



**CUSHMAN &  
WAKEFIELD**

# Oracle Facility, Linlithgow Employment Land & Property Market Review

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Prepared for:  
Oracle



## 1 Introduction

Oracle Corporation have instructed Cushman & Wakefield to investigate commercial employment land and property markets in Linlithgow, in order to establish the potential for land forming part of the Oracle Facility, Blackness Road, Linlithgow for future Employment use. Oracle Corporation are looking at the potential for redevelopment to alternative use classes (Class 8, Class 9) on the site.

This report reviews and analyses the commercial property markets in Linlithgow and employment land, based upon formal market analysis and Cushman & Wakefield's market knowledge. The report focuses on employment land as described under Use Classes 4 (Business), 5 (General Industrial) and 6 (Storage or Distribution) of the Town & Country Planning (Use Classes) Scotland Order 1997.

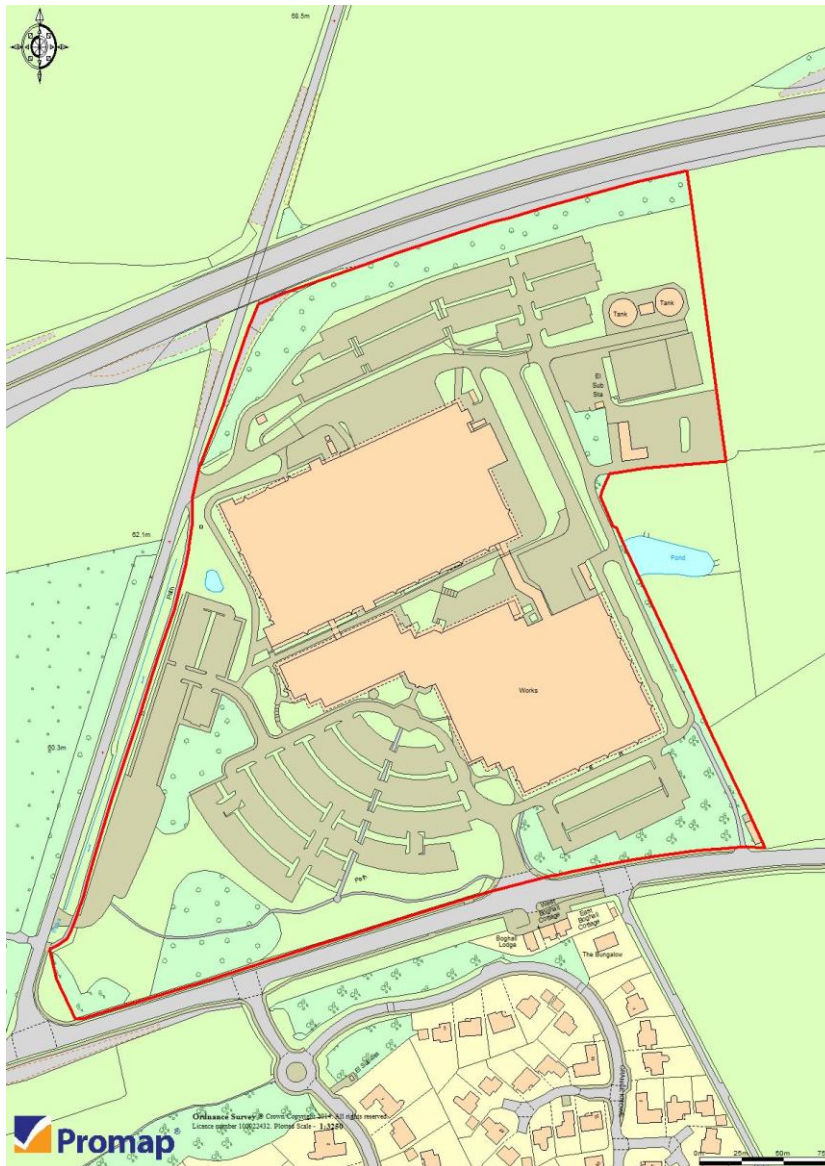
The remainder of this report will be structured as follows:

- Sections 2 describes the subject site, its location, and outlines the site's planning history.
- Section 3 of this report is an analysis of the Employment Land Market in Linlithgow and includes some wider comment on the market across west Lothian.
- Section 4 reviews the employment property markets.
- Section 5 Reviews the Sites Prospects as an Employment allocation and reviews potential alternative mechanisms to meet special planning and economic development objectives
- The report is summarised and Cushman & Wakefield's conclusion and recommendations for the Oracle Corporation are provided in Section 6.

## 2 Site Location & Planning History

### Oracle Facility, Blackness Road, Linlithgow

*Figure 1: Oracle Facility Site Plan*



### 2.1 Location

Linlithgow is a historic settlement located approximately 20 miles west of Edinburgh in West Lothian. It has a population of 14,017 (Scottish Neighbourhood Statistics 2011) and is an attractive and popular commuter town close to the region's main employment centre of Livingston, Falkirk, Stirling, Grangemouth and Edinburgh. The town has a railway station on the main Edinburgh to Glasgow line (via Falkirk) and is close to the M9 Motorway which links the town to the rest of the country.

The town has a busy high street with many national brands and locally owned specialised shops as well as cafes, restaurants and bars. The historic significance of the town attracts many tourists to Linlithgow Palace, St Michael's Parish Church and the Annet House Museum. These tourist attractions provide employment opportunities for local residents.

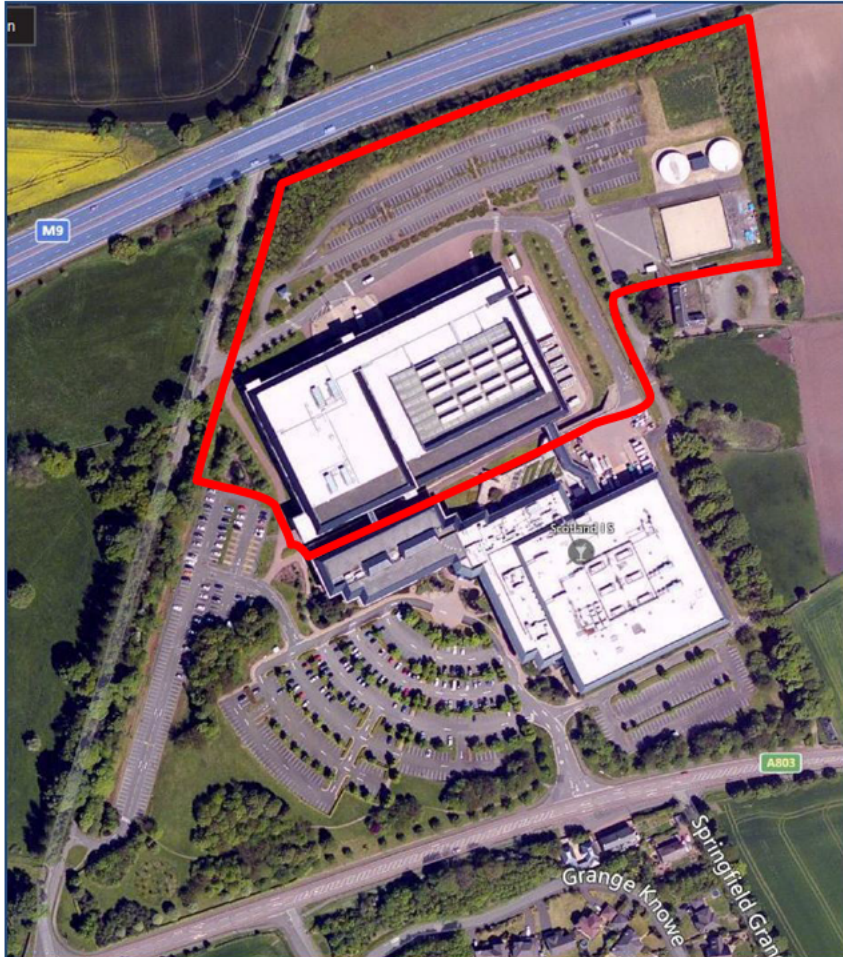
Established employment sites in the town are located to the west of the town centre at Mill Road Industrial Estate and the Oracle Facility to the east of the town. Mill Road Industrial Estate is the only commercial estate in Linlithgow consisting primarily of small industrial and trade counter units with some office space, such as Herkimer House and neighbouring Pinnacle House, both of which provide serviced style office accommodation.

