

Strategic Development Plan for Edinburgh and South East Scotland (SESplan) Update

Report by Mary Smith, Director Education Community and Economy

1 Purpose of Report

- 1.1** The purpose of this report is to inform Cabinet about the approval by Scottish Ministers, with modifications, of the Strategic Development Plan for Edinburgh and South East Scotland (SESplan) and the preparation of supplementary guidance on matters relating to housing land supply in compliance with the modifications. The report *Supplementary Guidance - Housing Land* was approved for consultation by the SESplan Joint Committee at its meeting on 30 September 2013, subject to ratification by the six Member Councils. Cabinet is asked to ratify this report for consultative purposes.

2 Background

- 2.1** Having considered the Report of the Examination into the SESplan Proposed Plan, published on 12 April 2013, Scottish Ministers approved the Plan with modifications on 27 June 2013. The Scottish Ministers' decision is final and, on 17 September 2013, SESplan duly published the Approved SESplan Strategic Development Plan (SDP) including the modifications. There is, however, a six-week period during which any person aggrieved by the decision may apply to the Court of Session; the Court may quash the plan (in whole or in part) if it is satisfied that it is not within the powers of the Act or that the applicant's interests have been substantially prejudiced by a failure to comply with any requirement of the Act.
- 2.2** A copy of the published Approved SESplan SDP is available in the Members' Library and on the SESplan website at www.sesplan.gov.uk. The SDP now supersedes the Edinburgh and the Lothians Structure Plan 2015 as part of the development plan pertaining to Midlothian. The other part of the plan, the Midlothian Local Plan 2008, remains in force until superseded by the Midlothian Local Development Plan currently in preparation.
- 2.3** As mentioned above, in approving the SDP, Scottish Ministers made a number of modifications to it on a range of matters. The most significant of these is a requirement to prepare supplementary guidance which will determine the scale of the housing requirements for the periods to 2019 and 2024 to be delivered through site allocations in each of the Member Authorities' Local Development Plans (LDPs).
- 2.4** A full list of the modifications is included in the Ministerial decision letter which is attached as Appendix 1 to this report.

Modifications pertaining to SDP Policy 5 *Housing Land*

- 2.5** The principal modifications relate to Policy 5 *Housing Land* with the removal of the provisions of the SESplan Proposed Plan relating to housing land and their replacement with a requirement to prepare supplementary guidance as outlined in paragraph 2.3 above. Policy 5 identifies a requirement for sufficient housing land to be allocated in the period 2009-24 to enable 107,545 houses to be provided across the city region, including committed development. The supplementary guidance, which must make provision for meeting the SESplan area's housing needs and demands in full, is to provide further information for LDPs as to how much of that requirement should be met in each of the six LDP areas in the periods 2009-19 and 2019-24. The guidance is to be based on an analysis of opportunities, infrastructure and environmental capacities and constraints.
- 2.6** To meet these requirements and having made a justifiable allowance for "windfall" completions and likely demolitions from stock, LDPs must allocate sufficient land which is effective, or capable of becoming effective, to deliver the scale of the housing requirements for each period. Constrained sites capable of delivering house completions in the period 2024-32 are to be safeguarded for future housing development. LDPs may be able to identify opportunities for growth beyond 2024, confirmation of which will be subject to the conclusions of a future review of the SDP.
- 2.7** As required, the report *Supplementary Guidance - Housing Land* has now been prepared and approved for consultation by the SESplan Joint Committee (see Appendix 2). A background Technical Note has also been prepared and is available in the Members' Library. This provides the survey work and analysis undertaken in line with Policy 5 to inform the Supplementary Guidance in terms of the requirements by LDP area. Four key considerations have been used to determine these requirements, namely:
- the demand for and supply of housing as identified in the Housing Need and Demand Assessment and a comparison with the housing land supply position in 2012;
 - the performance of the housing market in the current economic conditions and the issues of viability and deliverability which make it difficult to maintain an effective five-year housing land supply;
 - strategic planning considerations including existing committed development, brownfield development opportunities, the scope to steer development to sustainable locations with infrastructure capacity, etc.; and
 - a review of the Spatial Strategy Assessment, undertaken in 2011 to inform the Proposed Plan, which identifies the 13 Strategic Development Areas underpinning the Plan's spatial strategy.
- 2.8** The Housing Need and Demand Assessment (HNDA) is a key element of the information base underpinning both local housing strategies and development plans; for the latter, its outputs inform the housing land requirements. The total SESplan-wide HNDA requirement is distributed across the three plan periods as follows:

| | | |
|-----------------------------|-----------------------|---|
| 2009-2019 | 74,835 houses | 107,545 houses to be provided for in LDPs |
| 2019-2024 | 32,710 houses | |
| 2024-2032 | 47,999 houses | |
| TOTAL for SDP period | 155,544 houses | |

