



The Strategic Development Planning Authority  
for Edinburgh and South East Scotland

**AGENDA  
SESPLAN JOINT  
COMMITTEE  
MONDAY, 30 MAY, 2016**

A MEETING of the SESPLAN JOINT COMMITTEE will be held in the DEAN OF GUILD ROOM,  
CITY CHAMBERS, EDINBURGH on MONDAY, 30 MAY 2016 at 2.00 pm

<b>BUSINESS</b>		
1.	<b>Apologies for Absence and Substitutions</b>	
2.	<b>Order of Business and Any Urgent Matters</b>	
3.	<b>Declarations of Interest</b>	
4.	<b>Matters Arising</b>	5 mins
5.	<b>Minute of the Meeting held on 21 March 2016</b> (Pages 1 - 2)	5 mins
6.	<b>Proposed Plan Environmental Report and Habitats Regulations</b> (Pages 3 - 16)	15 mins
7.	<b>Proposed Plan Equalities and Human Rights Impact Assessment</b> (Pages 17 - 36)	5 mins
8.	<b>Proposed Plan and Action Programme</b> (Pages 37 - 240)	30 mins
9.	<b>Finance - Monitoring, Unaudited Accounts 2015-16 and Annual Audit Plan</b> (Pages 241 - 282)	5 mins
10.	<b>Annual Housing Update 2015</b> (Pages 283 - 314)	10 mins
11.	<b>A.O.C.B.</b>	

**NOTE**

Members are reminded that, if they have a pecuniary or non-pecuniary interest in any item of business coming before the meeting, that interest should be declared prior to commencement of discussion on that item. Such declaration will be recorded in the Minute of the meeting.

---

**Membership of Committee**

**City of Edinburgh Council** – Cllr I Perry and Cllr A Lunn

**East Lothian Council** – Cllr N Hampshire and Cllr T Day

**Fife Council** – Cllr L Laird (Vice Convener) and Cllr J Wincott

**Midlothian Council** – Cllr J Bryant and Cllr K Parry

**Scottish Borders Council** – Cllr S Bell (Convener) and Cllr R Smith

**West Lothian Council** – Cllr T Boyle and Cllr C Muldoon

---

Please direct any enquiries to Louise McGeoch, Clerk to the SESplan Joint Committee

Tel: 01835 825005 Email: [lmcgeoch@scotborders.gov.uk](mailto:lmcgeoch@scotborders.gov.uk)

---



The Strategic Development Planning Authority  
for Edinburgh and South East Scotland

MINUTE of MEETING of the SESplan JOINT  
COMMITTEE held in the Edinburgh City  
Chambers on 21 March 2016 at 2.00 p.m.

-----

Present:- Councillor Stuart Bell (Convener), Scottish Borders Council  
Councillor Tony Boyle, West Lothian Council  
Councillor Jim Bryant, Midlothian Council  
Councillor Norman Hampshire, East Lothian Council  
Councillor Alex Lunn, City of Edinburgh Council  
Councillor Ron Smith, Scottish Borders Council  
Councillor John Wincott, Fife Council

Apologies:- Councillor Tim Day, East Lothian Council  
Councillor Lesley Laird, Fife Council  
Councillor Cathy Muldoon, West Lothian Council  
Councillor Ian Perry, City of Edinburgh Council.

In Attendance:- Mr Ian Angus, Strategic Development Planning (SDP) Manager, SESplan  
Mr Peter Arnsdorf, Midlothian Council  
Mr John Bury, City of Edinburgh Council  
Mr Ivan Clark, SESplan  
Ms Pam Ewen, Fife Council  
Mr Brian Frater, Scottish Borders Council  
Mr Steve Lovel, West Lothian Council  
Mr Iain McFarlane, East Lothian Council  
Mrs Louise McGeoch, Scottish Borders Council (Clerk)

-----

1. **ORDER OF BUSINESS AND ANY URGENT MATTERS**

The Convener advised that there were no changes to the order of business or urgent matters to be considered.

2. **MATTERS ARISING**

With reference to paragraphs 6 and 8 of the Minute of 14 December 2015, it was noted that the decisions relating to finance and governance had been ratified by four member authorities but this process had yet to be completed by Midlothian and West Lothian Councils.

2.1 With reference to paragraph 11 of the Minute of 14 December 2015 in respect of the City of Edinburgh Housing Land Audit, the SDP Manager advised that the Annual Housing Update report would be presented at the Joint Committee meeting in May.

2.2 With reference to paragraph 12 of the Minute of 14 December 2015 in respect of the letter to be sent to the Cabinet Secretary for Social Justice, the SDP Manager advised that in light of the current Planning Review it was suggested that the letter be held pending the outcome of the Review. Councillor Bell advised that he had discussed this with Councillor Laird and concurred that it would not be appropriate to send the letter at present but if the Planning Review did not adequately address the issue then it would be sent at that time.

**DECISION  
NOTED.**

**3. MINUTE OF PREVIOUS MEETING**

The Minute of Meeting of 14 December 2015 had been circulated.

**DECISION  
APPROVED the Minute as a correct record.**

**4 DEVELOPMENT PLAN SCHEME 8**

There had been circulated copies of a report by the SDP Manager presenting the proposed Development Plan Scheme 8 (DPS 8) for approval. The SDP Manager advised that the Joint Committee was required to publish a Development Plan Scheme annually. The report explained that the DPS had to include a participation statement setting out how, when and with whom SESplan would consult on the various Strategic Development Plan (SDP) stages. DPS 7 had been approved by SESplan Joint Committee on 30 March 2015. The proposed DPS 8 was appended to the report. It was noted that with regard to the timeline detailed on page 7 of the Plan "Autumn/Winter 2017" would be changed to "Summer 2017".

**DECISION  
AGREED to:-**

- (a) approve the proposed Development Plan Scheme (DPS 8) including the amended timeline and Participation Statement for SDP2 for publication and submission to Scottish Ministers as set out within Appendix A to the report;**
- (b) note that the Development Plan Scheme had to be reviewed and published at least annually; and**
- (c) authorise the SDP Manager to make any necessary minor editing and design changes to DPS 8 prior to publication.**

**5. SESPLAN STAKEHOLDER STRATEGY**

There had been circulated copies of a report by the SDP Manager presenting the draft SESplan Stakeholder Strategy to the SESplan Joint Committee for consideration and noting. The report explained that the aim of the strategy was to encourage and support the greater involvement of all those with an interest in the future of the area in the development planning process and was a long term strategy setting out a commitment to the continuous improvement of engagement in the SDP and the development plan. The strategy was informed by and built on SESplan's experience to date including recent engagement in MIR2. The SDP Manager answered Members questions including those on the involvement of young people, the engagement with Community Planning Partnerships and the provision of materials to Community Councils. In response to a question on resources it was noted that the help of officers from member authorities would be required.

**DECISION  
NOTED:-**

- (a) the draft Stakeholder Strategy; and**
- (b) that key stakeholders would be invited to comment on the draft Strategy.**

**6. AOCB**

There were no items raised.

*The meeting concluded at 2.25 p.m.*

For Decision	✓
For Information	

**ITEM 6 – STRATEGIC ENVIRONMENTAL ASSESSMENT (ENVIRONMENTAL REPORT), HABITATS REGULATIONS APPRAISAL AND STRATEGIC FLOOD RISK ASSESSMENT**

Report by: Ian Angus, SDP Manager

**Purpose**

This report presents an update on the **Strategic Environmental Assessment (Environmental Report)** and an explanation of the proposed approach to ensuring that the plan complies with the Conservation (Natural Habitats, &c.) Regulations 1994 (as amended), a process known as the **'Habitats Regulations Appraisal'**. The report also sets out the approach to Strategic Flood Risk Assessment.

**Recommendations**

It is recommended that the Joint Committee:

- a) Notes the Addendum to the Environmental Report attached as Appendix 1 to this report;
- b) Notes the proposed approach to the completion of the Habitats Regulations Appraisal (HRA) process, as it applies to Natura sites, set out in paragraphs 3.1-3.6 of this report;
- c) Delegates authority to the SESplan Project Board to approve the publication of a Revised Environmental Report and a Habitats Regulation Appraisal alongside the Proposed Plan; and
- d) Notes the approach to Strategic Flood Risk Assessment.

**Resource Implications**

None.

**Legal and Risk Implications**

Risks detailed below have been recorded in the SESplan Risk Register. The Risk Register is reported to the Joint Committee on an annual basis.

**Policy and Impact Assessment**

No separate impact assessment is required.

**1. Background**

1.1. The Strategic Development Plan is subject to the The Conservation (Natural Habitats, &c.) Regulations 1994 (as amended) and falls within the scope of the Environmental Assessment (Scotland) Act 2005. This means that it requires a 'Habitats Regulations Appraisal' and a 'Strategic Environmental Assessment' (SEA). A Strategic Flood Risk Assessment (SFRA) has also been prepared to demonstrate that the plan has had regard to flood risk, in line with the Flood Risk Management (Scotland) Act 2009.

## **2. Strategic Environmental Assessment (SEA)**

---

2.1 A SEA Environmental Report, named the 'Interim Environmental Report' (IER) was published alongside the Main Issues Report (MIR). This assessed the preferred spatial strategy option (Growth Corridors) and two alternative options.

2.2 The Core Team has considered whether there is any new material or policy approach in the Proposed Plan that is not covered by the IER. Although the Proposed Plan does not introduce any new issues not considered in the IER, it does provide more detail on the preferred approach that is considered to warrant a revised and updated assessment. It is recommended therefore that a revised or supplementary Environmental Report should be published for consultation at the same time as the Proposed Plan and that the Joint Committee give the Project Board delegated authority to approve a revised Environmental Report. The revised Environmental Report will be made available to the Joint Committee members before the Proposed Plan is published and further revised Environmental Reports will be prepared, if necessary, prior to adoption/ approval of the plan.

2.3 There is no statutory requirement for the Joint Committee to approve the revised Environmental Report prior to publication of the Proposed Plan. However an addendum to the IER (Appendix 1 to this report) is presented to the Joint Committee to inform its consideration of the Proposed Plan. This addendum is considered to address all of the additional issues raised by the Proposed Plan and the findings will be incorporated into the revised Environmental Report. Table 1 of the addendum sets out how the potential mitigation measures, identified in the IER, have been taken account of in the preparation of the Proposed Plan. Table 2 of the addendum presents a revised assessment of the Growth Corridor option in light of the additional information on Housing Supply Targets and the commitment to Supplementary Guidance on Green Networks set out in the Proposed Plan. In line with the IER findings, this additional assessment concludes that, of the MIR options, the Growth Corridor option remains the option with the fewest negative environmental impacts.

## **3. The Habitats Regulations Appraisal**

---

3.1 A Habitats Regulations Appraisal (HRA) is an appraisal of the impact of the plan on 'Natura sites'. Natura sites are nature conservation designations of European importance. Article 6(3) of the EC Habitats Directive requires that *"any plan (or project), which is not directly connected with or necessary to the management of a European site, but would be likely to have a significant effect on such a site, either individually or in combination with other plans or projects, shall be subject to an 'appropriate assessment' of its implications for the European site. The plan-making body shall agree to the plan only after having ascertained that it will not adversely affect the integrity of the site concerned, unless in exceptional circumstances the provisions of Article 6(4) are met."* This procedure is applied in Scotland through the Conservation (Natural Habitats, &c.) Regulations 1994 (as amended), and is known as a 'Habitats Regulations Appraisal'.

3.2 In simple terms, the HRA consists of two main questions (or stages). The first is *'could the plan have a likely significant effect on a Natura site?'*. If the answer to this is yes, then we have to ask a second question (the second stage) *'will the plan have an adverse effect on a Natura site?'*

3.3 The statutory requirement is that a HRA is carried out before the plan is agreed. This plan will not be agreed until Scottish Ministers approve it in 2018. The regulations do not concern themselves with the detailed plan-making process of particular types of plan. There is therefore no statutory requirement that a plan-making body carries out an HRA prior to committee approval of a proposed plan, nor is there even a statutory requirement that one is carried out before publication of a proposed plan.

3.4 In the context of a development plan, it is good practice to carry out an HRA before committee approval. This is because there is a theoretical risk that a committee could approve a plan for publication which, because of the findings of the HRA, could not later be approved/adopted in its current form. However, in terms of this particular plan, the risk of this is extremely small because it is very unlikely that this plan could be judged to have a significant effect on a Natura site. In line with SNH guidance (Habitats Regulations Appraisal of Plans – Guidance for Plan-making Bodies in Scotland version 3, 2015), we consider that the content of this plan would be 'screened out' of the need for further assessment at the first stage of HRA because :

- The majority of the infrastructure projects referred to in the plan are not proposed by the plan and have already been subject to HRA at a 'lower' tier of plan; and/or
- The effects of the plan on any particular European site cannot be identified, because the policies and spatial framework are too general (strategic) in nature or the location of a proposal, for example the exact route of a new strategic cycleway, is not defined in detail.

3.5 A record of HRA will be prepared for consideration by the SESplan Project Board prior to publication. If it is found that changes do need to be made to the plan for it to comply with the regulations, publication of the Proposed Plan would be postponed and the Plan, including any amendments which are required, will be presented to the

Joint Committee for its consideration. If necessary, a special meeting of the Joint Committee on or around 22 August 2016 will be recommended for this purpose. Allowing for a subsequent programme of ratification, it is expected that, in this scenario, the Proposed Plan would be published in October. This change to the programme would impact on later stages in the process, but the Proposed Plan and supporting documents will still be brought to a Joint Committee for approval for submission to the Scottish Ministers in March 2017.

3.6 Figure 1. Recommended approach to Habitats Regulations Appraisal



#### 4. Strategic Flood Risk Assessment

---

- 4.1 To demonstrate that the plan meets statutory requirements with regard to managing flood risk, an interim Strategic Flood Risk Assessment (SFRA) was carried out at the MIR stage. The Core Team has reviewed the interim SFRA and incorporated its recommendations in the Proposed Plan. It is considered that the conclusions of the interim SFRA regarding the assessment of the 'Growth Corridor' option, the option taken forward in the Proposed Plan, remain valid. The Core Team will however update the interim SFRA to better reflect the content of the Proposed Plan and publish as part of the Proposed Plan consultation.
- 4.2 The existing IER assessed the 'Growth Corridor' option as having an overall positive impact on flood risk. On the advice of SEPA, the level of flood risk has been reassessed as having a neutral impact on flood risk, see Appendix 1 Environmental Report and Addendum.

#### 5. Next Steps

---

A revised Environmental Report, a record of Habitats Regulation Appraisal and an updated Strategic Flood Risk Assessment will be prepared as proposed in this paper and published alongside the Proposed Plan.

## **Appendices**

---

Appendix 1                      Environmental Report and Addendum

**Report Contact:** 01506 282879

---

**Report Agreed By:** Ian Angus, SDP Manager

**Author Name:** Ivan Clark, Lead Officer

## APPENDIX 1 – ENVIRONMENTAL REPORT AND ADDENDUM

The SESplan [Interim Environmental Report](#) identified a range of potential mitigation measures to be incorporated as appropriate into the SDP. Table 1 sets out this mitigation against the section of the Proposed Plan into which the mitigation has been incorporated.

**Table 1: Mitigation Measures from Environmental Report of Main Issues Report**

<b>SEA Theme</b>	<b>Potential Mitigation Measures</b>	<b>How mitigation has been applied in Proposed Plan where appropriate</b>
Air	Encourage higher densities of development, where appropriate, to support public transport and active travel and a mix of uses to reduce the need to travel	Covered in 'A Better Connected Place' and 'Placemaking Principles' sections
	SDP transport policy to require new development to incorporate public transport services and active travel	Covered in SDP 'A Better Connected Place' and 'Placemaking Principles' sections
	SDP transport policy to require location of development near existing public transport services and provide direct access to interchanges and stops where possible.	Covered in SDP 'A Better Connected Place' and 'Placemaking Principles' sections
	SDP and LDP policies to direct development that generates significant travel demand to centres and areas show to be highly accessible by sustainable modes.	Covered in 'A Place to do Business' and 'Placemaking Principles'
	SDP to set out regional active travel network priorities with direct links between new and existing development and generators of travel.	Covered in 'A Better Connected Place Section. Individual routes specified in Action Programme
	Encourage sustainable mixed mode travel by provide direct active travel access to stations with suitable bike storage	Covered in 'Placemaking Principles' section
	Development to incorporate green networks to support active travel	Covered in 'Placemaking Principles' section
	Decisions on transport investment should prioritise sustainable transport and active travel infrastructure	Reflected in the approach set out in 'Better Connected Place' section
Bio	LDPs will require development to be located away from local, regional and international designated sites and locations	Covered in 'Placemaking Principles' section
	LDPs will direct development to avoid sites which provide supporting off-site habitats for qualifying species of protected sites, particularly within coastal zones	LDPs directed to give appropriate level of protection to all international, national and locally designated areas .
	SDP and LDP policies will require development to incorporate green networks and SUDS which support increasing biodiversity	Covered in 'Placemaking Principles' and Green Networks section.

Climatic Factors	Air theme measures relating to transport and accessibility	Covered in 'Better Connected Place' section
	SDP and LDP policies will look to increase the generation of renewable energy where shown to be appropriate. This will be directed through spatial frameworks, LDP criteria policies and environmental studies, including landscape	Spatial framework for renewables included in Low Carbon Economy section and LDPs directed to include additional assessment criteria. Cross-boundary Windfarm Working Group proposed.
	Development to incorporate green networks to support recreational and commuting walking and cycling. SDP to set out regional walking and cycling network.	Green Network section.
	LDPs will require new development should use building forms which increase energy efficiency and incorporate renewable technologies	Covered by 'Placemaking Principles' section
	Where possible new development should look to make use of decentralised energy including district heating networks	Covered by 'Placemaking Principles' section
	LDPs will identify development opportunities to re-use wasted heat energy	Covered by 'Placemaking Principles'
	As appropriate LDPs will require development to accommodate climate change adaptation measures	Covered by 'Placemaking Principles' section
Cultural heritage	Development should use placemaking principles and guidance on design and siting to protect and enhance (where appropriate) historic/cultural assets and their settings. For development allocated in LDPs these will be set out in LDPs and, where appropriate, development briefs.	Covered by 'Placemaking Principles' section
Landscape & Townscape	Development should use good placemaking principles and guidance on design and siting to enhance landscapes and townscapes. For development allocated in LDPs these will be set out in LDPs and, where appropriate, development briefs.	Covered by 'Placemaking Principles' section
Material assets	SDP and LDP spatial strategies and allocations should, where possible, avoid development being located on prime quality agricultural land	Covered by 'Placemaking Principles' section
	Higher densities (where appropriate) and appropriate house types to meet identified need should be used to reduce the level of prime quality agricultural land required for development	Covered by 'Placemaking Principles' section
	Increase the provision of energy from waste facilities to increase sustainable resource use	Zero Waste section requires LDPs to support this
	LDPs will be required to safeguard mineral resources	Covered in 'Responsible Resource Extraction'
Population & Human Health	Development should be required to incorporate green space and link to green networks to support recreation and active travel	Green Networks section
	Development should meet affordable housing requirements. Affordable housing supply targets will	Increasing Housing Delivery section

	be set out in the SDP. LDPs will contain identify land to meet these.	
	Development should incorporate appropriate levels of, and good access to essential services	Covered by 'Placemaking Principles' section
Soil	Delivery policy should look to phase development where appropriate to prioritise brownfield development	Covered in relation to Spatial Strategy and 'Placemaking Principles' section
	Actions should look at how to unblock stalled development of brownfield sites	Joint Actions with HfS in Action Programme
	Development should look to accommodate a high level of greenspace and not rely on hard surfacing	Covered by 'Placemaking Principles' section
Water	New development should not look to exacerbate coastal erosion	Reflected in Spatial Strategy
	New development should not be located in the 1:200 flood risk area	Covered by 'Placemaking Principles' section
	Redevelopment of areas in the 1:200 flood risk area should comply with the Flood Risk Management (Scotland) Act 2009 and Scottish Planning Policy	Flood risk covered in Place-making principles section, but no specific requirement in the SDP to comply with this specific legislation. This doesn't add value to the plan.
	The Proposed Plan for SDP2 will build on the Strategic Flood Risk Assessment by mapping flood risk of potential areas of development arising from SDP2 requirements	Strategic Growth not mapped at a scale at which it would be sensible to map Flood Risk Areas. LDPs given direction to avoid flood risk areas in 'Placemaking Principle' section
	SDP and LDP strategy should require land for natural drainage to be left undeveloped	Covered by Place-making Principles section
	SDP and LDP policy will require SUDS schemes should be incorporated into new developments, where deemed appropriate	Covered by Place-making Principles section
	Green field development should include permeable surfaces where possible	Covered by Place-making Principles section
	Development should not impact on the water quality of watercourses	Covered by Place-making Principles section

## Re-Assessment of Growth Corridor Option

1. The SESplan [Interim Environmental Report](#) identified the impact of the three spatial strategy options in the MIR against an assessment framework. The assessment found that none of the spatial strategy options had an overall positive impact on the environmental objectives. Whilst development can deliver and support beneficial environmental improvement, all options involve a level of greenfield land loss. Through mitigation and enhancement measures, the growth corridors option and the consequent distribution of growth amongst the SESplan member authority areas was assessed to have the lowest level of negative impacts and the most positive impacts of the three options.

2. The SESplan Proposed Plan has continued with preferred strategy of Growth Corridors. The strategy reflects the outputs of the process to calculate Housing Supply Targets carried out subsequent to the MIR. The results of this process is that for five of the six SESplan member authorities no additional land (additional to that already in existing LDPs) is required. CEC is likely to face a shortfall in housing land supply and may need to identify additional land . On this basis the assessment has been refined and can now be considered alongside agreed housing supply targets to give greater certainty as to the level of additional development land required over the 12 year period 2018 to 2030. Therefore it is appropriate to re-assesses the final strategy, including the mitigation measures in the SDP, to assess the cumulative impact of the SDP as a whole, in addition to assessing the impact of the additional development required above what is already permitted or included in LDPs.
  
3. The assessment matrix uses a text based, qualitative analysis which identifies the potential positive and negative impacts on each objective. The assessment for each objective factors in the mitigation and enhancement measures in the SDP and what impact that has on the objectives. A traffic light system indicates what the overall impact of the strategy will be for each objective. To ensure consistency, this is the same assessment framework used for the Interim Environmental Report.

Significant Overall Positive Impact
Overall Positive Impact
Neutral Impact
Overall Negative Impact
Significant Overall negative Impact

**Table 2. Reassessment of Growth Corridor Option in light of Proposed Plan approach.**

SEA Objective	Assessment of Proposed Plan Strategy
Maintain and improve on current air quality levels	<p>Poor air quality is a significant issue in the SESplan area, with 8 air quality management areas (AQMAS) in the region. They are in congested road corridors and five of them are in Edinburgh.</p> <p>Additional population and subsequent development without mitigation will cause an increase in journeys, many of which will be made by car. This will increase carbon and nitrogen oxide emissions and worsen air quality in parts of the region.</p> <p>The SESplan strategy seeks the focus a higher proportion of development nearer to job locations and along public transport corridors. The impact of this will be to shorten the length of journeys and support greater proportion of journeys by walking, cycling and public transport.</p> <p>With a higher concentration of development in Edinburgh this could impact on the 5 AQMAS there. However, journeys in Edinburgh have a much higher modal share by public transport, walking and cycling than in other SESplan authorities reflecting the shorter journey lengths in urban areas and the quality of public transport. Car ownership levels are also much lower in Edinburgh and reduced between the 2011</p>

SEA Objective	Assessment of Proposed Plan Strategy
	<p>and 2011 censuses.</p> <p>The SDP is seeking to mitigate to mitigate the impact on air quality through the design of the strategy which requires:</p> <ul style="list-style-type: none"> <li>• Development is being delivered in areas of good public transport access. Development near public transport nosed should be developed at higher densities.</li> <li>• Additional growth in Edinburgh is being directed to brownfield first within urban Edinburgh.</li> <li>• Long term growth will be directed to along public transport corridors</li> <li>• Identifying and requiring functional walking and cycling routes along key corridors linking settlements, employment areas and new development to encourage a shift towards walking and cycling.</li> </ul> <p>Therefore the SDP Strategy is considered to have a neutral impact on air quality. There are ongoing interventions not under the control of the SDP that will result in air quality improvements. These mostly involve decarbonising travel through improvements to vehicles e.g. electric cars and buses, car sharing schemes.</p>
<p>Protect and enhance natural heritage assets</p>	<p>There is a spread of development across the SESplan area and not an over-concentration in one place. By achieving spread of development this has given flexibility so that LDPs have the opportunity to identify sites that have the least impact on natural heritage assets.</p> <p>Other than development around the Edinburgh waterfront, the strategy locates development away from sensitive coastal areas.</p> <p>Development on greenfield land can lead to disruption of habitat networks. However, development can have positive effects on biodiversity as gardens and green space areas provide good opportunities for habitats and supporting wildlife. They can have a greater range of biodiversity than land use for intensive agriculture.</p> <p>Ongoing development of the Central Scotland Green Network and work on the green network frameworks will identify and deliver opportunities to enhance biodiversity and natural heritage assets, including the creation of new woodlands. In the longer term the development of the two Strategic Cross Boundary Frameworks will identify and safeguard areas and natural assets that provide the greatest benefits for people and biodiversity.</p> <p>Whilst the strategy may require additional housing land to be delivered in Edinburgh above that which is currently identified, the SDP requires this to be directed to brownfield first thereby seeking to protect peripheral greenfield areas and any such biodiversity value that they have.</p> <p>The SDP strategy is considered to have a positive impact on protecting and enhancing natural heritage assets.</p>
<p>Minimise CO<sub>2</sub> emissions and other causes and effects on</p>	<p>Current forms of development and additional population in the region result in CO<sub>2</sub> emissions. The strategy seeks to minimise these emissions whilst still reducing overall level of emissions to support Scottish Government climate change targets. The Strategy seeks to do this by focusing a higher proportion of development</p>

SEA Objective	Assessment of Proposed Plan Strategy
climate change	<p>nearer to job locations and along public transport corridors. The impact of this will be to shorten the length of journeys and support greater proportion of journeys by walking, cycling and public transport thereby reducing CO<sub>2</sub> emissions associated with vehicle movement. Long term growth will be directed to along public transport corridors.</p> <p>New development will support the delivery of better public transport services as well as new walking and cycling routes, therefore supporting modal shift away from private car use in existing communities as well as new developments.</p> <p>Green network frameworks will identify the assets to be protected and strategic enhancements. Together these could provide climate change adaptation measures.</p> <p>The place making principles requires development to be efficient and support the use of decentralised energy networks and district heating systems.</p> <p>The strategy is considered to have an overall positive impact on minimising CO<sub>2</sub> emissions and other causes and effects of climate change.</p>
Protect and enhance the built and historic environment	<p>There is a spread of development across the SESplan area and not an over-concentration in one place. By achieving spread of development this has given flexibility so that LDPs have the opportunity to identify sites that have the least impact on built and historic environment assets. However, there are some potential pressures on battlefield assets from development in proposed and emerging LDPs</p> <p>A greater proportion of development is concentrated in Edinburgh. However, this should not lead to pressure for inappropriate sites to be development and detrimental impacts on the cities heritage assets.</p> <p>LDP policies will require the siting and design of new development should protect and where appropriate enhance historic environment assets. The siting of development should not detrimentally impact on the built and historic environment. New development provides opportunities to enhance the built environment through regeneration and redevelopment of listed buildings at risk.</p> <p>The SDP strategy is considered to have a neutral impact on protecting and enhancing the built and historic environment.</p>
Protect and enhance the landscape and townscape	<p>There is a spread of development across the SESplan area and not an over-concentration in one place. By achieving spread of development this has given flexibility so that LDPs have the opportunity to identify sites that minimise impacts on landscapes and townscapes, and in cases can enhance it.</p> <p>In the first 12 years of the plan, the strategy does not require further land to be required outside Edinburgh therefore preventing further coalescence. In addition the greenbelt policy is retained. However, meeting the overall requirements of the plan, through development of existing allocations will result in some settlements expanding towards others. Longer term impacts will depend on where new areas of strategic growth are located (in future SDPs) along the long term growth corridors. This will be informed by further analysis including the Cross Boundary Strategic Green Network frameworks</p>

SEA Objective	Assessment of Proposed Plan Strategy
	<p>The continued development of the Central Scotland Green Network and identification of green network priority areas will protect and enhance landscapes. Well designed and planned new development can enhance townscapes, improve settlement edges and create attractive settlement gateways. Regeneration development has the significant potential to enhance townscapes.</p> <p>The SDP strategy is considered to have a neutral impact on protecting and enhancing the landscape and townscape.</p>
Use resources sustainably	<p>Delivering the strategy through land identified in existing and emerging LDPs will result in the loss of some prime quality agriculture land around Edinburgh and the Lothians. However, this had been minimised by requiring LDPs to identify brownfield sites first. This will be continued and strengthened so that the potential additional housing land that may be required in Edinburgh should be identified in brownfield land first before peripheral greenfield sites are considered. This requirement is also set out in the placemaking principles so that it applies to all LDPs.</p> <p>Waste and minerals content of the SDP promotes the increased recycling of waste, its use as an energy resource and the sustainable use of minerals.</p> <p>The SDP strategy is considered to have an overall negative impact on using resources sustainably.</p>
Improve the quality of life and human health for communities	<p>Delivering the SDP strategy will provide new housing in sustainable locations to meet housing need and demand. The affordable housing supply targets are higher than past delivery and will help meet new and backlog need for affordable housing, therefore having a positive impact on health and quality of life.</p> <p>The delivery of Central Scotland Green Network projects, green spaces and quality green networks alongside new development will allow for greater levels of outdoor recreation, walking and cycling and help improve human health.</p> <p>Delivery of the SDP will locate housing closer to future employment. This will result in shorter journeys and support more journeys by walking, cycling and public transport. This will help minimise additional vehicle emissions that can impact on human health as well encouraging more exercise. Having shorter journeys could help reduce anxiety and stress related issues related to longer distance commuting by car. Reducing commuting times could allow for more recreation and exercise.</p> <p>The SDP strategy is considered to have a significant overall positive impact on the quality of life and human health for communities.</p>
Minimise the impact on soil quality and to adhere to contaminated land regulations	<p>Delivering the strategy through land identified in existing and emerging LDPs will result in development of greenfield land with associated soil sealing. However, this had been minimised by requiring LDPs to identify brownfield sites first. This will be continued so that the potential additional housing land that may be required in Edinburgh should be identified in brownfield land first before peripheral greenfield sites are considered. This requirement is also set out in the placemaking principles so that it applies to all LDPs.</p> <p>The strategy does not require development that will impact on peat and carbon</p>

SEA Objective	Assessment of Proposed Plan Strategy
	<p>rich soils.</p> <p>The SDP strategy is considered to have an overall negative impact on using resources sustainably.</p>
<p>Minimise flood risk and adverse significant effects on water bodies</p>	<p>Development will be required to avoid land at risk of flooding and retain natural flood defences. Whilst the strategy prioritises brownfield sites first, as did the previous SDP, delivering the strategy requires the continued delivery of land identified in previous plans and the subsequent greenfield soil sealing. This has the potential to reduce land required for drainage. LDPs will be required to set out policies on mitigation measures, including sustainable urban drainage systems and surface water management measures.</p> <p>The Strategic Flood Risk Assessment has identified that surface water from greenfield developments in Edinburgh needs management. The SESplan strategy is that any additional land that may be required in Edinburgh should be directed to brownfield sites first. The SDP is not identifying a preference for any further development of greenfield sites in West Edinburgh or South East Edinburgh to meet development requirements up to 2030.</p> <p>The cross boundary green network frameworks will identify blue networks that should be protected and enhanced for both minimising flood risk and protecting water bodies. The frameworks will provide a context for future planning decisions in these areas, covering both West and South East Edinburgh.</p> <p>The SDP strategy is considered to have an overall neutral impact on minimising flood risk and adverse significant effects on water bodies.</p>

**Summary of Table 2 compared to Interim Environmental Report at MIR stage**

4. Delivery of the strategy will have range of impacts. We have considered the impacts of the Placemaking Principles, and the more plan-led approach to identifying specific green infrastructure assets and their benefits and concluded there will be an overall positive effect on the SEA objective to protect and enhance natural heritage assets compared to the assessment at MIR stage.
5. Taking into account recent advice from SEPA, we have reassessed the impact on the objective ‘Minimise flood risk and adverse significant effects on water bodies’ as ‘neutral’ compared to the assessment at MIR stage as ‘overall positive’.
6. Although the plan seeks to prioritise brownfield land being developed and the additional housing land required may be minimal, land identified in current and emerging LDPs will be required to meet the plans development requirements. This includes development on greenfield areas and prime quality agricultural land.
7. Of the options in the MIR, the Growth Corridor option remains the option with the least environmental impact.