Within Linlithgow there is one secondary school and five primary schools along with Donaldson's School a specialist school for children with hearing / communications difficulties. Local amenities include a library and community spaces along with leisure facilities including the X-cite Sports Centre and the Low Port Centre.

## 2.2 The Site

The site comprises the northern half of the existing Oracle Corporation premises at Blackness Road, Linlithgow, extending approximately 14.15 acres (5.726 hectares) (Figure 2 shows the site outlined in blue). The total site of the Oracle Facility extends to approximately 32 acres and comprises a series of business and industrial premises that provide approximately 420,000 sq ft of floor space. In addition, there are extensive areas of car parking and landscaping across the site. The site is located  $\frac{3}{4}$  of a mile to the north east of Linlithgow town center. The site is bounded to the north by the M9 motorway, the eastern boundary is formed by an area of existing agricultural land. Southern boundary is formed by Blackness Road which is the main road into Linlithgow from the east. The western boundary is formed by an unclassified road which provides access to a number of local destinations, including Bo'ness.

*Figure 2: Surplus Phase 3 of Oracle Facility Site*



### 2.3 Planning History

The site has an extensive planning history, dating back to 1989 when planning permission was originally granted for the production and office buildings. Phase 2 office complex was granted planning consent in September 1992 with an extension to the manufacturing premises then granted in August 2000. In addition to these key consents a series of other permissions have been granted mostly relating to minor works and none of these raise any issues that are of relevance to this report.

The site is identified in the West Lothian Local Plan (2009) as forming part of a wide area allocated for employment use where policies EMP5 and EMP6 are applicable.

Policy EMP5 of the Local Plan establishes that the expansion, conversion, or redevelopment of existing premises will be encouraged for uses falling within Classes 4, 5, and 6. EMP6 advises that planning permission for other uses other than Classes 4, 5 and 6 will not be granted unless there is a clear demonstration of the direct benefit to those working in that employment area

and where the retention of site for premises for Use Classes 4, 5 and 6 has been explored without success.

The retention of the site for Use Classes 4, 5, and 6 has been explored over recent years without success. The Phase 3 building and associated land has been deemed surplus to requirements by Oracle Corporation and the future of the site as an Oracle used building has been ruled out. As a result alternative occupiers have been sought.

## 2.4 Marketing

Since late 2011, the site had been marketed on a, to let / for sale basis. Initially the surplus space was marketed by CBRE, and more recently by Cushman & Wakefield (DTZ) as part of a commercial development opportunity / occupation opportunity. Marketing particulars were prepared by CBRE and distributed to interested parties and the local market agent, Cushman & Wakefield more recently prepared marketing particulars and distributed to interested parties and local agents. A copy of the most recent Cushman & Wakefield marketing particulars are reproduced as Appendix 1.

The site was also advertised online on the Cushman & Wakefield (DTZ) website and the Scottish Property Network. The marketing particulars were available to view and download on both these sites.

The marketing strategy did not generate any significant interest from parties and a suitable occupier or buyer was unable to be found. Initial enquiries were made by a number of companies these were as follows:-

- Entropex – Enquiry from a Canadian plastic recycling operation. Initially targeted the building for the high specification of the space and Terms were issued. However due to a lack of government funding, this failed to materialise.
- DJW – A number of enquiries were made by DJW in buying a property and running a data housing and disaster recovery operation. The building is well suited to the purpose, providing them with the space they need along with providing a bespoke fit out providing sufficient cooling and power supply. Despite the numerous viewings and extended period of interest no offer was made for the facility and the requirement has since died out.
- Digital Health Institute (DHI) - This was a requirement for 25,000 – 40,000 sq ft of office space however the DHI ended up taking space at Euro Central.

Both of the interests did not lead to anything further proving the lack of viability for the scheme to be continued in its current use.

## 2.5 Summary

The subject site at Blackness Road has been allocated specialist employment use in the West Lothian Local Plan. The Local Plan restricts the allocated

The site has been continually marketed since 2011 and generated little from parties looking to use the existing buildings or land for employment use. None of the parties who did express an interest proceeded, emphasising the site's limitations for continued commercial use.

### 3 Employment Land Market

#### 3.1 Introduction

This section of the report examines the employment land supply and take up in Linlithgow and West Lothian. The land review provides research into market prospects for employment use at the surplus Phase 3 land / buildings of the Oracle Facility on Blackness Road.

SESPlan Economy Note (November 2011) summarises Edinburgh City regions transition from employment in traditional industries to the service sectors, and advocates flexibility in order to accommodate a wide variety employment types. These sectors include financial services, energy, life sciences, creative industries, digital / enabling technology, food and drink, tourism and education infrastructure. These potential growth areas are complementary to existing businesses and provisions of services across the SESPlan region.

*Figure 3: SESPlan Employment Locations*



Identified within the SESPlan is a cluster of key employment locations within the Lothians shown in Figure 3. West Lothian includes towns such as Bathgate, Broxburn, and Livingston.

These are clustered to the south of Linlithgow along the M8 corridor, an important sub regional centre for retail and employment. The analysis in the Technical Note highlights the designation of this area as strategic and economic area. Linlithgow is not included as part of the cluster of key employment locations.

The designation of strategic cluster across the SESPlan has informed spacial strategy of the plan. This strategy directs development towards sustainable locations and employment clusters of regional significance. Linlithgow is therefore not considered to be a strategic location for employment.

### 3.2 Employment Land

Employment land supply in West Lothian as of 2011 is shown in Table 1. A total of 613.55 hectares is allocated. This employment land allocation of West Lothian comprises all undeveloped land allocated for employment use in the adopted Local Plan, or land which has valid planning consent for such use. This does include the site at Blackness Road Linlithgow.

*TABLE 1: EMPLOYMENT LAND ALLOCATIONS (HECTARES)*

	Immediate Available	Minor Constraint	Major Constraint	Safeguard	Total
City of Edinburgh	169.6	3.3	7	87.1	<b>267</b>
East Lothian	0	15.8	86.6	0	<b>102.4</b>
Fife	48.75	73.13	130.6	493.88	<b>746.36</b>
Midlothian	51.37	80.9	34.49	50.72	<b>217.48</b>
Scottish Borders	18.63	57.04	25.43	4.92	<b>106.02</b>
West Lothian	119.27	71.25	85.59	337.17	<b>613.55</b>
<b>Total</b>	<b>407.62</b>	<b>301.42</b>	<b>369.71</b>	<b>973.79</b>	<b>2052.54</b>

- Immediately available land is defined as to have no significant constraints and is considered to be effective.
- Minor constrained land could be made available within a five year period and is also considered to be effective.
- Major constrained land has restrictions which would mean it would be available within a five year period and therefore considered to be not effective.
- Safeguard employment land allocations are generally subject to constrains which may or may not be removed during the five year period, these comprise land identified in development plans specialist company uses or expansion purposes, or land which is not currently allocated for employment but may be considered suitable for allocation in the long term.



19.4% of total supply is immediately available with a further 11.6% with only minor constraints. West Lothian's 119.27 hectares is the second largest supply with immediately available land of constituent authorities of the SESPlan, behind the regional and national capital city of Edinburgh.

West Lothian has a 190.79 hectares of effective employment land the largest Local Authority total in Edinburgh and the Lothians. The table below summaries these allocations in and around Linlithgow.

