



**APPLICATION FOR PLANNING PERMISSION IN PRINCIPLE
16/00893/PPP FOR RESIDENTIAL DEVELOPMENT (UP TO 400 UNITS)
AND EMPLOYMENT USES; FORMATION OF ACCESS ROADS AND
ASSOCIATED WORKS, SALTERS PARK, SALTERS ROAD, DALKEITH
(THIS APPLICATION IS ACCOMPANIED BY AN ENVIRONMENTAL
STATEMENT SUBMITTED UNDER THE TERMS OF THE TOWN AND
COUNTRY PLANNING (ENVIRONMENTAL IMPACT ASSESSMENT
(SCOTLAND) REGULATIONS 2011))**

Report by Head of Communities and Economy

1 SUMMARY OF APPLICATION AND RECOMMENDED DECISION

- 1.1 The application is for planning permission in principle for a mixed use development incorporating residential (up to 400 units) and employment uses at land at Salters Park, Salters Road, Dalkeith. There have been three letters of representation and consultation responses from the Coal Authority, the Scottish Environment Protection Agency, Scottish Natural Heritage, Historic Environment Scotland, Transport Scotland, the Council's Archaeological Advisor, the Council's Policy and Road Safety Manager, the Council's Education Manager, the Council's Land Resources Manager and the Council's Economic Development Service.**
- 1.2 The relevant development plan policies are policies 2 and 5 of the Edinburgh and South East Scotland Strategic Development Plan 2013 (SESplan) and policies STRAT1, STRAT5, DEV2, DEV 5, DEV6, DEV 7, ECON 1, TRAN 1, TRAN 5, ENV 7, ENV 9, ENV 10, ENV 11, ENV 15, ENV17, ENV 18, ENV25, NRG 6, IMP 1, IMP 2 and IMP3 of the Midlothian Local Development Plan 2017.**
- 1.3 The recommendation is to refuse planning permission.**

2 LOCATION AND SITE DESCRIPTION

- 2.1 The site is approximately 30 hectares and located to the north of Dalkeith between Salters Road (A6094) and the A68. The site predominately comprises of undulating agricultural land with a core path running through the middle of the site in a south/north east direction. The site is bound to the north east by the A68, to the east/south east by agricultural land, to the south by the Dalkeith**

Schools Campus and adjoining running track and to the west by Salters Road with agricultural land beyond. In the western part of the site the site boundary wraps around Smeatonhead Farm Cottages.

- 2.2 The site is within the built-up area of Dalkeith and comprises the 'Salter's Park' economic development allocation. The western part of the site being site e14 (allocated in the 2003 Midlothian Local Plan) and the eastern part of the site being site Ec2 (allocated in the 2017 Midlothian Local Development Plan), an extension to the original allocation.

3 PROPOSAL

- 3.1 The proposal is for planning permission in principle for a mixed use development incorporating residential (up to 400 units) and employment uses at land at Salters Park, Dalkeith.
- 3.2 The applicant has submitted an indicative masterplan with the application which sets out approximately a third of the site for economic uses and two thirds for housing (up to 400 units). The economic component would also include a number of 'work from home units/workshop homes' (17 units) designed to meet the demand from small businesses waiting to operate from a residential property.
- 3.3 Since the initial submission the applicant has advised that they would consider adjusting the proportions between the economic and residential uses – a third being economic uses, a third being residential uses and a third being either economic or residential depending on market demand.
- 3.4 The site would have two vehicular access points, both onto Salters Road (A6094). The first access point would be towards the north west of the site and would predominantly service the economic land uses situated in the north of the site closest to the A68. The second access point would be to the south west and would service the residential areas of development. There would be a main through route connecting these two access points. A further potential connection is shown linking the south east of the site to the Dalkeith Campus access road, however this is, in part, dependent on land outwith the applicant's control. Structural landscaping will be provided on the boundaries of the site.
- 3.5 The application is also accompanied by:
- a planning statement;
 - an environmental statement;
 - a pre-application consultation (PAC) report;
 - a design and access statement (DAS);
 - a drainage strategy;
 - flood risk assessment;
 - a transport assessment;

- a sustainability assessment;
- a coal mining risk assessment;
- a habitat survey; and
- a noise report

4 BACKGROUND

- 4.1 Pre application Consultation 14/00833/PAC regarding a mixed use development incorporating residential and employment uses at land at Salter's Park, Dalkeith was reported to the Committee at its meeting in January 2018. Although elected members welcomed the prospect of development taking place on the site they expressed concerns regard the potential loss of employment land to residential development and were concerned about the potential incompatibility between residential and employment uses.
- 4.2 The western part of the site being site e14 (17.5 hectares) was allocated in the 2003 Midlothian Local Plan to compensate for the loss of economic land when the Dalkeith Campus and the Wester Cowden housing allocation was proposed on land previously allocated for economic land uses.

