire's Economy: An Overview



Source: MKA Economics

In terms of the performance across four of the five key domains, the Aberdeenshire economy can be seen as having one of the best performing economies in Scotland, the UK and indeed the EU. Regional unemployment (January 2014) at 1.5% for the City and 0.9% for the Shire is well below the Scottish (3.3%) and UK (3.0%) rates. However, the figure validates the important economic opportunity associated with broadening the area's economic base, and this is a known objective of ACSEF. The regional economy is forecasted to continue to grow, and in population terms according official forecasts the City is forecasted to grow by 25% in the period to 2035, and the Shire is forecasted to grow by 22% over the same period.

### 3.3. The Local Economy

Stonehaven is the largest settlement in the Kincardine and the Mearns (K&M) sub-region. Stonehaven's population increased by 13% between 2001 and 2011, the regional increase was 12%. Only the smaller K&M settlements of Laurencekirk (+47%), Drumoak (+21%) and Gourdon (+21%) grew at faster rates than Stonehaven. The town's population increased from around 9,500 to almost

11,000, only Peterhead (18,000), Fraserburgh (12,500) Inverurie (11,500) have higher populations in terms of settlements in Aberdeenshire.

Transport links with Aberdeen have encouraged very rapid population growth; the reopening of Laurencekirk Station has exceeded predictions. Portlethen and Stonehaven have greatly expanded and additional industrial and business development is anticipated. The main employers located in Stonehaven includes:

- Aberdeenshire Council
- Global Solutions UK
- Polymer Holdings
- Mowat Court Nursing Home
- Macphie of Glenbervie
- The Co-operative Group
- Cornerstone Community Care
- Neptune Deeptech
- Whittaker Engineering
- Havencourt Nursing Home
- NHS Grampian (Kincardine Community Hospital)

In terms of industry sectors the following table demonstrates the breakdown of the K&M economy by industry sector. The table highlights that almost 40% of the industrial profile can be grouped into three broad headings, namely 'Mining, quarrying & utilities', 'Manufacturing and 'Professional, scientific and technical' jobs.

#### Kincardine and Mearns: Industry Profile

Industry Sectors	Number of Employees	% of Total
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	('000s)	
Agriculture, forestry & fishing	0.1	0.6
Mining, quarrying & utilities	1.6	10.4
Manufacturing	2.2	14.0
Construction	0.7	4.7
Motor trades	0.2	1.2
Wholesale	0.8	5.2
Retail	1.2	8.0
Transport & storage (inc postal)	0.6	3.9
Accommodation & food services	1.0	6.7
Information & communication	0.1	0.7
Financial & insurance	0.1	0.4
Property	0.1	0.3
Professional, scientific & technical	2.3	15.0
Business admin & support services	0.8	5.2
Public administration & defence	0.5	3.5
Education	1.4	9.0
Health	1.2	8.0
Arts, entertainment & recreation	0.5	3.2
All Sectors	15.4	100.

Source: Business Register and Employment Survey 2012

The average salary, according to CACI Paycheck data in 2012, in Stonehaven is £32,971, compared to the Aberdeenshire average of £31,851.

The table below highlights the employment location of Stonehaven working age residents. This indicates that around one-third of the local workforce is employed in the local area. In other words around two-thirds of Stonehaven residents work outside the Stonehaven, a significant proportion of who work in Aberdeen.

#### Workplace of Residents –Travel to Work

	Stonehaven	Aberdeen City	Aberdeenshire	Outside City & Shire
% of Total	34.7%	46.3%	50.3%	3.4%

Residents Aged 16-

74

Source: Stonehaven Profile, Aberdeenshire Council 2013

In terms of the latest full year average unemployment figures (2012), the unemployment rate in Stonehaven (1.2%) is slightly above the K&M rate (1.1%) but slightly below Aberdeenshire average (1.3%). All rates are considerably lower than the comparable

Scottish rate, 4.0%. This confirms that the area has been less affected by the global recession.