*Table 2: Employment Land Proposals around Linlithgow (West Lothian Local Plan 2009).*

Proposal	Category*	Area (hectares)	Details
ELI 12, Boghall East	D	3.32	Office use only permitted on site, height restricted to 8 m, 30m land buffer required, appropriate frontage landscaping, design of office / science park style and of high architectural merit.
ELI 14, Mill Road Industrial Estate	A	0.6	Flood risk assessment required, HGV restrictions apply, two small plots within an established industrial location.
ELI 17, Mill Road Industrial Estate (2)	A	0.33	HGV restrictions apply, landscaping required, small plot within an established industrial location.
ELI 18, Oracle Facility Expansion Land	H	9.6	Adjacent land to subject site. Designated for expansion of Oracle Facility.

\*Categories, as defined in the West Lothain Local Plan 2009:

- A General Industrial (Class 4, 5 and 6)
- D- Office use only (Class 4)
- H- Single user expansion only

West Lothian Local Plan Monitoring Report published in 2011 reviews the status of the employment land supply against targets set at strategic level. It states that effective supply in West Lothian, 123 hectares is located within strategic Livingston/Bathgate cluster shown in Figure 3 on page XXX .

The assessment concludes that there is a requirement for 150 hectares of strategic employment land in West Lothian and additionally identified in the emerging Local Development Plan. This creates a strategic shortfall of 27 hectares when compared with the effective supply in the previous paragraph. Moving forward the SESPlan Strategic Development Plan, directs local developments to identify land with strategic growth requirements within strategic development areas, again see Figure 2.

The subject site and Linlithgow as a whole lies outwith the strategic development cluster identified in the SESPlan for West Lothian, although it remains part of West Lothian's established employment land supply.

### 3.3 Employment Land Take Up

The following analysis of land take up from 2005 has been based upon land transactions, rather than development, in comparison with the development plan data it is likely to over estimate take up as some sites will be bought for long term and in fullness of time may not be developed for employment uses. From January 2005 to date, a total of 44 land sale transactions (excluding sales of residential lands) have been recorded in West Lothian. These sales are shown in the table provided below on a year by year basis.

*Table 3: West Lothian Land Transactions*

Year	No of Transactions	Total Size (hectares)
2005	7	20.25
2006	4	2.26
2007	14	13.85
2008	4	54.04
2009	3	0.64
2010	8	85.26
2011	2	1.56
2012	1	2.1
2014	2	1.96
2015 to date	3	1.98
Total	48	183.9
Annual Average	4.8	18.39

The average number of transactions is under 5 a year, with an average annual take up of 18.39 hectares. However looking at the figures there were significant spikes in 2008 and 2010 where one transaction of significant size each year skews the data. These significant outliers are

outlined in the table below excluding these outliers reduces the size of take up to 52.99 hectares on the same basis annual take up falls to 5.299 hectares.

*Table 4: Large Industrial Land Transactions in West Lothian*

Address	Size (Hectares)	Description
Deans Industrial Estate, Livingston	51.4	Undisclosed buyer purchase 51.4 hectares development site from NEC Electronics on confidential terms. Deal date: 05/02/2008.
Shotts Road, Fauldhouse	79.51	Blenheim Investors, Desmill & Blackview purchased the industrial site from Mathon Limited for £925,000 (£11,633 per hectare). Deal date: 05/022010

For Linlithgow only three of the forty-eight transactions were recorded in the period from January 2005 to date, these are detailed in the table below. Take up in Linlithgow is irregular and detached from the strategic take up land around Livingston and the M8 corridor. This lack of employment land take up further emphasised the lack of demand for employment land and commercial development in the town.

*Table 5: Linlithgow Employment Land Transactions*

Address	Size (Hectares)	Description
Champfleurie House, Linlithgow	9.11	Undisclosed purchaser acquired 9.11 hectares of land on confidential terms. Deal date 5 January 2005.
The Loan, Linlithgow	0.37	Undisclosed buyer purchased purchased 0.37 hectares of land on confidential terms. Deal date 24 December 2009.
Mill Road Industrial Estate, Linlithgow	0.18	TIS Limited and JMK purchased 0.18 hectares of land at Mill Road Industrial Estate from West Lothian Council. Deal date: 05/07/2010.

Considering the long term take up levels from 2005 and transactions of 5 – 10 hectares since 2005 the established supply of 191 hectares of effective employment land amounts to around circa 36 years supply (excluding the two large transactions). This could potentially be increased if safeguard sites are designated for employment use within the emerging Local

Development Plan. This could be the solution to deal with the 23 hectares of strategic shortfall identified in the latest Local Plan Monitoring report.

### 3.4 Summary

SESPans strategy acknowledges a significant role played in West Lothian's economic cluster around the M8 corridor and Livingston and directs future strategic employment land development towards this area. Recent land transactions and take up data show large transactions and development of employment land in this location.

The take up of employment land is very sporadic and dramatic in recent years due to major developments and transactions in the M8 corridor. Long run averages indicate that West Lothian supply has approximately 36 years supply in terms of quantitative provisions. West Lothian would appear to have more than adequate supply of employment land. In qualitative terms the SESPlan requirement directs new strategic employment locations to be found within the Strategic Development Areas. For West Lothian these are located around Livingston and the M8 corridor as shown in Figure 3.

Linlithgow is not part of the M8 corridor strategic cluster. Take up of employment land is a very low proportion of the Local Authority total. The town is not strategic in terms of size nor location relative to other assets in West Lothian. In this context, the Blackness Road site allocation for employment use has failed to materialize and the future prospects of the site being used for employment use look limited.

## 4 Property Market Review

### 4.1 Introduction

This section reviews employment property markets, providing an overview of current national regional property markets and a more detailed analysis of the Linlithgow area.

### 4.2 UK & Scottish Economy

The Scottish economy weakened during the first half of 2015. Growth fell to marginal levels, underlying economic activity became finally balanced as unemployment increased. GDP in Scotland grew by a marginal 0.1% in the second quarter of 2015, this was driven by quarterly growth in the construction sector however output in the dominant services sector was static while output in contracted in the production sector. On an annual basis, Scottish GDP grew by 1.9%.

Scottish unemployment rates for the three months June to August 2015 rose to 6.1% a rise of 0.7% over four quarters, which sit above the UK rate of 5.4%.

The consensus forecast for UK economic growth published by Her Majesty's Treasury in October 2015 predicts a 2.5% growth in 2015 followed by 2.3% in 2016. The EY ITEM clubs summer forecast predicts UK growth of 2.7% for 2015 and 2016. The International Monetary Fund's forecast for the UK in 2015 to 2.5%.

For Scotland key forecasts predict growth of 2.5% in 2015 and 2.3% in 2016 and 2017. These forecasts predate and may be challenged by particularly weak Q2/Q3 growth outputs.

The modern industrial property market is driving a diverse range of sectors, including manufacturing distribution, IT, utilities and services. Trade counters for food and drink, motor vehicles and services also occupy a traditional industrial estate and occupier confidence in the central Scotland property market has been slowly improving. This is demonstrated by rising occupancy rates and demand from investors. However due to static rents in the Scottish market, there is little interest from developers.

Demand is greatest in prime estates at trunk road locations in addition to recent transactions there are deals in the pipeline for industrial land, design and build premises in existing second hand accommodation. Demand for office property across Scotland is strengthening as markets recover in line with the wider economy. Sales and lettings have increased in both Edinburgh and Glasgow. Aberdeen's office market, after years of sustained growth driven by the offshore oil and gas industry, has since stalled due to the crash in the oil industry. Take up in Edinburgh has seen record levels over the last two years while due to the oil industry decline in Aberdeen office take up has significantly declined. Speculative development has resumed in all three major cities with Glasgow and Edinburgh seeing development which will complete in time for the next market cycle. Buildings are due to complete between 2016 through to 2020 adding significant office stock to both markets. Current phases of market recovery however is strongly focused on prime locations in these major cities and is yet to filter out to more regional locations.