This page is intentionally left blank

<b>For Decision</b>	✓
<b>For Information</b>	

## **ITEM 7 – PROPOSED PLAN EQUALITIES AND HUMAN RIGHTS IMPACT ASSESSMENT**

Report by: Ian Angus, SDP Manager

---

### **Purpose**

This report presents the Equalities and Human Rights Impact Assessment relating to the preparation of the Proposed Plan for consideration by the Joint Committee.

### **Recommendations**

It is recommended that the Joint Committee notes the Equalities and Human Rights Impact Assessment attached as Appendix 1 to this paper.

### **Resource Implications**

As set out below.

### **Legal and Risk Implications**

All risks are detailed in the SESplan Risk Register and reported to Joint Committee on an annual basis.

### **Policy and Impact Assessment**

No separate impact assessment is required.

## **1. The Equalities and Human Rights Impact Assessment**

1.1 The Equalities and Human Rights Impact Assessment (EqHRIA) is prepared to help to ensure that SESplan does not discriminate and that, where possible, SESplan takes opportunities to promote equality as well as human rights and to foster good relations between groups. The EqHRIA considers the potential consequences of policies and functions on both identified equality target groups and the general population, making sure that as far as possible, any negative impacts are minimised or eliminated and that other opportunities for promoting equality and respect for all other human rights are maximised.

1.2 The first draft EqHRIA was published alongside the Main Issues Report. The responses received to the Main Issues Report and supporting documents including the draft EqHRIA have informed the preparation of the Proposed Plan. The EqHRIA will be published alongside the Proposed Plan.

1.3 The EqHRIA concludes that the Proposed Plan will have a positive or neutral impact on equalities groups and explains the reasons for this assessment. There is no requirement for SESplan to carry out a Human Rights Impact Assessment but human rights issues have been considered alongside equalities as the objectives of both are complimentary. The Human Rights Impact Assessment concludes that the Proposed Plan has no significant impact on human rights.

## **2. Next Steps**

3.1 The EqHRIA will be published with the Proposed Plan for the Period for Representations and made available online or on request from SESplan.

## **Appendices**

---

Appendix 1 Proposed Plan Equalities and Human Rights Impact Assessment

**Report Contact:** 01506 282879

---

**Report Agreed By:** Ian Angus, SDP Manager

**Author Name:** Ian Angus, SDP Manager

**APPENDIX 1 –**

# Equalities and Human Rights Impact Assessment: Proposed Strategic Development Plan 2016



Contents

<b>1 INTRODUCTION</b>	<b>3</b>
<b>2 STAGE ONE</b>	<b>5</b>
<b>3 HUMAN RIGHTS IMPACT ASSESSMENT</b>	<b>13</b>
<b>4 NEXT STEPS</b>	<b>15</b>

## 1 Introduction

The purpose of this Equalities and Human Rights Impact Assessment (EqHRIA) is to help ensure that SESplan does not discriminate and that, where possible, SESplan utilises opportunities to promote equality as well as other human rights and foster good relations between groups.

The EqHRIA considers the potential consequences of policies and functions on both identified equality target groups and the general population, making sure that as far as possible, any negative impacts are minimised or eliminated and that opportunities for promoting equality and respect for all other human rights are maximised.

The first draft EqHRIA was published alongside the Main Issues Report. This was part of a 10 week consultation from 21 July to 30 September 2015.

The responses received to the Main Issues Report and associated documents, including the Draft EqHRIA, have informed the preparation of the SESplan Proposed Strategic Development Plan. This EqHRIA has been published alongside the Proposed Plan.

### Assessment Process

The process of undertaking the EqHRIA of the SDP consists of three stages which are set out below:

**Table 1.1 The EqHRIA Assessment Process**

Stage	Information
<p><b>Stage One:</b></p> <p>Assessing the impact of existing policies or functions in different equality groups including collecting and analysing relevant data.</p>	<p>Step 1: Essential information is identified;</p> <p>Step 2: The aims of the project are outlined;</p> <p>Step 3: Information gathering takes place;</p> <p>Step 4: Assessment of impacts on equality;</p> <p>Step 5: Compliance assurance testing;</p> <p>Step 6: Monitoring and review; and</p> <p>Step 7: Public reporting of the results.</p>
<p><b>Stage Two:</b></p> <p>Consulting people who are likely to be affected by the policies.</p>	<p>Ensuring a comprehensive and inclusive consultation takes place that is relevant and proportionate to the Strategic Development Plan process.</p>

## 1 Introduction

Stage	Information
<p><b>Stage Three:</b></p> <p>Reviewing and revising the policies in light of the consultation and assessment.</p>	<p>Review and revise policies in light of consultations responses and the EqHRIA assessment.</p>

Stage One is undertaken ahead of key stages in preparing the Strategic Development Plan.

Stage Two includes periods of consultation on the MIR and Proposed Plan. The Proposed Plan Period for Representations will be held in Autumn 2016.

Stage Three of the assessment is to assess responses then review and revise policies.

## 2 Stage One

### Step One: Identify Essential Information

**Table 2.1 Identify Essential Information**

<b>Name of Function or Policy</b>	SESplan Proposed Plan
<b>Lead Officer for Function or Policy</b>	Ian Angus, SDP Manager
<b>Lead Service Involved in the Delivery of this Function or Policy</b>	SESplan, South East Scotland Strategic Development Planning Authority
<b>Lead Service Taking Primary Responsibility for this Impact Assessment</b>	SESplan, South East Scotland Strategic Development Planning Authority
<b>Is this Policy Function New or Reviewed</b>	Reviewed
<b>Date of Impact Assessment</b>	Stage One - April 2016 Stage Two - Autumn 2016 Stage Three - Autumn/Winter 2016
<b>Others Involved in the Delivery of this Function or Policy</b>	All six member authorities have been involved.
<b>How have the others been involved in the EqHRIA Process</b>	This draft assessment will be considered and approved by the SESplan Joint Committee and be published along with the Proposed Plan.

### Step Two: Outline Aims of the Function or Policy

#### What are the Main Aims of the Function or Policy?

The main aim of the Proposed Plan is to guide future development of the Edinburgh and South East Scotland City Region over the period to 2038.

## 2 Stage One

### Who are the Main Beneficiaries of the Function or Policy?

The citizens of the six Member Authority areas and those with an interest in growing the economy of the SESplan region.

### What are the Intended Outcomes of the Function or Policy?

The Vision of the Proposed Plan is:

*'Sustainable growth has been achieved by carefully managing those assets that provide the most benefits and by making well designed, successful places where people can thrive. More people are able to afford a home in a place near where they work. A series of cross-boundary transport projects has made travel by public transport easier and more people are cycling and walking to work. The economy continues to grow and the region remains an outstanding place to live, work and visit. Communities in the region are healthier and there is less inequality and deprivation.'*

The key aims of the Proposed Plan are listed below:

- Enable growth in the economy by developing key economic sectors and supporting local and rural development;
- Set out a strategy to enable delivery of housing requirements to support growth and meet housing need and demand in the most sustainable locations;
- Integrate land use and sustainable modes of transport, reduce the need to travel and cut carbon emissions by steering new development to the most sustainable locations;
- Conserve and enhance the natural and built environment;
- Promote green networks including through increasing woodland planting, enhance biodiversity and create more attractive, healthy places to live;
- Promote the development of urban brownfield land for appropriate uses;
- Promote the provision of improved sustainable infrastructure to enhance connectivity within the area, between the area and other parts of the UK and elsewhere to support economic growth and meet the needs of communities; and
- Contribute to the response to climate change through mitigation and adaptation and promote high quality design and development.

### Why is the Function or Policy being Addressed?

This assessment helps SESplan ensure that the Proposed Strategic Development Plan does not discriminate and enables the six Member Authorities to promote equality, as well as other human rights and good relations between groups.

### Is the Function or Policy intended to increase equality of opportunity by permitting positive action or action to redress disadvantage?

Yes

## Stage One 2

**Give Details**

The Planning etc. (Scotland) Act 2006 places an obligation on Scottish ministers and planning authorities to perform their functions under the Act in a manner which encourages equal opportunities and observe current equal opportunity requirements. This legislation came into force in early 2009.

The Scotland Act 1998 defines equal opportunities as *'the prevention, elimination or regulation of discrimination between persons on grounds of sex or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions.'*

**Step 3: Information Gathering Takes Place****What evidence will you use to identify any potential positive or negative impacts?**

- Regular discussion with the Project Board and Operational Group to identify key issues and outcomes;
- Events held for the key agencies to discuss issues and outcomes;
- Non-statutory 'Influence the Plan' Consultation (Spring 2014);
- Housing Needs and Demand Assessment consultation (Summer 2014);
- Main Issues Report Consultation (Summer 2015);
- Housing Needs and Demand Assessment;
- National Planning Framework;
- Scottish Planning Policy;
- Demographic forecasts and projections (National Records for Scotland);
- Land use and environmental research; and
- Responses received from the Proposed Plan Period for Representations (Autumn 2016).

The Proposed Period for Representations will include:

- A minimum of six weeks for interested parties to make representations on the Proposed Plan and Supporting Documents including the EqHRIA;
- Awareness raising through email mail-outs, advertisements, press releases, social media, the SESplan website and other appropriate publicity.

Further details of the SESplan Engagement Strategy and Participation Statement are set out within the [Development Plan Scheme 8](#) available to download from the SESplan website.

**Step 4: Assess the Likely Impacts on Equality Standards****Which, if any, Equality Target Groups and others could be affected by this function or policy?**

This assessment was based on the vision and spatial strategy of the Proposed Strategic Development Plan.

## 2 Stage One

Equality Target Group	Positive Impact (+)	Neutral Impact (0)	Negative Impact (-)
Race <sup>(1)</sup>		0	
Disability	+		
Gender <sup>(2)</sup>	+		
Lesbian, Gay, Bisexual		0	
Belief		0	
Children, Young People and Families	+		
Older People	+		
Mental Health Illness	+		
Religious/Faith Groups		0	
Low Income	+		
People Living in Rural Areas	+		
Homelessness	+		
Criminal Justice System		0	
Staff		0	
Others	+		

1 Includes Gypsies / Travellers

2 Includes Transgender

Stage One 2

**From the groups you have highlighted above. What positive and negative impacts do you think the function or policy might have?**

**Table 2.2**

Equality Target Group	Positive
Disability	New development will be located in sustainable locations and better integrated with existing communities. Increased supply and broader range of house types and sizes. Increased energy efficiency in new developments will reduce living costs and fuel poverty. Increased accessibility to new developments by non-car modes of transport including public transport. Improved quality of place and access to the natural environment.
Children, Young People and Families	Economic growth will increase employment opportunities and provide an Increased supply and broader range of house types, sizes and costs. New development will be located in sustainable locations and better integrated with existing communities. Increased accessibility to new developments by non-car modes of transport including public transport, walking and cycling. Increased energy efficiency in new developments will reduce living costs and fuel poverty. Improved quality of place and access to the natural environment.
Older People	New development will be located in sustainable locations and better integrated with existing communities. Increased supply and broader range of house types and sizes. Increased energy efficiency in new developments will reduce living costs and fuel poverty. Increased accessibility to new developments by non-car modes of transport including public transport. Improved quality of place and access to the natural environment.
Gender	New development will be located in sustainable locations and better integrated with existing communities. Increased accessibility to new developments by non-car modes of transport including public transport.
Mental Health Issues	New development will be located in sustainable locations and better integrated with existing communities. Improved quality of place and access to the natural environment.
Low Income	Economic growth will increase employment opportunities and provide an Increased supply and broader range of house types, sizes and costs. Increased accessibility to new developments by non-car modes of transport including public transport, walking and cycling. Increased energy efficiency in new developments will reduce living costs and fuel poverty.

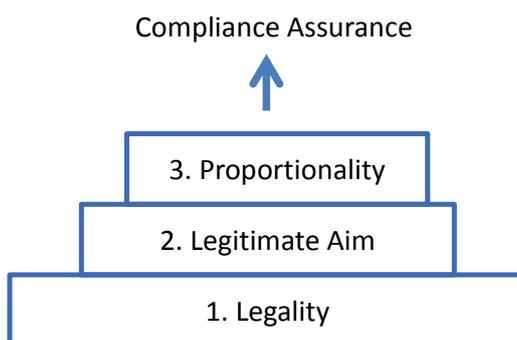
## 2 Stage One

Equality Target Group	Positive
People Living in Rural Areas	Increased economic growth, access to jobs, services and facilities.
Homelessness	Increased supply of affordable housing.
Other	Economic growth will increase employment opportunities and provide an increased supply and broader range of house types, sizes and costs. New development will be located in sustainable locations and better integrated with existing communities. Increased accessibility to new developments by non-car modes of transport including public transport, walking and cycling. Increased energy efficiency in new developments will reduce living costs and fuel poverty. Improved quality of place and access to the natural environment.

### Step 5 - Apply the Three Key Assessment Test for Compliance

Step 5 draws together all the steps of the EqHRIA tool to ensure that the application of policy is non-discriminating and human rights compliant.

**Figure 2.1 Tests for Compliance**



**Which of the human rights or equality rights may be directly or indirectly affected as identified in steps 3 and 4?**

Not applicable.

**Legality - Where there is a negative impact is there a legal basis in the relevant domestic law?**

Not applicable.

**Legitimate Aim - Is the aim of the Policy identified in Steps 1 and 2 a legitimate aim being serviced in terms of the relevant equality legislation or the Human Rights Act?**

## Stage One 2

Not applicable.

**Proportionality - Is the impact of the policy proportionate to the legitimate aim being pursued? Is it the minimum necessary interference to achieve the legitimate aim?**

Not applicable.

### **Step 6 - Monitoring and Review**

**How will the implementation of the Function or Policy be monitored?**

The implementation of the Strategic Development Plan will be monitored through the annual Monitoring Statement.

**How will the results of the monitoring be used to develop the Function or Policy?**

The Monitoring Statement will be used to inform preparation of future iterations of the Strategic Development Plan.

**When is the Function or Policy due to be reviewed?**

The Proposed Plan will be reviewed after the Period for Representations in Autumn 2016.

### **Step 7 - Public Reporting of Results**

**Summarise the results of the EqHRIA. Include any action which has been taken as a result of the EqHRIA. You must note if you have modified or consulted on the Function or Policy.**

A non-statutory consultation exercise ('Influence the Plan') was undertaken between April - May 2014 and provided early engagement with interested parties. The MIR consultation was undertaken from June - September 2015. The results from this consultation have helped inform the Proposed Plan.

**Positive Impacts - There will be positive impacts for some of the equality target groups in the following ways.**

**Disability** - Increased accessibility including non-car travel, range, type and cost of housing, energy efficiency, community integration and access to nature.

**Children, Young People and Families** - Increased accessibility including non-car travel, range, type and cost of housing, energy efficiency, community integration and access to nature..

**Older People** - Increased accessibility including non-car travel, range, type and cost of housing, energy efficiency, community integration and access to nature.

**Mental Health Illness** - Increased accessibility including non-car travel, range, type and cost of housing, energy efficiency, community integration and access to nature.

## 2 Stage One

**Summarise the results of the EqHRIA. Include any action which has been taken as a result of the EqHRIA. You must note if you have modified or consulted on the Function or Policy.**

**Low Income** - Economic growth will increase employment opportunities and increased housing supply will provide a wider mix of house types, size and cost. Targets to reduce demand for energy from new developments will reduce living costs.

**People Living in Rural Areas** - Increased access to jobs, services and facilities.

**Homelessness** - Increased supply of affordable housing.

**Other** - Economic growth will increase employment opportunities especially in regeneration areas. Improving quality of place.

## Human Rights Impact Assessment 3

### 3 Human Rights Impact Assessment

#### Human Rights Impact Assessment

Whilst it is not a requirement for SESplan to carry out a Human Rights Impact Assessment, human rights issues have been considered alongside equalities as the objectives of both are complimentary.

Human rights include:

- Right to life;
- Freedom from torture and inhuman or degrading treatment;
- Right to liberty and security;
- Freedom from slavery and forced labour;
- Right to a fair trial;
- No punishment without law;
- Respect for your private and family life, home and correspondence;
- Freedom of thought, belief and religion;
- Freedom of expression;
- Freedom of assembly and association;
- Right to marry and start a family;
- Protection from discrimination in respect of these rights and freedoms;
- Right to a peaceful enjoyment of your property;
- Right to education; and
- Right to participate in free elections.

Many of these rights cannot be influenced through the development plan process. The right to the peaceful enjoyment of your property, however, could be influenced through planning policies and proposals. There are no proposals arising from the Proposed Plan that are known to require compulsory purchase of property. Any project involving the compulsory purchase of land would need to prove that it would be in the public interest and in such instances anyone that would have land acquired would generally be entitled to compensation. This process would be carried out separate to the development plan process.

### 3 Human Rights Impact Assessment

Through the consultation process SESplan will ensure that personal information will be kept securely and not shared without permission, except in certain circumstances. In responding to the period of representations on the Proposed Plan and related documents, this information will be in the public domain. At a minimum signatures, email addresses and phone numbers will be deleted from any information published.

## 4 Next Steps

### Next Steps

This assessment is published with the Proposed Plan for a Period of Representations and is available online or on request from SESplan. The responses to the Period of Representations will be reported to the SESplan Joint Committee and used to inform any amendments before submitting the Strategic Development Plan to Scottish Ministers.

### Sign Off

The final stage of the EqHRIA is formally to sign off the document as being a complete, rigorous and robust assessment.



This page is intentionally left blank

For Decision	✓
For Information	

## ITEM 8 – PROPOSED PLAN AND PROPOSED ACTION PROGRAMME

Report by: Ian Angus, SDP Manager

---

### Purpose

This report presents the Proposed Plan and Proposed Action Programme to the SESplan Joint Committee for consideration and approval.

### Recommendations

It is recommended that the Joint Committee:

- a) Approves the Proposed Plan and Proposed Action Programme, attached as Appendices 1 and 2 to this report, for publication, subject to ratification of this decision by the member authorities;
- b) Notes the Housing Background Paper and SDP2 Transport Appraisal, attached as Appendices 3 and 4;
- c) Notes the process for the approval of supporting documents to the Proposed Plan, including technical notes, for publication set out in Appendix 5;
- c) Agrees that editorial changes of a non-policy nature to Appendices 1 and 2 are delegated to the Strategic Development Plan Manager in consultation with the SESplan Joint Committee and SESplan Project Board Chairs; and
- d) Agrees the publication proposals set out in paragraphs 4.1-4.4 of this report.

### Resource Implications

As set out below.

### Legal and Risk Implications

All risks are detailed in the SESplan Risk Register and reported to Joint Committee on an annual basis.

### Policy and Impact Assessment

No separate impact assessment is required.

## 1. Background

---

- 1.1 Under the terms of the Planning etc. (Scotland) Act 2006, the six member authorities that make up the SESplan Strategic Development Plan Authority (SDPA) are to prepare a Strategic Development Plan (SDP) for South East Scotland. The SDP is to set out a vision statement as the SDPA's broad view on the future development of the SESplan area, along with a spatial strategy for future development and land use within the area, taking into account cross border relationships.
- 1.2 Scottish Ministers expect SDPs to be concise, visionary documents that set clear parameters for subsequent Local Development Plans (LDPs) and inform decisions about strategic infrastructure investment. Vision statements within the SDP are to set out a view on 20 years hence and a context for the spatial strategy of the plan. The spatial strategy should provide clear direction and provide a strategy for new development up to Year 12 from plan approval, with a broad indication of the scale and direction of growth up to Year 20. The principal topics for SDPs are expected to be land for housing, business, shopping, waste management development, strategic infrastructure (including transport, water supply and waste water), strategic greenspace networks and green belts.
- 1.3 To facilitate and inform the development of the second SDP, the SDPA prepared a Main Issues Report (MIR2). The issues and options set out in MIR2 were informed by discussions at the Joint Committee and workshops involving Joint Committee members and other key stakeholders. At its meeting on the 29 May 2015, the SESplan Joint Committee approved MIR2 for publication for consultation. This decision was ratified by all six member authorities and MIR2 together with a series of supporting documents was published for a 10 week consultation on the 21 July 2015 on the [SESplan Consultation Portal](#).
- 1.4 A report on the consultation activities which took place over the consultation period was presented to the Joint Committee at its meeting on the [28 September 2015](#). It was notable that the MIR2 consultation attracted responses from a more representative mix of stakeholders than previous SESplan consultations and the number of responses received was significantly greater than in the majority of previous SESplan consultations. The Easy Read Guide to the MIR, which was an innovative and engaging, graphic led approach to the presentation of issues and options, was well received by consultees in all stakeholder groups. A report setting out the responses to the consultation together with detailed summaries of all individual responses was presented to the Joint Committee on [14 December 2015](#). All of the responses and supporting documents are available on the [SESplan Consultation Portal](#) or website.

## **2. The Proposed Plan**

- 2.1 The Proposed Plan and Proposed Action Programme are attached as Appendices 1 and 2. A number of technical assessments have informed MIR2 and the Proposed Plan. The Housing Background Paper and the Transport Appraisal for SDP2 are attached as Appendices 3 and 4. Appendix 5 summarises the approach to the approval of the Proposed Plan and all supporting documents for publication.

- 2.2 The Proposed Plan has been shaped by discussions at the SESplan Joint Committee and workshops with Joint Committee members, Key Agencies and others. The Proposed Plan has been developed under the direction of the SESplan Project Board and in consultation with member authorities and the Key Agencies. The City Region Deal team have also been consulted in the preparation of the plan. All of the submissions received through the MIR2 consultation have been considered in the preparation of the plan.
- 2.3 The Proposed Plan has been prepared within the context of the first Strategic Development Plan for the area, approved by Scottish Ministers in June 2013, and the Supplementary Guidance on Housing Land adopted by the member authorities in October 2014. A key requirement for the Proposed Plan is to provide continuity to ensure that the proposals already identified through the approved Strategic Development Plan and Local Development Plans prepared to accord with that are taken forward to delivery.
- 2.4 The Proposed Plan sets out an ambitious vision to guide the growth of the city region over the next 20 years. It provides a strategic basis for Local Development Plans to set out more detailed proposals for where development should and should not happen and a context for development management. The plan will also help to achieve the vision by influencing and supporting investment plans and other strategies affecting the region.
- 2.5 The Proposed Plan is intended to be accessible to all people with an interest in the plan. To help achieve that, the style of the plan is based on that of the Easy Read Guide to MIR2. The plan makes extensive use of graphics and is written in a straightforward style as far as is practical while ensuring that the plan continues to fulfil its role in directing Local Development Plans and in development management.
- 2.6 The Proposed Plan addresses all of the issues identified in MIR2. The key elements of the plan are:
- A Growth Strategy where **most growth over the next twenty years is focussed in and close to Edinburgh** and along growth corridors with good public transport;
  - A set of **Placemaking Principles** to guide Local Development Plans and decisions on new development proposals;
  - A set of **ambitious but realistic Housing Supply Targets and a generous supply of housing land**;
  - **A plan-led and prioritised approach to enhancing green networks** including the commitment to prepare Cross Boundary Green Network Frameworks as Supplementary Guidance to the plan;
  - **A Strategic Regional Walking and Cycling Network** and priorities for new or upgraded routes; and
  - A commitment to preparing **Supplementary Guidance on a Cross Boundary Transport Contributions Framework** to assist in the delivery of some of the transport inventions needed to deliver the vision.

- 2.7 The Housing Supply Targets have been developed in line with a methodology agreed between the SESplan member authorities. The methodology, set out in detail in the Housing Background Paper, Appendix 3, is based on a 2015 Housing Need and Demand Assessment (HNDA) certified as robust and credible by the Scottish Government Centre for Housing Market Analysis (CHMA). The approach is compatible with Scottish Planning Policy, the HNDA Managers Guide and Local Housing Strategy Guidance.
- 2.8 All of the technical work completed to inform MIR2 and the technical notes on Spatial Strategy, Housing Land, Economy, Minerals and Waste have been reviewed in the context of the Proposed Plan. The Housing Land Technical Note will be superseded by the Housing Background Paper. All of the other notes remain relevant to the Proposed Plan and do not require updating with the exception of the Green Network Technical Note. This note will be amended to reflect minor changes to the green network priority areas and the strategic, regional walking and cycling network, agreed with key partners, following the consultation on the MIR. Appendix 5 sets out the proposed approach to the approval of Proposed Plan and supporting documents including technical notes for publication.
- 2.9 The Final Report of a transport appraisal commissioned to inform the Proposed Plan is attached as Appendix 4. This appraisal builds on the emerging work from the Cross Boundary Transport Project led by Transport Scotland and assesses the impacts of the additional development required to meet SDP2's Housing Supply Targets. The assessment highlights that there are further journey time and congestion impacts in West, Central and North Edinburgh as a result of the additional housing inputs but these are very minor relative to the impacts of development already identified in existing plans. The assessment recommends outline interventions that could accommodate and mitigate these impacts.

### **3. The Action Programme**

---

- 3.1 The purpose of the Action Programme is to set out how the SDP will be implemented, relating actions to specific SDP policies. The Action Programme addresses the 'how', the 'when' and 'by who', not simply focusing on proposals for land releases or redevelopment but setting out all proposed actions required in order to effectively deliver the policy objectives of the plan. The Action Programme must contain the following;
- A list of actions required to deliver each of the Plan's policies and proposals;
  - The name of the person who is to carry out the action; and
  - The timescale for carrying out the action.
- 3.2 The Action Programme will focus on:

- a. actions to deliver cross-boundary infrastructure and infrastructure of regional importance
- b. actions to deliver national developments; and
- c. actions that require the input and coordination of more than one local planning authority to deliver.

3.3 This Action Programme has been developed in consultation with the member authorities, the Scottish Government, Key Agencies and officers working on the City Region Deal. Other stakeholders identified in the Action Programme are being consulted on the relevant actions and roles. Many of the funding commitments in the plan will be dependent on future Government spending reviews and public and private sector finance. The City Region Deal proposal, currently the subject of negotiation with Scottish and UK Government, is also likely to have a key role to play in delivering SESplan's vision.