5 CONSULTATIONS

- 5.1 The **Coal Authority** initially objected to the development proposal as the application submission was not accompanied by a Coal Mining Risk Assessment (CMRA). The applicant submitted a CMRA on the 23 January 2018. In response the Coal Authority confirmed that the application site is located within a development high risk area and agrees with the recommendations set out in the report, that the coal mining legacy poses a risk to the proposed development and that intrusive site investigation works should be undertaken prior to development commencing. The Coal Authority withdrew its objection to the development subject to 1) a scheme of intrusive site investigations for mine entries, works and shallow/opencast coal workings is undertaken in accordance with details to be agreed; 2) a programme of gas monitoring workings is undertaken in accordance with details to be agreed; 3) a scheme of treatment and remediation workings is agreed; and 4) agreement regarding 'no build zones'.
- 5.2 The **Scottish Environment Protection Agency (SEPA)** initially objected to the development proposal due to the lack of information submitted in relation to flood risk. SEPA noted that a detailed Flood Risk Assessment (FRA) is required to identify the floodplain and that the indicative development layout is to be altered avoiding the functional floodplain. In response the applicant submitted a detailed flood risk assessment. In August 2017 SEPA provided a further consultation response which maintained their objection, on the grounds that the development proposal may place buildings and persons at flood risk contrary to Scottish Planning Policy. SEPA reaffirmed their

position that a revised indicative layout is required showing no development within the functional floodplain. The applicant submitted a revised drawings in October 2017 and SEPA removed their objection subject to the following conditions:

- a. Prior to the commencement of development a site specific Construction Environment Management Plan (CEMP) shall be submitted to and approved by the planning authority;
- b. Prior to the commencement of development a Site Waste Management Plan (SWMP) shall be submitted to and approved by the planning authority;
- c. An Energy Statement informed by a Feasibility Study should be provided for assessment by the planning authority demonstrating how the proposal will meet the requirements for providing district heating onsite; and
- d. No development within the functional floodplain as shown on Figure 5-8 of the FRA by SWECO ref 118476/JK/170424 Rev 02.

- 5.3 **Scottish Natural Heritage (SNH)** support the conclusions noted within the applicants' Environmental Statement with respect to ecology and landscape and visual impact. SNH recommend that the mitigation measures noted within the Environmental Statement (Tables 12.1 and 12.2) are secured via condition. It is advised that badgers have been found to be using the application site. The submitted Environmental Statement and supporting appendices set out the circumstances where a protected species licence will be required to enable the development to proceed. SNH advised that the bat survey work has been carried out in line with best practice guidelines and support the conclusions noted within the bat survey report.
- 5.4 **Historic Environment Scotland (HES)** considered the development's potential impact upon heritage assets which include Dalkeith House (Palace) Garden and Designed Landscape, scheduled monuments and listed buildings located within the vicinity of the site. HES concluded that the proposal does not raise historic environment issues of a national significance and therefore they do not object to the application.
- 5.5 **Transport Scotland** does not objection to the planning application but requests that conditions be imposed; restricting the number of residential units and the ground floor area of the class 4 and class 5 uses; requiring details of street lighting to be submitted for approval; details of the landscaping and barriers along the trunk road boundary to be submitted for approval; restricting drainage connections to the trunk road drainage system; and restricting the occupancy of the employment units until a travel plan has been submitted for prior written approval. These conditions are required in terms of road safety and to be consistent with the requirements of Scottish Planning Policy (SPP) and Planning Advice Note (PAN) 75 Planning for Transport.

- 5.6 The **Council's Archaeological Advisor** noted that the application site contains several known archaeological sites and that there is potential for previously unknown buried archaeological remains to be present. The application site has potential archaeological significance, therefore there is a requirement for a programme of archaeological (Trial Trench Evaluation) work to be undertaken, reported and submitted to the planning authority for prior written approval so as to record any historical remains and to determine whether the development will disturb any buried archaeological deposits.
- 5.7 The Council's **Policy and Road Safety Manager** does not object to the principle of the development proposal but raised concerns over aspects of the indicative layout in terms of road safety – these must be addressed at the detailed design stage if planning permission is granted. A condition requiring details of the proposed SUDS within the development area are to be submitted for written approval.
- 5.8 The Council's **Head of Education** estimates that 400 dwellings would give rise to 124 primary school pupils and 88 secondary school pupils which would need to be accommodated within the Dalkeith area. However, there is currently no primary school capacity or an agreed acceptable solution to accommodate the primary school pupils arising from the development and as such there is an education objection to the development. If the development is supported developer contributions would be required towards primary and secondary school provision.
- 5.9 The Council's **Land Resource Manager** noted that the development proposal includes enhanced access into the Dalkeith Country Park and good connections through-out the site. It was recommended that the paths listed as "rights of way and other interconnecting foot and cycle routes" should be multi-use within the built up areas of the development. In particular, the route running east/west past the existing housing at Smeatonhead as this is the main off-road spine that will connect the development with Dalkeith Country Park and National Cycle Route 1.
- 5.10 The Council's **Economic Development Service** recommended that the planning application should be refused because of the loss of part of the economic allocation to housing.