#### 4.3 West Lothian

The economy of West Lothian is built upon its central location and its easy access to larger cities of Glasgow and Edinburgh. This connectivity puts West Lothian at a strategic advantage to access supplies and customers in both east and west of the country. The economy is based on key sectors such as food and drink, manufacture, distribution and logistics, construction bio tech and life sciences. Major employers in the region include Sky, Tesco's and Lloyds Banking Group, Doune Group, Johnston & Johnston and Mitsubishi Electrics.

West Lothian's economic output grew on an annual average rate of just over 3% between 1998 and 2008 with more recent growth levels more in line with national averages. 2012 – 2013 saw 1.3% growth.

West Lothian's Economic Profile 2013 provides data on the make-up of employers in the region. A portion of enterprises with fewer than 50 employees is 86% of the total registered companies compared with 96% of Scotland. This data shows the significant presence of medium and large employers in West Lothian compared to other areas of Scotland. A large concentration of these companies are located in key economic clusters around the M8 corridor.

#### 4.4 Linlithgow

Linlithgow is the third largest settlement in West Lothian and is the former main town in the county. As a historic burgh, the town has a traditional market town centre as well as a more modern industrial and office locations in Mill Road to the west of the town centre.

The town's position as the main settlement in West Lothian has been overtaken by the new town of Livingston. The rapid rise of Livingston as the economic retail and administrative centre of West Lothian has corresponded with the reduction of Linlithgow's role in these areas. However, Linlithgow remains an attractive place to live and visit and a vibrant town centre accommodating local economic and social activity.

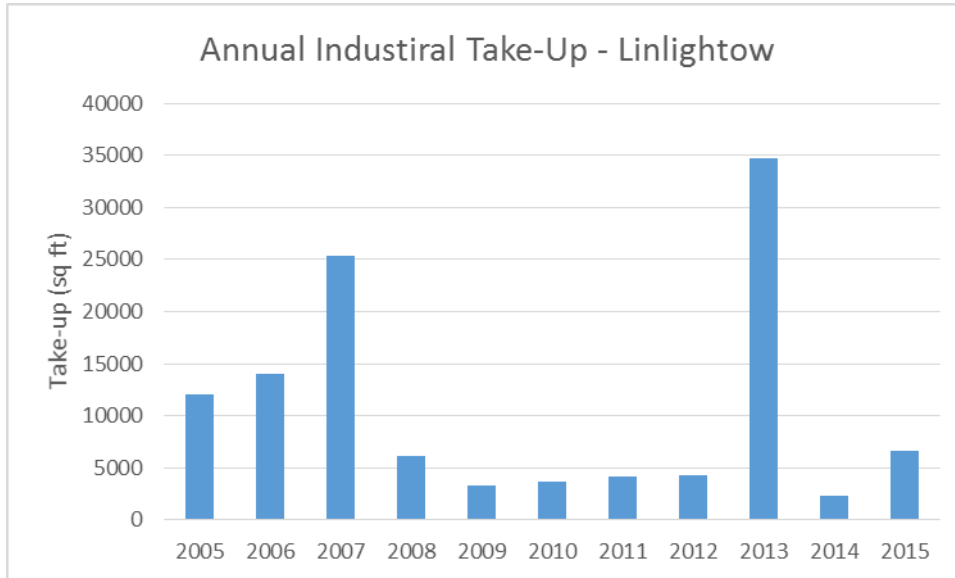
The main employment location within Linlithgow is found primarily at the Mill Road Industrial Estate to the north west of the town. The area houses a variety of office, industrial and storage and distribution operators. The unit sizes vary from small (sub 100 sq m) to the largest, a 3,500 sq m factory occupied by health and safety specialists Arco East Scotland. Mill Road Industrial Estate provides access to the A803 and the M9 and occupiers include Fire Protection Scotland, Royal Mail and Jet Construction. The estate is in multi ownership and homes a number of small to medium sized companies.

In addition to the Mill Road Industrial Estate Linlithgow has a few additional industrial locations. Braehead Business Units on Braehead Road provides a row of nine terraced units providing flexible business space between 33 and 77 sq m, occupiers include local joiners, photographers and cake makers. On the Edinburgh Road Bowmore Distillery occupies a bonded warehouse. Finally, the subject site, the Oracle Facility, constructed in three phases between 1999 and 2002 by Sun Micro Systems provides a campus style HQ development with offices and manufacturing facilities. This space provides approximately 38,000 sq m of accommodation which is currently only half occupied.

The graph below shows the annual take up of industrial units in Linlithgow over the last ten years, (Figure 4). Supply has not been shown as it rose significantly in 2011 when the Oracle Building came onto the market. This saw a supple rise from around 700 sq m in 2010 to in excess of 18,000 sq ft in the second half of 2011.

Take up also rose sharply in 2013 from less than 400 sq m to over 1,600 sq m. This is skewed by the sale of 85-87 High Street, Linlithgow a 2,000 sq m building.

*Figure 4: Annual Industrial Take-up – Linlithgow*



There are currently six industrial properties being marketed in Linlithgow for a total stock of 18,891 sq m. Most are small units of less than 100 sq m with the majority of the space (17,888 sq m) being provided by the Phase 3 Oracle Building, which offers factory spaces for high tech manufacturing.

The market is most active around small sized units of less than 200 sq m and over half of deals involved a unit size less than 100 sq m. There is very little activity in the market for larger units with the largest deal involved with the purchase of an owner occupier as a former bus depot on the at 85-87, High Street, Linlithgow, by McCarthy & Stone Retirement Lifestyles for a non employment use class.

*Table 6: Analysis of deal sizes over the last 10 years.*

Sizeband (sq m)	No. of deals.	Total Sq M
0-99	48	3,264
100-199	17	2,913
200-499	5	1,823
500-999	0	0
1,000-1,999	0	0
2,000 +	1	2,110
<b>Total</b>	<b>72</b>	<b>10,113</b>

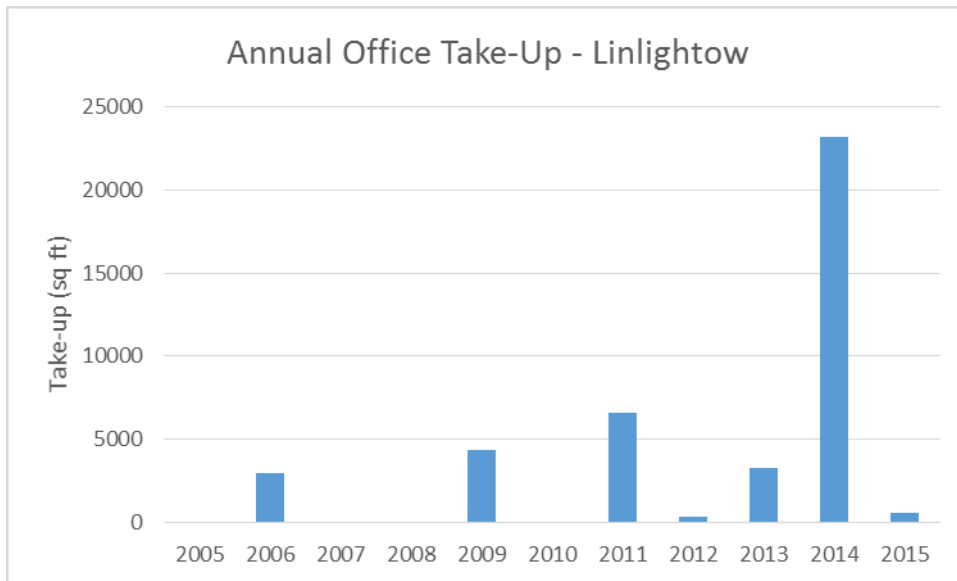
The table below shows a selection of recent transactions in Linlithgow examined in more detail. The occupiers in these deals represent a wide variety of sectors including construction / trade businesses, shipping logistics, professional services, food and drink operators and leisure service providers. Leases range from monthly to five years.