In terms of house prices, the Stonehaven average (2011) was around £210k, which was the same as the Aberdeenshire average but below that of the K&M average of £235k. Overall, Stonehaven can be deemed to be a well performing economy which has continued to expand over the past decade. Although the area does not show signs of any significant detrimental impacts of the recession, the area has lagged behind other local areas in terms of employment, house prices and is more reliant on jobs outside the local area.

#### 3.4. Summary

The buoyancy of the North East economy is well known and well understood. The area has successfully achieved the status of the 'Energy Capital of Europe' and all indicators confirm it as a strong regional economy.

Public and private associations are acutely aware that the sectoral mix is a clear and obvious weakness and threat to future economic prosperity. Agencies such as ACSEF, AGCC and SE continue to work together to aid the broadening of the economy whilst expanding the opportunities surrounding the energy sector.

Kincardine and the Mearns has benefited significantly from the area's energy economy. The sub-region has expanded in population terms and Stonehaven has expanded by around 13% over the past decade. Population forecasts suggest that the area will continue to grow at a rapid pace.

Although a strong sub-regional economy, Stonehaven itself has a number of emerging weaknesses, where local unemployment is slightly above that of the sub-region and house prices are below sub-regional levels. Perhaps one of the key issues affecting future prosperity in the town is the proportion of working age residents who work outside the local area, around 65%.

In summary, the local area has grown significantly in recent times and is forecasted to grow into the next decade. To support growth there is a need to sustain and create local employment opportunities, and the LDP has proposed sites to accommodate such opportunities.

It is critically important for Stonehaven as a town that it can generate employment and not be reliant on other areas, especially when considering continuing questions about the lifespan of the North Sea oil reserves. Similarly there is a requirement to support the town centre which houses a significant proportion of local businesses and jobs. The town can grow as a housing location but this must be balanced with local employment opportunities to ensure the town can continue to prosper in economic terms.

The growth provides tremendous opportunity for existing businesses and it is important that the requirements of these businesses are considered ahead of potential new businesses.

## 4. ECONOMIC CRITIQUE

### 4.1. Introduction

This section sets out an independent assessment of known development proposals which contain a retail component in Stonehaven. The assessment is based on a multi-criteria assessment (MCA) and is based on a review of known proposals and publicly available information on each proposal.

### 4.2. The Development Proposals

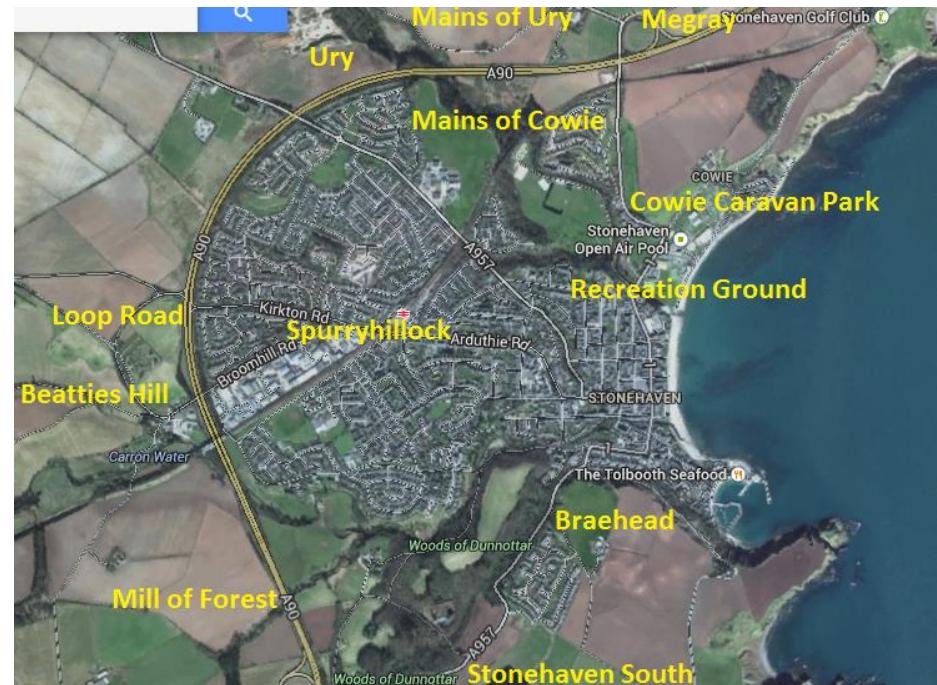
The table below introduces the nine known development proposals and three potential development sites. In line with HM Treasury Guidance we have considered a 'Do Nothing' option, however it is recognised that the 'Do Nothing' is not an option when considering Stonehaven is the fourth largest settlement in Aberdeenshire but the eighth in terms of retail floorspace. A retail site has been proposed as part of the LDP, which validate 'Do Nothing' is not an option