Based on the above key considerations, the draft Supplementary Guidance as approved for consultation proposes to meet the above requirements to 2024 by LDP area as follows:

| Local Development Plan | Plan Period | |
|---|----------------|---------------|
| | 2009-2019 | 2019-2024 |
| City of Edinburgh | 22,300 | 7,210 |
| East Lothian | 6,250 | 3,800 |
| Fife | 17,140 | 7,430 |
| Midlothian | 8,080 | 4,410 |
| Scottish Borders | 9,650 | 3,280 |
| West Lothian | 11,420 | 6,590 |
| Total by plan period | 74,840 | 32,720 |
| Total SESplan housing land requirement to 2024 | 107,560 | |

Taking account of committed development and an allowance for constrained and windfall sites coming forward during the plan period together with an assumption about demolitions from the existing supply, LDPs will be required to find land for an additional 24,338 houses to 2024. In the case of Midlothian, the established land supply (with windfall development) should provide for some 7,280 houses by 2019 and a further 2,660 houses by 2024; the additional supply to be allocated in the Midlothian Local Development Plan (MLDP) is 2,550 houses (an increase of 100 over the SESplan Proposed Plan). This should be met in the Strategic Development Areas as follows:

| Strategic Development Area | No. of Houses |
|--|--|
| South East Edinburgh (Midlothian part) | 450 |
| A7/ A68/ Borders Rail Corridor | 1,350 |
| A701 Corridor | 750 |
| TOTAL for MLDP area | 2,550 (2009-19 800 units; 2019-24 1,750 units) |

- 2.9** The draft Supplementary Guidance emphasises the need to secure investment in transport and strategic infrastructure, particularly new schools and school extensions, in order to deliver the scale of the housing land requirement provided for in the Guidance. It also points out that a very significant increase in house completion rates will be required to deliver housing in the quantities and timescales required by the Guidance. At best, the maximum number of completions that has been achieved in Midlothian in recent years is around 500 units but this was bolstered by the social housing programme. Over the whole LDP period to 2024, the completion rate per annum will have to double. Deliverability and marketability of housing on this scale presents a significant challenge to the house building industry. The scale of provision for housing land in comparison with the HNDA requirements

means that land supply will not be a reason for any failure of the industry to achieve the necessary completion rates.

- 2.10** Once ratified by the Member Councils, the *Supplementary Guidance - Housing Land* will be formally published for consultation in November 2013 for a period of six weeks. As well as local advertisements and publicity through the SESplan website, copies will be provided to the key agencies, adjoining planning authorities, community councils and libraries. The target date for submission of the Supplementary Guidance to Scottish Ministers is May 2014, with a view to adoption by the end of June 2014. Scottish Ministers expect the Supplementary Guidance to be adopted within 12 months from approval of the SDP (that is, by 27 June 2014). Once adopted, the Supplementary Guidance will form part of the development plan.

Implications for Midlothian Local Development Plan

- 2.11** It is hoped to publish the MLDP Proposed Plan in Spring 2014. If the SESplan *Supplementary Guidance - Housing Land* is ready for submission to Scottish Ministers in May 2014 as planned, any resultant delay to the timetable for the MLDP Proposed Plan consultation should be minimal. As approved for consultation, the provisions of the Supplementary Guidance for additional housing supply in Midlothian can be accommodated within the sites already consulted upon through the MLDP Main Issues Report. However, it is worth noting that LDPs within the SESplan area cannot progress timeously until agreement is reached on how much housing land should be provided in each LDP area through the adoption of the Supplementary Guidance.