Address	Size (sq m)	Comments
Mailing House, 42 Mill Road	446	Undisclosed tenant acquired 4,800 sq ft of industrial space on a 5 year lease at £7.29 per sq ft. This is the largest industrial occupancy deal in Linlithgow the last 10 years.
Mill Place Business Unites, Mill Place	76	EasyGo Electric Bikes Ltd acquired 821 sq ft of space on a temporary lease at a rent of £8.12 per sq ft.
Units 4-8, Little Mill Business Park	93	JS Properties Ltd let this space to an undisclosed tenant on a three year lease at a rent equating to £7.20 per sq ft.
Mill Place Business Units, Mill Place	39	A private individual (Mr Lawton) acquired a 417 sq ft unit on a one year term at a rent equating to £10.50 per sq ft.
Braehead Business Units, Braehead Road	77	Letting of an 826 sq ft industrial unit to Paul Bradford Sugarcraft School Ltd on a three year lease on undisclosed terms.

The office market in Linlithgow comprises the town centre, office space within peripheral employment locations such as Mill Road, and the Oracle Building at Blackness Road. The high street offices offer a variety of uses including professional services and traditional Class 4 use, above prime retail frontages of Linlithgow. Serviced offices are available up to 500 sq m in Mill Road. At Mill Road Industrial Estate there are detached office buildings owned by a number of investors. The Oracle Facility was previously a single use facility, however in recent years large areas of space have been let to occupiers in an attempt to maximise use of the space.

*Figure 5: Annual Office Take-up – Linlithgow*





Supply of office property in Linlithgow, in a similar style to the industrial market, has been skewed and risen significantly due to the vacancy of the Phase 3 Oracle Building in 2011.

Take up of office premises has also followed the trend seen in the industrial property market. Sharp rise in take up from virtually nothing in 2011 to around 2,150 sq m in 2014. This could be construed to indicate improving economic conditions however this is skewed due to the Oracle Facility.

In 2014 lettings at the Oracle facility to a number of occupiers has seen take up levels significantly rise. There are currently eleven office properties available in Linlithgow totaling 9,965 sq m (with the majority of this coming from the Oracle Facility). Supply is spread across size bands of several small units and the larger available office space at the Oracle Building which accounts for five separate units available between 71 and 5,000 sq m. The other available offices are located at the employment area of Mill Road Industrial Estate and Regent House, a mixed use retail and professional services building located at the east end of the town centre.

Since January 2005 a total of 15 offices have been taken up in Linlithgow. This is the equivalent to an average of under two offices and 415 sq m per annum. The market is most active below 99 sq m which account for 78% of all transactions (by number of transactions) since 2005. No offices larger than 500 sq m have been taken outside of the Oracle facility in the last decade.

#### 4.5 Summary

The employment market in Linlithgow is based primarily upon local services. Both supply and demand for industrial space in Linlithgow is characterised by polarised extremes between small units and established estates and single large space available at the Oracle facility. Supply of office space is more evenly spread but activity shows demand is concentrated on small units in

existing building. The vacancy created by Oracle's consolidation of their production operations has, as expected, significantly skewed supply.

The property market in West Lothian is active and accommodates the diverse economic activities of businesses in the area. When large premises do become available in Linlithgow such as the former bus depot on the High Street, interest comes from alternative operations, such as McCarthy & Stone who operate a Class 8 residential institution use.

## 5 Oracle Facility Market Potential

### 5.1 Introduction

This section reviews the subject site allocation for employment use in light of the analysis provided in the above sections. It also reviews the economic development requirements for Linlithgow. Section 4 illustrated a small but active market for the business property that is recovering from the effects of the recession but remains fragile. SEPlan has designated the Strategic employment land locations of the Edinburgh City region. The M8 corridor which includes Livingston is the identified Strategic Economic Location of West Lothian due to the availability of employment land and business premises. This area is also benefiting from connections to motorway networks and the rest of the country. These connections provide easy access to market, labour and suppliers and have proved attractive to occupiers that have a national reach. Diversification of the economy has characterised much of this growth as the regional economy grows away from traditional primary and secondary sectors towards a serviced-based economy. Livingston is ideally placed to take advantage of this economic diversification, whereas Linlithgow has suffered the effects of the decline in the electronics manufacturing.

### 5.2 Alternative Use Potential

The site at the Oracle facility at Blackness Road has been used by a single occupier in a low-density, high-amenity, campus style development. At the present time, the relevant planning policies do not offer support for residential/alternative use development on the site and it is evident that the Council are of the firm view that the land for housing in Linlithgow is to be progressed through the emerging Local Development Plan. The Local Development Plan's main issues report establishes a clear commitment delivering to new housing development in Linlithgow and it identifies a series of potential housing opportunities used to provide 648 new homes in Linlithgow over the forthcoming plan period, albeit it indicates new housing development in Linlithgow post 2019 from the development of the new high school in Winchburgh. Almost all of the proposed Local Development Plan allocations are on Greenfield sites largely owing to there being a shortage of Brownfield sites in Linlithgow. It is evident that some Greenfield leases will be required to meet housing need in Linlithgow, we consider some of this need can be met on brownfield land at Blackness Road.

Since 2011 the Oracle facility Phase 3 Building has been marketed for both purchase / sale as well as leasing / letting. Large requirements for office / factory space that have arisen in the M8 corridor region have been approached. However, there is little interest from any of these

occupiers in acquiring the space. As mentioned in Section 2, in four years since the property has been marketed there have been three serious enquiries, none of which have resulted in the space being occupied. As expected demand for this size of industrial office space in Linlithgow is very rare, these types of requirements can be met in other more strategic locations in the south east of Scotland including around Livingston. Modest demand for smaller units from local businesses in Linlithgow is insufficient to stimulate development of the Phase 3 site as allocated employment land. An unsuccessful marketing history indicates a lack of demand for this location as an employment site from either local marketing needs or campus style development.

In West Lothian, economic development objectives are set out in the West Lothian Economic Strategy 2010 – 2020. The strategy sets clear statement priorities for the West Lothian Economic Partnership and sets out roles and responsibility of the mutual partner. Four key priorities identified are

- Enterprise and business development
- People and skills
- Inclusion
- Business infrastructure regeneration and business assets.

Not all these priorities relate to employment land allocation at the Oracle facility. However, there are several priorities, objectives and actions which illustrate the West Lothian Economic Partnerships intentions.

Key objectives in enterprise and business development includes:

- Entrepreneurship
- Growth of innovative competitive sustainable businesses
- Promoting the M8 corridor as the must have address priority industries.

None of these enterprise and business development strategies are relevant to the Oracle facility. As the existing buildings are far too large for growth businesses, entrepreneurship and the location is outwith the M8 corridor.

The economic strategy, therefore, promotes a more inclusive and self-sustaining local economy that retains more jobs, expenditure and income in West Lothian. It is also a strategy which focuses on human capital and bridging connections between skills and employability particularly for young people. Retaining the Oracle site as its existing use for redevelopment for employment allocation will not contribute towards this economic strategy.

Finally, the Town Centre Action Plan, published in late 2013, places a renewed emphasis on town centres as sustainable locations and encourages all stakeholders to adopt a 'town centre first principal' to support town centres for economic activity. On this basis there is some merit in questioning suitability of an out of town location such as the Oracle facility for future development of business space. According to the town centre action plan and the updates to

the Scottish Planning Policy Commercial Land Uses are more appropriately located in central areas due to the ease of accessibility and connectivity. The economic development strategy for Linlithgow encompasses regeneration and town centre management to address the decline and demand for business and commercial land and property felt during the recession. Strategies have focused on repositioning the town's tourist product, independent retail offer and townscape heritage. Wider trends have introduced new home working practices which rely on high speed fibre optic broadband local authority strategies backed by the Scottish Government and recognise this trend provide support for the expansion of enabling technologies to encourage entrepreneurship and creative industries.

## 6 Summary and Conclusions

The analysis in this report considers the status of the site at Oracle facility at Blackness Road as employment land allocation. Review of the site history market conditions and the extended marketing period has demonstrated the lack of demand to reuse this site for employment use.