3.4 The Action Programme will be published and submitted to Scottish Ministers alongside the SDP. The Action Programme is not subject to examination alongside the Proposed Plan but may be updated following the examination. The Action Programme will then be adopted and published within three months of the plan approval. Following its adoption, the Action Programme will be kept under review and updated and published at least every two years. Appendix 2 includes further details on the Action Programme.

#### **4. Next Steps**

---

4.1 A decision by the SESplan Joint Committee to publish the Proposed Plan and accompanying documents must be ratified by each of the member authorities. It is expected that this process will be completed in August 2016. Allowing time for the printing and distribution of the documents, it is expected that the Proposed Plan will be published around 13 September 2016 for a period of six weeks for representations to be made.

4.2 In accordance with Regulation 5 of the Town and Country Planning (Development Planning) (Scotland) Regulations 2008, the documents will be published and distributed as follows.

- A notice will be published in a local newspaper covering the region and on the internet setting out:
  - o That the document has been prepared, and where and when it may be viewed;
  - o A brief description of the content and purpose of the document;
  - o Details of how further information may be obtained; and
  - o A statement that representations may be made, and how, to whom and by when they should be made.
- Information advising of the Period for Representations will be sent to:
  - o The Key Agencies (13 in total);
  - o Adjoining planning authorities and SDPAs (11 in total); and
  - o Community Councils within the SDP area (232 in total).

- A copy of the document will be made available to inspect at an office of each of the constituent planning authorities (6 per member authority, 36 in total) and in all public libraries in the plan area (132 in total).
- The document and supporting information will be published on the internet.

4.3 To meet the above requirements, 700 copies of the Proposed Plan, Action Programme and updated Environmental Report and Addendum will be printed in hard copy. When publishing MIR2, hard copies were requested by and distributed to other organisations including housing associations, MPs and MSPs, developers, community councils and individuals. It is expected that demand for copies of the Proposed Plan will be higher and so an allowance for additional prints has been included within the above total.

4.4 In accord with the [SESplan Stakeholder Strategy](#) presented to the Joint Committee on 21 March 2016, an Engagement Action Plan for the Proposed Plan will be prepared in consultation with member authorities. The Engagement Action Plan will set out our approach to engaging the key groups identified in the Strategy. At the stage in the programme for SDP2, action will focus on raising awareness of the plan preparation process, explaining the content of the Proposed Plan and inviting formal comments on plan during the period for representations. The Engagement Action Plan will be presented to the Project Board on 26 August 2016.

## Appendices

---

Appendix 1	Proposed Strategic Development Plan 2016
Appendix 2	Proposed Action Programme
Appendix 3	Housing Background Paper
Appendix 4	SDP2 Transport Appraisal
Appendix 5	Approval of Proposed Plan and Supporting documents for publication

**Report Contact:** 01506 282879

---

**Report Agreed By:** Ian Angus, SDP Manager

**Author Name:** Ian Angus, SDP Manager

# SESplan



The Strategic Development Planning Authority  
for Edinburgh and South East Scotland

Page 43

*Thriving, Successful, Sustainable*  
**Proposed Strategic Development Plan**

September 2016

Draft

## SESplan and the Strategic Development Plan

SESplan is the Strategic Development Planning Authority for the Edinburgh and South East Scotland region. The region covers six council areas including City of Edinburgh, East Lothian, Midlothian, West Lothian, the Scottish Borders and the southern half of Fife. SESplan works in partnership with these six councils to prepare a Strategic Development Plan for the area.

A Strategic Development Plan is a statutory planning document which is prepared or updated every five years and covers a twenty year time period. It communicates strategic level and cross-boundary planning policy and applies national policy and guidance from the Scottish Government. It is used to inform the Local Development Plans prepared by each of the Local Authorities in the region.



## Have Your Say

SESplan is currently at a key stage in the preparation of the replacement Strategic Development Plan where we publish the Proposed Strategic Development Plan. The Proposed Strategic Development Plan is effectively a draft plan which represents our settled view on the final content of the replacement Plan. It has been informed by the responses received during the [Main Issues Report](#) consultation which took place between 21 July and 30 September 2015.

We are now inviting formal comments to be made on the Proposed Strategic Development Plan. At this stage representations should be limited to explaining what changes you consider should be made to the plan along with justification for the proposed changes.

The Proposed Strategic Development Plan publication period runs from XX September to XX October 2016. If you wish to submit a representation you should do so through the SESplan consultation Portal: [sesplan.objective.co.uk/portal](http://sesplan.objective.co.uk/portal).

In line with Scottish Government advice, the detail of each representation should be expressed in a concise way (no more than 2,000 words). A concise summary is also required (up to a maximum of 400 words), together with the change that is sought to the Proposed Plan.

Following completion of the publication period, SESplan is required to address all the representations and decide if any of them warrant modification to the Proposed Plan. If no modifications are considered appropriate then all of the representations and SESplan's response to them will be submitted to the Scottish Government alongside the Proposed Plan for examination.

The Proposed Strategic Development Plan and supporting documents can be viewed on the website [www.sesplan.gov.uk](http://www.sesplan.gov.uk), in public libraries, local planning authority offices and at the SESplan office at:

SESplan, Civic Centre, Howden South Road, Livingston, West Lothian, EH54 6FF

For more information, or if you are unable to submit a representation through the Consultation Portal, please contact us on 01506 282883 or [contactus@sesplan.gov.uk](mailto:contactus@sesplan.gov.uk)

To keep up-to-date you can sign up to our mailing list, follow us on Twitter @SESplan or like us on Facebook.

## Foreword and Introduction

This plan sets out an ambitious vision to guide the growth of the South East Scotland region over the next 20 years. Our vision is for a city region that is easier to move around and where there are better public transport options. The success of Edinburgh's Trams and the Borders Railway has demonstrated that people will choose non-car options where a good service is available, with consequent benefits to our environment, health and economy. However, if we're to deliver a better transport system for everyone, we need to step up the pace of the delivery of transport infrastructure, particularly for public transport, walking and cycling and find new ways to pay for it. This plan sets out a number of proposals to help us do that.

Recognising the challenge of meeting people's needs for a home, member authorities have worked together to ensure that the targets for housing delivery are ambitious, but achievable. A spatial strategy focused on growth corridors with good public transport will ensure that this housing will be directed to the right places. A series of placemaking principles and a plan-led approach to green networks means that this growth can be delivered without damaging the natural assets that make the region a great place to live, work and visit.

The announcement that a City Region Deal for our region will be developed, in partnership with the UK and Scottish Governments, means that there will be opportunities to fund and deliver infrastructure in more innovative ways in the years ahead. The partner authorities are committed to an ambitious proposal to deliver a step change in the region's economic performance. We will play our full part in that process and make use of the fiscal powers to ensure that this region continues to be the best place to live in Scotland.

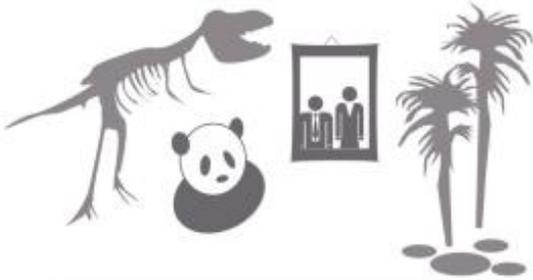
Councillor Stuart Bell

Convenor SESplan



## Distinctive Heritage and Culture

Home to over half of the top **20** most visited attractions in Scotland and 1 in the UK top **10**



Festival City – Edinburgh hosts the largest annual cultural festival in the world. Generating over **£260** million in the Scottish economy

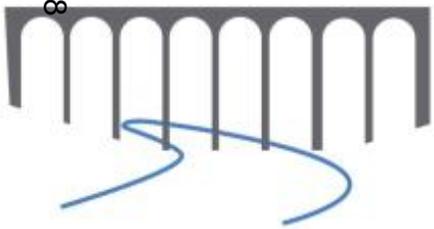
**Two UNESCO World Heritage Sites - Old and New Towns of Edinburgh and the Forth Bridge**



Scotland's Golf Coast  
Musselburgh to Dunbar

## A World Class Environment

**Two** National Scenic Areas - Eildon & Cadzow and Upper Tweedale



Tweed Valley Forrest Park - including Glentress Mountain Biking Centre

Pentland Hills Regional Park - Edinburgh's Playground & Lomond Hills Regional Park - Fife's playground!



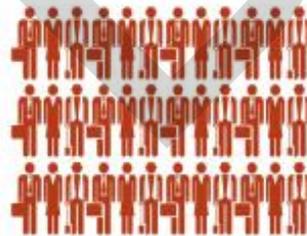
**3** National Nature Reserves - Blawhorn Moss, Whitlaw Mosses & St Abb's Head



Over **20** Natura Sites - Protected Areas of European Importance including most of the Firth of Forth Coast and Islands

## A Smart Economy

City Region contributes over **£33** billion of Gross Added Value to Scotland's economy. **26%** of the country's output



Edinburgh is the second most prosperous city in the UK (2013)



There is a skilled workforce **31.7%** working age population educated to degree or equivalent level (Scotland 26.4%) and we are home to **4** major universities

The city is a centre for excellence for financial services and the region is one of the UK's leading technology hubs

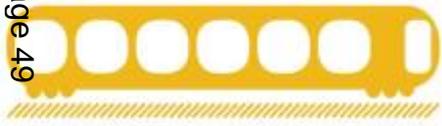


## Advanced Engineering and Infrastructure



The Queensferry Crossing is the longest three-tower, cable-stayed bridge in the world and the **tallest bridge in UK.**

Page 49



Borders Railway - longest domestic railway constructed in Britain for over **100** years.

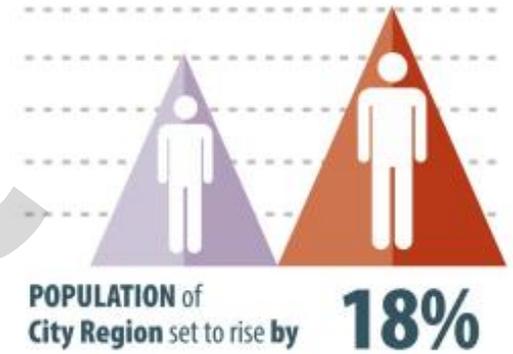


Edinburgh Airport  
Scotland's Busiest Airport  
with over **11** million  
passengers

## A Region of Opportunities



## SESplan Assets



# City Region Vision for 2038

*Thriving, Successful, Sustainable*

Sustainable growth has been achieved by carefully managing those assets that provide the most benefits and by making well designed, successful places where people can thrive. More people are able to afford a home in a place near where they work. A series of cross-boundary transport projects has made travel by public transport easier and more people are cycling and walking to work. The economy continues to grow and the region remains an outstanding place to live, work and visit. Communities in the region are healthier and there is less inequality and deprivation.

What Change?

Spatial Strategy

Most growth in and around Edinburgh and in Long Term Growth Corridors

Placemaking in the city region

Rural Growth Areas

Green Belts

Cross-Boundary Green Networks

Strategic Cross-Boundary Transport Improvements

Key Diagram, page 11. Placemaking Principles, page 13.

Where?

Key Areas of Change



How?

Delivery Themes

Strategic Opportunities

Outcomes

A Place to do Business

Locations for Investment  
page 23

Improved employment opportunities and a more productive workforce

A Low Carbon Economy  
page 30

Impacts from climate change minimised and carbon reduction targets met

Increasing Housing Delivery  
page 34

Well-designed homes that meet more of the need for affordable housing

A Place for Communities

Thriving Town Centres  
page 41

Vibrant town centres

Enhanced Green Networks  
page 42

Reduced health and education inequalities

A Better Connected Place

Supporting Non-Car Travel  
page 45

More people use public transport and journey times are quicker

Regional Walking and Cycling  
page 46

Walking and cycling account for a bigger proportion of journeys

Strategic Transport Improvements  
page 48

## 2 The Vision

### Delivering the Vision

**2.1** The Strategic Development Plan will help achieve the SESplan vision by:

- Providing direction to Local Development Plans in the city region. Specific directions to Local Development Plans are emboldened and begin "**Local Development Plans will...**"
- Providing a context for development management – all planning applications have to be determined in accordance with the Development Plan<sup>(1)</sup> unless material considerations indicate otherwise. Specific statements relevant to development management are emboldened and begin "**Development should...**" or "**Development must...**"
- Influencing and supporting investment plans, strategic plans and other strategies affecting the region
- Identifying key strategic actions in the plan and in the SESplan Action Programme. Specific statements committing SESplan member authorities to take action begin "**SESplan member authorities will...**"

### SESplan Action Programme

**2.2** Many of the actions needed to deliver this plan are already set out in the action programmes related to each of the Local Development Plans in the city region. The SESplan Action Programme published alongside this plan will therefore focus on actions:

- to deliver cross-boundary infrastructure and infrastructure of regional importance
- to help deliver national developments
- that require the input and coordination of more than one local planning authority to deliver

### City Region Deal

**2.3** The member authorities are currently engaged in negotiations to conclude a 'City Region Deal' for the city region. This is a deal between the Scottish Government, UK Government and SESplan member authorities that allows greater fiscal autonomy on the basis of an investment programme that demonstrates additional economic growth. It is likely that this investment will help deliver some of the infrastructure needed in areas already allocated for development.

**2.4** It is too early to predict the impact of this potential new investment on the economy of the region or the extent to which economic growth may affect housing demand. However, taking into account the potential opportunities, this plan includes ambitious housing targets and a generous housing land requirement. These reflect estimates of housing demand based on an economic future where the public and private sector provide the kind of strong leadership that is a key feature of City Region Deal.

<sup>1</sup> The Development Plan for each of the local authority areas within this city region comprises the relevant Local Development Plan and the Strategic Development Plan (supported by relevant supplementary guidance)



# Spatial Strategy

## 3 The Spatial Strategy

### The Spatial Strategy

#### Most growth in and around Edinburgh and in Long Term Growth Corridors

**3.1** Over the next 20 years, most growth will be focused in and around Edinburgh and in indicative Long Term Growth Corridors (See Figure 3.1). The City of Edinburgh will meet a larger proportion of the region's housing need than in previous plans. This will help minimise commuting by car and reduce transport related carbon emissions, as well as making best use of existing infrastructure. 'A Place for Communities' (page 33) sets out the housing land requirement for each local authority area in the period 2018-2030 and provides an indication of the scale of housing land required beyond 2030.

#### Strategic Growth 2018-2030

**3.2** For the next 12 years, the need for strategic growth will be largely met by land already identified in existing and proposed Local Development Plans. The key diagram identifies the broad location of this as 'Strategic Growth 2018-2030'. Most of this will occur in and around Edinburgh and along transport corridors.

#### Growth Beyond 2030

**3.3** Beyond 2030, growth will be directed to locations in and around Edinburgh, locations along Long Term Growth Corridors and settlements within Rural Growth Areas. The purpose of the Long Term Growth Corridors is to direct growth to those transport corridors of primary importance for long term strategic growth. Rural Growth Areas identify those rural settlements in the Scottish Borders with potential for long term growth. The Placemaking Principles set out in Table 3.1 will be relevant over the long term and subsequent Strategic Development Plans will also include Placemaking Principles that guide the location and scale of development.

**3.4** If required to do so on the basis of future assessments, subsequent Strategic Development Plans will identify more specific locations suitable for further strategic growth in line with this long term growth strategy and the Placemaking Principles. In doing so they may direct subsequent Local Development Plans to release land, including land from the green belt, at locations along the Long Term Growth Corridors. These Local Development Plans may give more explicit policy protection to green networks in the remaining 'green wedges', in a way that recognises the full range of benefits and services that green networks provide (para. 5.20).

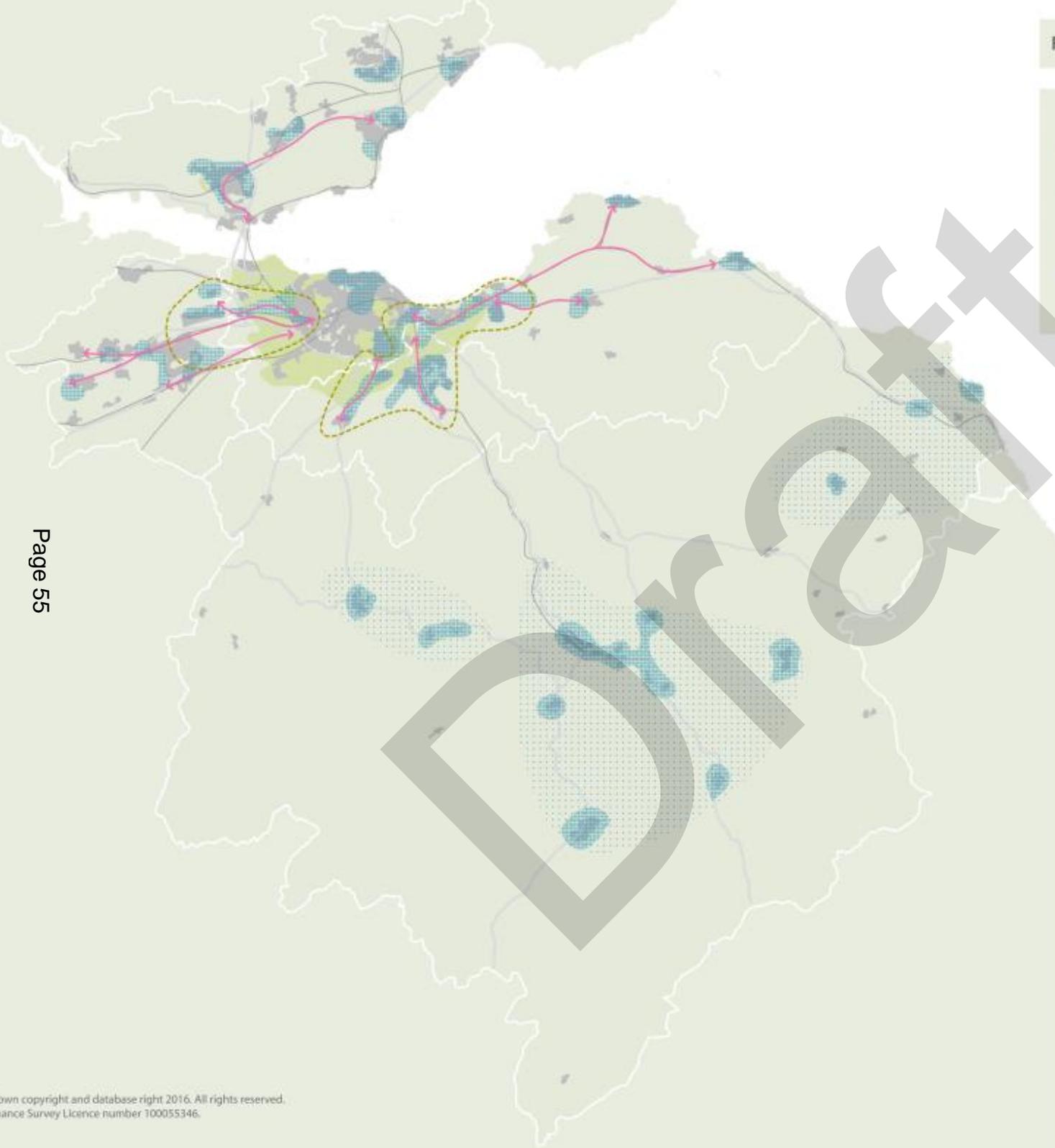
#### Placemaking in the City Region

**3.5** Placemaking is a collaborative process that includes design, development and renewal of our urban and rural built environments. Good places play a fundamental role in attracting investment and supporting economic growth, promoting healthy lifestyles and providing a sense of identity and community. **SESplan member authorities will ensure that communities are involved in the design and shaping of development at an early stage, using tools such as the Place Standard to engage local people in conversations about what places should be like.**

**3.6** Development should take account of the Placemaking Principles set out in Table 3.1. **Local Development Plans will include development frameworks, masterplans and design briefs that are aligned with relevant community plans and have been developed jointly with local people. Local Development Plans will be guided by the Placemaking Principles detailed in Table 3.1. and ensure that all international, national and locally designated areas are afforded the appropriate level of protection.** The City Region Assets on page 4 illustrate many of the key natural and historic assets of international, national and regional importance.

Figure 3.1 Key Diagram

- Strategic Growth 2018-2030
- Long Term Growth Corridor 2030+
- Rural Growth Areas
- Cross-boundary Green Network Areas
- Green Belt



## 3 The Spatial Strategy

### Strategic Cross-Boundary Transport Improvements

**3.7** Increasing traffic congestion has a major impact on movement into Edinburgh but also on movement to and between the western and south eastern fringes of the city. While the majority of these congested areas lie within the City of Edinburgh boundary, many of the journeys that contribute to that congestion are generated in neighbouring authorities. This plan sets out some of key the strategic transport improvements that are likely to be needed to address these cumulative and cross-boundary impacts. It also sets out the principles underpinning a Cross-Boundary Transport Contributions Framework, to be established through Supplementary Guidance, and the matters that the guidance will address.

### Green Belts & Related Countryside Designations

**3.8** Figure 3.1 Identifies the broad location of the existing green belts around Edinburgh and to the west of Dunfermline. **Local Development Plans will identify and maintain green belts and other countryside designations fulfilling a similar function where they are needed:**

- **To maintain the identity, character and landscape setting of settlements and prevent coalescence**
- **To protect and provide access to open space**
- **To direct development to the most appropriate location and support regeneration**

**In doing so, Local Development Plans will take into account any relevant guidance on green networks.**

### Cross-Boundary Green Networks

**3.9** Two Cross-Boundary Green Network Priority Areas have been identified to focus action on places where a coordinated, cross-boundary approach is needed to maximise the benefits of green infrastructure. **SESplan member authorities and key partners will prepare Strategic Frameworks for two cross-boundary Green Network Priority Areas (Edinburgh & West, Edinburgh & East) and adopt the frameworks as Supplementary Guidance to the plan. These frameworks will:**

- **Identify and safeguard those elements of the green network that provide, or have the potential to provide, the greatest benefits for people and nature**
- **Identify strategic enhancements to green networks that will add value to existing settlements, developments for which land has already been allocated and any new allocations in subsequent Local Development Plans**
- **Provide an additional context for development planning decisions**

Table 3.1 Placemaking Principles

<b>Distinctive</b>	Areas important for maintaining the character, landscape setting and distinctive identity of existing and proposed settlements should be protected and enhanced, particularly where they are needed to avoid the coalescence of settlements. The contribution of the natural and historic environment to making distinctive places should be maximised. Key views of the surrounding landscape should be integrated into developments to provide a sense of place and identity. Views of the Southern Uplands, the Lammermuir Hills, the Firth of Forth, the Pentland Hills, the Lomond Hills, the Bathgate Hills and key the landmarks of Edinburgh are particularly important in supporting a sense of place and making settlements distinctive.
<b>Safe and Pleasant</b>	Public spaces should be free from excessive traffic noise and air pollution and the needs of people should be considered before the movement of motor vehicles. Public spaces should be overlooked by housing, so that the people who use them feel safe and the people who live nearby feel a sense of ownership. It should be easy for people to access green/open space, including places where they can enjoy nature. Developments should be located within a network of green and blue infrastructure that provides a pleasant outlook for the people living and working there.
<b>Welcoming</b>	Gateways into settlements and extensions to existing settlements should be interesting, memorable and contribute to local distinctiveness. A wide range of public spaces of different types and character, accessible to all, should be provided that appeal to people of different ages and with different interests. Neighbourhood centres should include attractive and safe indoor and outdoor spaces where people can interact.
<b>Adaptable</b>	Development should be located where a wide range of densities, tenures and uses can be supported to meet the changing needs of the community into the future. Green networks should be multi-functional. They should comprise infrastructure that provides a range of benefits and can be adapted and enhanced depending on the local need for growing spaces, play spaces, natural spaces, public parks, sustainable urban drainage and the need to adapt to climate change.
<b>Resource Efficient</b>	New development should be located near existing public transport hubs, or in locations where there are planned infrastructure projects to enable easy access to the public transport network. The re-use or re-development of brownfield land should be considered before new development takes place on greenfield land, including Prime Agricultural Land and other land important for food production. Development should be located and orientated to maximise passive solar heating and opportunities for solar power generation. Heat mapping and other approaches should be used to identify opportunities to co-locate sources of high heat demand (e.g. housing) with sustainable sources of heat supply (e.g. biomass power plants). Development should be located away from functional flood plains and areas of medium to high flood risk. Areas important for flood storage and conveying capacity should be safeguarded for a range of compatible uses such as recreation, water quality management, flood attenuation and habitat creation. Development should be designed to minimise the area of impermeable surface and incorporate Sustainable Drainage Systems (SuDS) as appropriate.
<b>Easy to Move Around</b>	There should be good walking and cycling networks close to where people live, providing safe and convenient access to local facilities and to public transport stops. There should be a range of public transport options that provide easy access into Edinburgh, strategic centres, town centres, local centres and centres of employment. Developments should integrate with, and contribute to, the enhancement of walking and cycling networks.

## 3 The Spatial Strategy

### Key Areas of Change South East

**3.10** Edinburgh city and the Long Term Growth Corridors radiating east and south east encompass a range of strategic development opportunities over the next 20 years. The challenge in this area is to ensure that infrastructure is delivered that enables existing allocated sites to fulfil their potential.

**3.11** Blindwells and Edinburgh Waterfront remain a high priority for growth. The tram extension to Leith and Granton and the establishment of an attractive cycleway and footpath is fundamental to achieving a thriving low carbon waterfront community connected to the city. Blindwells could become one of the largest investment opportunities in south east Scotland. The site could deliver over 6,000 homes over the longer term, but will require much greater cooperation between landowners and the public sector to deliver the education and transport infrastructure needed to unlock its full potential.

**3.12** Shawfair station is at the centre of what will be a new community in Midlothian with the potential to deliver over 4,000 new homes and significant new employment land over the next 20 years. The scale of the proposal means there will be opportunities to provide more innovative low carbon power and heat solutions to support a more

sustainable place. Eskbank station will provide ready access to the Midlothian Community Hospital and a ten minute rail link between Edinburgh College campuses in Midlothian. New transport links from Shawfair station to the Royal Infirmary of Edinburgh will be needed to deliver benefits to patients and visitors from Midlothian and the Scottish Borders. A new rail station at East Linton and improved rail services on the East Coast line would help reduce commuting by road into the capital.

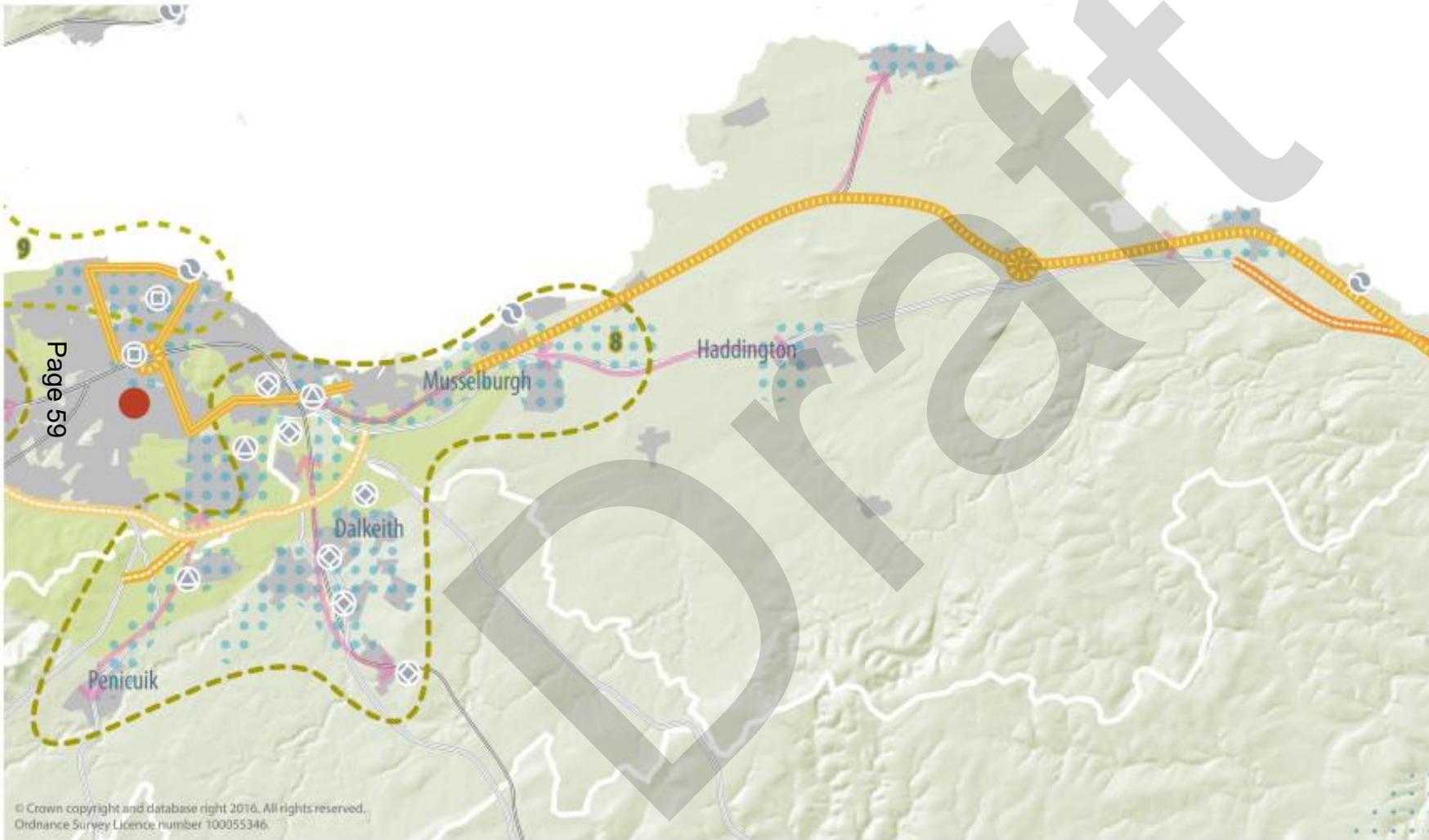
**3.13** Leith is a strong location for large scale manufacturing, installation, operations and maintenance for the renewables industry as well as a centre for the creative industries. The former Cockenzie Power Station site is not currently subject to specific proposals for carbon capture and storage and thermal generation. It remains part of an Area of Coordinated Action, but relevant stakeholders should consider a wider range of potential future uses for this site. The BioQuarter, Bush and BioCampus are key elements of the Edinburgh Science Triangle, one of the top ten research and development locations in Europe. They offer opportunities for academic, commercial and clinical research and a range of expansion opportunities for technology and bio-industries. The tram line extension to the BioQuarter,

Newcraighall and Queen Margaret University would provide a major contribution to reducing traffic into and out of Edinburgh.