6 REPRESENTATIONS

- 6.1 There have been three objections received, which can be viewed in full on the online planning application case file. A summary of the points raised are as follows:
- The proposed development will have a detrimental impact upon road safety and congestion due to the significant increase in traffic on Salters Road and on the local road network;
 - Concerns relating to the availability of local school places;

- Concerns surrounding the old mine workings on the site and the gas pipeline that crosses the site;
- General concerns surrounding the lack of infrastructure improvements to support housing developments;
- The development proposal will have an impact upon the amenity of neighbouring properties in terms of the additional pressure on the capacity of local education and healthcare facilities;
- Midlothian Council should be negotiating substantial contributions from the developer for school infrastructure;
- Residents at Wester Cowden have to register at Pathhead Medical Practice due to the lack of availability at Dalkeith. Furthermore, there is no direct bus service between Wester Cowden or Salters Park and Pathhead Medical Practice;
- Improvements to the health care provision should be secured prior to any additional housing coming forward;
- Concerns relating to road and pedestrian safety in terms of the proximity to schools and community facilities;
- Part of the development proposal appears to be on the Dalkeith Schools Community Campus (DSCC) which is subject to a long term lease between Midlothian Council and Dalkeith SPV Limited;
- Any extension to the existing DSCC to accommodate the development would need to be facilitated under the terms of the existing arrangement between Midlothian Council and Dalkeith SPV Limited;
- Objection to any proposal to form a vehicular access to the campus;
- Concerns relating to increased traffic flow and the impact upon the wear and tear of the road of which Dalkeith SPV Limited are liable for maintenance;
- Concerns relating to the proposed locations for a new 'community hub'. One location will result in the boundary being altered, increasing the amount of unauthorised access, vandalism and littering which would result in the requirement for additional security measures. The second location appears to be located within the DSCC site boundary which would require SPV prior approval and would also be subject to operation restrictions; and
- It is noted that the existing pitches adjacent to the site have floodlighting which are in operation up until 10pm, this may result in an adverse impact upon proposed neighbouring dwellings.

7 PLANNING POLICY

- 7.1 The development plan is comprised of the Edinburgh and South East Scotland Strategic Development Plan (June 2013) and the Midlothian Local Development Plan 2017 (MLDP). The following policies are relevant to the proposal:

Edinburgh South East Scotland Strategic Development Plan 2013 (SESPlan)

- 7.2 **The Spatial Strategy** identifies the A7/A68/Borders Rail Corridor in Midlothian as a Strategic Development Area in terms of growth and development. The emphasis is on additional employment opportunities to reduce the need to commute and on the implementation of transport infrastructure to accommodate planned growth. This approach is continued in the proposed replacement Strategic Development Plan for Edinburgh and South East Scotland which is subject to examination.
- 7.3 **Policy 2** (Supply and Location of Employment Land) states that the strategic development plan supports the development of a range of marketable sites of the size and quality to meet the requirements of business and industry within the SESplan area. Local development plans will support the delivery of the quantity of the established strategic employment land supply as identified. Local development plans should also ensure they provide a range and choice of marketable sites to meet anticipated requirements.
- 7.4 **Policy 5** (HOUSING LAND) requires Local Development Plans to allocate sufficient land for housing which is capable of becoming effective in delivering the scale of the housing requirements for each period.

Midlothian Local Development Plan 2017 (MLDP)

- 7.5 Policy **STRAT1: Committed Development** seeks the early implementation of all committed development sites and related infrastructure, including sites in the established economic land supply. Committed development includes those sites allocated in previous development plans which are continued in the MLDP.
- 7.6 Policy **STRAT5: Strategic Employment Land Allocations** supports development for employment uses on sites identified as strategic employment land allocations.
- 7.7 Policy **DEV2: Protecting Amenity within the Built-Up Area** states that development will not be permitted where it would have an adverse impact on the character or amenity of a built-up area.
- 7.8 Policy **DEV5: Sustainability in New Development** sets out the requirements for development with regards to sustainability principles.
- 7.9 Policy **DEV6: Layout and Design of New Development** sets out design guidance for new developments.
- 7.10 Policy **DEV7: Landscaping in New Development** sets out the requirements for landscaping in new developments.
- 7.11 Policy **ECON1: Existing Employment Locations** seeks to safeguard those sites allocated for economic land uses.