#### Stonehaven Development Proposals Summary

Proposal	Description
Ury	Planning Permission in Principle for comprising of 3,750sqm supermarket, filling station, hotel & restaurant
New Mains of Ury	4,500sqm retail proposal and associated housing
Mains of Cowie	5,500sqm retail proposal with associated housing
Loop Road	4,180sqm resubmitted retail proposal, previously refused
Beatties Hill	Supermarket and business land
Mill of Forest	5,574sqm retail proposal with superstore, housing and business land
Stonehaven South	4,200sq retail proposal with associated housing
Braehead	4,000sq retail proposal with associated housing
Spurryhillock	Limited scale proposal (1,750sqm), proposed retail site in LDP
Megray	No specific proposals – previously muted
Caravan Park	No specific proposals – previously muted
Recreation Ground	No specific proposals – previously muted

The location of each of the development proposals is illustrated on the following map.

#### Stonehaven Development Proposals Location



### 4.3. Development of Scoring Criteria

As part of the appraisal process, each of the 12 development proposals has been assessed against six criteria.

- **To support the town centre's ambition** – this measures the extent to which each of the development proposals helps to promote the economic ambition of existing town centre businesses;
- **To deliver policy and strategic ambitions** – this measures the extent to which each of the six proposals will help deliver key policy ambitions, namely in relation to retail and economic development policies;
- **Deliverability** – this measures the ability to deliver in terms of the status of planning permission(s) and/or allocation(s) as well as ability to change the use of an existing site;

- To generate new employment, training and education opportunities** – this measures the extent to which each development generates employability related outcomes for the local area;
- To unlock investment and wider benefits for the community** – this measures the extent to which each proposals provides direct financial resources for the local community and/or unlocks new community development opportunities; and
- To encourage environmental sustainability** – this measures the ability of each proposal to help safeguard the environment and promote the use of brownfield rather than greenfield land.

In line with planning policy we have assumed that 'supporting the town centre' is of utmost importance and have therefore attached a weighting of 30 percent to this criterion. 'Policy fit' and 'deliverability' each share equal importance, and have therefore attached a weighting of 20 per cent to each criterion. The other criteria are important but to a lesser extent at this stage of the appraisal exercise. The criteria and associated weightings are summarised in the following table.

Criteria	Weighting
Support town centre ambition	30%
Policy fit	20%
Deliverability	20%
Generate employability outcomes	15%
Unlock community investment	10%
Encourage environmental sustainability	5%

#### 4.4. Appraisal of Development Proposals

This section outlines the rationale behind the scoring assumptions

##### Support town centre ambition

In terms of scoring the proposals that support the ambition of creating a thriving town centre, it is obvious that those located close to the town centre offer the best opportunity to secure a vibrant town centre. Therefore the Recreation Ground and Caravan Park sites score the highest, followed by Spurryhillock. Although outside of the town, those sites located inside the A90 boundary score higher than the sites that are situated beyond the A90.