**3.14** Midlothian, City of Edinburgh and East Lothian Councils will work together to take a plan-led approach to identifying and, where possible, enhancing the key green infrastructure around the periphery of Edinburgh. The priorities for action include addressing the City Bypass as a barrier to active travel and upgrading cycle routes on the A199 to become a cycle super-highway, providing an artery linking East Lothian with Edinburgh. It will also be important to establish and maintain a high quality landscape setting for existing and future settlements and identify and safeguard key strategic areas of open space.

**3.15** In order to deal with what is one of the region's major challenges in delivering sustainable growth, a range of transport interventions are likely to be needed around the periphery of south east Edinburgh. Major upgrades to junctions on the A720 are likely to be required to deal with existing congestion hotspots and to cope with future increases in traffic associated with housing delivery. Major upgrades to walking and cycling infrastructure and public transport provision will also be needed to encourage more people to leave their car at home for journeys into and around Edinburgh.

Figure 3.2 South East



- STRATEGIC TRANSPORT IMPROVEMENTS**
- Junction New/Improvement
  - Road New/Upgrade
  - Tram Extension
  - Rail Improvement/Upgrade
  - A720 Improvements and Orbital Bus
  - Rail Station New/Improvement
  - Longer Term and Aspirational Projects
  - Road Upgrade
- SIGNIFICANT BUSINESS CLUSTERS**
- Forth Coast Cluster
  - Innovation and Science Cluster
  - Central Business Cluster
  - Borders Rail Cluster
- GREEN NETWORK**
- Edinburgh and East
  - Forth Shores
- Other Features**
- City Centre
  - Strategic Growth 2018-2030
  - Long Term Growth Corridor 2030+
  - Green Belt

## 3 The Spatial Strategy

### Key Areas of Change Edinburgh and West

**3.16** The completion of a new railway station is a key requirement in the delivery of an expanded settlement at Winchburgh in West Lothian, with the potential to accommodate over 3,000 homes and additional employment land. However, developers will need to address some of the additional infrastructure challenges relating to education provision. The new village at Calderwood and growth at Armadale and Bathgate (Wester Inch) will also make a substantial contribution to meeting housing needs.

**3.17** Livingston is the largest area of employment outside Edinburgh providing a range of opportunities for information and communication industries, life sciences, technology and precision engineering. Heartlands is an emerging community near Whitburn combining residential, business, retail and leisure opportunities with opportunities for further environmental improvement. The Polkemmet and Breich Water Green Network Priority Area provides a focus for partners to deliver a plan-led approach to identifying and delivering these improvements.

**3.18** West Edinburgh has the potential to deliver a range of opportunities for strategic growth, including the delivery of substantial housing developments with good transport connections. Edinburgh International Business Gateway provides a focus for substantial business-led investment and the land adjacent to Edinburgh Airport has been identified for a range of commercial and mixed uses. A long term masterplan for International Business Gateway is already in development, with the site being positioned as a top quality global business location aimed at attracting high value jobs from other areas of the UK and Europe.

**3.19** The Gogar Rail Interchange station on the Edinburgh to Fife line and a new stop on the Edinburgh Tram network will improve access to the airport. In addition, the City of Edinburgh Local Development Plan has safeguarded land for a future extension to the tram system to Newbridge. In the longer term there may be opportunities to extend this line to Broxburn, Uphall and Livingston.

**3.20** The Edinburgh and West Cross-Boundary Green Network Priority Area provides an opportunity for the City of Edinburgh and West Lothian to collaborate on a more plan-led approach to identifying the value of the green infrastructure within and beyond the Edinburgh green belt. A key priority will be to enhance landscape character at and around settlement gateways. Key opportunities here include the completion of a River Almond Walkway and a A71 cycle super highway linking south Livingston with Balerno, Currie and West Edinburgh. The creation of a high quality, segregated route will provide a key strategic link in the region's cycling network. Innovative approaches to water management, including the de-culverting of the Gogar Burn, will be needed to deliver growth opportunities in this area without increasing flood risk.

Figure 3.3 Edinburgh and West



- STRATEGIC TRANSPORT IMPROVEMENTS**
- Junction New/Improvement
  - Road New/Upgrade
  - Tram Extension
  - Rail Improvement/Upgrade
  - A720 Improvements and Orbital Bus
  - Rail Station New/Improvement
- SIGNIFICANT BUSINESS CLUSTERS**
- Forth Coast Cluster
  - Innovation and Science Cluster
  - Central Business Cluster
  - West Edinburgh Business Cluster
  - West Lothian Cluster
  - Borders Rail Cluster
- GREEN NETWORK**
- 5 Linlithgow
  - 6 Polkemmet and Breich Water
  - 7 Edinburgh and West
  - 8 Edinburgh and East
  - 9 Forth Shores
- City Centre
- Strategic Centres
- Edinburgh Airport
- Strategic Growth 2018-2030
- Long Term Growth Corridor 2030+
- Green Belt

## 3 The Spatial Strategy

### Key Areas of Change Fife

**3.21** The Forth Bridges are a key gateway to employment and business. The opening of the Queensferry Crossing in 2016 and the use of the Forth Road Bridge for public transport, walking and cycling has been important in ensuring Fife can continue to benefit from opportunities in the city region and beyond.

**3.22** However, if this plan's vision is to be delivered in full, it is important that Fife's socio-economic needs continue to be met locally where possible in order that the area's towns can continue to thrive and the need to travel to employment is reduced. Rosyth Waterfront, Burntisland Port and Energy Park Methil (part of the 'Forth Coast Cluster') provide a range of business opportunities, including renewables manufacture and servicing. Improvements to the port at Rosyth will provide some of the Additional Freight Handling Capacity on the Forth (a National Development) needed in relation to heavily used North Sea freight shipping routes. Further environmental assessment work is currently being carried out to support the marine consents needed to progress this work.

**3.23** Areas around Dunfermline have the potential to deliver over 6,000 homes. Key to the delivery of these sites is the provision of a northern relief road and a western distributor road. These will work alongside new park and ride schemes and the improved access to the Forth Bridge to provide a range of travel options.

**3.24** A taskforce is currently developing a masterplan for the former powerplant at Longannet, with a focus on maximising employment opportunities. Significant growth is also planned in Kirkcaldy and development along the northern arc of the Fife Circle railway line will help bring about the regeneration of brownfield land associated with the former mining communities of the Ore Valley and Upper Leven Valley. The Levenmouth Rail Link would encourage more non-car travel, opportunities for more rail-freight and provide a further incentive to those looking to invest in the area.

**3.25** A Green Network Priority Area has been identified near Dunfermline, recognising that there are opportunities to strengthen the landscape setting of the settlement to the north and west and provide a more joined up walking and cycling network providing access to Townhill Country Park. Green Network Priority Areas have also been identified for the Ore Valley, the Kirkcaldy Gateways and Levenmouth and Coast, where there are a number of opportunities to help deliver green network improvements alongside new housing to strengthen the sense of place.

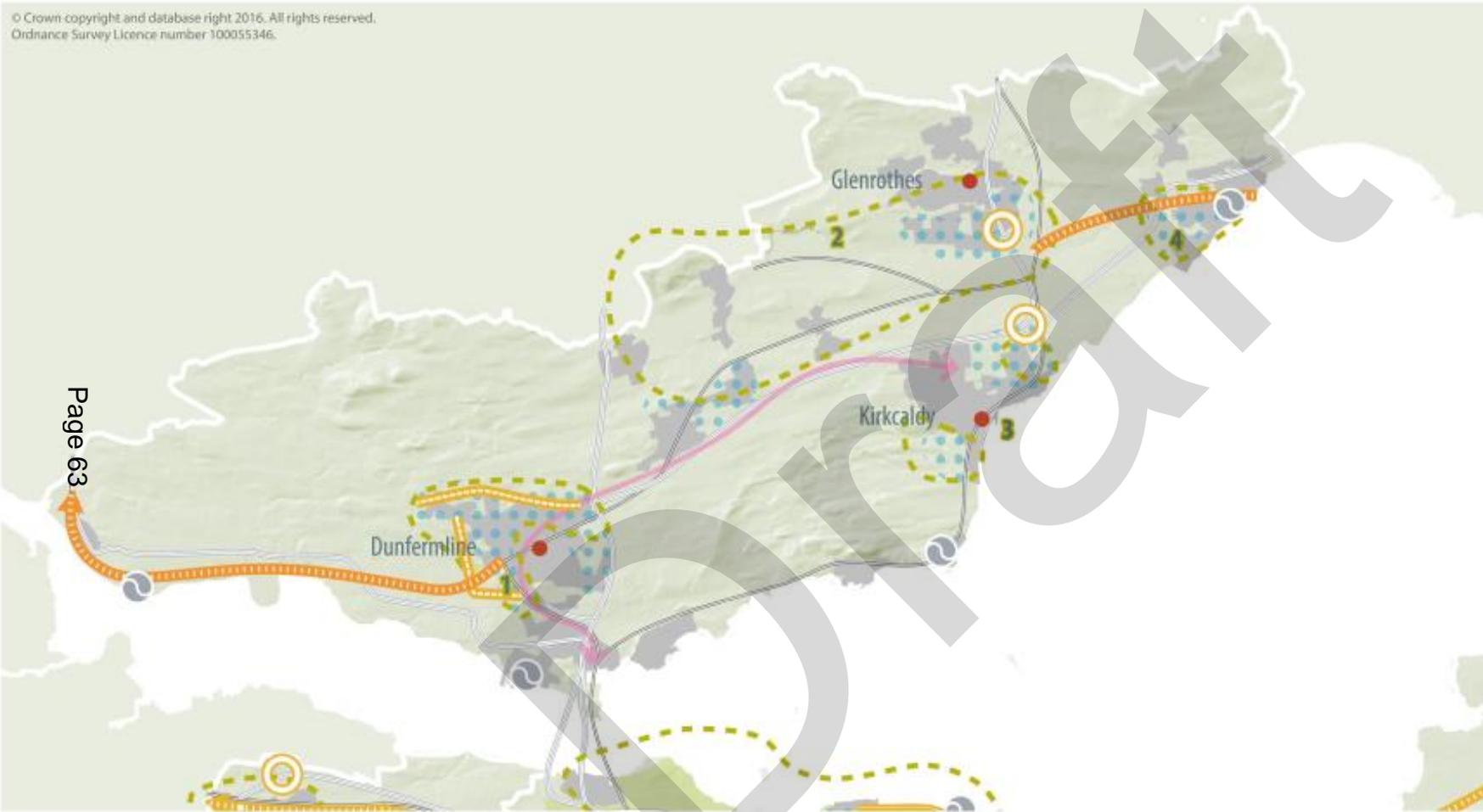


Figure 3.4 Fife

- STRATEGIC TRANSPORT IMPROVEMENTS**
  - Junction New/Improvement
  - Road New/Upgrade
  - Rail Improvement/Upgrade
- Longer Term and Aspirational Projects**
  - Rail Upgrade/Extension
- SIGNIFICANT BUSINESS CLUSTERS**
  - Forth Coast Cluster
- GREEN NETWORK**
  - 1 Dunfermline North and East
  - 2 Ore Valley
  - 3 Kirkcaldy Gateways
  - 4 Levenmouth and Coast
- Strategic Centres**
- Strategic Growth 2018-2030**
- Long Term Growth Corridor 2030+**
- Green Belt**

## 3 The Spatial Strategy

### Key Areas of Change Scottish Borders

**3.26** Strategic growth in the Scottish Borders will be directed to three Rural Growth Areas in Central Borders, Western Borders and Berwickshire. Border towns within these growth areas provide the focus for retail, commercial and strategic employment opportunities. Improved connectivity to Edinburgh to the north and Newcastle and Carlisle to the south is essential for the future economic growth of this area.

**3.27** The Borders Railway is the longest new railway to open in the UK for over a hundred years. New stations along the route provide new opportunities for businesses and communities. It has performed beyond expectations and provides an impetus to drive new development and business opportunities into the rural heartlands of the Scottish Borders. To maximise the opportunity, areas around the line as far south as Hawick have been given Assisted Area status.

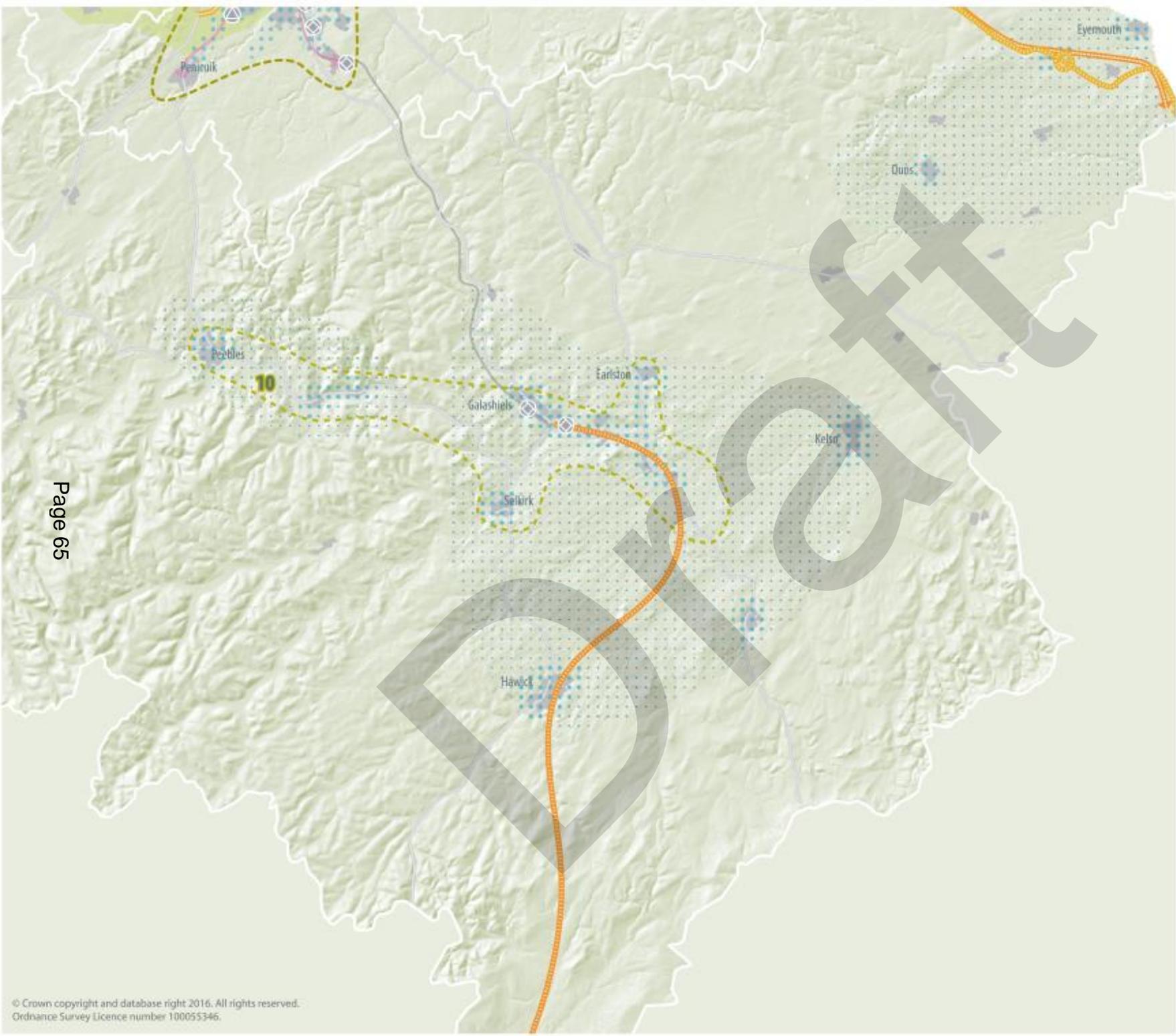
**3.28** In Galashiels, Tweedbank and neighbouring communities, the Borders Rail line provides further opportunities to connect and grow communities. A potential future extension of the railway to Hawick and beyond is currently being considered by the Scottish Government. Major flood schemes in Selkirk, Hawick and Galashiels will also provide opportunities for growth and regeneration in the Central Borders.

**3.29** The line has made it easier for people in Edinburgh to travel to the Scottish Borders, widening the labour catchment and making it easier for businesses to recruit. It has provided a boost for retail and tourism businesses and better access to education opportunities at Borders College and the Heriot-Watt School of Textiles and Design. The rail link has also underpinned significant investment at the Central Borders Business Park at Tweedbank.

**3.30** On the East Coast Main Line, a new station at Reston will provide settlements in the Berwickshire with easier access to employment and education markets in Edinburgh and encourage more people to visit the area. Dualling of the A1 and local improvements to the A68 and A7 will improve journey times to and from England.

**3.31** The Countryside around Town designation provides the framework and setting for the Central Borders area and surrounding towns. A Strategic Green Network Priority Area connects settlements in the Central Borders with Peebles and Innerleithen in the western borders. Former railway lines represent a network of former track beds which link many of the larger towns. The network offers considerable potential for walking and cycling access to town centres and to tourism sites including Traquair House, Glentress Mountain Biking Centre, Abbotsford, Melrose and Dryburgh Abbey, Eildon and Leaderfoot National Scenic Area and the River Tweed.

Figure 3.5 Scottish Borders



- STRATEGIC TRANSPORT IMPROVEMENTS**
  - Rail Improvement/Upgrade
  - Rail Station New/Improvement
  - Longer Term and Aspirational Projects
    - Road Upgrade
    - Rail Upgrade/Extension
- SIGNIFICANT BUSINESS CLUSTERS**
  - Borders Rail Cluster
- GREEN NETWORK**
  - Scottish Borders
- Strategic Growth 2018-2030
- Rural Growth Areas



# A Place to do Business

## Locations for Investment

**4.1** This region has the potential to make a huge contribution to boosting Scotland's competitiveness and tackling inequality in line with the Scottish Government's Economic Strategy. This section sets out a range of strategic opportunities for investment in the region's infrastructure to help businesses to grow, innovate, and create good quality employment opportunities.

## Significant Business Clusters

**4.2** This plan identifies a number of Significant Business Clusters. These are broad locations where groups of similar or complementary business sectors or industries operate and where there are opportunities for expansion. This plan also includes clusters of different types of businesses or opportunities that share a common geography, such as the new opportunities made possible by the new Borders Rail Link.

**4.3** The clusters have been identified for their contribution or potential contribution to the city region's distinctive economy. Aligned with the spatial strategy and operating across local authority boundaries, the clusters provide opportunities for continued growth and expansion supporting a growing sustainable economy and increasing jobs.

**4.4** The clusters incorporate growing and established sectors and areas experiencing economic change where there are significant new opportunities. They include the growth sectors and National Developments identified by the Scottish Government and Scottish Enterprise<sup>(2)</sup> but also the industries and related sectors particular to the economy of south east Scotland.

**4.5** **SESplan member authorities will promote investment in the locations identified in Table 4.1. Local Development Plans will safeguard their future expansion by identifying and safeguarding sufficient land and supporting infrastructure including public transport and walking and cycling provision. Local Development Plans will adopt a flexible approach to allow for new long term employment opportunities.**

**4.6** **Local Development Plans will also consider whether to identify local based business clusters.** Identification of clusters at a local level can ensure the alignment of employment uses with housing and infrastructure, including sustainable travel networks.

**4.7** The strategic centres identified in the Place for Communities section are also key areas for investment and economic development.

<sup>2</sup> [National Planning Framework \(2014\)](#), [Enterprise Areas](#), [National Renewables Infrastructure Plan](#)

## 4 A Place to do Business

Table 4.1 Significant Business Clusters

Significant Business Cluster	Comprises	Principal Sectors	Opportunities
Forth Coast Cluster	Fife Energy Corridor: Rosyth Waterfront, Burntisland Port, Energy Park Fife, Methil, sites of former power stations Cockenzie and Longannet; Torness and Leith Port	Energy and Port Use	Cluster of coastal sites providing opportunities for a range of uses. In particular, port use such as renewables manufacture and servicing, thermal and low carbon energy generation or other uses associated with an Area of Coordinated Action. The locations also present significant opportunities for innovative reuse and regeneration making use of the well serviced sites and their coastal locations.
Innovation and Science Cluster	Edinburgh BioQuarter; Midlothian BioCampus: Easter Bush and Bush Estate, Midlothian; Alba Innovation Centre, West Lothian; Edinburgh Napier, Queen Margaret, Heriot-Watt and Edinburgh universities (multiple campuses)	Research, Knowledge, Academia and Vocational Learning	Unique internationally recognised institutions supporting life science and technology research, innovation, academic and vocational education and training. The majority of sites and locations can accommodate space for start-ups, for spin-outs and grow-on businesses, as well as for more established businesses. Includes the Enterprise Areas at BioCampus and BioQuarter, where the extension of Edinburgh's tram network will enhance accessibility.
Central Business Cluster	Edinburgh City Centre and Leith	Business and Financial Services, Tourism, Service and Creative industries	Extensive cluster in central Edinburgh reflecting the status as one of Europe's most important areas for financial and business services, service industries, tourism and the creative industries. Opportunities for continued growth associated with redevelopment in the city centre and expansion in Leith supported by proposed tram line extensions.

Significant Business Cluster	Comprises	Principal Sectors	Opportunities
West Edinburgh Business Cluster	International Business Gateway, Edinburgh Airport and Scotland's National Showground; Edinburgh Park, South Gyle and Gogarburn	Business and Financial Services	Growing cluster of existing and emerging developments located to the west of Edinburgh with a strong focus on business and financial services supported by mixed-uses including conference facilities and tourism.
West Lothian Cluster	Broxburn and Livingston Enterprise Areas and Heartlands Business Park	Manufacturing, Information and Communication	Comprises the West Lothian Enterprise Area (plots at Broxburn and Livingston) focused on food and drink manufacture and a range of opportunities associated with Heartlands Business Park including technology, media and logistics, making use of good connections to the transport network.
Borders Rail Cluster	Sites in Midlothian and Central Borders enabled by the Borders Rail Line.	Business Services, Food and Drink, Tourism	Presents opportunities for tourism, recreational development and wider business and industrial growth and investment in the central Borders. Scottish Government match funding to projects in Borders and Midlothian and recent investment in Tweedbank present significant opportunities. Closer to the city there are opportunities associated with planned new mixed-uses at Shawfair and at other locations close to the rail line.

## 4 A Place to do Business

### Rural Economy

**4.8** The city region benefits from a large rural area which provides significant assets to the urban population including food production, water supply, renewable energy, timber production and tourism and recreation. The Scottish Borders alone makes up two thirds of the region's land area. There is a diverse range of loose business clusters in small and medium scale businesses that make a significant contribution to the economy. These include tourism, food and drink, textiles manufacturing, farming and forestry, low carbon and creative and niche industries.

**4.9** The Borders railway and the proposed new stations in East Linton and Reston present opportunities to promote diversification. The Tyne Esk Leader Project and the Borders Leader programme support diversification of agriculture and rural business. Diversification of the fishing and fish-processing industry in Borders and Forth is being supported by a Fisheries Local Action Group.

**4.10** The Borderlands initiative is a national cross-border project involving Scottish Borders Dumfries and Galloway, Carlisle City, Cumbria and Northumberland Councils. It seeks to deliver improved infrastructure, transport and communications links, economic growth and employment opportunities in rural areas of southern Scotland and northern England.

**4.11** There are issues to be addressed to ensure the continued viability of the rural industries. These include the development of high speed broadband; the promotion of economic opportunity within the Fisheries Local Action Group area, the potential for harbours such as Eyemouth to service offshore wind farms; the promotion of low carbon opportunities including solar and hydro; the promotion of opportunities to maximise the benefits from the area's forestry, including the potential for sawmills and wood chip plants and the sustaining of mart and abattoir resources to serve the area's farming industries. **SESplan member authorities will therefore support the continued operation, diversification and expansion of rural businesses.**

## Employment Land Supply

**4.12** To achieve the vision of a thriving, successful and sustainable city region it is essential that there is sufficient employment land which is both available and situated in the right locations to provide jobs to meet the region's growing population. **Local Development Plans will identify and safeguard a sufficient supply of employment land taking account of market demands and existing infrastructure. This land should be able to deliver sites which are serviced or serviceable over the plan period.**

**4.13** Local Development Plans will identify and safeguard large scale employment sites where necessary in line with the spatial strategy and, where appropriate, within the significant business clusters. This is to ensure employment opportunities are accessible by public transport and walking and cycling networks, to enable the regeneration of former sites and to strengthen the region's key economic sectors.

**4.14** Local Development Plans will support diversification and re-categorisation of existing employment sites where this facilitates wider business opportunities, mixed-uses or an increased density of development, whilst ensuring an overall sufficient supply of employment land is maintained.

## 4 A Place to do Business

### Responsible Resource Extraction

**4.15** An adequate source of minerals for construction, manufacturing and energy, close to where they are needed, is essential to support economic growth and a low carbon city region. Minerals extraction also supports a range of jobs.

**4.16** A sufficient supply of construction aggregates is required to meet the anticipated construction needs in the city region over the Strategic Development Plan period. Identification and safeguarding of these resources provides for a more sustainable and economically self-sufficient city region with less reliance on importing resources from elsewhere.

**4.17** **SESplan member authorities will establish a Minerals Working Group. This group will review the aggregate resources of the city region (based on Scottish Government minerals survey data and relevant locally sourced information) to ensure there is a sufficient aggregates landbank of permitted reserves for construction aggregates of at least 10 years.**

**4.18** **Local Development Plans will use the relevant monitoring information to identify and safeguard sufficient construction aggregates to form a land bank of reserves for a minimum of 10 years. These should be in locations where there are deposits of sufficient scale and quantity for commercial extraction and which could be worked without unacceptable environmental or amenity impacts in accordance with Scottish Planning Policy.**

**4.19** **Local Development Plans will identify coal, oil and gas reserves to support a diverse energy mix, giving sufficient weight to the avoidance of long term environmental impacts and greenhouse gas emissions from their use.** The Scottish Government is currently maintaining a moratorium on granting development consents for unconventional oil and gas development across Scotland.

**4.20** The region has a legacy of sites where minerals were formerly extracted. There are a number of examples in the region where sites have undergone or are currently undergoing restoration or regeneration. These include sites such as Heartlands, West Lothian which is being transformed to provide homes and employment. **Local Development Plans will identify former mineral sites and the potential means of restoration and regeneration in accordance with the vision and spatial strategy of the Strategic Development Plan.**

## A Low Carbon Economy

**4.21** The spatial strategy reflects the need for the region to grow in a way that contributes to a low carbon economy. New development is directed to locations where the need to travel is reduced and there are good public transport links. A range of public transport infrastructure enhancements and improvements to regional walking and cycling routes will also mean there are more opportunities to choose low carbon travel.

**4.22** In line with the Placemaking Principles (Table 3.1), **Local Development Plans will identify, as appropriate, opportunities to co-locate sources of high heat demand (e.g. housing) with sources of heat supply (e.g. biomass power plants) and to locate new development where passive solar heating and solar power generation can be maximised.**

## Energy Generation

**4.23** The site of the former Cockenzie Power Station is not currently subject to specific proposals for carbon capture and storage and thermal generation. However, the Cockenzie site, along with the former Longannet power station are retained within the Forth Energy Business Cluster, reflecting the opportunity for these sites to contribute to renewables manufacture, servicing of offshore renewables and any possible

longer-term opportunities to contribute to a Carbon Capture and Storage Network. The potential for the regeneration of Longannet and Cockenzie provides opportunities to explore more innovative approaches to delivering low carbon places, such as district heating and energy storage schemes. In addition to the Forth Coast Cluster, The Innovation and Science Cluster (page 24) includes the University of Edinburgh, Napier University and Heriot-Watt University, all at the forefront of renewable energy research.