The review of the employment land market in Linlithgow in the surrounding area concluded that take up of employment land in Linlithgow contributed only a very small proportion of the take up of the whole of West Lothian. The strategic cluster around the M8 and Livingston by contrast accounts for a significant majority of employment land development activity. The employment land market in Linlithgow is characterised by take up of an activity in the small size bands. Supply is polarised between small units and the larger space available in the Phase 3 building at the Oracle facility which has seen little interest over its four year marketing period.

There is no foreseeable prospect of the Phase 3 buildings at the Oracle facility being purchased for owner occupier use, redevelopment or let for occupation. Demand for campus style office accommodation in this location has largely disappeared with any future demand able to be satisfied in neighbouring employment areas such as Livingston, Bathgate and Falkirk / Grangemouth.

Emerging economic development strategies and initiatives in Linlithgow confirm the changing nature of the occupier market and general economic activity in the town following the recession. Various initiatives highlighted in this report demonstrate the town's response to wider economic changes, and in particular the renewed focus on the town centre.

It is Cushman & Wakefield's conclusion and recommendation that consideration is given to alternative uses at the site and a change from the sites employment land allocations. The building, in its current condition, is unsuitable for market requirements and there is little interest that would result in use as employment land.

Conversations with housebuilders and retirement villages have indicated a desire for development on brownfield sites. While Oracle are fully committed to the Blackness Road site going forward the company has moved away from manufacturing and distribution and Oracle no longer require such expansive premises. Oracle are keen to rationalise activities within the Phase 1 and 2 buildings on the site.

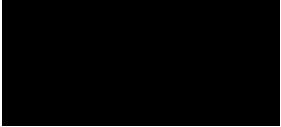
We consider there is a viable opportunity to deliver alternative uses on the site at Blackness Road as part of a restructuring of the current activities within the site. This benefits of

development at the Oracle facilities are twofold. Firstly allowing Oracle to redevelop the existing campus to meet future needs for their business, and secondly allows the development of new homes on brownfield site within the urban area reducing the need to develop on open countryside in order to meet housing needs.

20/11/15

Oracle UK  
c/o Graeme Laing, Director - PDC  
Lambert Smith Hampton  
227 West George Street  
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G2 2ND

7 Lochside View  
Edinburgh Park  
Edinburgh  
EH12 9DH



Dear Graeme,

**Subject: Oracle, Blackness Road, Linlithgow – Engineering Constraints Summary report**

We refer your instruction for an engineering constraints summary report in respect of the above site.

### Introduction

WSP Parsons Brinckerhoff have completed an engineering constraints summary report for a site located adjacent to Blackness Road, Linlithgow. The report provides a summary on constraints and opportunities associated with the proposed development relating to utilities, drainage/SUDS, flooding and ground/environmental.

The report is intended to support representations for the site to be included for development in the latest Local Development Plan (LDP) for West Lothian Council.

### Site Overview

The proposed site is approximately 7.40 hectares in area, is situated within an existing industrial site, on the eastern side of Linlithgow, West Lothian, at National Grid Reference (NGR) NT 014 781. The site is bounded:

- To the north by the M9 Motorway and beyond by open agricultural fields;
- To the east by open agricultural fields;
- To the south by Blackness Road (A803) and beyond by residential development; and
- To the west by an unclassified road and beyond by the wooded grounds of 'Bonnytoun House'.

A location key plan is presented below:-



The site is currently occupied by existing industrial site buildings (Sun Microsystems & Oracle) and associated car parking.

Detailed topographic survey of the site is not available. Available Ordnance Survey mapping has therefore been reviewed to gain an understanding of the existing site topography. This shows the site generally being set at an approximate level of 65.0m Above Ordnance Datum (AOD).

### Proposed Development

Current proposals incorporate demolition of the existing Sun Microsystems building, to the north, and developing up to 200 No. residential units together with associated roads, car parking and landscaped areas.

### Summary Findings

The following sections provide summary findings from the various technical studies completed to assess the proposed site.

#### Stage 1 Flood Risk Assessment

A Stage 1 Flood Risk Assessment was completed for the proposed site and the following summary covers the main findings:-

- SEPA flood maps at the time of writing indicate that the site is not at risk of flooding from any watercourse;
- According to Scottish Planning Policy (SPP) 2014, the site can be classified as being at little or no risk of river flooding, i.e. it has a less than a 1 in 1,000 (<0.1%) annual probability of flooding from a river (or coastal) source.

- SEPA's flood map indicates the site is at high risk (10% or greater annual probability) of surface water flooding, however SEPA do note that their flood maps are only indicative of risk;
- The proposed re-development of the site should however ensure the new site buildings are protected from surface flooding, with installation of positive surface water drainage systems, including SUDS features to treat/attenuate the conveyed flows;

The only source of flooding that has been identified as a potential issue for the site is surface water flooding, as this is regarded as a high risk on site. SEPA's flood map indicates the site is at little to no risk of flooding from river or coastal sources.

It is however considered that re-development of the site can reduce any risk of surface water drainage with installation of new surface water drainage systems.

### **Drainage Assessment**

A Drainage Assessment was completed for the proposed site and the following summary covers the main findings:-

- There are existing foul and surface water sewers that run generally southwards along the western site boundary and are understood to currently drain the existing development;
- The foul sewer connects into a combined sewer which routes north west to discharge at Linlithgow Waste Water Treatment Works (WWTW);
- Scottish Water's Linlithgow WWTW is understood to have available capacity of more than 727 housing equivalent units;
- The surface water sewer discharges into Linlithgow Loch to the west of the proposed site.
- WLC Flood Risk Management have confirmed that there are currently issues with the water quality of Linlithgow Loch and flooding/capacity of the combined sewer network in Linlithgow;
- Based on the age of the existing site development, and size of the serving surface water sewer (525mm dia), it is assumed that the existing site currently discharges surface flows with no treatment/attenuation;
- The proposed re-development of the site will require adoption of SEPA requirements for treatment of surface water discharge. This will improve the water quality of flows discharging to Linlithgow Loch;
- Scottish Water will advise requirements for connection at a later stage in the development process which should address any issues with the capacity of the existing combined sewer network;

The above summary identifies that the current site is well served with separate connection points for proposed surface and foul water discharges.

The proposed re-development is anticipated to provide benefits both for water quality in Linlithgow Loch and provide reassurance that any issues with the Linlithgow combined sewer network will not be exacerbated.

### **Preliminary Utilities Assessment**

A preliminary utilities assessment was undertaken on the proposed site, utility plans were obtained and reviewed, and the following was determined:-

#### **Water supply**

- A 12 inch trunk water main is conveniently shown close to the southern site boundary on Blackness Road. It is assumed that this currently serves the Oracle/Sun site by means of a network of water distribution mains;



- Scottish Water's Balmore Water Treatment Works (WTW) that currently serves the site is understood to have available capacity of more than 2,000 housing equivalent units;

#### Electricity

- The site is currently served by electricity by means of extensive underground High Voltage (HV) cabling that routes into the site from Blackness Road. These cables feed an existing secondary sub-station on site;

#### Gas

- A medium pressure gas main is currently assumed to serve the site with gas. This main routes from the south, entering the site on its western side and routes to the position of an assumed gas governor;
- It is assumed that a network of private low pressure extend from the assumed gas governor to serve the existing buildings;

#### Telecoms

- BT Openreach – The current site is served with telecom service from spurs that extend from underground BT apparatus in Blackness Road to the south;
- Virgin Media – The residential estates to the south of Blackness Road are served with extensive Virgin Media apparatus and this infrastructure appears to extend to the site itself with ducting/cabling running along the eastern site boundary;
- Vodafone – There is a Vodafone duct/cable that runs beneath Springfield Road to the south before routing to the north to the south eastern corner of the site

The above summary identifies that the current site is very well served with existing utilities infrastructure. The services concerned extend to the site boundary and this is a reflection of the site being currently developed.

Clearly available capacities and potential points of connection will need to be confirmed by the public utilities at a later stage in the re-development process, but at this time the site appears in an advantageous position in respect of site servicing with the main utilities.