- 7.12 Policy **TRAN1: Sustainable Travel** aims to encourage sustainable modes of travel.
- 7.13 Policy **TRAN5: Electric Vehicle Charging** seeks to promote a network of electric vehicle charging stations by requiring provision to be an integral part of any new development.
- 7.14 Policy **ENV7: Landscape Character** states that development will not be permitted where it significantly and adversely affects local landscape character. Where development is acceptable, it should respect such character and be compatible in terms of scale, siting and design. New development will normally be required to incorporate proposals to maintain the diversity and distinctiveness of the local landscapes and to enhance landscape characteristics where they have been weakened.
- 7.15 Policy **ENV9: Flooding** presumes against development which would be at unacceptable risk of flooding or would increase the risk of flooding elsewhere. It states that Flood Risk Assessments will be required for most forms of development in areas of medium to high risk, but may also be required at other locations depending on the circumstances of the proposed development. Furthermore it states that Sustainable urban drainage systems will be required for most forms of development, so that surface water run-off rates are not greater than in the site's pre-developed condition, and to avoid any deterioration of water quality.
- 7.16 Policy **ENV10: Water Environment** requires that new development pass surface water through a sustainable urban drainage system (SUDS) to mitigate against local flooding and to enhance biodiversity and the environmental.
- 7.17 Policy **ENV11: Woodland, Trees and Hedges** states that development will not be permitted where it could lead directly or indirectly to the loss of, or damage to, woodland, groups of trees (including trees covered by a Tree Preservation Order, areas defined as ancient or semi-natural woodland, veteran trees or areas forming part of any designated landscape) and hedges which have a particular amenity, nature conservation, biodiversity, recreation, landscape, shelter, cultural, or historical value or are of other importance.
- 7.18 Policy **ENV15: Species and Habitat Protection and Enhancement** presumes against development that would affect a species protected by European or UK law.
- 7.19 Policy **ENV 17 Air Quality** states that the Council may require further assessments to identify air quality impacts where considered requisite. It will refuse planning permission, or seek effective mitigation, where development proposals cause unacceptable air quality or dust impacts.

- 7.20 Policy **ENV18: Noise** requires that where new noise sensitive uses are proposed in the locality of existing noisy uses, the Council will seek to ensure that the function of established operations is not adversely affected.
- 7.21 Policy **ENV25: Site Assessment, Evaluation and Recording** requires that where development could affect an identified site of archaeological importance, the applicant will be required to provide an assessment of the archaeological value of the site and of the likely impact of the proposal on the archaeological resource.
- 7.22 Policy **NRG 6 Community Heating** seeks to ensure developments deliver, contribute towards or enable the provision of community heating schemes.
- 7.23 Policy **IMP1: New Development**. This policy ensures that appropriate provision is made for a need which arises from new development. Of relevance in this case are, transport infrastructure; landscaping; public transport connections, including bus stops and shelters; parking in accordance with approved standards; cycling access and facilities; pedestrian access; access for people with mobility issues; traffic and environmental management issues; the provision of affordable housing; education provision, protection/management/compensation for natural interests affected; archaeological provision and 'percent for art' provision.
- 7.24 Policy **IMP2: Essential Infrastructure Required to Enable New Development to Take Place** states that new development will not take place until provision has been made for essential infrastructure and environmental and community facility, including education provision, related to the scale and impact of the proposal. Planning conditions will be applied and; where appropriate, developer contributions and other legal agreements will be used to secure the appropriate developer funding and ensure the proper phasing of development.
- 7.25 Policy **IMP3: Water and Drainage** require sustainable urban drainage systems (SUDS) to be incorporated into new development.

National Policy

- 7.26 The **SPP (Scottish Planning Policy) 2014** sets out Government guidance in relation to creating a successful sustainable place, supporting economic growth, regeneration and the creating of well-designed places. SPP promotes town centres identifying the 'town centre first principle'. Development plans should adopt a sequential town centre first approach for uses such as retail with the order of preference being town centres, edge of town centres, other commercial centres identified in the development plan, and out of centre locations

that are or can be made easily accessible by a choice of transport modes.

- 7.27 In relation to supporting business and employment the planning system should:
- promote business and industrial development that increases economic activity while safeguarding and enhancing the natural and built environments as national assets;
 - allocate sites that meet the diverse needs of the different sectors and sizes of business which are important to the plan area in a way which is flexible enough to accommodate changing circumstances and allow the realisation of new opportunities; and
 - give due weight to net economic benefit of proposed development.
- 7.28 Plans should align with relevant local economic strategies to meet the needs and opportunities of indigenous firms and inward investors, recognising the potential of key sectors for Scotland with particular opportunities for growth, including:
- energy;
 - life sciences, universities and the creative industries;
 - tourism and the food and drink sector; and
 - financial and business services.
- 7.29 SPP introduces a presumption in favour of development that contributes to sustainable development, but states:

The planning system should support economically, environmentally and socially sustainable places by enabling development that balances the costs and benefits of a proposal over the longer term. The aim is to achieve the right development in the right place; it is not to allow development at any cost.