**4.24** Wind farm developments in the region, particularly in the Scottish Borders and in East Lothian have already made a major contribution to Scotland's transition to a low carbon economy. There are also significant areas of peatland habitat in the Scottish Borders important for carbon sequestration. Figure 4.1 sets out a spatial framework that identifies areas with potential for wind farm development, subject to landscape capacity and detailed consideration against relevant Local Development Plan policy criteria. Included in this framework is a 2km separation zone around settlements. **Local Development Plans will apply these 2km separation zones up to a maximum of 2km from an identified settlement envelope or edge.**

**4.25** **SESplan member authorities will establish a Cross-boundary Windfarm Working Group to explore the potential for a plan-led approach to identifying strategic capacity for wind farms and repowering opportunities (i.e. replace old turbines with new ones) in areas where there are likely to be cross-boundary effects. Relevant member authorities will pursue a collaborative plan-led approach to re-powering in order to minimise the impact on key cross-boundary assets.**

**4.26** **Local Development Plans will also set out the full range of additional considerations they will apply to wind farm proposals based on the particular characteristics of each area. In doing so, they should liaise closely with neighbouring authorities to identify and establish a consistent policy approach to key strategic cross-boundary assets. These assets will include, but will not be limited to, the Pentland Hills Regional Park, the Lomond Hills Regional Park, the Lammermuir Hills and the Firth of Forth.**

Figure 4.2 Onshore Wind Spatial Framework

- Settlements
- Areas of significant protection \*
- Areas where wind farms not acceptable
- Areas with potential for wind farm development \*

\* Includes carbon and peatland data from SNH consultation draft dataset 2015

\* Subject to landscape capacity and other assessment

## Zero Waste

**4.27** The Scottish Government's Zero Waste Plan seeks to make the most efficient use of resources by minimising demand and maximising reuse, recycling and recovery. The principle of 'zero waste' means wasting as little as possible and recognising that waste is an economic resource that can contribute to a low carbon economy.

**4.28** Local Development Plans will support proposals which encourage recycling and recovery of waste where these are in accordance with the Zero Waste Plan and take account of environmental, transport, economic and amenity factors. Opportunities for co-location with other uses which can make use of any recovered heat will be supported. The current landfill capacity in the city region is in excess of the requirements set out by the Scottish Government.



# A Place for Communities

## Increasing Housing Delivery

**5.1** New housing is needed to provide homes for those already living in the region, including younger people who need a first home, families who want to move up or older people who may wish to downsize. New homes are also needed for those who want to move here, helping the economy grow so that strategic centres and town centres can continue to thrive. Access to well designed, energy efficient, affordable homes supports health and wellbeing and helps create successful places.

This plan sets out ambitious targets for housing and a generous land requirement to enable these targets to be met.

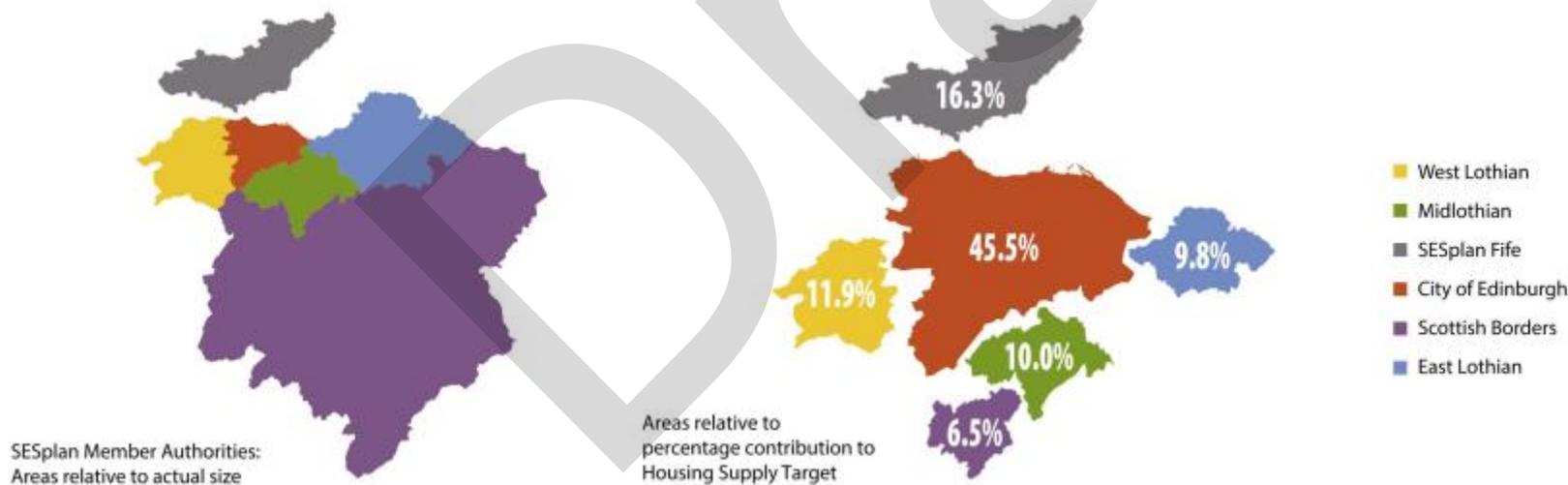
### Housing Supply Targets and Housing Land Requirements

**5.2** Table 5.1 sets out the number of homes (The Housing Supply Target) to be built in the SESplan Housing Market Area. This has been divided between member authorities in a way that reflects housing need and demand as well as environmental and infrastructure capacity. This

provides a Housing Supply Target, split into market and affordable, for each local authority area over the years 2018-2030.

**5.3** The Housing Land Requirement (Table 5.2) sets out the generous level of housing land needed to allow the Housing Supply Targets to be met. A 10% generosity margin has been applied to the Housing Supply Targets to calculate the Housing Land Requirements. The 10% margin provides for a generous land supply whilst ensuring that the viability of allocated sites is not undermined by an over supply of land.

**Figure 5.1 Distribution of Housing Supply Target**



## 5 A Place for Communities

Table 5.1 Housing Supply Targets 2018-2030

Area	Number of Homes Annual Average			Number of Homes Period Total		
	Market	Affordable	Combined	Market	Affordable	Combined
City of Edinburgh	1,220	1,200	2,420	14,640	14,400	29,040
East Lothian	330	189	519	3,960	2,268	6,228
Fife <sup>(3)</sup>	605	262	867	7,260	3,144	10,404
Midlothian	369	165	534	4,428	1,980	6,408
Scottish Borders	220	128	348	2,640	1,536	4,176
West Lothian	333	300	633	3,996	3,600	7,596
<b>SESplan</b>	<b>3,077</b>	<b>2,244</b>	<b>5,321</b>	<b>36,924</b>	<b>26,928</b>	<b>63,852</b>

Table 5.2 Housing Land Requirements 2018-2030

Area	Number of Homes	
	Annual Average	Period Total
City of Edinburgh	2,662	31,944
East Lothian	571	6,851
Fife <sup>(4)</sup>	954	11,444
Midlothian	587	7,049
Scottish Borders	383	4,594
West Lothian	696	8,356
<b>SESplan</b>	<b>5,853</b>	<b>70,237</b>

## 5 A Place for Communities

**5.4** The Housing Supply Targets were informed by the 2015 SESplan Housing Need and Demand Assessment. The targets are reasonable, deliverable and supported by compelling evidence, set out in the SESplan Housing Background Paper. Evidence is drawn from economic, environmental and infrastructure analysis as well as delivery opportunities and funding. In summary:

- The majority of need and demand identified in the 2015 Housing Need and Demand Assessment is for affordable housing. Whilst the affordable targets are ambitious and set higher than 2010–2015 delivery levels, it is not possible to deliver the 4000+ affordable homes per annum suggested by the Housing Needs and Demand Assessment. Instead, the targets are a realistic estimate of what might be deliverable based on a range of factors, including potential levels of funding available to support affordable housing
- Market targets exceed the level of demand identified to help meet some of the shortfall in affordable housing need. This will be achieved through more affordable models of market housing, the role of help to buy schemes and an increased role for new build private rented housing

- A greater proportion of the region's housing need and demand is being met in the City of Edinburgh than previously. The distribution of the Housing Supply Targets supports the plan's strategy to locate housing nearer where people work, support public transport use and encourage more people to walk and cycle to work. This will help to improve air quality and reduce climate change impacts

**5.5** Delivering the plan will require an ambitious affordable housing delivery programme. This is in line with SESplan member authority and Scottish Government plans to increase affordable housing delivery. **Local Development Plans will set out the proportion of affordable housing that will be sought on market sites, taking into account relevant local factors. Affordable housing will also be developed by housing associations and councils, making best use of the public estate.**

**5.6** Specialist housing, including a wide range of housing with care and support, plays an important role in enabling people to live healthy lives with dignity and independence. **SESplan member authorities will ensure that Local Housing Strategies and Local Development Plans enable the types of homes that will address the needs of a growing, ageing population and the growth in the number of smaller households.**

**5.7** The housing needs of gypsies and travellers is a potential cross-boundary issue. **SESplan member authorities will work together through the South East Scotland Housing Forum to update housing need information for these communities.**

## 2018-2030 Period

**5.8 Local Development Plans will ensure that there is a sufficient supply of housing land to meet the Housing Land Requirements over the 10 year period from the expected date of plan adoption.** Estimates indicate that there is sufficient housing land supply to meet the Housing Land Requirements for the 2018-2030 period in East Lothian, Fife, Midlothian, Scottish Borders and West Lothian. This is due to the existing land supply set out in Local Development Plans based on housing requirements in the previous Strategic Development Plan.

**5.9** Estimates indicate that City of Edinburgh may have a shortfall of housing land. To meet any shortfall, the **City of Edinburgh Local Development Plan will give priority to brownfield sites in the urban area within the Green Belt's inner boundary and ensure all allocations are consistent with this Strategic Development Plan.**

**5.10** For all SESplan member authorities the level of housing land to be allocated will depend on the estimates of housing land at the time of Local Development Plan preparation. This could include evidenced allowances for windfall sites and demolitions. **SESplan member authorities will also consider deallocating sites carried over from multiple plan cycles where action taken has proved ineffective in making them deliverable**

over a number of plan periods. SESplan member authorities will also consider deallocating sites where they are not required to meet plan objectives or consider changing such sites to long term growth opportunities.

**5.11** A step change in the level of home building is needed for the Housing Supply Targets to be achieved. **SESplan member authorities will monitor the availability of effective housing land in relation to the SESplan Housing Market Area and by Local Authority Area. This will be monitored and updated annually through the housing land audit. They will maintain a five year effective housing land supply at all times measured against the five year housing supply targets. These are calculated by multiplying the annual average housing supply targets (Table 5.1) by five.**

**5.12** Where a SESplan member authority determines there is a shortfall in the five year effective land supply, they will consider permitting proposals for additional housing supply, subject to the following criteria:

- **Development must be consistent with the spatial strategy of the development plan;**

- **The scale of the proposal and the proportion of affordable and market housing in the development must reflect the type (market or affordable) and scale of the shortfall identified;**
- **Development must demonstrate that a significant proportion of the total number of homes proposed will be completed in the next five years**
- **The scale, location and design of development must take account of the Placemaking Principles (Table 3.1);**
- **Development must align with any SESplan member authority guidance on green networks;**
- **Development must align with green belt objectives or the objectives of other designations fulfilling a similar function (Para. 3.6); and**
- **Development must demonstrate that any infrastructure required is already committed and funded, or will be delivered by the developer.**

## 5 A Place for Communities

### 2030-2038 Period

**5.13** Indications of the scale of housing required have been provided for 2030-2038 based on the 2015 Housing Need and Demand Assessment estimates. These figures do not take into account wider factors that may influence delivery, given the difficulty of making robust assumptions about these at this time. They are higher than the Housing Supply Targets for 2018-30 and will require a further step-change in the rate of delivery of affordable housing if the full level of affordable need is to be met. Housing land allocations are likely to be required in all authorities for the 2030-2038 period to meet this need. These allocations will need to be made in Local Development Plans being prepared after the next Strategic Development Plan, in line with the spatial strategy. The next Strategic Development Plan will identify more specific locations for these to be met in line with the spatial strategy.

Table 5.3 Indicative Scale of Housing Required 2030-2038

Area	Number of Homes	
	Combined Annual Average	Combined Period Total
City of Edinburgh	2,491	19,928
East Lothian	534	4,274
Fife <sup>(5)</sup>	892	7,139
Midlothian	550	4,397
Scottish Borders	358	2,866
West Lothian	652	5,212
<b>SESplan</b>	<b>5,477</b>	<b>43,816</b>

## 5 A Place for Communities

### Thriving Town Centres

**5.14** The City of Edinburgh is the regional core of south east Scotland and provides a broad range of functions of regional and national importance. In addition, we have identified four strategic centres. These serve wide geographical areas and provide a range of functions at a sub-regional level, attracting significant footfall from beyond the settlement they serve.

**5.15** The role of town centres is changing to promote a wider mix of uses which will enhance their vitality and viability. **Local Development Plans**

will support all uses in town centres that generate significant footfall such as retail and commercial leisure, offices, community, cultural facilities and opportunities for town centre living. **Local Development Plans will also encourage the development of an evening/ night-time economy in town centres.**

**5.16** Local Development Plans will identify, taking account the hierarchy of centres in Table 5.4, a network of centres including town centres, local centres and commercial centres and explain how they can complement each other. Local Development Plans will apply a Town Centre First

policy. This means that when planning for any use that generates significant footfall, locations should be considered in the following order of preference:

- Town Centres (including the City Centre and Strategic Centres)
- Edge of town centre
- Other commercial centres identified in the development plan; and
- Out of centre locations that are easily accessible by a choice of transport modes or will be made so by investment delivered by relevant development

**Table 5.4 Hierarchy of Centres**

Hierarchy	Centres	Function
City Centre	Edinburgh City Centre	Diverse mix of uses including shopping, residential, leisure and evening economy, national government and cultural resources of national importance
Strategic Centres	Dunfermline, Glenrothes, Kirkcaldy and Livingston	Diverse mix of uses including shopping, residential, local governance, leisure and evening economy to support a wide geographical area
Town Centres	To be identified in Local Development Plans	Diverse mix of uses including shopping, residential, leisure and evening economy
Local Centres	To be identified in Local Development Plans	Mix of uses to support local needs
Commercial Centres	To be identified in Local Development Plans	Specific focus on retail and leisure uses

## A Place for Communities 5

**Enhanced Green Networks**

**5.17** Green infrastructure is the use of ecosystems, green spaces and water in strategic land use planning to deliver benefits for people and nature and to add value to the economy by supporting sustainable growth. Green infrastructure includes parks, open spaces, playing fields, woodlands, wetlands, floodplains, road verges, allotments and private gardens, as well as blue infrastructure such as sustainable urban drainage ponds, swales, wetlands, rivers and canals.

**5.18** Green networks are connected areas of green and blue infrastructure. Well designed, multi-functional green networks are a fundamental component of successful places. They provide a range of benefits including:

- Improving quality of place to make the area more attractive to residents and investors
- Opportunities for biodiversity to flourish so that people can experience nature close to where they live
- Climate change mitigation and adaptation

- Flood management
- Opportunities to get outdoors and lead healthier lives
- Strengthening the landscape character that makes places distinctive
- Opportunities for safe and pleasant walking and cycling
- Improving vacant and derelict land
- Providing places to play and meet with friends, or take a break from work

**5.19** Two Cross-Boundary Green Network Priority Areas and eight additional Green Network Priority Areas have been identified within the region. These are the areas of greatest strategic importance for green network protection and enhancement and represent a significant component of the Central Scotland Green Network identified as a National Development in National Planning Framework 3.<sup>(6)</sup>

**5.20** **SESplan member authorities will prepare frameworks for these areas that will:**

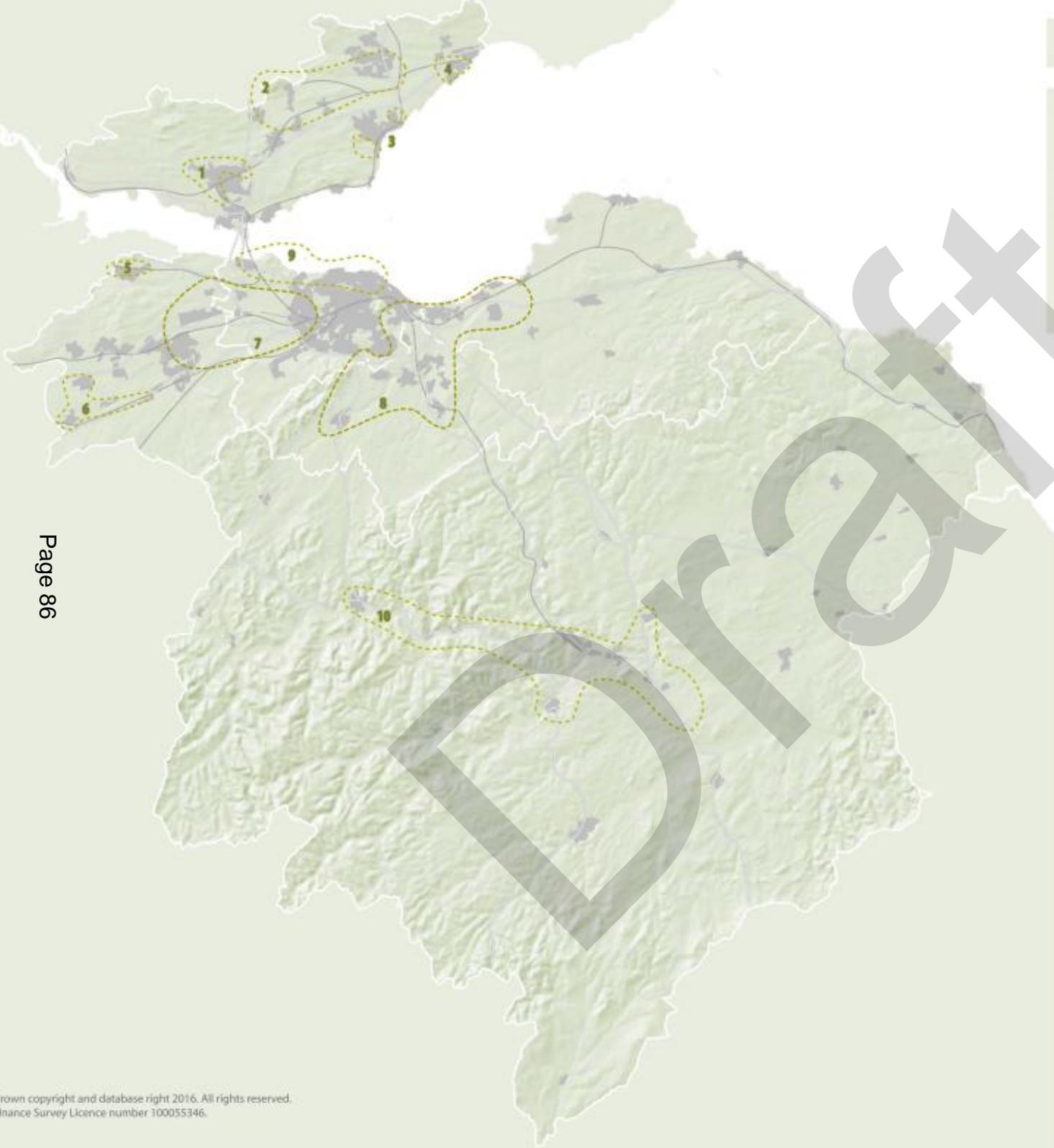
- **Identify and safeguard those elements of the green network that provide, or have the potential to provide, the greatest benefits for people and nature**
- **Identify strategic enhancements to green networks that will add value to existing settlements, developments for which land has already been allocated and any new allocations in subsequent Local Development Plans**
- **Provide an additional context for planning decisions**

**SESplan member authorities will prepare Strategic Frameworks for the two Cross-Boundary Green Network Priority Areas and adopt these as Supplementary Guidance to the Strategic Development Plan within one year of plan approval. SESplan member authorities will prepare non-statutory Frameworks for the other Green Network Priority Areas and incorporate the key elements of these frameworks into the relevant Local Development Plan at the first opportunity.**

<sup>6</sup> Note however that the Scottish Borders Green Network Priority Area is not part of the Central Scotland Green Network National Development

Figure 5.2 Strategic Green Networks

- 1 Dunfermline North and East
- 2 Ore Valley
- 3 Kirkcaldy Gateways
- 4 Levenmouth and Coast
- 5 Linlithgow
- 6 Polkemmet and Breich Water
- 7 Edinburgh and West
- 8 Edinburgh and East
- 9 Forth Shores
- 10 Scottish Borders





# A Better Connected Place

## 6 A Better Connected Place

### Supporting Non-Car Travel

**6.1** Improved connectivity, with a better walking and cycling network and more public transport options, will make the region an easier place to do business and a better place to live. The region currently experiences significant rail and road transport pressures, particularly on approaches to and journeys around Edinburgh. The spatial strategy in this plan, underpinned by the placemaking principles, addresses the need to reduce travel and to encourage more low carbon transport choices. It supports the SEStran Regional Transport Strategy hierarchy of provision by enabling more journeys to take place by walking, cycling and by public transport. This will contribute to improved air quality, help reduce greenhouse gas emissions and have significant health benefits for our communities.

**6.2** The design, density, siting, layout and mix of uses in a place determines how easy it is to move around and influences the travel choices that people make to get to and from that place. **Development should take account of the needs of people before the movement of cars. Therefore in addition to the Placemaking Principles set out in Table 3.1, new development should be designed in accordance with [Designing Streets](#) to ensure that non-car travel is an easy and convenient choice.**

**6.3** Local Development Plans will ensure that large scale housing development is located where there is good access to town centres and employment locations by walking and cycling routes and by public transport. Where new infrastructure is needed to enable this access, Local Development Plans will ensure that this is delivered ahead of, or as part of, new development.

**6.4** Developments should be designed so that the density, use and layout helps reduce the need to travel by car. Developments should include clear and direct links to public transport nodes and good access to walking and cycling networks. Development close to public transport nodes and interchanges should be at higher development densities.

## Walking and Cycling

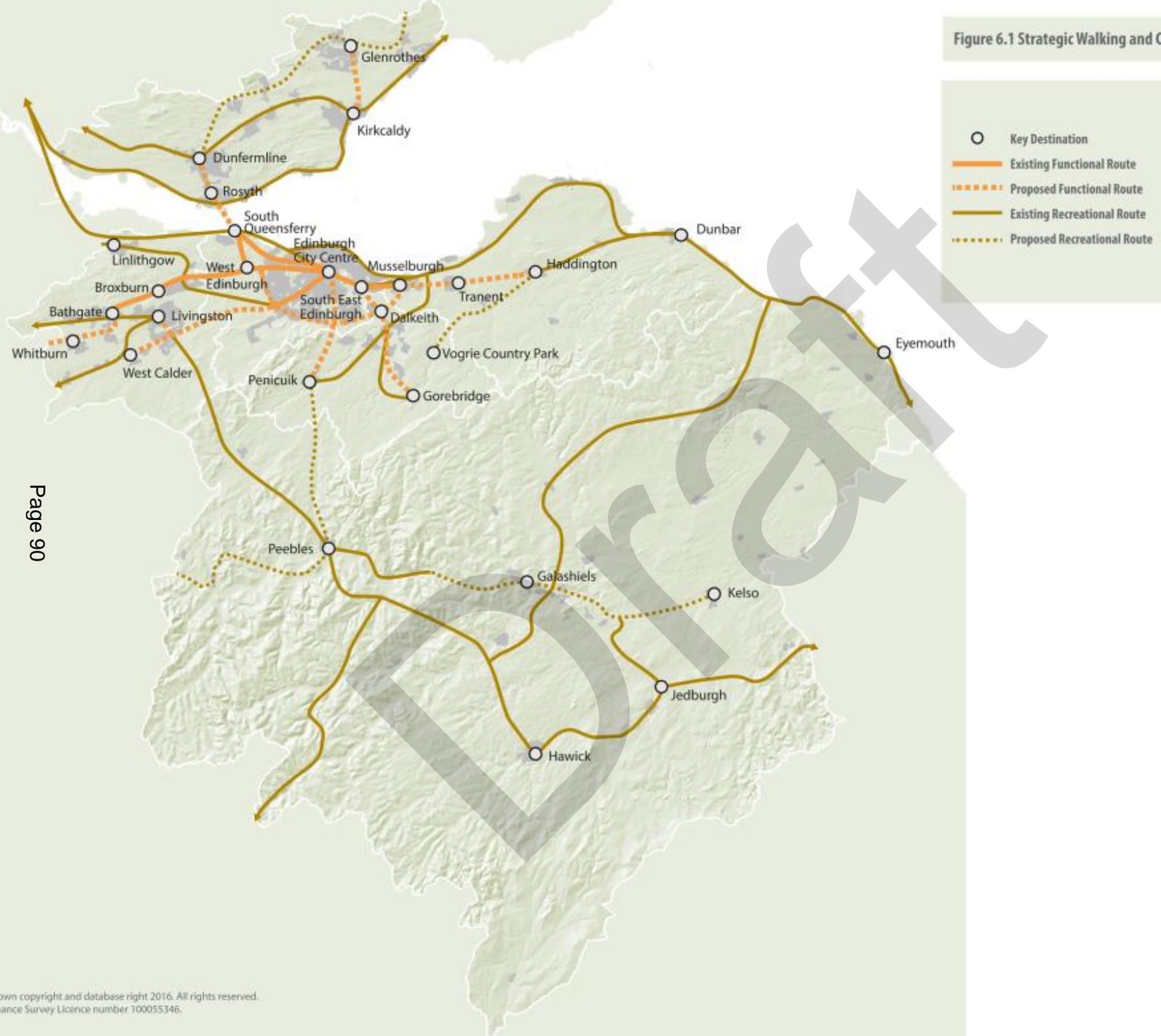
**6.5** Significant infrastructure improvements are needed to help support the Scottish Government's vision for walking and cycling set out in the [National Walking Strategy](#) and the [Cycling Action Plan for Scotland](#). SESplan supports the objective that by 2020, 10% of all journeys taken in Scotland will be made by bike. Figure 6.1 identifies priority strategic functional (transport) and recreational routes to help support this objective and the Action Programme sets out the specific improvements to the network.

**6.6** A strategic **Functional Route** is a continuous walking and cycling route providing a fast, direct route between multiple key destinations. It should be largely off road or physically separated from traffic, have a smooth surface and be appropriately lit and maintained so that it suits people of all abilities. A key purpose of these routes is to encourage more people to cycle or walk to school, work and the shops. A strategic **Recreational Route** may be indirect, can suit a range of different uses such as horse riding and may be of varying quality. Some of these will make an important contribution to the national long distance walking and cycling network, identified as a national development in National Planning Framework 3.

**6.7** Figure 6.1 sets out the new routes prioritised for delivery and existing routes that require upgrading, with a focus on cross-boundary routes. These routes connect major settlements, growth areas and transport interchanges. **Local Development Plans will identify and safeguard the land needed to support the delivery of these strategic functional and recreational routes, taking into account the potential future re-use of old rail lines for rail and tram transport. Development near the routes identified in Figure 6.1 should provide good connections to them and contribute towards their delivery and upgrade where appropriate.**

**6.8** In addition to strategic routes, improvements to local and more urban routes, not identified in this plan, will be essential in shifting journeys to walking and cycling. Combined, these improvements will support the development of exemplar walking and cycling friendly settlements as nodes on the regional and national network. **Local Development Plans will safeguard local routes and the route alignments needed to expand the local network. SESplan member authorities will ensure that Local Development Plan Action Programmes and walking/cycling plans set out how these local routes will be delivered.**

Figure 6.1 Strategic Walking and Cycling Routes



## Strategic Transport Improvements

### Strategic Projects

**6.9** A range of transport infrastructure is needed to support the vision of this plan for a better connected place. Column A of Table 6.1 sets out strategic improvements that affect more than one SESplan member authority or are likely to have region-wide benefits. These projects will enable better movement around the region and better connections to and from other city regions in Scotland and the UK. Some of the projects in this column require further appraisal work before a commitment can be made to their delivery, but provided the need is supported by this further work, these projects are expected to come forward with the plan period.

### Potential Strategic Cross-Boundary Projects

**6.10** An ongoing Cross-Boundary Transport Appraisal will identify the additional cumulative and cross-boundary impacts from traffic likely to be generated from development associated with existing Local Development Plan allocations. This will be supplemented by an ongoing transport appraisal of this Strategic Development Plan. Column B of Table 6.1 sets out a potential list of projects that are currently being appraised. When the appraisals are complete, **SESplan member authorities will set out (based on a review of the projects listed in column B of Table 6.1) the specific infrastructure required to mitigate cross boundary movements in a Cross-Boundary Transport Contributions Framework and in subsequent SESplan Action Programmes. This contributions framework will be adopted as Supplementary Guidance within one year of the approval of this plan.**

### Strategic Longer Term and Aspirational Projects

**6.11** Column C of Table 6.1 sets out strategic longer term and aspirational projects that may not be delivered in this plan period but are supported by SEStran and SESplan member authorities. They will improve journey times, reduce congestion, support economic growth and increase the accessibility of towns. Those marked <sup>§</sup> will require further appraisal work before a commitment can be made to their delivery.

**6.12** Information on more local projects and those affecting a single authority is set out in Local Development Plans, the SEStran Regional Transport Strategy and accompanying Delivery Plan. The latter also sets out levels of commitment and funding status.