Development Proposal	Score (out of 100)	Weighted Score (based on 30% weighting)
Ury	25	7.5
New Mains of Ury	25	7.5
Mains of Cowie	50	15

Loop Road	25	7.5
Beatties Hill	25	7.5
Mill of Forest	25	7.5
Stonehaven South	50	15
Braehead	50	15
Spurryhillock	75	22.5
Megray	25	7.5
Cowie Caravan Park	100	30
Recreation Ground	100	30

##### Policy fit

In terms of delivering policy, the main determinant factor when assessing policy is the 'sequential approach' set out in SPP and reiterated in LDP supplementary guidance. Therefore the scores are associated with their location in terms of:

1. principal and other town centre sites (100 points);
2. edge of town centre sites (80 points);
3. other commercial centres identified within the development plan (60 points);
4. derelict or vacant land in out-of-centre sites in locations that are, or can be made, easily accessible by a choice of modes of transport (40 points); and
5. other out-of-centre sites in locations that are, or can be made, easily accessible by a choice of modes of transport (20 points)

Development Proposal	Score (out of 100)	Weighted Score (based on 20% weighting)
Ury	20	4
New Mains of Ury	20	4
Mains of Cowie	20	4
Loop Road	20	4
Beatties Hill	20	4
Mill of Forest	20	4
Stonehaven South	20	4

Braehead	20	4
Spurryhillock	60	12
Megray	20	4
Cowie Caravan Park	80	16
Recreation Ground	80	16

### Deliverability

The proposals which have been allocated in the LDP score 100 points (Spurryhillock) and those with planning in principle (Ury) score 75 points. Sites which are currently unallocated or have no other physical development are allocated 50 points. Sites with existing uses (namely Recreation Ground) score 25points.

The Caravan Park scores no points having recently opened (2013) after a £2m capital injection, and is therefore extremely unlikely to be redeveloped as a retail development in the foreseeable future.

Development Proposal	Score (out of 100)	Weighted Score (based on 20% weighting)
Ury	75	15
New Mains of Ury	50	10
Mains of Cowie	50	10
Loop Road	50	10
Beatties Hill	50	10
Mill of Forest	50	10
Stonehaven South	50	10
Braehead	50	10
Spurryhillock	100	20
Megray	50	10
Cowie Caravan Park	0	0
Recreation Ground	25	5

### Generate employability related outcomes

In terms of generating employment and training, government guidance (Homes and Communities Agency's 'Employment Densities', 2010) outlines the scale of employment associated with floor-space by use type. On this basis it is assumed that those sites with larger floor-spaces are expected to generate greater direct employment. No consideration

of any net or indirect impact associated with displacement effect has been considered at this stage.

Of the 12 proposals there are eight where the floor-spaces are known, where the average floor-space is around 4,100sqm. Therefore for the four sites where no floor-space is known we have assumed that they will be at least 4,100sqm.

At 5,574sqm, the Mill of Forest proposal is the largest of the 12 proposals, and has been allocated a score of 100 on the employability criterion. The second largest proposal is Mains of Cowie at 5,500sqm followed by the New Mains of Ury proposal at 4,500sqm, based on a rule of thumb of deducting one point per 100sqm of floorspace, we have assumed scores of 99 and 89 respectively for these two options. This calculation has been assumed across all proposals.

Development Proposal	Score (out of 100)	Weighted Score (based on 15% weighting)
Ury	82	12.3
New Mains of Ury	89	13.35
Mains of Cowie	99	14.85
Loop Road	86	12.9
Beatties Hill	85	12.75
Mill of Forest	100	15
Stonehaven South	86	12.9
Braehead	84	12.6
Spurryhillock	62	9.3
Megray	85	12.75
Cowie Caravan Park	85	12.75
Recreation Ground	85	12.75

### Unlock community investment

At this stage there is limited detail on the proposed community benefits associated with each proposal, although it is recognised that the scale of each proposal suggests there will be significant community benefit contributions. Those schemes which offer the greater community contributions are likely to be the mixed use sites which include other business land and/or housing as part of their development mix.

