

COMMUNITIES: ECONOMIC GROWTH COMMENTS

Planning Application	PA/2024/1236
Location	Scunthorpe – Town Ward
Proposed Development	Planning permission for change of use from bingo hall (Sui Generis) to self-storage (Class B8)
Applicant Name	Ziconia Trading Limited
Case Officer	Daniel Puttick
Response Prepared By	Matthew Collinson Lead Officer – Economic Growth Projects.

Proposal:

- Planning permission for change of use from bingo hall (Sui Generis) to self-storage (Class B8)

“The latest proposals for the change of use of the existing bingo hall continue to reflect the decision by the tenant, Buzz Bingo (who currently occupy the property on a flexible basis), to surrender their lease and vacate the property in 2022. Following the termination notice, our Client, the landlord, agreed with Buzz to keep them in occupation on a tenant favourable basis to prevent the property becoming vacant and an eyesore in the town centre. Buzz Bingo’s decision to cease operations reflects the unviable trade that they had in this location and the significant market challenges that Buzz and other operators have throughout the UK due to major structural changes in the leisure market pre and post covid.”

Economic Context:

North Lincolnshire Council launched our Economic Growth Plan 2023-2028 in February 2023 highlighting our ambitions for the region. The core objectives of the policy are to:

- Create Opportunity
- Increase Productivity
- Create Higher Paid Jobs
- Create High-Value & High-level Skills
- Improve Infrastructure
- Net Zero
- Create Growth
- Positive Health & Wellbeing

Following our consultation and engagement with stakeholders we have identified, through our private and public partners, three core priorities as we move into this 5-year period. This are:

- Priority 1 – A place where people, places and products are connected globally to deliver sustainable economic growth.
- Priority 2 – A place where businesses and residents make positive changes to create a cleaner, greener, healthier, and more sustainable future for North Lincolnshire.
- Priority 3 – A place which enables and encourages businesses, residents, and communities to achieve their full potential.

The fundamentals of the planning application involve the conversion, of a currently occupied Bingo Hall into self-storage units. The applicant has already had refusal of two earlier applications for Full Planning Permission (Ref. PA/2022/2170 & Ref. PA/2023/795) which also sought the change of use of the bingo hall (Sui Generis) to self-storage (Class B8). The role of the Economic Development team is to understand the implications of any change of use on the regional economic landscape, potential job implications, market dynamics and assess whether the new proposal is reasonable in its outcomes.

The currently bingo hall is operated by Buzz Group Limited, who entered a company voluntary arrangement under Part I of the Insolvency Act 1986 in 2020 and as such, restructured several liabilities and operating leases. The company surrendered their existing lease in Scunthorpe and planned to vacate the property in 2022. The current landowner has extended flexible arrangements to keep the property occupied under its current occupier but clearly the operation was under-performing due to the decision by the business to initial attempt to surrender the lease. The landlord has expressed the new, short-term lease is favourable towards the tenant with an 80% reduction in the potential market rent that could be achieved for the site and only offered to ensure the property was not empty.

Buzz Bingo in Scunthorpe currently employs several staff, whilst details are not known specifically, these will be a mixture of full time and part time staff. Often the flexibility in employment hours would lend itself towards a flexible workforce who may have family/caring/education commitments. North Lincolnshire prides itself on our visitor economy, being a cornerstone sector in our Economic Growth Plan, the Bingo Hall facility would not be considered a location to attract significant visitors from outside the region. The change of use to a self-storage facility, as proposed in the planning application would have an adverse impact on direct employment opportunities for residents. As a result, the economy would be impacted with the job losses, especially in a sector, retail, leisure & hospitality, known for having suffered significantly because of COVID and the cost-of-living crisis. Nevertheless, commercially the decision for the property owner needs to be balanced into the argument & whether alternative occupiers &/or provision can be provided.

The applicant has instructed Edgerley Simpson Howe to undertake a comprehensive marketing exercise for the property. They have identified the large-scale operators being Buzz Group, current tenant, followed by Mecca and Bingo 3000. Unfortunately, neither of the alternative providers showed an interest in taking over the property raising the below points as concerns:

- Market dynamics shifting to more online operations rather than physical assets to reduce overheads and intern the disposal of assets in the period.
- The size of the property exceeds the market demands with many operators wanting smaller units.
- Interlinked to the above is the fact that the overheads are prohibitive to the end use and potential returns.