8 PLANNING ISSUES

- 8.1 The main issue to be determined is whether the proposal accords with the development plan, unless material planning considerations indicate otherwise. The representations and consultation responses received are material considerations.

Principle of Development

- 8.2 The site is with the built-up area of Dalkeith and is allocated in the MLDP for economic development Class 4 (business), Class 5 (general industry) and Class 6 (storage and distribution) uses as defined by the Town and Country Planning (Use Classes) Scotland Order 1997 (as amended). The proposed mixed use development comprises economic (Class 4, 5 and 6) and residential uses (housing). The proposed housing does not accord with the site's allocation and is therefore contrary to the MLDP. The economic uses accord with the development plan and are therefore acceptable in principle.

- 8.3 The proposed housing development, indicatively shown on two thirds of the site, is the prominent use on the site and is of a scale which cannot be considered to be ancillary to the economic uses and as such is a departure from the spatial strategy set out in the MLDP.
- 8.4 SESplan policy 2 supports the development of a range of marketable sites of the size and quality to meet the requirements of business and industry within the SESplan area. Local development plans are required to deliver the quantity of strategic employment land as identified. The proposed development undermines the strategic objective of delivering business and industry development and the loss of part of Salters Park to non-business uses (housing) could result in Midlothian not meeting its strategic land commitments.

The Need for Housing

- 8.5 Policy 5 of SESplan requires local development plans to allocate sufficient land for housing which is capable of becoming effective in delivering the scale of the housing required. Midlothian has an up to date adopted local plan which sets a development strategy which includes sufficient housing allocations (12,997 residential units) to meet its housing requirements (12,490 houses) for the period 2009–2024 and in doing so having an established housing land supply. The MLDP was adopted 7 November 2017 following a local plan examination where the Reporter concluded that there is a 5-year effective housing land supply in Midlothian. The housing allocation figure (12,997 units) does not include the ‘safeguarded sites’ or ‘additional housing opportunities’ identified in the MLDP or windfall developments which provide Midlothian with sufficient generosity to meet its housing targets if an allocated housing site does not come forward. Approximately 5,000 of the required units have been constructed.
- 8.6 The Council must maintain a five year effective supply of housing land at all times which means that the sites must have a reasonable prospect of being built within the five-year period. The Council’s 2017 Housing Audit, which was agreed with Homes for Scotland (HfS) – the umbrella group which represents the house building industry, identified that there is a realistic prospect of 5,583 homes being built in the next five years in Midlothian, exceeding the 4,336 units required. This position, in terms of meeting its housing requirements, is reflected in Midlothian’s draft 2018 Housing Audit (not yet agreed with HfS).
- 8.7 In meeting its housing requirements Midlothian can demonstrate that there is not a requirement for the proposed housing. Furthermore, the potential for housing on a site which is not allocated for housing can have a detrimental impact on services and facilities which are planned and managed based on existing and planned housing numbers. This is reflected in the objection from the Head of Education who advises that there is currently no primary school capacity or an agreed

acceptable solution to accommodate the primary school pupils arising from the proposed development.

Layout and Design

8.8 The application is for planning permission in principle. This means that the detailed layout, form and design of the development are not subject to detailed assessment at this stage of the planning process, but would be subject to further applications (matters specified in conditions) and assessment if the proposal is granted planning permission. Therefore if the Committee is minded to grant permission conditions should be imposed requiring the following details to be submitted by way of an application for the individual development phases:

- layout, form and design of any proposed buildings;
- the use of buildings within the economic development area;
- proposed materials to be used in the construction of the dwellinghouses, ground surfaces and ancillary structures – including those to be used in the area of improved quality;
- details of landscaping and boundary treatments;
- provision of open space and play areas/facilities;
- percent for art;
- sustainable urban drainage systems;
- details of road, access and transportation infrastructure;
- sustainability and biodiversity details;
- archaeology mitigation details; and
- the provision of broadband infrastructure.

Environmental Statement

8.9 The Environmental Statement submitted with the application sets out the findings of an Environmental Impact Assessment process carried out by the applicant under The Town and Country Planning (Environmental Impact Assessment) (Scotland) Regulations 2011. The process identifies the “likely significant environmental effects” of the development and suggests ways in which any significant negative environmental effects can be mitigated.

8.10 The Environmental Statement identifies:

- The site is prime agricultural land;
- There are no statutory ecological designated sites within the site. There are two pockets of Semi-Natural Ancient Woodland and one pocket of Ancient Woodland within the site which run along the western site boundary with Salter’s Road and the eastern part of the site;
- There are a number of locally designated archaeological features within the site, including features at Smeaton Head and New Farm. Other features have been excavated as part of the gas main replacement in 1996 and during construction of the A68;

- The site lies within a Coal Authority Development High Risk Area;
- The site was previously a railway depot. The railway line has since become a Right of Way;
- A national gas pipeline runs through the site. Options to divert the pipeline are being explored;
- The Penicuik to Musselburgh cycle-walkway passes through the site;
- Features within 3km of the site boundary comprise Areas of Ancient Woodland, Areas of Semi-Natural Ancient Woodland, designated parks and gardens, Dalkeith Oakwood Site of Special Scientific Interest, core paths, listed buildings and scheduled monuments.