The sites with offer retail, housing and other developments have therefore scored 90 points, those offering retail and housing score 75 points, those offering retail and business land also score 75 points and those only providing retail score 50 points.

Development Proposal	Score (out of 100)	Weighted Score (based on 10% weighting)
Ury	75	7.5
New Mains of Ury	75	7.5

Mains of Cowie	75	7.5
Loop Road	50	5
Beatties Hill	75	7.5
Mill of Forest	90	9
Stonehaven South	75	7.5
Braehead	75	7.5
Spurryhillock	50	5
Megray	50	5
Cowie Caravan Park	50	5
Recreation Ground	50	5

#### Encourage environmental sustainability

The proposals which are situated on brownfield sites score 75 points whereas those located on Greenfield sites score 25 points.

Development Proposal	Score (out of 100)	Weighted Score (based on 5% weighting)
Ury	25	1.25
New Mains of Ury	25	1.25
Mains of Cowie	25	1.25
Loop Road	25	1.25
Beatties Hill	25	1.25
Mill of Forest	25	1.25
Stonehaven South	25	1.25
Braehead	25	1.25
Spurryhillock	75	3.75
Megray	25	1.25
Cowie Caravan Park	75	3.75
Recreation Ground	75	3.75

#### 4.5. Summary

The table overleaf provides a summary of the multi-criterion assessment results across all scoring criteria and against each proposal. This highlights the following overall scores for each proposed development:

1. Spurryhillock - **72.55 points**
2. Recreation Ground – **72.5 points**
3. Cowie Caravan Park – **67.5 points**
4. Mains of Cowie – **52.6 points**
5. Stonehaven South – **50.65 points**
6. Braehead – **50.35 points**
7. Ury – **47.55 points**
8. Mill of Forest – **46.75 points**
9. New Mains of Ury – **43.6 points**
10. Beatties Hill – **43 points**
11. Loop Road – **40.65 points**
12. Megray – **40.5 points**

**Multi-criterion Assessment of Proposed Developments with a Retail Component**

Criteria	Ury	Mains of Ury	Mains of Cowie	Loop Road	Beatties Hill	Mill of Forest	Stonehaven South	Braehead	Spur y-hilllock	Megray	Caravan Park	Recreation Grounds
Support town centre ambition	7.5	7.5	15	7.5	7.5	7.5	15	15	22.5	7.5	30	30
Policy fit	4	4	4	4	4	4	4	4	12	4	16	16
Deliverability	15	10	10	10	10	10	10	10	20	10	0	5
Generate employability outcomes	12.3	13.35	14.85	12.9	12.75	15	12.9	12.6	9.3	12.75	12.75	12.75
Unlock community investment	7.5	7.5	7.5	5	7.5	9	7.5	7.5	5	5	5	5
Encourage environmental sustainability	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	3.75	1.25	3.75	3.75
<b>Total</b>	<b>47.55</b>	<b>43.6</b>	<b>52.6</b>	<b>40.65</b>	<b>43</b>	<b>46.75</b>	<b>50.65</b>	<b>50.35</b>	<b>72.55</b>	<b>40.5</b>	<b>67.5</b>	<b>72.5</b>

## 5. Conclusions

### 5.1. Findings

This analysis has based on a review of economic and planning policies, an overview of the local economic situation and a multi-criteria assessment of each development proposal. The research is largely based on a desk based review of available data sources.

#### Policy Context

The economic development policy context in the North East is well known, the area has continued to grow throughout the UK and global recession, however it remains focused on a narrow economic base. Public and private stakeholders are committed to grow the economy through enterprise and innovation across key sectors.

Planning policy is designed to support such ambition, but to do so in a measured and sustainable manner. SPP is charged with facilitating economic ambitions and the Aberdeenshire LDP is designed to allocate key sites for key uses to fuel future economic prosperity.