Figure 6.2 Strategic Transport Improvements

-  Junction New/Improvement
-  Road New/Upgrade
-  Tram Extension
-  Rail Upgrade/Extension
-  A720 Improvements and Orbital Bus
-  Rail Station New/Improvement
-  Longer Term and Aspirational Projects
-  Road Upgrade
-  Rail Upgrade/Extension



Table 6.1 Strategic Transport Improvements

A. Strategic Projects 2018-2030	B. Potential Strategic Cross-Boundary Projects	C. Strategic Longer Term and Aspirational Projects
Edinburgh - Glasgow Rail Improvements	A720 Improvements, including Sheriffhall Junction - Junction Upgrades, Intelligent Transport Systems and Non-Car alternatives	High Speed Rail to England <sup>++</sup>
East Coast Mainline Improvements	Improvements associated with trunk road approaches to Edinburgh including Junction Upgrades and Non-Car Alternatives such as Park and Ride Schemes <sup>+</sup>	A1 Dualling between Dunbar and Berwick Upon Tweed <sup>§</sup>
Edinburgh-Glasgow via Shotts Rail Line Electrification	Edinburgh Orbital Bus and Associated Park & Ride Sites	Borders Rail Extension to Hawick and Carlisle <sup>§</sup>
East Linton and Reston Rail Stations on new Edinburgh-Berwick service	Edinburgh Cross-rail Services <sup>+</sup>	Dunfermline-Alloa Passenger Rail Link <sup>§</sup>
Edinburgh Waverley Capacity Improvements	Strategic Walking and Cycling Routes	Levenmouth Rail Link <sup>§</sup>
Strategic Walking and Cycling Routes		
A801 Improvements		
Tram extensions: York Place to Newhaven* City Centre to Edinburgh BioQuarter, Newcraighall and Queen Margaret University* Newhaven to Granton*		

## 6 A Better Connected Place

A. Strategic Projects 2018-2030	B. Potential Strategic Cross-Boundary Projects	C. Strategic Longer Term and Aspirational Projects
Roseburn to Granton* Ingliston to Newbridge*		
A1 Junction Improvements*		
A92 Junction Improvements		
Dunfermline Northern Relief Road & Western Distributor Road		
A701 Relief Road and A702 Link		
Winchburgh Rail Station		
Winchburgh M9 Junction		
M9 J3 Upgrade		
* Not Committed † Not Mapped ‡ National Development § Further Appraisal Required		

**National Transport Developments**

**6.13** Freight by rail, road, sea and air plays an essential role in the regional economy. The most significant of these ports is Rosyth. The freight handling capacity of these ports is essential for North Sea shipping routes. **Local Development Plans will support Increased Freight Handling**

**Capacity of Ports on the Forth and the need for associated infrastructure, safeguarding land where appropriate.**

**6.14** In addition to its role as international gateway, Edinburgh Airport is a hub for wider investment and business development. Enhancement of the airport is a National

Development. **SESplan member authorities will continue to work with the Edinburgh Airport operators to develop enhanced transport options for passengers using the airport, support the delivery of relevant masterplans and ensure that transport infrastructure improvements are integrated with the wider network in the region.**

## Funding Transport Infrastructure

**6.15 SESplan member authorities will prepare a Cross-Boundary Transport Contributions Framework to help fund some of the transport improvements needed to deliver the vision and adopt the framework as Supplementary Guidance to the plan within one year of plan adoption. The framework will focus on mitigating the most significant cumulative and cross-boundary impacts at specific 'hotspots' on the network, as identified in the relevant transport appraisals. A list of potential cross-boundary projects that may benefit from developer contributions is set out in Table 6.1 column B. SESplan member authorities will set out (based on a review of the potential projects listed in column B of Table 6.1) the specific infrastructure required to mitigate cross-boundary movements, once the relevant transport appraisals have been completed.**

**6.16** The Supplementary Guidance will set out:

- The detailed location and boundaries of the contribution zones within which the contributions may be required. These zones will be identified in and around Edinburgh and at those locations along Long -term Growth Corridors where developments are most likely to contribute to the impacts at cross boundary hot-spots;

- The link between development in each contribution zone and the proposed infrastructure improvement that will benefit from contributions generated from that zone;
- The specific infrastructure to be funded;
- The method for calculating the contributions required; and
- How, when and to whom payments should be made.

**6.17** The Contributions Framework will be based on the the following principles:

- It will be informed by the outputs of the Cross-Boundary Transport Appraisal and the Strategic Development Plan Transport Appraisal;
- In principle, it will apply to housing, business, industrial retail and commercial leisure developments within contribution zones that do not have planning consent at the time of the adoption of the Supplementary Guidance. The impacts of requested contributions on the viability of these types of developments will be examined during preparation of the Supplementary Guidance;
- The Framework will complement and not duplicate existing approaches to securing transport contributions from developers

- The Framework will complement and not duplicate other potential funding mechanisms such as City Deal;
- A set of standard charges will be applied to each contribution zone;
- Charges will be in proportion to the scale and impact of development;
- The level of the standard charges will be considered in light of the potential impacts on development viability; and
- It will comply with the tests that apply to planning obligations.

**6.18** These projects will not mitigate all impacts on the strategic transport network. **SESplan member authorities will therefore continue to seek contributions towards the non-cross boundary transport infrastructure needed to mitigate impacts on local networks and infrastructure required to connect development sites with the transport network. Local Development Plans will be accompanied by transport appraisals in accordance with Scottish Government guidance.**



# Glossary

## Glossary

## Glossary

Term	Description
Action Programme	Accompanies the Strategic Development Plan and identifies the how when and by who of delivery of the plan.
Affordable Housing	Housing of reasonable quality that is affordable to people on modest incomes.
Allocation	Land identified in a local development plan for a particular use.
Area of Coordinated Action	Locations identified in National Planning Framework 3 that would benefit from co-ordinated action and masterplanning to deliver low carbon infrastructure.
Areas of Medium to High Flood Risk	Areas where the annual probability of coastal or watercourse flooding is greater than 0.5% (1:200 years).
Areas of Significant Protection (Wind farms)	Areas where wind farms may be appropriate in some circumstances, but where further consideration will be needed to demonstrate that any significant effects on the qualities of these areas can be substantially overcome by siting, design or other mitigation.
Assisted Area Status	Areas with Assisted Area Status are places where government can offer additional financial support to businesses under European Commission state aid rules.
Brownfield Land	Land which has previously been developed. The term may cover vacant or derelict land, land occupied by redundant or unused building and developed land within the settlement boundary where further intensification of use is considered acceptable.
City Region Deal	Funding mechanism in which contributions and risks are shared between councils and central government and across sectors, based on the improved performance of the regional economy.
Climate Change Adaptation	The adjustment in economic, social or natural systems in response to actual or expected climate change.

## Glossary

Term	Description
Commercial Centre	Examples include out-of-centre shopping centres, commercial leisure developments, factory outlet centres, retail parks or clusters of larger mixed retail units and leisure units.
Cross-Boundary Green Networks	Areas where Green Network Priority Areas cross local authority boundaries and require a coordinated approach to deliver enhancements.
Development Plan	A document setting out how places should change and what they could be like in the future. It stipulates what type of development should take place and where should not be developed. The Development Plan for each of the local authority areas within this city region comprises the relevant Local Development Plan and the Strategic Development Plan (supported by relevant supplementary guidance).
Effective Land Supply	The part of the established housing land supply which is free or expected to be free of development constraints in the period under consideration.
Established Land Supply	The total housing land supply including the effective housing land supply plus remaining capacity for sites under construction, sites with planning consent, sites in adopted local development plans and where appropriate other buildings and land with agreed potential for housing development.
Green Belt	Area of countryside around cities or towns which aims to prevent urban sprawl and inappropriate development.
Green Infrastructure	Green infrastructure is the use of ecosystems, green spaces and water in strategic land use planning to deliver benefits for people and nature and to add value to the economy by supporting sustainable growth. Green infrastructure includes parks, open spaces, playing fields, woodlands, wetlands, floodplains, road verges, allotments and private gardens, as well as blue infrastructure such as sustainable urban drainage ponds, swales, wetlands, rivers and canals.
Green Network	Green networks are connected areas of green and blue infrastructure.
Green Network Priority Areas	Areas of greatest strategic importance for green network protection and enhancement.

## Glossary

Term	Description
Greenfield Land	Land in a settlement or rural area which has never been developed, or where traces of any previous development are now such that the land appears undeveloped.
Heat Mapping	Mapping showing heat demand and supply of heat used for buildings.
High Speed Rail	Type of rail transport that operates significantly faster than normal trains, typically over 125mph in the UK.
Housing Market Area	Geographical space in which people will search for housing and within which they are willing to move while maintaining existing economic and social relationships.
Housing Need and Demand Assessment (HNDA)	The evidence used as a basis for identifying future housing requirements to ensure suitable land is allocated through development plans.
Infrastructure	Public transport, roads, sewerage, water supply, schools, gas, electricity, telecommunications etc. which are needed to allow developments to take place.
Moratorium	The delay or suspension of an activity or law.
Natura site	Internationally important nature conservation sites designated under the Habitats and Birds Directives.
Place Standard	The Place Standard tool is an online resource providing a simple evaluation framework for evaluating places. It enables people to think about and discuss the physical and social elements of a place in a structured way.
Significant Business Cluster	Broad areas where similar or complementary uses operate.
Spin-outs	Businesses attempting to take ideas and inventions to market.
Supplementary Guidance	Guidance that can be adopted and issued by a strategic development planning authority in connection with a Strategic Development Plan, or by a planning authority in connection with a Local Development Plan. On adoption, any such guidance will form part of the development plan.

## Glossary

<b>Term</b>	<b>Description</b>
Thermal Generation	Steam driven power supply.
Windfall	A site which becomes available for development during the plan period which was not anticipated to be available when the plan was being prepared.
World Heritage Site	A site designated by the United Nations Educational, Scientific and Cultural Organization (UNESCO) that are of outstanding universal value to humanity and have been inscribed on the World Heritage List to be protected for future generations to appreciate and enjoy.

## Supplementary Guidance

<b>Supplementary Guidance</b>	<b>Timescale</b>
Cross-Boundary Transport Contributions Framework	To be adopted within 1 year of approval of Strategic Development Plan
Edinburgh and West Cross-Boundary Green Network Framework	To be adopted within 1 year of approval of Strategic Development Plan
Edinburgh and East Cross-Boundary Green Network Framework	To be adopted within 1 year of approval of Strategic Development Plan

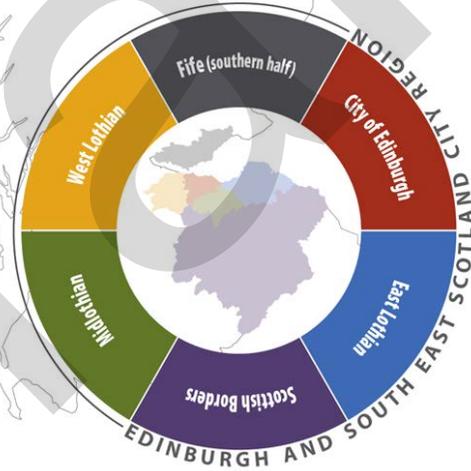
## Photographs



Photographs: 1. Queensferry Crossing Construction (Courtesy of Transport Scotland); 2. Central Scotland Green Network, Fife; 3. Quatermile, Edinburgh; 4. King's Park, Midlothian; 5. A90 Cycle Path (Courtesy of Sustrans); 6. Tram St Andrew Street, Edinburgh.

# SESplan

The Strategic Development Planning Authority  
for Edinburgh and South East Scotland



This page is intentionally left blank

**APPENDIX 2 -**

# Action Programme

September 2016

Committee Draft

## STRATEGIC DEVELOPMENT PLAN ACTION PROGRAMME – 2016 UPDATE

### List of Tables

Table number	Title	Page
Table 1.	Actions Completed Since SDP1 Action Programme September 2015	4
Table 2.	Column headings/ Legend for Action Table	4
Table 3	Action Table	5

### INTRODUCTION

#### Purpose

The purpose of this Action Programme is to set out the key strategic actions needed to deliver the vision of the Strategic Development Plan for South-east Scotland. The SESplan Strategic Development Plan covers the City of Edinburgh, East Lothian, West Lothian, Midlothian, the Scottish Borders, and South Fife. Section 21 of the Planning etc. (Scotland) Act 2006 requires the Strategic Development Planning Authority (SDPA) to prepare an Action Programme that sets out how the authority expects to implement the Plan.

## Outcomes

The SESplan vision will be achieved by:

- Providing direction to local development plans – Local Development Plans in the city region have to be consistent with the Strategic Development Plan.
- Providing a context for decisions on planning applications – all planning applications have to be made in accordance with the development plan unless material considerations indicate otherwise
- Influencing investment plans and other strategic plans and strategies affecting the region.
- Identifying some specific actions that require the input and coordination of more than one local planning authority to deliver.

The delivery of this plan and the Local Development Plans that it seeks to direct, raises a number of issues that could be considered strategic. For example, many of the larger housing sites allocated in LDPs will not be able to be delivered without a substantial investment in new education provision. However, most of the actions to deliver the housing and infrastructure needed are already set out in the action programmes related to each of the local development plans in the city region.

This updated Action Programme will therefore focus on:

- Actions to deliver cross-boundary infrastructure and infrastructure of regional importance
- Action to help deliver national developments
- Actions that require the input and coordination of more than one local planning authority to deliver

## Development of the Action Programme

This Action Programme has been developed in consultation with the member authorities, The Scottish Government, Key Agencies and other public and private stakeholders. Many of the funding commitments in the plan will be dependent on future Government spending reviews and public and private sector finance. The City Region Deal proposal, currently the subject of negotiation with Scottish and UK Government, is also likely to have a key role to play in delivering SESplan's vision.

**How will it be used?**

Organisations identified as having a Lead Role in carrying out an action will:

- Co-ordinate the planning, delivery and monitoring of the action
- Provide updates to SESplan on progress and funding where requested
- Advise SESplan on changes needed to the Action Programme related to that action
- Seek to ensure, in collaboration with others, that all relevant plans or strategies, (including investment strategies) support the delivery of the action

Organisations identified as having a Partnership Role in carrying out an action will:

- Provide the Lead Partner(s) with information on request
- Work closely with the lead partner to help plan, deliver and monitor the action
- Seek to ensure, in collaboration with others, that all relevant plans or strategies, (including investment strategies) support the delivery of the action

**Monitoring and review**

This Action Programme will be republished at least every two years. The existing Action Programme, approved in September 2015, was prepared in the context of SDP1 and therefore this new Action Programme has been prepared to set out the actions specifically required for SDP2. In practice, the Action Programme will be used by SESplan and its partners as a 'live' high level project management tool, updating and publishing more frequently if significant changes are required.

## TABLES

Table 1. Actions Completed Since September 2015 [to be completed before publication]

Action	Progress

Table 2. Column headings/ Legend for Action Table

<b>Delivery Action</b>	Number [to be completed before publication] , title and description of individual actions <b><i>Italic:</i></b> Action associated with National Development <b><u>Underlined:</u></b> Actions that SESplan will play a leading role in coordination and delivery
<b>Timing</b>	Date range within which action likely to be implemented
<b>Lead/ Partners</b>	Lead partner highlighted in bold text
<b>Cost/Funding</b>	Indication of the cost of carrying out the action, the status and breakdown of funding and list of funding sources, where known. <b>Not applicable (n/a)</b> is used where actions can be implemented within current work programmes without significant additional funding required. <b>To be confirmed (t.b.c.)</b> is used where funding information will be sought prior to the next Action Programme update. <b>Unknown</b> is used where further studies will be required to produce cost estimates and these are not likely to be completed before the next Action Programme update.
<b>Progress</b>	Provides one of the following status updates <b>Underway/ Under construction</b> – the action is in the process of being implemented <b>Policy Support</b> – the action has support in plans and programmes other than the SDP <b>Proposed</b> – the action is proposed but has no formal commitment

**Table 3. Action Table**

The action table is structured around the three Delivery Themes in SESplan 2. A Place to Do Business (Grey), A Place for Communities (Red) and a Better Connected Place (Yellow).

	<b>Delivery Action</b>	<b>Timing</b>	<b>Lead (Bold) /Partners</b>	<b>Cost/Funding</b>	<b>Progress</b>
	<b>A Place to Do Business</b>				
<b>1.</b>	<p><b>City Region Deal</b></p> <p>Example proposals include a regional network of incubator facilities; regional collaboration to expand overseas trade; invest to protect and enhance the world famous culture and leisure assets in the region including the Edinburgh Festivals; developing advanced digital technology to support business and culture; developing a clear and integrated regional infrastructure strategy with all public sector partners; developing an integrated regional skills programme to increase opportunities for learning and development for everyone.</p>	2016-2032	<p><b>City Deal Partnership</b>, East Lothian Council, West Lothian Council, Scottish Borders Council, Midlothian Council, Fife Council, Universities, Colleges, private sector, third sector, UK Government, Scottish Government and agencies. A wide range of other public and private stakeholders and partners will be involved in delivery.</p>	<p>Ambition is to secure £2bn of funding. Estimated that an additional £3bn worth of private sector investment could be leveraged if the bid is successful.</p>	<p><b>Proposed</b></p> <p>Announcement that negotiations on a City Region deal will be commenced for South East Scotland City Region made in 2016 UK Budget.</p> <p>N.B. the City Region deal area also likely to include St Andrews and North-East Fife</p>
<b>2.</b>	<p><b>Edinburgh Airport Improvements:</b> Deliver enhanced facilities at Edinburgh Airport and supporting improvements in surface transport and other infrastructure as identified in NPF3, SESplan SDP and City of Edinburgh LDP.</p>	2016-2024	<p><b>Transport Scotland, Network Rail, Global Infrastructure Partners,</b></p>	<p>Costs of some interventions still t.b.c.</p>	<p><b>Underway</b></p> <p>2016 – Winter – Edinburgh Gateway Rail Station to open. Works progressing on schedule</p>

			<b>Edinburgh International Development Partnership , Edinburgh International Business Gateway Landowners, City of Edinburgh Council</b>		<p>2016 – Airport Masterplan to be updated by Global Infrastructure Partners</p> <p>2017 – Edinburgh International Gateway – First phase plans for the £700m mixed use urban extension at Edinburgh International Business Gateway have been submitted by a consortium comprised of Murray Estates, New Ingliston, Frogmore and Salmon Harvester.</p> <p>International Business Gateway is supported by of the Edinburgh tram to the airport through the heart of the site.</p>
3.	<b>Enhanced High Voltage Energy Transmission Network:</b> Needed to facilitate renewable electricity development and its export.	2016-2020	<b>Scottish Power Energy Networks; Scottish and Southern Energy Power Distribution Scottish Hydro-electric Transmission</b>	t.b.c.	<b>Underway</b>
4.	<b><u>Cross-boundary Windfarm Working Group</u></b> A working group will be established to explore the potential for a plan-led approach to identifying strategic capacity for wind farms and re-powering opportunities (i.e. replacing old turbines with new ones) in areas where there are likely to be cross-boundary effects. The geographic scope of this	2016-2020	<b>SESplan, East Lothian Council, Scottish Borders Council, Midlothian Council, West Lothian Council, Scottish Natural</b>	n/a	<b>Proposed</b> Scottish Natural Heritage has published guidance on Decommissioning and Restoration Plans for wind farms which is relevant to issues related to repowering

	group to be decided by the working group		Heritage, Scottish Environmental Protection Agency		
5.	<b><i>Additional Freight Handling Capacity on the Forth (Rosyth)</i></b>  Create multimodal container terminal facilities with deep water access and improved supporting port, road and rail infrastructure.	2016-2025	<b>Fife Council, Scottish Environmental Protection Agency, Babcock, Forth Ports, Scottish Government</b>	t.b.c.	<b>Underway</b> Work in connection with the Marine Licence application, including the preparation of an updated Environmental Impact Assessment (EIA), is progressing
6.	<b><u>Minerals– Aggregate Resources Review.</u></b> Establish a Minerals Working Group to review the aggregate resources of the city region (based on either Scottish Government minerals survey data or locally sourced information) to ensure there is a sufficient aggregates land bank of permitted reserves for construction aggregates of at least 10 years.	2016-2018	<b>SESplan member authorities</b>	n/a	<b>Proposed</b>
<b>Better Connected Place</b>					
7.	<b><u>Complete Cross Boundary Transport Appraisal</u></b> Appraisal identifying cumulative and cross boundary impacts of development on strategic transport network. Models impact of development associated with SDP1 and emerging LDPs. Will identify measures and interventions that could be developed to mitigate impacts of development.	2016	<b>Transport Scotland, SESplan member authorities, City of Edinburgh Council, Fife Council, Midlothian Council, East Lothian Council, West Lothian Council, Scottish Borders Council</b>	c. £140K Funded by Scottish Government	<b>Underway</b> Appraisal work underway. Reports due Autumn 2016
8.	<b><u>Complete Strategic Development Plan Transport Appraisal (SDP2 Transport Appraisal)</u></b> Appraisal identifying additional impacts of	2016	<b>SESplan, Transport Scotland, City of Edinburgh Council,</b>	c. £14K Funded by SESplan member authorities	<b>Underway</b> Appraisal of impacts as a result of additional development required in

	development as a result of additional development required by SDP2 Housing Supply Targets		Fife Council, Midlothian Council, East Lothian Council, West Lothian Council, Scottish Borders Council		City of Edinburgh is complete. Further appraisal work required when Cross Boundary Appraisal is complete.
9.	<p><b><u>Cross-boundary Transport Contributions Framework</u></b></p> <p>Produce supplementary guidance "Cross Boundary Transport Contributions Framework" that will set out a framework for requesting contributions towards infrastructure to mitigate the cumulative and cross boundary impacts of additional traffic generated from new developments. Guidance will set out:</p> <ul style="list-style-type: none"> <li>• The detailed location and boundaries of the contribution zones within which the contributions will be required. These zones will be identified at locations within the Growth Corridors and the City Region Core where developments are most likely to contribute to traffic hot-spots</li> <li>• The specific infrastructure to be funded</li> <li>• The method for calculating the contributions required</li> <li>• How, when and to whom payments should be made</li> </ul>	2016-2019	SESplan, Transport Scotland, City of Edinburgh Council, Fife Council, Midlothian Council, East Lothian Council, West Lothian Council	t.b.c	<b>Proposed</b> Framework to be developed following completion of Cross Boundary Transport Appraisal.
10.	<p><b>Edinburgh/Glasgow rail improvements:</b></p> <ul style="list-style-type: none"> <li>• Electrification of Edinburgh/Glasgow Queens</li> </ul>	2016-2019	<b>Network Rail, Transport Scotland</b>	t.b.c Funded	<b>Under construction</b> Completion expected in 2019.

	<p>Street line</p> <ul style="list-style-type: none"> <li>Increase in capacity and frequency of trains between Edinburgh and Glasgow Queen Street: and</li> <li>Further improvements will be set out in stage 2</li> </ul>				Stage 2 to be developed in 2020's
11.	<p><b>East Coast Mainline Improvements</b></p> <p>Ongoing improvements to the East Coast Mainline and potential future improvements. Includes platform work at Edinburgh Waverley.</p>	2016-2032	Network Rail, Transport Scotland	t.b.c.	<p><b>Underway</b></p> <p>Potential initial list of suggest improvements set out in Network Rail Scotland Market Study.</p>
12.	<p><b>Edinburgh-Glasgow via Shotts Line Electrification</b></p> <p>Electrification of 75 km of the Shotts Line between Holytown and Midcalder junctions. Will allow for faster services, including potential Edinburgh-Livingston-Glasgow Central express service</p>	2016-2019	Network Rail, Transport Scotland	Funded	<p><b>Underway</b></p> <p>Preparation work underway</p>
13.	<p><b>Winchburgh Rail Station</b></p> <p>New station to support ongoing development in the Winchburgh Core Development Area.</p>	2016-2019	Network Rail, Transport Scotland, SEStran, West Lothian Council.	Developer funded	<p><b>Underway</b></p> <p>Design work on new stations is underway. New service and stops are included as part of recent Franchise award. Timetable details to be confirmed.</p>
14.	<p><b>Winchburgh M9 Junction</b></p> <p>New Junction on M9 supporting ongoing development in the Winchburgh Core Development Area.</p>	2024-2032	Transport Scotland, West Lothian Council [lead t.b.c]	Developer funded	<p><b>Policy support</b></p>
15.	<p><b>M9 Junction 3 Upgrade</b></p> <p>Development of Westbound slips on Junction East of Linlithgow.</p>	2016-2032	Transport Scotland, West Lothian Council [lead t.b.c]	Developer funded	<p><b>Policy support</b></p>
16.	<p><b>East Linton and Reston Rail Stations</b></p> <p>New stations on East Coast Mainline supported by a new two-hourly service between Edinburgh and Berwick.</p>	2016-2032	Network Rail, Transport Scotland, Abellio Scotrail, SEStran, East Lothian Council,	Funding for design work by East Lothian Council and Scottish Borders Council	<p><b>Underway</b></p> <p>Initial design work on new stations has been completed. New services and stations are included as priced options in the recent franchise.</p>

			Scottish Borders Council		
17.	<b>Levenmouth Rail Link</b> Re-open rail line and new stations at Leven and Cameron Bridge for a passenger service.	2018-2032	<b>Fife Council, SEStran</b>	t.b.c	<b>Policy support</b> Further appraisals required. Aspirational Project. No firm commitment from Scottish Government.
18.	<b>Edinburgh Cross-rail Services</b> New cross-Edinburgh services and suburban rail capacity enhancements	2016-2032	<b>Scotrail, Network Rail, Abellio Scotrail, SEStran</b>	Unknown	<b>Policy support</b> Supported by SEStran. Fife - Edinburgh - Borders Rail services to be introduced.
19.	<b>Dunfermline Northern Relief Road and Western Distributor Road</b> Road improvements required to deliver planned housing and employment growth in Dunfermline	2016-2032	<b>Fife Council</b>	Funding to be secured through planning permission and legal agreements.	<b>Policy support</b> Policy support in FIFEplan
20.	<b>Newbridge Junction Upgrade:</b> Public transport improvements, incl. Edinburgh bound bus lane to roundabout. Safeguards included in emerging Edinburgh LDP	2016-2032	<b>Transport Scotland, South East Scotland Transport, City of Edinburgh Council, West Lothian Council</b>	t.b.c	<b>Underway</b> A joint study looking at options for improving public transport services through junction has been completed, and new computerised junction control in place. New bus lanes on the A89 and A8 is also supported but no funding identified.
21.	<b>Improvements on trunk road approaches to Edinburgh including Junction Upgrades and Non-Car Alternatives</b>  This may include upgrades to junctions on the M9, M8, M90, A1, A71, A68, A89 and A8 and could include upgrades to strategic cycle routes as non-car alternatives.	2018-2032	<b>SEStran</b>	Unknown	<b>Proposed</b> List of improvements will be generated based on evidence from the Cross Boundary Transport Appraisal and the Transport Appraisal of the Strategic Development Plan

22.	<b>Park and Ride Sites:</b> <ul style="list-style-type: none"> <li>• Extensions - Ingliston, Hermiston and Sheriffhall sites</li> <li>• Potential new sites - Gilmerton Road (City of Edinburgh Council area); Lasswade Road (City of Edinburgh Council area); North A68/A720 junction (Midlothian area); Lothianburn A702/A720; Rosyth; Broxburn; Heartlands (Whitburn); Winchburgh (new M9 Junction) Linlithgow (coach park and ride); Winchburgh rail station.</li> </ul>	2016-2032	SEStran, City of Edinburgh Council, Fife, West Lothian Council, Midlothian Council	t.b.c Various levels of commitment. Some funding will be raised through developer contributions.	<b>[ progress on individual sites to be confirmed prior to publication]</b> Land secured for Hermiston Extension. Rosyth Park and Ride has planning consent. Heartlands Park and Ride has planning consent.
23.	<b>A701 and A702 improvements</b> Relief road for A701 with link to A702	2018-2032	Midlothian, Scottish Borders, <b>Lead TBC</b>	t.b.c	<b>Policy support</b>
24.	<b>A801 Improvements</b> Carriageway improvements and new viaduct to improve links between Grangemouth and the M8	2018-2032	<b>West Lothian Council, Falkirk Council</b>	t.b.c To be funded by development	<b>Policy support</b>
25.	<b>A92 Junction Improvements</b> Improvements to roundabouts on A92 around Kirkcaldy and Glenrothes. Includes works to Redhouse Roundabout	2018-2032	<b>Fife Council</b>	t.b.c To be funded by development	<b>Policy support</b> Further appraisals required.
26.	<b>West Edinburgh infrastructure improvements:</b> Upgrade of A8 dumbbells (two roundabouts linked by a bridge or underpass) and Eastfield Rd, Gogar link road (through International Business Gateway site connecting airport to Gogar roundabout), upgraded junctions, International Business Gateway tram halt and bus priority measures.	2016-2032	<b>Edinburgh International Development Partnership</b> comprising Scottish Government, Scottish Enterprise, Transport Scotland, City of Edinburgh Council, Edinburgh Airport, RHASS, private landowners	In excess of £56m	<b>Policy support</b> Policy support in Rural West Edinburgh Local Plan and Proposed LDP. Application for International Business Gateway phase 1 submitted with transport study.
27.	<b>A1 Junction Improvements:</b>	2016-	Transport	Unknown	<b>Proposed</b>