8.11 In relation to the environmental effects of the proposed development, the Environmental Statement sets out the applicant's response:

- A baseline ecological desk study and field surveys were undertaken. Following the application of proposed mitigation, the construction effects of wildlife are expected to be reduced to 'minor adverse' to 'negligible' in significance;
- There is a high potential for buried archaeological remains within the western part of the site. 'Moderate to Major' or 'Major' direct impacts are predicted. Proposed mitigation measures commence with a trial trench evaluation. Should remains be identified during the evaluation then preservation in situ would be considered in the first instance. If this should not prove possible then, depending on the significance of the remains, Midlothian Council could require their excavation and recording prior to construction. The proposed mitigation would also include post-excavation analysis, reporting and dissemination;
- The development would introduce a large residential and commercial development to largely agricultural surroundings, however, the area has undergone many changes recently, making it a constantly evolving landscape. Although the site itself is relatively flat, land to the east rises quite sharply and because of this the development would 'sit in' to the hillside, making it surprisingly well-contained. Even the elevated views available from a small number of properties to the east of the site would be restricted to rooflines and would not detract generally from expansive views to the Pentland Hills, Arthur's Seat and beyond;
- With regards to landscape character, there would be an obvious unavoidable change locally, but in the wider context the effects would be minor given the relative size of the development to the North and South Esk character areas it would sit within. Dalkeith Country Park has a high boundary wall and extensive planting which serves to contain views, meaning the development would have little effect on the park or its users;

- Following the introduction of the proposed mitigation measures, the environmental effects will be negligible in relation to transport;
- Air quality within the vicinity of the site is anticipated to be good, meeting relevant objectives set within the Air Quality Strategy (AQS). On this basis, the site is considered suitable for development and future residents are unlikely to be exposed to poor air quality. In relation to existing properties, any increases in pollutant concentrations due to traffic associated with the development once operational are unlikely to cause any breaches of the relevant AQS objectives and therefore the residual effects of the development on local air quality are judged not to be significant;
- Construction work may result in noise and other disturbances, to be controlled with measures set out in a management plan. Construction noise may at times be audible when works take place on parts of the site near to neighbouring premises, but will conform to statutory obligations, and will be planned and managed to minimise disruption. The construction phase is not anticipated to have significant long-term negative effects on the local community. Once occupied, there is expected to be some additional road traffic associated with the development, but this is not expected to cause additional noise disturbance. Potential noise from occupiers of the new employment land uses will be controlled by requirements to satisfy local authority noise standards;
- Construction will require up to 100 construction staff per annum, over a period of five years, creating jobs in the local area and local spend that will benefit the economy. Once occupied, local spend has the potential to be of major significance to the local economy;
- New residents and employees will place increased pressure on local services, with the potential to result in moderate to major negative impacts on capacity. The applicant is discussing options to increase capacities, which could alleviate the issues to the point of not having an impact.

8.12 The Environmental Statement formed part of the application and was subject to consultation. The majority of the environmental impacts having the potential of being mitigated.

The Economic Case

8.13 The main marketing initiatives for the site which have been in place since mid-2008 are:

- A brochure being circulated to commercial property agents throughout East Central Scotland on a quarterly basis. The brochure was also circulated to parties on their applicants' register seeking development land and/or building requirements in the vicinity. In the region of 1500 copies of the brochure were circulated in total, mostly via hard copy but also by email. Contact was also made with Midlothian, East Lothian and

Edinburgh Councils, Scottish Enterprise and Scottish Development International. Occupiers of nearby industrial and business parks were also issued with a brochure. Circulation of the brochure was repeated on a regular basis. *(The applicant has not clarified the period in which the brochure was circulated)*

- Two large marketing signs were erected in 2008 fronting the A68 and Salters Road. These boards are still in place.
- Current registration of Salters Park on the following websites: Ryden, Coates and Co, Movehut, Costar, EGi Property Link, Zoopla, Property Works and Novaloca. *(The applicant has not clarified the period in which the site was advertised online)*

8.14 The number of enquiries received in response to the marketing has been 'disappointing' but in summary they have been from parties seeking small sites of between half an acre and 3 acres, but the following issues have arisen:

- The site was considered as being remote for industrial and commercial development purposes;
- Enquiries have been received for leisure and equestrian related uses, however these uses do not generate the investment needed to open up the site;
- The cost of acquiring the land when considered alongside the high cost of providing new build accommodation, was often enough to deter interested parties in progressing their interest further. Considerably higher land values have been achieved in areas such as Bilston Glen in Loanhead, which is one of the few locations in Central Scotland where owner occupiers have undertaken new build projects on a significant scale. Salters Park was not a destination which proved too attractive to such occupiers;
- Developer demand for industrial/commercial land was very limited following the economic crash in 2008. For the previous 3-4 years such development, in established locations, could be justified when rental levels were high and investment yields low. Finance was also considerably easier to secure at that time; and
- Post 2008 the lack of demand, difficulty in obtaining finance and a depressed end value of commercial property put a stop to almost all new build projects. It also had the effect that the majority of demand was seen for existing accommodation in the prime locations such as West Edinburgh and Bilston Glen in Loanhead.