#### **Preliminary Environmental Constraints Assessment**

A Preliminary Environmental Constraints Assessment was completed for the proposed site to assess key ground and environmental issues. The following summary covers the key findings:-

- Linlithgow Loch to the south west of the site is designated a Sites of Special Scientific Interest (SSSI);
- The proximity of the M9 Motorway and potential noise and vibration impact on residential properties will need to be carefully considered. This will inform site layout and building design. Allocating flatted developments at this boundary may assist as these developments usually do not have recreational garden space that may be impacted by external noise levels. A noise and vibration assessment will be required to assist at planning stage;
- Based on the available information it is considered unlikely that site-wide contamination issues will be present due to the historical agricultural use and the recent construction date of the Oracle building and infrastructure;
- The Coal Authority have confirmed that they have no knowledge of any mine entries within 20m radius of the site boundary and that the site is not within the zone of likely physical influence on the surface from any past or present underground coal workings;

- The study of available drift geology and published borehole log information suggests that onerous foundation solutions may be avoidable for much of the site, although we cannot presently discount the possibility of naturally soft ground or abnormally thick made ground associated with previous development. Foundation requirements will require to be confirmed by Site Investigation with further focussed intrusive investigations at planning stage

The above summary highlights no major issues to be overcome with re-development of the site. It is considered that the issues that are raised can be addressed and mitigated with detailed study through the planning/design stage

### **Conclusions**

This summary report notes the potential constraints and opportunities associated with the proposed re-development identifying no insurmountable problems.

Yours sincerely,

Paul Triseliotis  
Senior Engineer

20 November 2015

West Lothian Council  
Civic Centre  
Howden South Road  
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West Lothian  
EH54 6FF

Our Ref: GL/SS/20112015

By Email: [wldp@westlothian.gov.uk](mailto:wldp@westlothian.gov.uk)

**FAO: Ms Fiona McBrierty**

Dear Sir / Madam,

**West Lothian Local Development Plan (LDP: Proposed Plan**

**Representation Submitted on Behalf of Oracle UK In Respect of Land at Blackness Road, Linlithgow**

The following representation is submitted on behalf of Oracle UK and objects to the failure of the Proposed LDP to allocate the existing Oracle site at Blackness Road, Linlithgow as a mixed use development opportunity with support for business uses and residential development.

**Oracle, Blackness Road, Linlithgow**

As explained in our MIR submission, Oracle is fully committed to the Blackness Road site, however the nature of our client's business has changed and their business has moved away from manufacturing and distribution and is now focused on office based and data centre activities.

Manufacturing operations at Blackness Road ceased in 2010/2011 and the large production and distribution building has been vacant ever since. Oracle has extensively marketed these premises and it has been proven that there is no occupier demand. This position is unlikely to change, something confirmed in the attached marketing report prepared by Cushman & Wakefield.

Consequently, Oracle wish to reconfigure their site to allow the business to focus on activities within a high amenity and predominantly office based environment. As part of this approach, there is an opportunity to deliver a new residential development as part of a reconfigured site, allowing for surplus brownfield land to come back into use and allowing our client to upscale their business operations.

Oracle has commissioned EMA Architects to prepare an indicative masterplan for the Blackness Road site and this illustrates how the site can be successfully reconfigured with the surplus operational land being redeveloped for residential use. The masterplan illustrates how the site can accommodate up to 200 new residential units in a high amenity setting and with strong pedestrian linkages with Linlithgow town centre.

## **Housing**

It is evident from the MIR and the Proposed LDP that West Lothian Council are seeking to address a shortage of allocated housing sites in Linlithgow and the Proposed Plan allocates sites which could deliver 569 new homes in the forthcoming plan period (page 89).

Having reviewed the draft allocations it is evident that the Council's current proposals for Linlithgow rely heavily on greenfield releases and the loss of prime agricultural land. Indeed, of the 12 draft housing allocations (page 89), seven of these are greenfield sites and these greenfield sites are expected to deliver 88% of all the proposed new homes in Linlithgow.

This reliance on greenfield land is completely at odds with the LDP's vision of promoting development on brownfield sites and also runs contrary to Scottish Planning Policy (SPP) which requires development plans to promote sustainable patterns of development and for local planning authorities to promote brownfield land before new development takes place on greenfield sites (SPP, para 40).

Introducing housing as part of a reconfigured Oracle site is supported by Scottish Planning Policy with 'Designing Streets' (page 20) acknowledging that in recent decades, the dominant patterns of development have been those in which housing, employment, retail and other facilities have been developed in a segmentary fashion or zoned in separate areas, which are often poorly connected with one another.

The Proposed LDP simply follows this segregated approach to land use planning and does not allow for the creation of mixed use neighbourhoods. The opportunity at Oracle allows for the creation of a mixed use neighbourhood in line with Scottish Government policy, something that will lead to lower car use, contributing to wider transportation and environmental objectives. Integrating housing with employment uses in this way has been successful in other locations, for example at Edinburgh Park, Edinburgh, and Buchanan Business Park, Stepps.

## **Effectiveness**

Our client has commissioned a suite of investigations which consider the suitability of the Oracle site for residential development and these investigations have considered matters relating to master planning, ground conditions, drainage, flooding, transport, employment land supply, noise impact and services.

These submissions are enclosed and demonstrate that the Oracle site is an effective development opportunity and there are no constraints which would prevent the site coming forward for development during the forthcoming plan period.

In terms of effectiveness, paragraphs 55 and 60 of Planning Advice Note 2/2010 set out criteria against which individual sites can be assessed to establish whether they could add to the available effective housing land supply. The Oracle site has been tested against each of these criteria as follows:

## **Ownership**

- The site is in the single ownership of Oracle who will make the site available for residential development upon it being allocated for residential development in the Local Development Plan.

### **Physical**

- Investigations undertaken by WSP have demonstrated that there are no physical constraints to the surplus land within the Oracle site from being developed for residential use. These investigations have considered matters relating to ground conditions, drainage, flooding, site services, noise and access.
- Partial redevelopment of the site for residential development will reduce the amount of existing impermeable surfaces, bringing benefits from a flooding and drainage perspective. This is a significant advantage which the site has over greenfield releases elsewhere in Linlithgow.

### **Contamination**

- Investigations undertaken by WSP have indicated that the site is likely to be free of contamination and that its previous use is not a barrier to the site coming forward for residential development in the forthcoming plan period to provide marketable housing

### **Deficit funding**

- No public funding is required to make residential development economically viable on the site

### **Marketability**

- The site, or a relevant part of it, can be developed in the period under consideration and there is considerable confirmed market interest in Linlithgow from house builders.

### **Infrastructure**

- The Oracle site benefits from having existing infrastructure provision which will allow for the site to come forward for development.

### **Land Use**

- Housing is the sole preferred use of the surplus land in planning terms and the integration of employment uses and residential development is supported by Government policy in Designing Places.

### **Linlithgow Housing Allocations (Proposed LDP Page 89)**

As explained above, the Oracle site at Blackness Road presents an opportunity to accommodate new residential development on a brownfield site and it should be regarded as being preferable to many of the proposed greenfield housing allocations presented at Page 89 of the Proposed LDP.

There are a number of draft allocations that we are concerned with and which are discussed below.

Firstly, included in the draft allocations is a site at 81-87 High Street (REF: HLL 1) that has already been developed as retirement living accommodation. As this is a completed development it should not be included as an opportunity for the forthcoming plan period.

Secondly, there are a series of other sites allocated for housing development in Linlithgow which are less well placed than the land at Oracle in terms of delivering new housing. Their allocation ahead of our client's brownfield site is contrary to Scottish Planning Policy and we are of the view that the Proposed LDP has not given due priority to directing housing to previously developed land.

In particular, the Proposed LDP allocates sites at Clarendon Farm (REF H-LL 10), Preston Farm (H-LL 12), Wilcoxholm (H-LL 11), H-LL 6 Mill Road and land east of Manse Road (H-LL 4) for new housing development. These sites are all less well placed than the land at Oracle to provide new housing in Linlithgow, either requiring the loss of prime agricultural land or located a significant distance from key services.