Other modifications

- 2.12** Beyond the provisions made for the Supplementary Guidance in relation to Policy 5, other modifications to the SDP housing policies have been introduced. Most notably, in the context of the need to maintain a five-year effective housing land supply at all times, provision is made for:
- planning authorities to be able to grant planning permission for the earlier development of sites which are allocated or phased for a later period in the LDP; and
 - allocating greenfield proposals either within or outwith the Strategic Development Areas in LDPs, or granting planning permission, to maintain the five-year land supply, subject to criteria which ensure the protection of the character of existing settlements, do not allow Green Belt objectives to be undermined, and avoid investment in infrastructure being diverted from other priorities.
- 2.13** Other modifications of a more minor nature were made to the SDP by Scottish Ministers, none of which are likely to cause any significant issues for the preparation of the MLDP Proposed Plan. The purpose of these can be summarised as follows:
- to make reference to the European Habitats Directive and regulations in the list of relevant legislation;

- to amend the SDP aims to increase the commitment to meeting housing need and demand in the city region;
- to amend some of the elements of the spatial strategy and strategic infrastructure requirements pertaining to specific Strategic Development Areas but none of these are directly relevant to Midlothian;
- to allow Edinburgh City Centre and Edinburgh Waterfront Strategic Development Areas to contribute to meeting the new housing requirements and to require that, within the West Edinburgh Strategic Development Area, housing development will complement the business proposals promoted in the West Edinburgh Planning Framework;
- to supplement Policy 2 *Supply and Location of Employment Land* by requiring LDPs a) to ensure that a range and choice of marketable sites are provided to meet anticipated employment requirements, and b) to allow for the development of mixed communities (with residential and compatible employment opportunities jointly provided) on strategic employment sites where justified through an LDP and where this would not result in a net loss to the strategic land supply;
- to note that, within the sequential approach to the provision of new retail and commercial development (Policy 3), locations should be, or be capable of being made, easily accessible by a choice of modes of transport;
- within the context of Policy 4 *Minerals*, to elevate the importance of safeguarding mineral resources from sterilisation through LDPs and, within LDPs, identifying areas of search (or, where appropriate, specific sites) for aggregate minerals and coal;
- to clarify that development likely to generate a significant travel demand will be directed to areas that are capable of being well served by public transport and are accessible by foot and cycle (and, for all development, it is expected that the generation of additional car traffic is minimised);
- to emphasise the need to increase the proportion of freight carried by rail and sea, and to consider the need for additional rail freight facilities, and port capacity in the Firth of Forth;
- to require LDPs to take account of the cross-boundary implications of all policies and proposals including the implications for the transport network outwith the SESplan area;
- to ensure that the design and layout of new development promotes non-car modes of travel and to consider the merits of protecting cycle and walking routes such as disused railways affected by development proposals;
- to place particular emphasis in LDPs on the delivery of the strategic infrastructure requirements as set out in the SDP and its Action Programme and to pursue the delivery of infrastructure through developer contributions, funding from infrastructure providers or other appropriate means, including alternative delivery mechanisms;

- through Policy 10 *Sustainable Energy Technologies*, to require LDPs to promote the use of renewable energy and encourage development that will contribute towards meeting national renewable energy targets (100% electricity demand equivalent, 11% heat demand, and at least 30% overall energy demand, from renewables by 2020; 500MW community/locally-owned renewable energy by 2020) and more decentralised patterns of energy generation and supply;
- to require LDPs to promote energy efficiency and encourage development which will contribute towards the reduction of Scottish energy consumption by 12% by 2020, and to take account of the potential for developing heat networks;
- to include improving biodiversity as one of the benefits of promoting the development of the green network across the city region;
- to require LDPs a) to consider from the outset the form, function, development and long-term maintenance of the green network, b) to secure connectivity across local authority boundaries, between master plans and surrounding areas, between development sites and existing communities and neighbourhoods, c) to require major developments to contribute positively to the creation, maintenance and enhancement of the green network, and d) to secure multi-functional green networks that deliver a range of economic, social and environmental benefits;
- to emphasise the role of green belts in directing planned growth to the most appropriate locations and supporting regeneration;
- to acknowledge that appropriate waste facilities can include composting, transfer stations, materials recycling facilities, and anaerobic digestion, mechanical, biological and thermal treatment plants; and
- to ensure that LDPs promote water efficiency in all development proposals.

3 Report Implications

3.1 Resource

There are no resource implications arising directly from this report. The consultation on the SESplan *Supplementary Guidance - Housing Land* can be met within existing budgetary provision.