In undertaking a review of the above points, the Economic Development team feels these statements are true except for the rise in new forms of bingo such as 'Bongo's Bingo'. These new bingo 'events' have seen significant growth in recent years but do not require a permanent bingo hall to be hosted. In fact, most of the events are held in alternative venues and look to attract a wider demographic. Unfortunately, the property in question does not suit an operator of this nature taking over the venue. The owner saw one approach for the venue as detailed in their letter from One Gym, albeit the terms & conditions where not suitable. It is worth noting that there several leisure/gym facilities within proximity to the site including public and privately owned facilities. It became clear though that the only viable operator of the site, where interest

was sufficient was that of a self-storage operator. The potential employment opportunities within a self-storage operator directly would be significantly below what a Bingo Hall can offer and would not support the council's ambitions to create higher paid jobs.

However, it should be noted that self-storage facilities play a crucial role in supporting small businesses across the UK by offering flexible and affordable storage solutions. These facilities provide secure spaces that can be tailored to meet the varying needs of businesses, from storing stock and equipment to archiving documents. This flexibility is especially valuable for startups and small enterprises that may not have the resources to lease or purchase large office or warehouse spaces. Additionally, many self-storage providers offer short-term contracts, enabling businesses to scale their storage requirements up or down as their needs evolve. With features like 24/7 access, climate control, and enhanced security, self-storage facilities allow small businesses to operate efficiently, reduce overhead costs, and focus on growth without being constrained by space limitations.

North Lincolnshire Council has supported numerous start-up businesses in recent years through our start-up academy and grants programmes and these have helped create significant employment opportunities within the local economy and therefore the support given by a self-storage business for these smaller/start-up businesses will continue to support growth.

When considering the current use, the authority and especially in the context of the Economic Growth Plan must factor in the potential health impact of a Bingo Hall. Bingo Hall's often act as an escape for residents and the opportunity for them to socialise with friends. However, in recent years there has been a shift in Bingo Halls to Fixed-Odds Betting Terminals. Fixed-odds betting terminals (FOBTs) have been linked to significant negative impacts on mental health, particularly due to their highly addictive nature and fast-paced gameplay. These machines can create a cycle of compulsive gambling, where players chase losses, leading to financial stress and feelings of shame or guilt. This behaviour is often associated with heightened levels of anxiety, depression, and in severe cases, suicidal thoughts. The rapid nature of FOBTs can also intensify the addictive experience, making it difficult for individuals to stop even when they recognize the harm. Moreover, the financial losses incurred often strain personal relationships, exacerbating feelings of isolation and helplessness. These mental health challenges highlight the importance of stricter regulations, increased support services, and public awareness campaigns to mitigate the harmful effects of FOBTs.

Therefore, the applicant has been required to undertake an audit of alternative facilities in the local area. This has been provided in Appendix Four of their planning statement. The applicant has identified a significant number of community facilities including Central Community Centre, Crosby One, Frodingham Community Centre & Park Community Centre all within less than 2 miles of the current site. These facilities currently offer a series of community-based events including bingo which may offer an alternative location for customers of the facility to engage in community related activities and continue the social aspect of bingo. Central Community Centre is based adjacent to Scunthorpe Bus Station with strong connectivity and hosts a bingo night, as detailed in the application, on a Wednesday night.

The location of the site sits on one of the key routes into the town and therefore any change of use needs to ensure that the design and appearance of the property is in keeping with such a prominent position. The design and appearance of the building must ensure that it does not detract from the overall appearance of the area.

Conclusion:

The application will have a direct negative impact on the local jobs market with several jobs likely to be lost because of the potential change of use. However, the change of use will support the council's own ambition for creating more start-ups and having the appropriate infrastructure to enable them to grow safely and sustainably. The Economic Development Team feels that the applicant has demonstrated a comprehensive attempt to keep the building in use for community use without any appetite and whilst there is an existing tenant, this is not at market rate and continues to prove unsustainable. Therefore, we would support the change of use proposed in the application.