	Improvements to junctions on A1(T) in East Lothian to accommodate development in East Lothian LDP. Does not cover Old Craighall which will be assessed under Cross-Boundary Transport Appraisal.	2030	Scotland, East Lothian Council, Developers. [Lead t.b.c prior to publication]		More detail will be set out in East Lothian LDP Transport Appraisal.
28.	<b>A720 Improvements</b> Potential junction improvements and non-car alternatives that will be required to mitigate impact of development on movement along radial routes to, and orbital routes around Edinburgh.	2018-2030	<b>Transport Scotland,</b> City of Edinburgh Council, , East Lothian, Midlothian Council	Unknown	<b>Proposed</b> No committed interventions yet. Cross Boundary Transport Appraisal to inform prioritisation process.
29.	<b>Edinburgh Orbital Bus and Associated Park and Ride</b> Part dedicated bus route supporting orbital movement around Edinburgh with supporting park & ride infrastructure.	2016-2030	<b>SEStran,</b> City of Edinburgh Council, Midlothian Council, East Lothian Council, Transport Scotland	Unknown	<b>Proposed</b> Supported by SEStran led appraisal complete but no commitment or funding. Policy support in SDP and RTS.
30.	<b>Strategic Walking and Cycling Routes: Functional Routes</b>				
30a.	<b>Glenrothes - Kirkcaldy</b> Connects major towns with strategic centres.	2018-2032	<b>Fife Council,</b> SEStran, Sustrans, SNH	Unknown	<b>Proposed</b>
30b.	<b>Dunfermline - Edinburgh</b> Would connect settlement, expansion areas and employment centres along the A90 corridor which suffers from significant congestion. Good quality off-road route exists between Edinburgh and southern Bridgehead but there is no quality provision between Dunfermline and Rosyth.	2018-2032	<b>Fife Council, City of Edinburgh Council</b> SEStran, Sustrans, SNH	Unknown	<b>Proposed</b> No current commitment to undertake work between Dunfermline and Rosyth
30c.	<b>A89/A8</b>	2016-	<b>City of Edinburgh</b>	t.b.c.	<b>Underway</b>

	Would connect settlement, expansion areas and employment centres along A8/A89 corridor which suffers from significant congestion. Off-road route exists between Bathgate and Broxburn along A89. Some sections in City of Edinburgh area are narrow, poorly surfaced and need upgrading.	2032	<b>Council, West Lothian Council,</b> SEStran, Sustrans, SNH		Route safeguarded from Harthill to Bathgate. Works underway at Gogar interchange as part of Edinburgh Gateway Station works, forming a hub and providing additional safe crossing point of A8. Upgrade of surface and width along A8 commenced 2015/16, further work planned for 2017/18.
30d.	<b>A71 Separated Route</b> Current proposal for high quality separated new route along the route of the A71 from West Calder to Edinburgh. Would provide a safe route along this busy road corridor.	2016-2032	<b>City of Edinburgh Council, West Lothian Council,</b> SEStran, Sustrans, Transport Scotland, SNH	t.b.c.	<b>Underway</b> West Lothian Council have appointed AECOM to undertake route study. City of Edinburgh examining potential of enhancements along Calder Road.
30e.	<b>Edinburgh - Penicuik</b> Connects existing settlements, growth areas, Straiton Commercial Centre and Science and Knowledge Cluster along commuter heavy A701 corridor	2018-2032	<b>Midlothian Council,</b> City of Edinburgh Council, SEStran, Sustrans, Transport Scotland. SNH	t.b.c.	<b>Proposed</b> Support for different parts of route connecting settlements along A701 in Midlothian LDP.
30f.	<b>Edinburgh - Gorebridge</b> New route from Gorebridge to Dalkeith via Newtongrange, Mayfield and Easthouses, with a safe crossing at Sheriffhall and on to Edinburgh. Potentially including A7 urbanisation work. Connects settlements, major growth areas and major employment locations.	2018-2032	<b>Midlothian Council,</b> <b>City of Edinburgh Council,</b> SEStran, Sustrans, Transport Scotland, SNH	t.b.c.	<b>Policy support</b> Support for different parts of routes connecting settlements along A701 in Midlothian LDP.
30g.	<b>A1/A199</b> Spinal through the centre of East Lothian broadly following the A1 corridor and the route of the A199. Links existing settlements employment sites and housing growth areas (including Queen Margaret University, Wallyford and Blindwells).	2016-2032	<b>East Lothian Council, City of Edinburgh Council,</b> SEStran, Sustrans, Transport Scotland, SNH	t.b.c.	<b>Underway</b> East Lothian Council have appointed Ironside Farrar to undertake route study

30h.	<b>Edinburgh Orbital Route</b> Proposed route following the Edinburgh bypass (A720). Sections would include route along former railway path between Straiton and Shawfair. Proposed linking with Gyle and A90 at Barnton. Could be developed as part of Orbital Bus proposal.	2016-2032	<b>City of Edinburgh Council, East Lothian Council, Midlothian Council,</b> SEStran, Sustrans, Transport Scotland, SNH	t.b.c.	<b>Proposed</b> No detail appraisal work undertaken at this stage. Sustrans plan to construct Straiton to Shawfair path within the next 2 years.
<b>31.</b>	<b>Strategic Walking and Cycling Route Recreational Routes</b>				
31a.	Pilgrims Way – Culross & North Queensferry to St Andrews	2016-2032	<b>SESplan Member Authorities,</b> Sustrans, SEStran, SNH	Unknown	[ progress on individual sites to be confirmed prior to publication]
31b.	John Buchan Way Extension to Clyde Walkway	2016-2032	<b>SESplan Member Authorities,</b> Sustrans, SEStran, SNH	Unknown	[ progress on individual sites to be confirmed prior to publication]
31c.	Tweed Cycleway Peebles to Kelso	2016-2032	<b>SESplan Member Authorities,</b> Sustrans, SEStran, SNH	Unknown	Innerleithen to Walkerburn completion due in 2019
31d.	River Tyne Walkway Extension from Haddington to Vogrie Country Park	2016-2032	<b>SESplan Member Authorities,</b> Sustrans, SEStran, SNH	Unknown	[ progress on individual sites to be confirmed prior to publication]
<b>32.</b>	<b>High Speed Rail</b> Linking Edinburgh and Glasgow city centres with London and offering good connections to the rest of the rail network.	2016-2032	<b>Scottish Government</b>	Unknown	<b>Policy support</b> National policy support. An extended a joint study between Transport Scotland, the Department for Transport and HS2 Ltd, into bringing HS2 further and faster into Scotland is expected to report in 2016.

33.	<b>A1 Dualling between Dunbar and Berwick Upon Tweed</b> Proposal to complete dualling of the A1 within Scotland creating a better connection along East Coast.	2016-2032	<b>Scottish Government</b>	t.b.c.	<b>Policy support</b> Local policy support but no current support or commitment from Scottish Government. Further appraisal work required. Department of Transport is committed to the important work on the A1 between Newcastle and the Border dualling 13 miles of the of the single carriageway in Northumberland.
34.	<b>Borders Railway Extensions to Hawick and Carlisle</b>	2016-2032	<b>Transport Scotland, Scottish Borders Council, Abellio Scotrail, Network Rail, SEStran, Carlisle City Council and Dumfries &amp; Galloway Council</b>	Unknown	<b>Policy support</b> All partners are committed to scoping potential further feasibility work in relation to extending the Borders Railway line towards Hawick and Carlisle, including turning options at and beyond Tweedbank. It is envisaged that pre-feasibility work in relation to extending the Borders Railway will be initiated in 2016.
35.	<b>Dunfermline-Alloa Passenger Rail Link</b> Create sustainable connection between Alloa and Dunfermline using existing track.	2016-2032	Transport Scotland, Fife Council, Clackmannanshire Council	Unknown	<b>Policy support</b> Local policy support but no current support or commitment from Scottish Government.
36.	<b>Edinburgh Tram Extensions</b>				
36a.	St Andrew Square to Newhaven - Needed to support significant scale of development at Leith and Waterfront	2016-2032	<b>City of Edinburgh Council</b>	No funding in place. Developers along tram routes would be expected to	<b>Policy support</b> Council has approved in principle and period of site investigation and procurement underway over next

				contribute.	year. Firm commitment still to be confirmed.
36b.	Newhaven to Granton - Needed to support significant scale of development at Waterfront	2018-2032	<b>City of Edinburgh Council</b>	No funding in place. Developers along tram routes would be expected to contribute.	<b>Policy support</b> Rights to start construction extend to March 2021. City of Edinburgh Council approved a report in March agreeing to compulsory purchase the land before the rights expire. Other routes have policy support only.
36c.	Ingliston Park & Ride to Newbridge	2018-2032	<b>City of Edinburgh Council</b>	No funding in place. Developers along tram routes would be expected to contribute.	
36d.	City Centre to Edinburgh BioQuarter, Newcraighall and Queen Margaret University	2018-2032	<b>City of Edinburgh Council</b>	No funding in place. Developers along tram routes would be expected to contribute.	<b>Policy support</b>
36e.	Roseburn to Granton	2018-2032	<b>City of Edinburgh Council</b>	No funding in place. Developers along tram routes would be expected to contribute.	<b>Policy support</b>
	<b>Place for communities</b>				
37.	<b><u>Supplementary Guidance for Cross-boundary Green Networks 1.</u></b> <i>Edinburgh &amp; East</i>	2016-2019	<b>SESPlan, Scottish Natural Heritage, City of Edinburgh Council, Midlothian Council, East Lothian Council, Forestry Commission Scotland, Scottish Environmental</b>	t.b.c.	<b>Proposed</b> Technical Paper on SESplan Green Networks Published 2015

			Protection Agency, Lothian and Fife Green Network Partnership, Sustrans		
38.	<b><u>Supplementary Guidance for Cross-boundary Green Networks 2.</u></b> <i>Edinburgh &amp; West</i>	2016- 2019	<b>SESPlan, Scottish Natural Heritage, City of Edinburgh Council, West Lothian Council,</b> Forestry Commission Scotland, Scottish Environmental Protection Agency, Lothian and Fife Green Network Partnership, Sustrans	t.b.c.	<b>Proposed</b> Technical Paper on SESplan Green Networks Published 2015

39.	<p><b><i>Cross Boundary Green Network Framework for the Green Network Priority Areas that do not cross boundaries.</i></b></p> <p>Note: Scottish Borders is not italicised since it was not selected as part of the Central Scotland Green Network National Development.</p> <p><i>Dunfermline North &amp; East Ore Valley Kirkcaldy Gateways Levenmouth &amp; Coast</i></p>	2016-2024	<p><b>Fife</b>, Scottish Natural Heritage, Forestry Commission Scotland, Lothian and Fife Green Network Partnership, Scottish Environmental Protection Agency</p>	t.b.c.	<p><b>Underway</b> Green Networks in Fife – FIFEplan Background Paper setting out recommendations as to how green networks should be spatially defined and assessed for inclusion in the Fife LDP.</p>
	<i>Linlithgow</i>	2016-2024	<p><b>West Lothian Council</b>, Scottish Natural Heritage, Forestry Commission Scotland, LFGNP, Scottish Environmental Protection Agency</p>	t.b.c.	<p><b>Proposed</b></p>
	<i>Polkemmet &amp; Breich Water</i>	2016-2024	<p><b>West Lothian Council</b>, Scottish Natural Heritage, Forestry Commission Scotland, Lothians</p>	t.b.c.	<p><b>Proposed</b></p>

			and Fife Green Network Partnership, Scottish Environmental Protection Agency		
	<i>Forth Shores</i>	2016-2024	<b>City of Edinburgh Council</b> , Scottish Natural Heritage, Forestry Commission Scotland, Lothians and Fife Green Network Partnership, Scottish Environmental Protection Agency	t.b.c.	<b>Proposed</b>
	Scottish Borders	2016-2024	<b>Scottish Borders Council</b> , Scottish Natural Heritage, Forestry Commission Scotland, Scottish Environmental Protection Agency	t.b.c.	<b>Policy support</b> Scottish Borders Council intends to produce Supplementary Guidance
<b>40.</b>	<b>Monitor SESplan Housing Land Supply</b> SESplan and SESplan member authorities will work with Homes for Scotland to develop standards for the preparation of Housing Land Audits. Prepare an annual housing audit including information on the housing land supply and other factors such as completions and significant appeal decisions in	2016-2032	<b>SESplan, SESplan member authorities</b> , Homes for Scotland	n/a	<b>Underway</b>

	consultation with Homes for Scotland.				
41.	<b>Monitor need for specialist housing provision.</b> SESplan member authorities will work together through the South-east Scotland Housing Forum to update housing need information for communities with specialist housing needs.	2016-2032	<b>SESplan member authorities</b>	n/a	<b>Proposed</b>
42.	<b>Review Remit and Purpose of SESplan Housing Market Partnership</b> Review the remit and purpose of SESplan Housing Market Partnership. Consider whether the remit could be expanded to include additional joint action to support the rate of market and affordable housing delivery.	2016-2018	<b>SESplan member authorities, Homes for Scotland, SESplan Housing Market Partnership</b>	n/a	<b>Proposed</b>

**APPENDIX 3 –**

# Housing Background Paper



Committee Draft

# Contents

1	Executive Summary	3
2	Introduction	6
3	Policy Context	8
4	Background Context	10
5	Methodology for Setting Housing Supply Targets	16
6	Evaluating Alternative Futures	24
7	Affordable Housing Supply Targets	32
8	Market Housing Supply Targets	34
9	Demolitions	40
10	Agreed Housing Supply Targets	41
11	Housing Land Requirements	44
A	Land Supply Implications	46
B	Policy and Guidance	49
C	Housing Need and Demand Assessment Data	54
	Glossary	57

## Executive Summary

## Executive Summary

1 The Strategic Development Plan (SDP) sets out the number of additional homes to be delivered over the period 2018 to 2030 for the SESplan Single Housing Market Area and for each of the SESplan Member Authorities. These Housing Supply Targets must be reasonable and deliverable. The Housing Supply Targets agreed by SESplan Member Authorities (Table 1) are robust, supported by evidence and have been set using a methodology designed to be compliant with Scottish Planning Policy and related guidance.

**Table 1 SESplan Housing Supply Targets 2018-2030**

	Affordable		Market		Combined	
	Annual Average	Period Total	Annual Average	Period Total	Annual Average	Period Total
City of Edinburgh	1,200	14,400	1,220	14,640	2,420	29,040
East Lothian	189	2,268	330	3,960	519	6,228
Fife	262	3,144	605	7,260	867	10,404
Midlothian	165	1,980	369	4,428	534	6,408
Scottish Borders	128	1,536	220	2,640	348	4,176
West Lothian	300	3,600	333	3,996	633	7,596
<b>SESPLAN</b>	<b>2,244</b>	<b>26,928</b>	<b>3,077</b>	<b>36,924</b>	<b>5,321</b>	<b>63,852</b>

2 The SESplan Housing Supply Targets have been informed by a Housing Need and Demand Assessment (HNDA), certified as credible and robust by the Centre of Housing Market Analysis in 2014. The HNDA identified three alternative futures based on different economic and demographic assumptions. The output of each alternative future was numerical estimates of housing need and demand. Following analysis SESplan has concluded that the most likely outcome will fall somewhere between the Steady Recovery and Wealth Distribution alternative futures. Steady Recovery is based on a lower economic growth future with lower migration. Wealth Distribution is based on a higher level of economic growth than Steady Recovery, with a medium level of migration. It also is based on reducing income inequalities and wider distribution of wealth in the City Region. Of these two alternative futures, reflecting a more ambitious approach to growth, the Wealth Distribution alternative future estimates have been used to inform the Housing Supply Targets.

3 The HNDA numerical estimates have been used alongside other relevant factors to identify the Housing Supply Targets. These include the need to align with the agreed SESplan Spatial Strategy (i.e. More provision within Edinburgh), availability of resources to deliver required supporting infrastructure and the rate of past and recent completions.

4 The distribution of Housing Supply Targets reflects the SDP Spatial Strategy. City of Edinburgh will be providing a higher proportion of the housing supply target than the proportion of the housing requirement set out in SDP1 and the Housing Land Supplementary Guidance. This will result in proportional levels housing being located close to where future jobs are. Additional commuting will

## Executive Summary

be minimised and there expected benefits in terms of minimising carbon and nitrogen oxide emissions. Air quality impacts on already congested traffic corridors will be minimised. Limited dispersal of housing from Edinburgh will be met in existing housing allocations on growth corridors.

**5** The majority of need and demand for housing is for households who cannot afford buy or rent at market prices - owner occupation or private rent tenures. They require affordable tenures of housing where rent or purchase prices are lower than market levels. Affordable Housing Supply Targets have not been set at a level that would meet the full estimate of need for affordable homes estimated by the HNDA. Delivery of affordable housing is severely limited by funding, despite planned increases from Scottish Government. Affordable Housing Supply Targets reflect this significant need for affordable housing, but are set at a level that is realistic and deliverable. Market Housing Supply Targets exceed the demand identified by the Wealth Distribution HNDA estimate. This is because market housing can help meet some but not all of the shortfall in the need for affordable housing through more affordable types of market housing, help to buy and an expanded role for new build private rented sector housing. The Housing Supply Targets overall are therefore ambitious but are considered deliverable over the 12 year period from 2018 to 2030. Even so, achieving them will require a step change in the rate of housebuilding for both market and affordable housing.

**6** The SDP also sets out the level of housing land required to enable the Housing Supply Targets to be met. This is known as the Housing Land Requirement (Table 2). It is calculated by adding a 10-20% generosity allowance to the Housing Supply Targets. A 10% margin has been used to calculate the Housing Land Requirements for SESplan. This is justified because the Housing Supply Targets are set at ambitious but justified levels in excess of demand indicated by the HNDA. Greater levels of housing land supply than the Housing Land Requirements will not increase the likelihood of level of housing delivery required by the Housing Supply Targets. The viability of housing sites could be undermined by an over-supply of land by reducing the level of returns to developers and landowners. This also creates uncertainty for communities and infrastructure providers where large supplies of land are identified for housing but do not come forward due to an excess of housing sites compared to the level of demand.

**Table 2 Housing Land Requirements 2018-30 (Housing Supply Targets +10%)**

Area	Combined Housing Supply Targets		Housing Land Requirements	
	Annual Average	Period Total	Annual Average	Period Total
City of Edinburgh	2,420	29,040	2,662	31,944
East Lothian	519	6,228	571	6,851
Fife	867	10,404	954	11,444
Midlothian	534	6,408	587	7,049
Scottish Borders	348	4,176	383	4,594
West Lothian	633	7,596	696	8,356
<b>SESplan</b>	<b>5,321</b>	<b>63,852</b>	<b>5,853</b>	<b>70,237</b>

## Executive Summary

**7** For the 2018-2030 period it is estimated that additional housing land supply will be required in City of Edinburgh to meet the Housing Land Requirement. This is estimated to be up to land for 8,000 additional dwellings over current supplies. Of this, land for approximately 5,000 dwellings is expected to come forward through windfall housing sites. Additional housing land above supplies in emerging LDPs is not expected to be needed in East Lothian, Fife, Midlothian, Scottish Borders and West Lothian. Estimated supplies of housing land in those SESplan member authorities for the 2018-2030 period indicate that there will be varying levels of housing land surpluses to meet the Housing Land Requirements.

**8** Indications of the scale of housing required have identified for 2030-2038 (Table 3) based on the HNSA Wealth Distribution estimates. These figures do not take into account wider factors that may influence delivery, given the difficulty of making robust assumptions for the 2030's at this time. Instead the distribution of Housing Supply Targets between the SESplan member authorities for the 2018-2030 period has been used as a proxy. These indicative scale of housing required is higher than the Housing Supply Targets for the 2018-30 period because the affordable housing levels have not been reduced because of levels of funding available to deliver them. They will require a further step-change in the rate of delivery of affordable housing if there is not to be a shortfall in affordable housing delivery.

**Table 3 Indicative Scale of Housing Required 2030-2038**

Plan Area	2030-38 Distribution	Annual Average	Period Total
City of Edinburgh	45.5%	2,491	19,928
East Lothian	9.8%	534	4,274
Fife	16.3%	892	7,139
Midlothian	10%	550	4,397
Scottish Borders	6.5%	358	2,866
West Lothian	11.9%	652	5,212
<b>SESplan</b>	<b>100%</b>	<b>5,477</b>	<b>43,816</b>

## 1 Introduction

# 1 Introduction

## Purpose

**1.1** This paper sets out the background, process and justification for the Housing Supply Targets and Housing Land Requirement set out in the SESplan Strategic Development Plan (SDP). These Housing Supply Targets and Housing Land Requirements will be used in subsequent Local Development Plans (LDPs) and Local Housing Strategies.

**1.2** The SDP is intended to be a concise, map based document. It does not therefore set out the justification and background behind the Housing Supply Targets and Housing Land Requirements in detail. This paper therefore sets out the detailed process for identifying the Housing Supply Targets and provides the justification and evidence that underpins them and the Housing Land Requirements in the plan.

**1.3** For the purposes of this note the the following definitions of Housing Supply Targets and Housing Land Requirements are used. They are taken from Scottish Planning Policy (see 2 'Policy Context' for more detail).

### Definitions

Housing Supply Target<sup>(1)</sup>: a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy, taking into account wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements such as the aims of National Parks. The target should be reasonable, should properly reflect the HNDA estimate of housing demand in the market sector, and should be supported by compelling evidence.

Housing Land Requirement<sup>(2)</sup>: Within the overall housing supply target, plans should indicate the number of new homes to be built over the plan period. This figure should be increased by a margin of 10 to 20% to establish the housing land requirement, in order to ensure that a generous supply of land for housing is provided.

**1.4** The rest of this report is structured as follows:

- Chapter 2 sets out the key policies and guidance that Housing Supply Targets and Housing Land Requirement, and the process for identifying them that they must comply with. Extracts of all related policies and guidance are set out in Appendix A.
- Chapter 3 sets out the background context for setting the Housing Supply Targets. This includes the 2015 HNDA and the work undertaken up to the 2015 SESplan Main Issues Report.
- Chapter 4 sets out the agreed methodology for identifying Housing Supply Targets. Each individual step taken is then set out in chapters 5, 6, 7 and 8. Chapter 9 then sets out the combined Housing Supply Targets.

## Introduction 1

- Chapter 10 sets out the Housing Land Requirements and the justification for choosing a 10% generosity margin.
- Chapter 11 sets out a comparison of the estimated housing land supplies and the Housing Land Requirements. This indicates what the level of housing allocations will need to be in LDPs after the adoption of this SDP.

Committee Draft

## 2 Policy Context

## 2 Policy Context

### Policy Context

Scottish Planning Policy (SPP) and the Housing Need and Demand Assessment (HNDA) Manager's Guide are the most relevant documents setting out guidance and requirements for identifying Housing Supply Targets and Housing Land Requirements. The critical sections of these documents are set out here with key messages for SESplan identified. All relevant sections of all relevant guidance is set out in Appendix A.

### SPP

**2.1** SPP sets out the requirements for SDPs on housing matters.

113. Plans should be informed by a robust housing need and demand assessment, prepared in line with the Scottish Government's HNDA Guidance.

115 Plans should address the supply of land for all housing. They should set out the housing supply target (separated into affordable and market sector) for each functional housing market area, based on evidence from the HNDA.

115 The housing supply target is a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy, taking into account wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements such as the aims of National Parks.

115 The target should be reasonable, should properly reflect the HNDA estimate of housing demand in the market sector, and should be supported by compelling evidence.

116 Within the overall housing supply target, plans should indicate the number of new homes to be built over the plan period. This figure should be increased by a margin of 10 to 20% to establish the housing land requirement.

118 Strategic development plans should set out the housing supply target and the housing land requirement for the plan area, each local authority area, and each functional housing market area. They should also state the amount and broad locations of land which should be allocated in local development plans to meet the housing land requirement up to year 12 from the expected year of plan approval, making sure that the requirement for each housing market area is met in full. Beyond year 12 and up to year 20, the strategic development plan should provide an indication of the possible scale and location of housing land, including by local development plan area.

### Housing Need and Demand Assessment Manager's Guide

**2.2** This provides advice on preparation and use of HNDAs, including their role in informing Housing Supply Targets. The key related sections are set out below (emphasis added).

9.1 While it is expected that there is a clear alignment between the HNDA and the Housing Supply Target the two are not the same and are therefore are not expected to match.

## Policy Context 2

9.2 The Housing Supply Target will take the HNDA as its starting point, but will consider policy and practical considerations to reach a view on the level of housing that can actually be delivered over a defined period.

9.3 The HNDA gives a statistical estimate of how much additional housing is required, whereas the Housing Supply Target gives an estimate of how much additional housing can be actually be delivered by authorities.

13.1 The Housing Supply Target feeds into both LHSs and Development Plans. It sets out the estimated level of additional housing that can actually be deliverable, on the ground, over the period of the plan. The Housing Supply Target represents a policy interpretation of the HNDA and therefore should be considered separately to the HNDA.

13.4 In setting and agreeing the Housing Supply Target, authorities should give full consideration to those factors which may have a material impact on the pace and scale of housing delivery such as:

- economic factors which may impact on demand and supply
- capacity within the construction sector
- the potential inter-dependency between delivery of market and affordable housing at the local level
- availability of resources
- likely pace and scale of delivery based on completion rates
- recent development levels
- planned demolitions
- planned new and replacement housing or housing brought back into effective use.

13.5 Consideration of these factors could result in a Housing Supply Target figure which may be lower or higher than the housing estimate in the HNDA.

### **What this Means for the SESplan Housing Supply Targets:**

- They should be based on the SESplan HNDA but informed by other relevant factors. Therefore the Housing Supply Targets are not expected to match the estimates from the HNDA.
- Separate Market and Affordable Housing Supply Targets are required. The market HNDA estimates should be fully reflected in the Market Housing Supply Targets.
- They are required to be realistically deliverable over a plan period and should not be unachievable targets solely based on HNDA estimates.
- SDP2 should set Housing Supply Targets for the single SESplan Housing Market Area (Chapter 3) and the six SESplan Member Authorities.

## 3 Background Context

### 3 Background Context

**3.1** This chapter sets out the context to preparing the Housing Supply Targets and Housing Land Requirements up to the approval of the SESplan Main Issues Report for publication in May 2015.

#### **SDP1 & Housing Land Supplementary Guidance**

**3.2** SDP1 was approved in June 2013 subject to Ministerial modifications which required the production of Housing Land Supplementary Guidance (SG). Adopted in October 2014, this set out how the housing requirements<sup>0</sup> for 2009-2019 and 2019-2024 periods should be met across the six SESplan LDP areas. The terminology around housing requirements, housing land requirements and housing supply targets changed in the revised 2014 SPP.

**3.3** The Housing Land SG housing requirements for the six SESplan member authorities were required to add up to the 2011 HNDA estimate of 107,545 homes over the 2009-2024 period<sup>0</sup>. Using an analysis of environmental and infrastructure opportunities, capacities and constraints, the housing requirements were agreed for each member authority. Since then SESplan Member authorities have been preparing LDPs, providing generous levels of housing land to meet the housing requirements of the SDP and Housing Land SG.

#### **Housing Need and Demand Assessment**

**3.4** A HNDA sets out information to support land use planning. Using a modelling tool with demographic and economic inputs, it provides estimates of the total additional future housing need and demand over a 20 year period. This is split by households who can afford owner occupation; private rent; below market rent and social rent. These estimates are then used to inform the Housing Supply Targets.

**3.5** The following section briefly summarises the 2015 HNDA process. It focuses on the estimates generated by the HNDA and how they were used in the Main Issues Report. The full HNDA documentation is available on a 2015 [HNDA page](#) on the [SESplan Website](#), including a [Quick Guide](#), [Executive Summary](#) and [Final Report](#).

#### **HNDA2 Process**

**3.6** Preparation of HNDA began in 2013. It was directed by Core Housing Market Partnership, a group made up of planning and housing officers in each of the six authorities. This is in accordance with the HNDA guidance.

**3.7** The draft HNDA2 Report was produced in summer 2014 and made available for public consultation for eight weeks. Full details of the consultation are available in the [13 October 2014 SESplan Joint Committee Report](#). Based on consultation feedback, the HNDA report and estimates were updated to take account of the 2012 based population projections. The HNDA was submitted to the Centre for Housing Market Analysis in early 2015. On March 27 2015, they found the HNDA robust and credible. Therefore the findings of the HNDA should not be considered further at the SDP, or any subsequent LDP examinations.

## Background Context 3

### SESplan Functional Housing Market Area

**3.8** HNDAs are required to assess housing need and demand within Housing Market Areas. Housing Supply Targets are required to be set at SDP level, functional Housing Market Area and member authority level. Therefore the HNDA report identifies the functional Housing Market Areas within the SESplan Area.

**3.9** Edinburgh lies at the centre of the SESplan region. Housing sales data shows that Edinburgh has a housing market that extends beyond its local authority boundaries. The [SESplan Housing Market Area Assessment](#) concluded that all SESplan member authority areas should be taken as being within City of Edinburgh's wider functional Housing Market Area, albeit that the strength of this relationship varies between the surrounding sub-market areas, tending to weaken as distance from the city increases. This builds on conclusions from HNDA1 (2011) which identified that SESplan was one functional Housing Market Area, with sub Housing Market Areas operating within it. Whilst there are 15 sub-Housing Market Areas, there is only one functional SESplan Housing Market Area. Housing Supply Targets are not required to be set at sub-housing market area level. Therefore the SDP has only set Housing Supply Targets for the SESplan Housing Market Area and each of the SESplan member authorities.

**3.10** For more detail see the [SESplan HMAA](#) and Section 3 of the [HNDA Report](#).

### Using 2012 Base Projections

**3.11** The Final 2015 HNDA report contains estimates based on both the 2010 and 2012 based National Records of Scotland household projections. Household projections are produced by National Records of Scotland every two years. As these are the first set of household projections following the 2011 Census, significant changes have been made to the method used to produce these projections. The 2012 based household projections incorporate data from the 2011 Census as well as 1991 and 2001 Censuses combined with the most recent population projections and household survey data. Given this, 2012 based household projections are considered to be more robust than 2010 based projections and reflect changes in household formation rates more accurately. Therefore, only the 2012-based HNDA scenarios have been considered for use in the Housing Supply Target process.