8.15 Only a few enquiries were received for any significant portion of the site. These enquiries were industrial orientated and once investigated were not willing or able to consider the location further. No enquiries were received for the whole site. Enquirers' details have not been provided to the planning authority.

8.16 A copy of the marketing brochure or the webpages referenced were not submitted with the application.

- 8.17 An Employment Land and Property Market Review report, dated August 2013, was submitted in support of the application and sets out to review the employment land and property markets in Midlothian in order to inform on the prospects for employment use on the Salters Road site. The report analyses and draws conclusions from statistical information obtained from a number of sources including SESPlan Employment Land Audit 2010, Costar/Scottish Property Network and Midlothian Local Development Plan Monitoring Statement. The following conclusions are made in the report: (i) There is very limited indigenous demand for medium to large buildings at a site on the scale of Salters Park; (ii) The site has been marketed for more than five years without attracting any investment. High costs of site servicing and resulting irregular development plots are also understood to be a barrier to promotion of employment use at the site. Realising development on this site will require a higher value use than currently allocated, given the scale of site servicing costs; (iii) The surrounding area of East Dalkeith has undergone significant change, moving away from employment uses towards community uses, such as the Dalkeith Community Campus, and residential development, at Wester Cowden and the former Ferranti/ Forest Furnishings site. This trend away from employment use in the surrounding area should be considered when re-examining the employment land allocation at Salters Park; (v) Many competing sites currently being marketed are located in established locations or strategic business clusters. The Salters Park site is not within these locations and stands alone as a 'secondary site'.
- 8.18 The planning authority and the Council's Economic Development Service do not agree with the Employment Land and Property Market Review report's conclusions. The site is critical to the economic land supply in Midlothian and it is considered that there are a number of reasons why the site should remain allocated for employment use and that planning permission should be refused including: (i) The land is zoned as employment land for business, general industrial uses and storage and distribution uses - Midlothian is short of industrial sites; (ii) The site is very good for industrial development, having good access to the A68 southwards and to the By-pass for east, north and central Scotland. Until the new Dalkeith By-pass was opened in 2008, the site was not easily accessible. The site went on the market around this time. The proposed future grade separation of Sheriffhall roundabout will further enhance this site as an industrial location; (iii) Inward investment to Midlothian is low due to a lack of suitable sites and premises of sufficient size; (iv) a number of significant enquiries from businesses looking for premises have been made to the Council and these have been referred to the applicant's agent. Feedback from some of them has been that the cost of development on this site being quoted by the agent is too expensive, above the market rate; (v) Bilston Glen was developed very successfully and is now almost full. Businesses located at Bilston Glen are now beginning to look for larger premises in order to grow their business capacity; (vi) The large industrial units that are available in Midlothian tend to have barriers and

constraints to efficient modern industrial practices, e.g. the buildings internal layout and the low height of the buildings. Some other units have been 'blighted' by the development of housing built in close proximity, rendering large units undesirable by large industrial users; (vii) Removal of this site will create a substantial gap in the economic land supply; (viii) The proposal for commercial development is on 4.5 hectares of the site only; and, (ix) the commercial development also includes workshop homes which will reduce the space for economic development uses further.

- 8.19 The applicant has presented an argument that the Salters Park economic site is not viable solely for economic land uses. If the planning authority were to agree with this position it does not automatically mean that housing on the site is acceptable as proposed in the current application. The Council can reassess the viability of the site as part of the local development plan process and de-allocate the site or re-allocate it for an alternative land use. Alternatively, the Council can choose to leave the site as an economic land allocation and see if the site becomes viable in the future.

9 RECOMMENDATION

- 9.1 That planning permission be refused for the following reasons:
1. The proposed residential use is not in accordance with the site's allocation for Class 4 (business), Class 5 (general industry) and Class 6 (storage and distribution) uses in the development plan and as such the development is contrary to policy 2 of the Strategic Development Plan for Edinburgh and the South-East Scotland (approved in 2013), policies STRAT1 and ECON1 of the Midlothian Local Development Plan 2017 and the Scottish Government's policy position set out in Scottish Planning Policy.
 2. There is not an education solution to accommodate all of the school children that would arise from the proposed residential development of the site, in particular non-denominational primary school children and as such the proposed development does not accord with policies IMP1 and IMP2 of the Midlothian Local Development Plan 2017.
 3. It has not been demonstrated that the proposed economic uses, working from home units/workshop homes and the residential development can coexist on the site without the economic uses having a detrimental impact on residential amenity or the housing resulting in a restrictive burden being placed businesses located on the site.