3.2 Risk

There is a risk that Scottish Ministers may not consider that the *Supplementary Guidance - Housing Land* meets their expectations in relation to their modifications in approving the SDP. This risk has been minimised by planning to meet the SESplan housing land requirement in full and not seeking a sub-optimal solution. It has also been mitigated by seeking a distribution of the additional housing land requirement in line with the HNDA. A key issue may be the views of Homes for Scotland, as representative of the house building industry, to the approach taken in the supplementary guidance, and Scottish Ministers' response to these.

There is a statutory requirement to replace the Midlothian Local Plan 2008 within five years, and to adopt the MLDP within two years of SESplan approval, the base date for this deadline being 27 June 2013. Failure to meet this deadline could lead to legal challenge or Scottish Government intervention. There would be an increased risk of this if the Supplementary Guidance was not adopted by 27 June 2014 as planned.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☒ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☐ Business transformation and Best Value
- ☐ None of the above

3.4 Impact on Performance and Outcomes

This report contributes to the priority of concluding the preparation of the South East Scotland SDP1 in partnership with the five other Member Councils, and commencing preparation of SDP2, by 31 March 2014. It also assists in taking forward the preparation of the MLDP to Proposed Plan stage by Spring 2014.

3.5 Adopting a Preventative Approach

The SDP provides strategic guidance and forward planning for investment in future growth and development in the wider city region, including Midlothian, over the period to 2032. Together with the MLDP, it will help to inform the future spending priorities of the Council and its community planning partners as well as other public, private and voluntary sector bodies.

3.6 Involving Communities and Other Stakeholders

The SESplan Main Issues Report was the subject of public consultation in line with the SESplan Development Plan Scheme participation statement. Account was taken of the *National Standards for Community Engagement*. The Proposed Plan and Environmental Report, with supporting documents including the Action Programme, were subject to representations between 7 November and 19 December 2011. A Statement of Conformity with the Participation Statement was approved by the Reporters at the SDP1 Examination. The *Supplementary Guidance - Housing Land* report will be subject to consultation over a six-week statutory period.

3.7 Ensuring Equalities

The SESplan Main Issues Report and Proposed Plan were subject to an Equalities and Human Rights Impact Assessment, approved by the SESplan Joint Committee and ratified by the Member Councils.

3.8 Supporting Sustainable Development

The SDP is subject to Strategic Environment Assessment (SEA). An Interim Environmental Report accompanied the Main Issues Report

and an Updated Environmental Report (and Addendum) accompanied the Proposed Plan. The Proposed Plan is based upon a sustainable development strategy. An SEA Post-Adoption Statement has been prepared and made publicly available, as statutorily required.

3.9 IT Issues

There are no IT issues arising from this report.

4 Recommendations

4.1 It is recommended that Cabinet:

- (a) notes that, following Ministerial approval with modifications, the SESplan Strategic Development Plan, as modified, was constituted as the Strategic Development Plan for the SESplan Strategic Development Area (Edinburgh and South East Scotland) from 27 June 2013;
- (b) agrees to remit this report to Council with a recommendation to ratify, for consultative purposes, the draft *Supplementary Guidance - Housing Land* (which forms Appendix 2 to this report), as approved for consultation by the SESplan Joint Committee at its meeting on 30 September 2013; and
- (c) notes the arrangements made for consultation on the draft Supplementary Guidance.

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Background Papers:

Strategic Development Plan for Edinburgh and South East Scotland - (SESplan) Proposed Plan, as submitted to Scottish Ministers in August 2012

Declaration Box

Instructions: *This box must be completed by the author of the report. The box will be copied and saved by the Council Secretariat who will delete it from the report prior to photocopying the agenda.*

Title of Report: Strategic Development Plan for Edinburgh and South East Scotland (SESplan) Update

Meeting Presented to: Cabinet 8 October 2013

Author of Report: Janice Long

I confirm that I have undertaken the following actions before submitting this report to the Council Secretariat (Check boxes to confirm):-

- ☒ *All resource implications have been addressed. Any financial and HR implications have been approved by the Head of Finance and Human Resources.*
- ☒ *All risk implications have been addressed.*
- ☒ *All other report implications have been addressed.*
- ☒ *My Director has endorsed the report for submission to the Council Secretariat.*

This report has an education interest.