Analysis by ECS (attached) has demonstrated how the aforementioned sites are no better placed than the Oracle site in terms of their access to public transport and proximity to key services such as healthcare, schools and Linlithgow town centre. Indeed, those sites on the southern side of Linlithgow (Clarendon Farm (REF H-LL 10), Preston Farm (H-LL 12) and land east of Manse Road (H-LL 4)) are all positioned at a significantly higher elevation than the Oracle site, something that is likely to act as a disincentive to some walking trips. The sites at Clarendon are also of questionable effectiveness with significant uncertainty attached to issues of site access.

The presumption in favour of sustainable development is a significant material consideration and we consider that it supports reconfiguration of the Oracle site by way of a masterplan to allow for residential development on surplus brownfield land. Consequently, in sequential terms, the Oracle site should be preferred to the aforementioned allocations and although greenfield releases will be required to meet housing need in Linlithgow, these should not be brought forward at the expense of more sustainable brownfield opportunities.

### **Employment Land**

In terms of employment land, the reconfiguration of the Oracle site would not have an impact on employment land supply as the existing vacant premises at Oracle have been the subject of extensive marketing and the enclosed employment land report confirms there is no market demand for their occupation.

Demand for the quantum of space provided at Oracle is exceedingly rare and demand for this type of space can be met in other more strategic locations such as at Livingston and Newbridge. Furthermore, it can be seen from Figure 2 (page 12) of the Proposed LDP that the total employment land allocations in West Lothian far exceed the SDP requirements and reconfiguring the Oracle site to allow for an element of housing would have no bearing on employment land supply in Linlithgow or West Lothian.

The Blackness Road site is a single user site and the current and future needs of our client's business can be met within a consolidated site. Moreover, Oracle is progressing with an ongoing programme of investment and employment within the Blackness Road site could rise from 100 existing employees to 300, delivering a net economic benefit for the town.

However, as part of their investment strategy, our clients do need to address the longstanding issue of the redundant manufacturing facility and reconfiguring the site to include an element of residential development would address this issue whilst offering the Council the opportunity to deliver housing on a brownfield site. The enclosed masterplan prepared by EMA, illustrates how residential development can be accommodated on the Blackness Road site and how this can be successfully integrated with Oracle's operational business.

### **Allocation EL18**

The Proposed LDP identifies land to the east of Oracle for employment use (Ref EL 18), an allocation which is carried over from the existing adopted Local Plan. The EL 18 allocation is not required for any future expansion of Oracle, however our client's proposals would not prevent this site from coming forward if the Council wished to see it developed for other uses. It could certainly accommodate or Class 4 business uses if there were ever demand for such uses in the future.

**Conclusions**

The reconfiguration of the Oracle site to allow existing surplus brownfield land to be redeveloped for housing is entirely consistent with Scottish Planning Policy, supporting sustainable economic development and reducing the Proposed LDP's reliance on greenfield sites to meet housing need in Linlithgow.

The evidence base prepared in support of the Blackness Road site demonstrates that the opportunity is effective and the site can come forward for development during the forthcoming plan period. Moreover, the reconfiguration of the Oracle site will have no adverse impacts on employment land supply and will actually help to create an environment which supports our client's programme of investment for Linlithgow.

We respectfully request that the emerging LDP is amended to include support for the proposed reconfiguration of our client's site by way of a masterplan and with explicit policy support for residential development on the identified surplus brownfield land.

We hope that the Council will respond positively to our client's proposals and our client is keen to engage with West Lothian Council to plan for the future of their Blackness Road site.

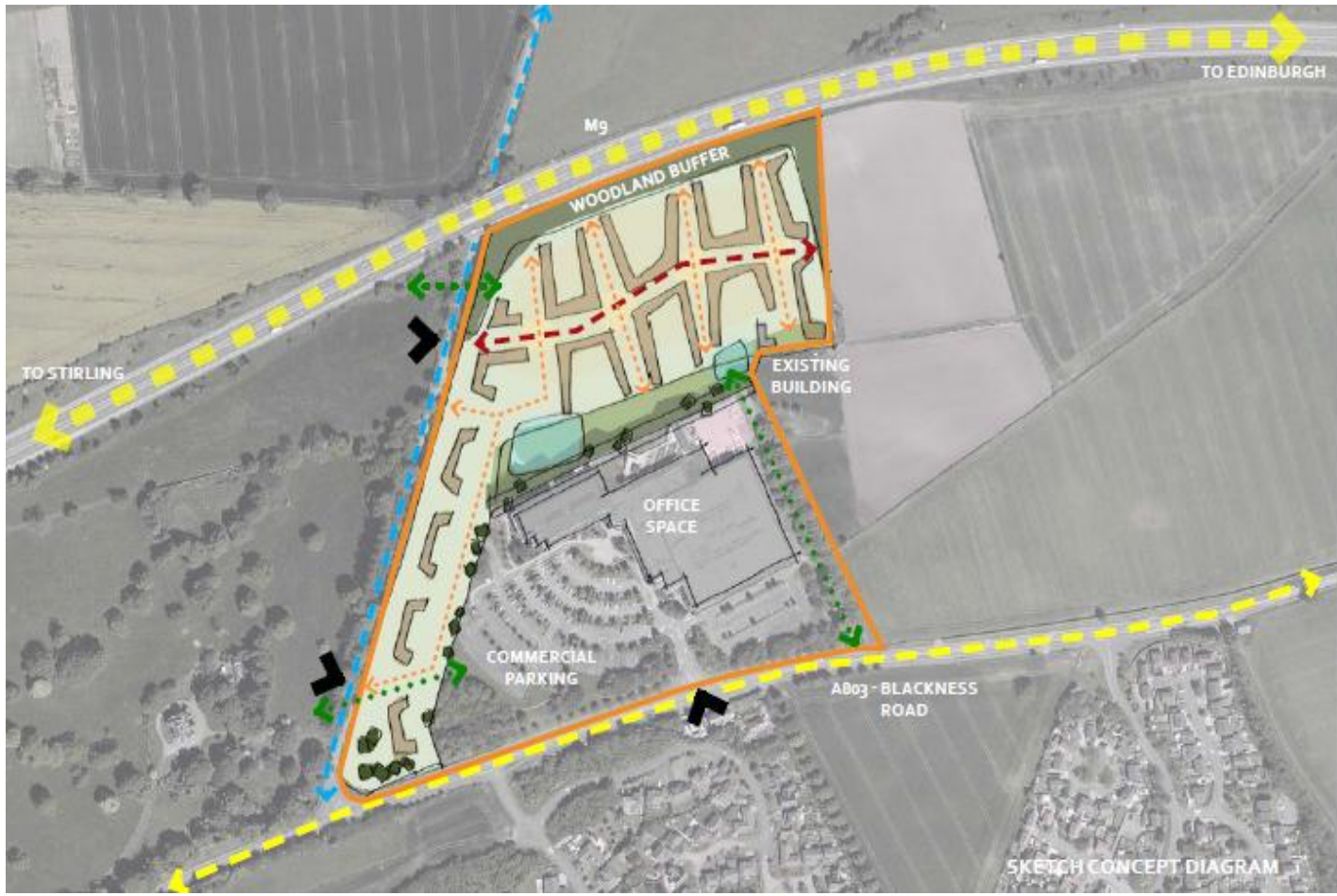
Yours sincerely




**Graeme Laing MRTPI**  
Director



Enc.



-  M9 AND
-  A803
-  PRIMARY ACCESS ROAD FOR RESIDENTIAL DEVELOPMENT
-  PROPOSED PRIMARY ROUTE
-  SECONDARY STREETS / LANES
-  POTENTIAL PEDESTRIAN LINKS
-  ENCLOSING WOODLAND
-  PARK / OPEN SPACE
-  SUDS
-  RESIDENTIAL POCKETS
-  ACCESS POINTS / GATEWAYS