Ian Johnson
Head of Communities and Economy

Date: 12 June 2018

Application No: 16/00893/PPP (Available online)

Applicant: Salters Land LLP

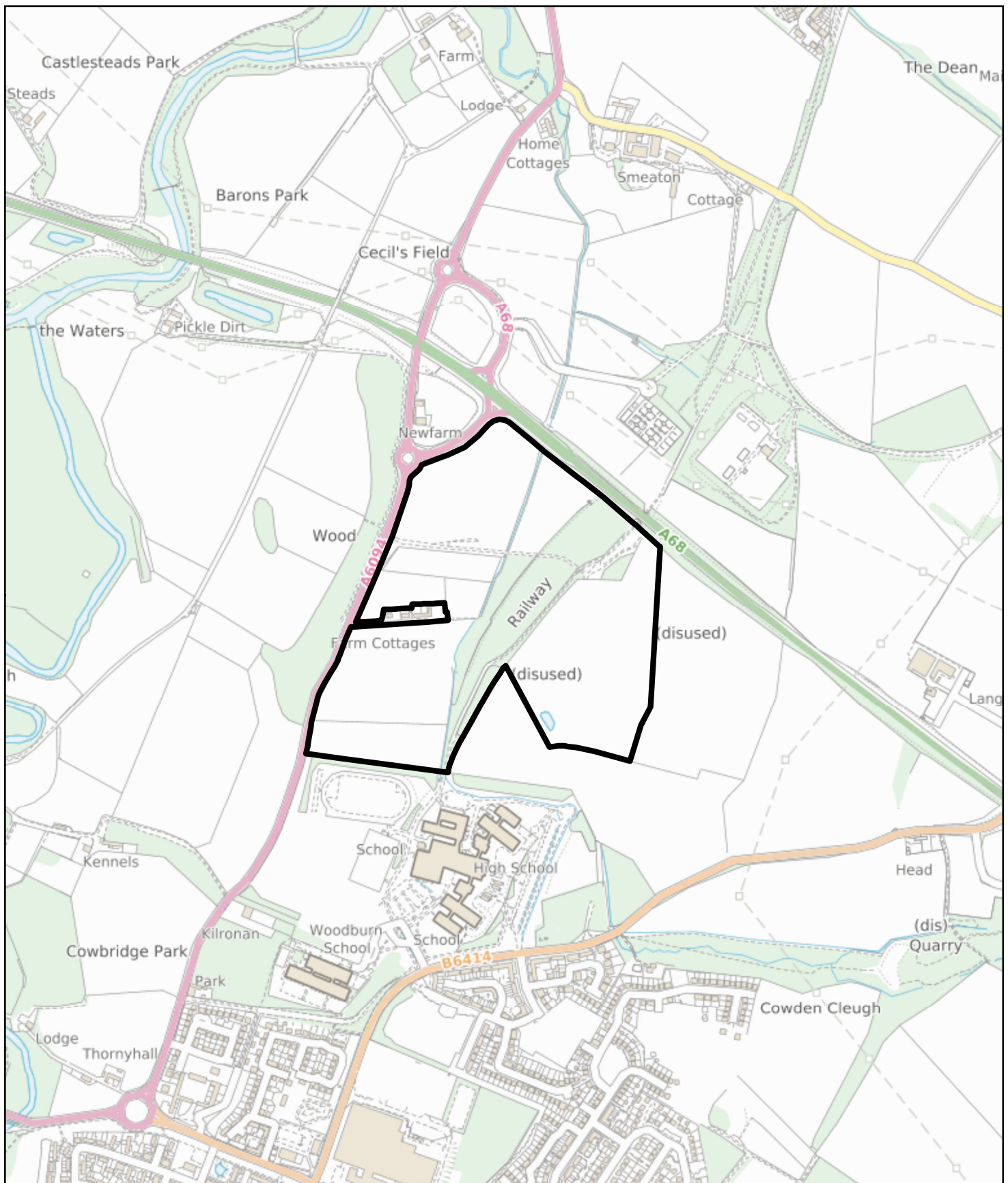
Agent: Montagu Evans LLP

Validation Date: 20 December 2016

Contact Person: Joyce Learmonth

Tel No: 0131 271 3311

Background Papers: 14/00833/PAC



**Education, Economy
& Communities**
Midlothian Council
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Application for planning permission in principle for residential development (up to 400 units) and employment uses; formation of access roads and associated works (this application is accompanied by an environmental statement submitted under the terms of the Town and Country Planning (Environmental Impact Assessment (Scotland Regulations 2011)) at Land at Salters Park, Dalkeith

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