A number of employment sites, including a retail site, have been proposed as part of the LDP process. The retail site has been situated according to the sequential approach and is proposed to be situated at Spurryhillock. However, a number of other retail sites, including mixed use retail sites, have been mooted and some are in the planning system.

Although contrary to the LDP, other sites are able to be considered on the basis that:

- The sequential approach to site selection has been used;
- There is no unacceptable individual or cumulative impact on the vitality of the identified network of centres;
- The proposal will help meet qualitative and quantitative deficiencies identified in the LDP; and

- The proposal does not conflict with other significant objectives of the LDP or other relevant strategies.

Essentially there is a requirement for unallocated sites to present a robust and evidence base for their possible future allocation, or in other words a Retail Impact Assessment (RIA).

Due to the level, range and scale of developments now is an opportune time to carry out an independent economic appraisal to help inform STP and guide the planning process.

#### Economic Context

The buoyancy of the North East economy is well known and well understood. The area has successfully achieved the status of the 'Energy Capital of Europe' and all indicators confirm it as a strong regional economy.

Public and private associations are acutely aware that the sectoral mix is a clear and obvious weakness and threat to future economic prosperity. Agencies such as ACSEF, AGCC and SE continue to work together to aid the broadening of the economy whilst expanding the opportunities surrounding the energy sector.

Kincardine and the Mearns has benefited significantly from the area's energy economy. The sub-region has expanded in population terms and Stonehaven has expanded by around 13% over the past decade. Population forecasts suggest that the area will continue to grow at a rapid pace.

Although a strong sub-regional economy, Stonehaven itself has a number of emerging weaknesses, where local unemployment is slightly above that of the sub-region and house prices are below sub-regional levels. Perhaps one of the key issues affecting future prosperity in the town is the proportion of working age residents who work outside the local area, around 65%.

In summary, the local area has grown significantly in recent times and is forecasted to grow into the next decade. To support growth there is a need to sustain and create local employment opportunities, and the LDP has proposed sites to accommodate such opportunities.

It is critically important for Stonehaven as a town that it can generate employment and not be reliant on other areas, especially when considering continuing questions about the lifespan of the North Sea oil reserves. Similarly there is a requirement to support the town centre which houses a significant proportion of local businesses and jobs. The town can

grow as a housing location but this must be balanced with local employment opportunities to ensure the town can continue to prosper in economic terms.

The growth provides tremendous opportunity for existing businesses and it is important that the requirements of these businesses are considered ahead of potential new businesses.

#### **Economic Critique**

The table overleaf provides a summary of the multi-criterion assessment results across all scoring criteria and against each proposal. This highlights the following overall scores for each proposed development:

1. Spurryhillock - **72.55 points**
2. Recreation Ground – **72.5 points**
3. Cowie Caravan Park – **67.5 points**
4. Mains of Cowie – **52.6 points**
5. Stonehaven South – **50.65 points**
6. Braehead – **50.35 points**
7. Ury – **47.55 points**
8. Mill of Forest – **46.75 points**
9. New Mains of Ury – **43.6 points**
10. Beatties Hill – **43 points**
11. Megray – **40.5 points**
12. Loop Road – **35.65 points**

#### **Conclusions**

The results of the critique validate the LDP position that Spurryhillock is best placed to deliver a new retail development in Stonehaven. It scores well as it has an existing allocation, is on the edge of the town centre and is housed on brownfield land.

However, it is known that the current site is limited in space terms and the allocation is for an outlet which is below the requirements of a national multiple retailer. Further detail is required as to the possible reconfiguration of the site in order to allocate a larger footprint to attract a national multiple retailer to this location. There are also known issues around transport and traffic congestion in this location.

The Recreation Grounds option, although not in the planning system at present, also scores well due to its proximity to the town centre and ability to attract visits into the town rather than away from the town.

This location is also a brownfield site and offers a strong policy fit in terms of the 'sequential approach'. More detail is required to understand the 'deliverability' of a retail site in this location, but should be seen, along with Spurryhillock, as the developments which STP should be supporting at this stage.