**3.12** The 2012 based household projection figures project a slower rate of growth than estimated in previous projections and they suggest that the economic downturn and affordability issues have impacted upon the ability of people to form new households.

### Summary of HNDA2 Alternative Futures

**3.13** The HNDA2 Report has four different output estimates of additional housing required based on the 2012 household projections. These are referred to as the four alternative futures and are named as 'Default', 'Steady Recovery', 'Wealth Distribution' and 'Strong Economic Growth'.

**3.14** The alternative futures are based on different economic and demographic assumptions. Each of these different alternative futures was used in the HNDA tool to produce the different estimates. The default scenario is not a true alternative future, rather it tests the HNDA tool with all assumptions in their default setting as selected by CHMA and does not take account of variables specific to the SESplan area. Therefore it has not been used to inform the Housing Supply Targets. The remaining three alternative futures are described as follows on page 143 of the HNDA Report:

### 3 Background Context

**Steady Recovery** - describes a steady upturn in the economy, characterised by positive economic activity in some areas and some reduction in housing development constraints, limited increases in GVA, productivity and employment growth, with public spending cuts and welfare reform continuing to impact. Migration to the SESplan City Region area is lower than compared with other scenarios due to the lower level of economic growth than experienced previously.

**Wealth Distribution**<sup>(3)</sup> - portrays a wide distribution of wealth within the region, creating more high and low skilled jobs and increasing economic activity throughout the working age population. Whilst helping to reduce economic inequalities, bringing more people back into work in lower skilled employment lowers GVA and workforce productivity.

**Strong Economic Growth** - characterised by major increases in economic wealth, productivity and high levels of employment. The SESplan area becomes one of the fastest growing regions of the UK in population terms, drawing in workers from other parts of the country.

**3.15** Assumptions are made about the impact of these different scenarios on a range of economic/ demographic variables, so that each scenario is associated with a different set of values or HNDA 'inputs' The different variables were:

- Household projections migration level - set at low default or high levels of migration
- Existing need clearance period - number of years for the existing unmet housing need and demand at 2012 to be added to newly arising need and demand
- Average median household income growth - percentage growth in incomes by SESplan member authority to 2040
- Change in income distribution - proportional distribution of incomes and whether incomes become closer or income inequality increases
- Projected house price increases
- Below market rent growth - change in rental levels

**3.16** The different level the variables were set at were informed by an Oxford Economics Study<sup>(4)</sup> and decisions by the Core Housing Market Partnership. More details are on the alternative futures and their assumptions are available in Chapter 5 'Evaluating Alternative Futures' and section 9 of the HNDA Report.

**3.17** The outputs of each of the alternative futures are estimates for housing need and demand each of the four tenure categories (social rent, below market rent, private rented sector and owner occupied). Estimates are provided for each year from 2012 to 2038. These estimates are summarised in Table 3.1 'SESplan Housing Need & Demand Estimates 2012-2038' at the SESplan HMA level as totals and annual averages.

3 This scenario was re-named as Increasing Economic Activity with more High and Low Skilled Jobs in the Main Issues Report under Issue F: Housing Land across the SESplan Area

4 HNDA Report Supporting Documents 5, 6 and 7

## Background Context 3

**Table 3.1 SESplan Housing Need & Demand Estimates 2012-2038**

	Social Rent	Below Market Rent	Private Rented Sector	Owner Occupier	Total
Steady Recovery (total)	70,487	18,717	15,452	33,889	138,545
Steady Recovery (annual average)	2,611	693	572	1,255	5,131
Wealth Distribution (total)	75,747	26,217	23,809	43,723	169,496
Wealth Distribution (annual average)	2,805	971	882	1,619	6,278
Strong Economic Growth (total)	88,865	23,099	33,090	56,292	201,346
Strong Economic Growth (annual average)	3,291	856	1,226	2,085	7,457

**Key Findings & Conclusions from HNDA**

**3.18** The HNDA concludes that a 25% increase in households is projected from 2012 to 2037 with the number of households projected to increase from 559,838 in 2012 to 700,389 in 2037. This is significant compared a 17% increase across Scotland.

**3.19** It is clear from the HNDA estimates that the need for affordable housing (social rent and below market rent) significantly outstrips that of market housing (private rented sector and owner occupier). In all scenarios affordable need is over 50% of the total estimate. For Steady Recovery and Wealth Distribution it is respectively 64% and 60% of the total need. This reflects the findings of sections 5.9 to 5.12 of the HNDA Report. This highlights the high house prices and rents in the region, particularly in and around Edinburgh. This results in a high proportion of the additional housing need and demand falling into the affordable categories. These households are considered not able to afford owner occupier or private rent tenures.

**3.20** Page 143 of the HNDA Report concludes that 'steady recovery' and 'wealth distribution' are most likely to represent the future for the SESplan area on the basis of rigorous analysis by the Housing Market Partnership, informed by Oxford Economics research. Strong Economic Growth was considered the least likely alternative future to take place based on the available evidence. More detail on findings from the HNDA are set out in Section 10 of the [HNDA Report](#).

**Main Issues Report**

**3.21** The SESplan Main Issues Report did not set out Housing Supply Targets or Housing Land Requirements for the six SESplan Authorities. Instead each of the future scenarios were presented as options on which to base Housing Supply Targets. There were four issues in the Main Issues Report on housing related matters. A summary of these is set out below. The Main Issues Report gave a clear indication of what factors were going to influence Housing Supply Targets, what approximate level the SESplan HMA Housing Supply Target would be set at and how it would be

### 3 Background Context

met between the six SESplan member authorities. For more detail for the justification behind these issues see the Place for Communities Section of the [Main Issues Report](#) and section 4.62 to 4.74 of the Monitoring Statement.

**3.22** In summary:

- The Main Issues Report preferred option relating to Housing Supply Targets was for the 'Steady Recovery' alternative future to be used to inform them;
- For Edinburgh, a higher proportion of the SESplan Housing Market Area Housing Supply Target is to be met there compared to the previous SDP. This is to accord with the preferred spatial strategy of the SDP; and
- The generosity margin to calculate Housing Land Requirements should be set at 10% with local flexibility to increase this.

#### **Main Issues Report Feedback**

**3.23** The Main Issues Report consultation period ran for 10 weeks from mid July to mid September 2015. The SESplan Core Team analysed all the responses from September to November. A [report](#) of the analysis was presented to the SESplan Joint Committee in December 2015. Appendix 1 of the report provides detailed summaries of all the responses received. The key points relating to the housing issues above are set out below.

#### **Issue F Housing Land Across the SESplan Area**

**3.24** Most respondents supported the preferred option of using Steady Recovery was the most popular of the options but responses were highly polarised depending on the respondee type. Individuals and community related groups predominantly favoured Steady Recovery. They argued that the higher 2015 HNDA scenarios do not match economic trends and are 'speculative and unrealistic'; and the higher 2015 HNDA scenarios would result in unacceptable, environmental, greenspace and cultural impacts.

**3.25** The majority of development interest groups supported the alternative options with most preferring 'Strong Economic Growth'. The most common reasons for this position included: 'Steady Recovery' does not reflect the intentions of City Deal; SDP2 should have ambitious growth scenarios where a lack of housing does not restrict growth; and 'Steady Recovery' is not ambitious.

**3.26** Section 5 of this report sets out how the use of the HNDA scenarios was re-evaluated following the consultation on the Main Issues Report.

#### **Issue G Housing Land in Edinburgh**

**3.27** 49% of responses supported the preferred option of Edinburgh meeting a significant proportion of its need and demand. This was felt to be an appropriate balance reflecting regional relationships and that Edinburgh meeting all need and demand would not be desirable or deliverable due environmental and infrastructure capacity issues.

**3.28** A significant proportion of those who supported concentration in the City of Edinburgh were individuals and community groups / councils located outside Edinburgh. These groups were concerned about the impacts on infrastructure, the Green Belt and increased commuting on congested transport networks back into Edinburgh.

## Background Context 3

**3.29** Those supporting the dispersal option stated that infrastructure and environmental capacity issues in the City place a limit on housing delivery. A greater level of development in Edinburgh would affect its cultural and built heritage.

**3.30** Section 6 and 7 of this report describe the process for setting the City of Edinburgh affordable and market Housing Supply Targets.

### Issue H A Generous Supply

**3.31** In terms of the level of generosity, 46% of respondents supported none of the options with 44% supporting the preferred option of setting a 10% generosity allowance and providing LDPs with flexibility. A number of respondents considered that a generosity allowance is not needed at all as too much land has already been allocated for housing exceeding local infrastructure capacity.

**3.32** Others considered that the concept of a generous supply is to ensure more land is allocated than is required. They stated that there has been a significant shortfall to date in delivering SDP1, due to member authorities including ineffective sites, and failure to grant permission for windfall sites. Therefore to avoid a repeat of this, SDP2 should set a generosity allowance of 20%.

**3.33** A number of respondents stated that the preferred option of allowing LDPs flexibility to increase the generosity margin was contrary to SPP. It is for SDPs to set the generosity margin and Housing Land Requirements and therefore there is no ability for LDPs to vary from these.

**3.34** The approach to generosity and its justification is set out in Section 10 of this report.

### Issue I Affordable Housing

**3.35** 46% of respondents supported the preferred option of directing LDPs to seek a minimum of 25% affordable housing provision on market led sites. This affords flexibility to target affordable housing where it is in greatest need. However, it was noted that the significant level of need for affordable housing should not be seen in its entirety to be met through the developer obligations framework as this may render sites unviable.

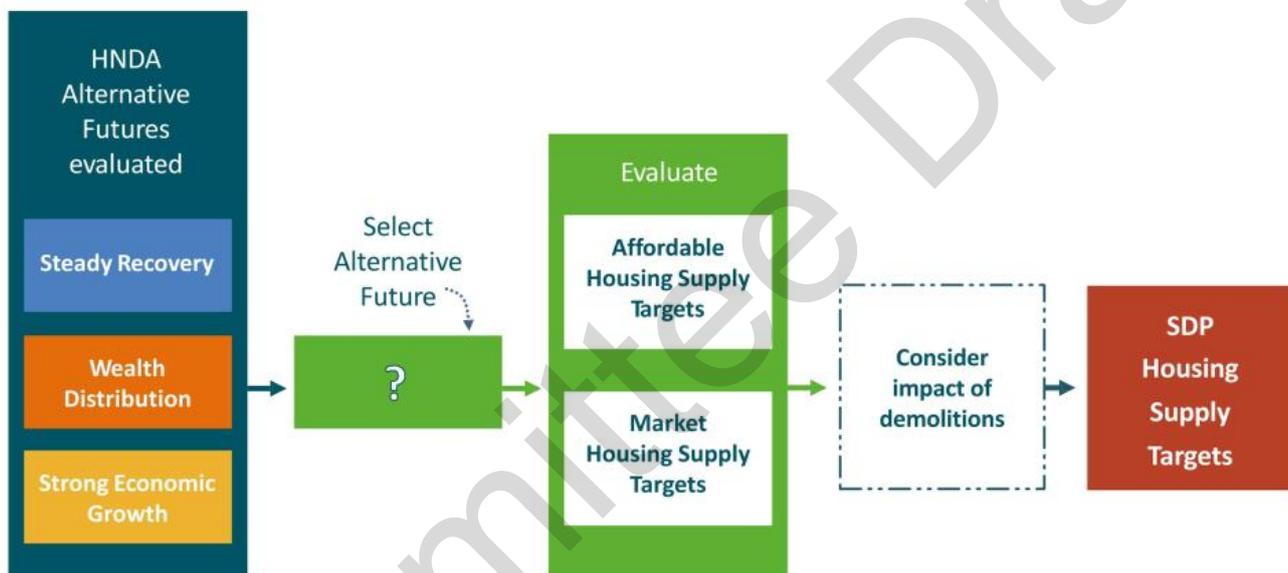
**3.36** The approach to affordable housing and affordable Housing Supply Targets is set out in Section 6 of this report.

## 4 Methodology for Setting Housing Supply Targets

### 4 Methodology for Setting Housing Supply Targets

**4.1** A methodology compatible with the Housing Supply Target requirements set out in SPP, the HNDA Managers Guide and Local Housing Strategy Guidance was identified and reviewed following the Main Issues Report consultation. This methodology was agreed between the SESplan member authorities and is set out below in Figure 4.1 and summarised in steps below. Steps 2 and 3 are undertaken at the same time and do not follow each other. Neither the market or affordable Housing Supply Target can be set independently without reference to each other and the combined Housing Supply Target.

**Figure 4.1 Housing Supply Target Process**



- 1. Review HNDA alternative futures to inform Housing Supply Targets.** Considerations are the economic and demographic assumptions behind the 2015 HNDA scenarios, current economic trends and the Main Issues Report consultation responses. - Chapter 5 5 'Evaluating Alternative Futures'
- 2. Set affordable Housing Supply Targets.** Affordable Housing Supply Targets will be set at a rate that is considered realistic and deliverable. Affordable housing delivery is strongly linked to the availability of funding, which comes from a range of sources. Affordable Housing Supply Targets need to be based on analysis of available resources to deliver affordable housing. Planning and spatial strategy considerations are also relevant. This is demonstrated by affordable housing delivery increasing in the post financial crash period. - Chapter 6 6 'Affordable Housing Supply Targets'
- 3. Set market Housing Supply Targets.** Whilst reflecting the HNDA estimate of housing need and demand in the market sector, market Housing Supply Targets will be set at levels that can be delivered by considering a range of factors. These are planning factors and spatial strategy; past and recent development levels; availability of resources to deliver development, including infrastructure funding; and capacity within the construction sector. Chapter 7 7 'Market Housing Supply Targets'
- 4. Impact of Demolitions.** As Housing Supply Targets are net figures, both affordable and market Housing Supply Targets will be lowered by the respective level of planned demolitions. Windfall demolitions will also be considered if properly evidenced. - Chapter 8 8 'Demolitions'

## Methodology for Setting Housing Supply Targets 4

**4.2** The agreed Housing Supply Targets (Chapter 9) were identified following the completion of this process.

### SDP2 Housing Supply Target Plan Periods

**4.3** SPP requires the Housing Supply Targets in the SDP to be set 12 years from the year of plan adoption. Previously in the Main Issues Report this was assumed to be the 2017/18 financial year. In the Main Issues Report, information was given to 2029. However, the SDP is expected to be adopted in 2018. Therefore the Housing Supply Targets in the Proposed Plan cover the 2018 to 2030 period.

**4.4** Whilst the HNDA provides data from 2012 onwards, the Housing Supply Targets will apply from 1st April 2018. Housing Supply Targets do not cover the same period as the HNDA, as they are not required to. As set out in footnote 6 of page 25 of the Main Issues Report, SDP1 and the Housing Land SG set the strategy and housing requirements up until the approval of SDP2 in 2018. Shortfalls in the delivery housing against the SDP1 & Housing Land SG Housing Requirements in years pre April 2018 will not be brought forward and used to inform effective housing land levels post end March 2018.

### Use of HNDA Data

**4.5** [HNDA Supporting Document 4](#) sets out the estimates for each of the scenarios by sub-housing market area. These have been combined to identify estimates at member authority and SESplan Housing Market Area level. Each table has a column for the different tenure and a row for each year from 2012 to 2038. As SDP2 is setting Housing Supply Targets for the 2018-2030 period and providing an indication of the scale of housing required for the 2030-2038 period, there were three different options for how these HNDA estimates could be used. These were:

1. Annual average of estimates from 2012 to 2038 to cover both SDP periods;
2. Separate annual averages using 2018 to 2030 and 2030 to 2038 estimates; or
3. Annual average of 2012 to 2030 estimates for the 2018-30 period and annual average of estimates for 2030 to 2038.

**4.6** The decision was taken to use the third option. This was because:

- The first option smooths out the higher estimates of housing need that occur in the earlier years of the HNDA estimates. 2018-2030 Housing Supply Targets would then not reflect this higher need earlier in the plan period.
- Whilst the second option exactly matching the estimates to the SDP periods, it would not fully take account of the backlog of housing need which has been added to the first 10 years of the HNDA estimates (2012-2022).
- The third option allows for the full backlog of need to influence the Housing Supply Targets without smoothing need and demand across the two Housing Supply Target periods. The backlog of housing need is cleared in the HNDA estimates over 10 years from 2012. Using this option results in higher estimates than the second option as the affordable housing need in the earliest HNDA years.

**4.7** Using the third option, the following member authority totals for the HNDA estimates are used for the three scenarios, separated into the 2018-2030 and 2030-38 periods. Detailed calculations for the 12 years of the 2018-2030 period are set out in Appendix B 'Housing Need and Demand Assessment Data'. Affordable estimates represent the combined the social rent and below market rent estimates. Market estimates represent the combined the private rented sector and owner occupier estimates.

## 4 Methodology for Setting Housing Supply Targets

### 2018-2030 Period Estimates

**Table 4.1 Steady Recovery HNDA Estimates**

Authority	Affordable (Annual Average)	Affordable (Period)	Market (Annual Average)	Market (Period)	Combined (Annual Average)	Combined (Period)	Proportion of Combined Need and Demand
City of Edinburgh	2,136	25,633	1,147	13,764	3,283	39,397	58%
East Lothian	336	4,032	179	2,148	515	6,180	9%
Fife	378	4,563	269	3,228	647	7,764	12%
Midlothian	296	3,552	112	1,344	408	4,896	7%
Scottish Borders	128	1,536	75	900	203	2,436	4%
West Lothian	341	4,092	220	2,640	561	6,732	10%
<b>SESPLAN</b>	<b>3,615</b>	<b>43,381</b>	<b>2,002</b>	<b>24,024</b>	<b>5,617</b>	<b>67,405</b>	
Proportion	64%		36%				

## Methodology for Setting Housing Supply Targets 4

Table 4.2 Wealth Distribution HNDA Estimates

Authority	Affordable (Annual Average)	Affordable Period	Market (Annual Average)	Market (Period)	Combined (Annual Average)	Combined (Period)	Proportion of Combined Need and Demand
City of Edinburgh	2,412	28,944	1,496	17,952	3,908	46,896	59%
East Lothian	370	4,440	183	2,196	553	6,636	8%
Fife	457	5,484	347	4,164	804	9,648	12%
Midlothian	325	3,900	117	1,404	442	5,304	7%
Scottish Borders	165	1,980	113	1,356	278	3,336	4%
West Lothian	380	4,560	250	3,000	630	7,560	10%
<b>SESPLAN</b>	<b>4,109</b>	<b>49,308</b>	<b>2,506</b>	<b>30,072</b>	<b>6,615</b>	<b>79,380</b>	
Proportion	62%		38%				

## 4 Methodology for Setting Housing Supply Targets

**Table 4.3 Strong Economic Growth HNDA Estimates**

Authority	Affordable (Annual Average)	Affordable Period	Market (Annual Average)	Market (Period)	Combined (Annual Average)	Combined (Period)	Proportion of Combined Need and Demand
City of Edinburgh	2,661	31,932	1,911	22,932	4,572	54,864	60%
East Lothian	380	4,560	220	2,640	600	7,200	8%
Fife	522	6,264	427	5,124	949	11,388	12%
Midlothian	323	3,876	135	1,620	458	5,496	6%
Scottish Borders	199	2,388	155	1,860	354	4,248	5%
West Lothian	380	4,560	317	3,804	697	8,364	9%
<b>SESPLAN</b>	<b>4,465</b>	<b>53,580</b>	<b>3,165</b>	<b>37,980</b>	<b>7,630</b>	<b>91,560</b>	
Proportion	59%		41%				

## Methodology for Setting Housing Supply Targets 4

## 2030-38 Period HNDA Estimates

Table 4.4 Steady Recovery HNDA Estimates

Authority	Affordable (Annual Average)	Affordable Period	Market (Annual Average)	Market (Period)	Combined (Annual Average)	Combined (Period)	Proportion of Combined Need and Demand
City of Edinburgh	1,883	15,064	846	6,764	2,729	21,828	69%
East Lothian	233	1,863	179	1,430	412	3,293	10%
Fife	144	1,148	161	1,287	304	2,435	8%
Midlothian	140	1,122	102	818	243	1,940	6%
Scottish Borders	-15	-118	-17	-138	-32	-256	-1%
West Lothian	178	1,427	142	1,139	321	2,566	8%
<b>SESPLAN</b>	<b>2,563</b>	<b>20,506</b>	<b>1,413</b>	<b>11,300</b>	<b>3,976</b>	<b>31,806</b>	
Proportion	64%		36%				

## 4 Methodology for Setting Housing Supply Targets

**Table 4.5 Wealth Distribution HNDA Estimates**

Authority	Affordable (Annual Average)	Affordable Period	Market (Annual Average)	Market (Period)	Combined (Annual Average)	Combined (Period)	Proportion of Combined Need and Demand
City of Edinburgh	2,021	16,166	1,652	13,218	3,673	29,384	67%
East Lothian	273	2,187	189	1,510	462	3,697	8%
Fife	250	2,001	296	2,368	546	4,369	10%
Midlothian	179	1,432	116	928	295	2,360	5%
Scottish Borders	30	240	39	309	69	549	1%
West Lothian	236	1,887	196	1,564	432	3,451	8%
<b>SESPLAN</b>	<b>2,989</b>	<b>23,913</b>	<b>2,488</b>	<b>19,897</b>	<b>5,477</b>	<b>43,816</b>	
Proportion	55%		45%				

## Methodology for Setting Housing Supply Targets 4

Table 4.6 Strong Economic Growth Estimates

Authority	Affordable (Annual Average)	Affordable Period	Market (Annual Average)	Market (Period)	Combined (Annual Average)	Combined (Period)	Proportion of Combined Need and Demand
City of Edinburgh	2,318	18,543	2,413	19,304	4,731	37,847	67%
East Lothian	275	2,200	264	2,111	539	4,311	8%
Fife	334	2,671	431	3,447	765	6,118	11%
Midlothian	166	1,326	155	1,236	320	2,562	5%
Scottish Borders	77	617	102	815	179	1,432	3%
West Lothian	223	1,780	290	2,322	513	4,102	7%
<b>SESPLAN</b>	<b>3,392</b>	<b>27,137</b>	<b>3,654</b>	<b>29,235</b>	<b>7,047</b>	<b>56,372</b>	
Proportion	48%		52%				

## 5 Evaluating Alternative Futures

### 5 Evaluating Alternative Futures

**5.1** Whilst the Main Issues Report's preferred approach was to use the 'Steady Recovery' alternative future as the basis for Housing Supply Targets, the HNDA report stated that either the 'Steady Recovery' or 'Wealth Distribution' alternative futures could represent the most likely future of the SESplan area. Whilst Main Issues Report responses indicated strong support for 'Steady Recovery' to be used to inform Housing Supply Targets, a significant number of respondents states that other HNDA alternative futures should be used. Therefore the decision of which alternative futures to use was reviewed in the context of emerging economic analysis.

**5.2** This process had three main strands. The first was to review recent economic commentaries to identify which HNDA alternative future best aligns with current and projected economic trends. The second was to review some of the specific variables used in the HNDA tool for each of the alternative futures. The third was to consider the potential impacts of City Deal and how this might affect the choice of HNDA scenario.

**5.3** Chapter 3 'Background Context' set out summary descriptions for each alternative future. In order to compare each in further detail in this chapter, the following longer descriptions have been taken from Table 9.3 of the [HNDA Report](#).

#### Steady Recovery

The “Steady Recovery” alternative future anticipates the impact of a steady rate of economic growth, positive economic activity in some areas, some reductions in housing development constraints and some return to modest growth for financial and business services. It is characterised by some employment growth across the City Region.

The more deprived communities on the edge of Edinburgh and in more isolated settlements across the region may continue to have difficulty in accessing employment opportunities. While there is some population and household growth across the SESplan area, this is lower in comparison with other local alternative futures.

Most of the employment growth is generated by a recovery in financial and business services, although this is nowhere near the same growth experienced during the 2000s. Business confidence takes longer than expected to return which impacts on timescales for anticipated large scale developments although some development continues in west of City of Edinburgh / West Lothian.

#### Wealth Distribution

Compared with “strong economic growth”, which is focused on increasing economic wealth and productivity, this alternative future anticipates a wider distribution of wealth within the city region, creating more high and low skilled jobs and increasing economic activity throughout the working age population.

## Evaluating Alternative Futures 5

**Strong Economic Growth**

This alternative future is characterised by increasing economic wealth and productivity. It features significant population growth, effective leadership, increased innovation and results in major increases in economic output, productivity and employment.

Under this alternative future the Edinburgh City Region becomes one of the fastest growing regions of the UK in population terms, drawing in workers from other parts of the country. There is an increase in numbers of overseas higher/further education students attracted to Edinburgh due to its academic profile and quality of life. There are major increases in economic output and productivity, with high levels of employment activity throughout the working age population and a strong performance in renewables, life sciences and financial services. Economic growth promotes high growth in average household incomes.

The City region leads the way in developing new public/private funding models to support economic development and physical development including housing, with a significant recovery in relation to the construction sector.

There is strong public and private sector leadership and a clear vision for the City Region.

**5.4** The HNDA alternative futures were informed by an Oxford Economics SESplan Study<sup>(5)</sup>, as well as decisions by the Core Housing Market Partnership on demographic trends. These informed the levels for the variables for each alternative future were set at. These are set out in Table 5.1 'Variables used for HNDA Based Alternative Futures' as taken from Section 9, page 44 of the [HNDA Report](#). Table 9.1, on page 130 in the [HNDA Report](#) describes each variable.

**5.5** Those highlighted in red in Table 5.1 'Variables used for HNDA Based Alternative Futures' represent the most likely future for that variable identified by Oxford Economics or the Core Housing Market Partnership<sup>(6)</sup>. Whilst Wealth Distribution and Steady Recovery have variables set at recommended levels by Oxford Economics or the Core Housing Market Partnership, Strong Economic Growth has variables set at levels above which are considered likely to occur by either. This helped the Core Housing Market Partnership understand more clearly the scale of need and demand for new homes associated with a more unlikely level of growth. It also helped identify the conditions and factors needed to drive such change.

5 HNDA Supporting Documents 5 to 8

6 Household Projections and Existing Need Clearance Period were recommended by the Core Housing Market Partnership. The rest were based on the mostly likely outcomes identified by Oxford Economics.

## 5 Evaluating Alternative Futures

**Table 5.1 Variables used for HNDA Based Alternative Futures**

Variables in HNDA Tool	Steady Recovery	Wealth Distribution	Strong Economic Growth
Household Projections	'Low migration' using 2012 based household projections	'Principal' using 2012 based	'High migration' using 2012 based household projections
Existing Need Clearance Period	Inputted value of 10 years	Inputted value of 10 years	Inputted value of 5 years
Average (median) Household Income Growth	No real growth (Inflation Target)	Modest Increases	Reasonable growth
Change in Income Distribution	Flat (no change)	Creeping equality	Creeping inequality
Projected House Prices	'No real growth (inflation target)', 'OBR estimates' for CEC and 'modest increases' for WL	'Modest increases' with 'strong recovery' for CEC and WL	'Strong recovery'
Below Market Rent Assumption	No real growth (Inflation Target) with 'OBR estimates' for CEC and 'modest increases' for WL	'Modest increases' with 'strong recovery' for WL	'Strong recovery'

**5.6** [HNDA Supplementary Document 7](#) sets out the different levels that the variables are set at for the HNDA alternative futures. the income house prices and rent assumption variables.

### Post HNDA Economic Commentary Review

**5.7** Both [Fraser of Allander](#) <sup>(7)</sup> and [Ernst & Young Scottish Item Club](#) <sup>(8)</sup> provide respected forecasts and commentaries of the economic outlook for Scotland. The following is a summary of key messages from both organisations most recent forecasts.

#### Overall Scottish Economic Performance

**5.8** Both Ernst & Young and Fraser of Allander are predicting short term lower economic growth than 2014. Economic growth in Scotland is due to be lower than the overall UK growth rate.

“Growth in both the Scottish and UK economies is slowing and in the second quarter a gap opened up between Scotland and the UK.” – Fraser of Allander Overview (page 3)

“data do tend to show an absolute and relative – to the UK – slowdown in the growth of the Scottish economy” – Fraser of Allander Overview (page 3)

## Evaluating Alternative Futures 5

“While still expanding, Scotland’s economy has grown at a slower rate than expected given the pace of the UK recovery and the rise in real wages.” – Ernst & Young Economic Snapshot

“The key surveys of activity and prospects for the Scottish economy paint a relatively, but not universally, downbeat picture.” – Ernst & Young Surveys for the Future (page 14)

**5.9** Recent UK level analysis also points to downgraded future growth prospects. The [March 2016](#) announcement by the Office for Budget Responsibility downgraded future UK GDP growth to around 2% per annum for each year up to 2020.

### Edinburgh Specific Analysis

**5.10** Business and financial services is a key component of region’s, particularly Edinburgh’s economic growth. However, Fraser of Allander states that the outlook for this sector is not strong. The outlook and appraisal shows its Gross Value Added contribution had fallen 15.5% by 2012 from its 2007 peak. “There must now be a strong presupposition that the scale of the financial services sector might never return to the levels seen before the Great Recession” – Fraser of Allander Page 16

**5.11** Ernst & Young anticipate that Edinburgh and Glasgow will outpace Scottish growth over the next three years. Specifically for Edinburgh it states “*As Scotland’s capital, Edinburgh has a high concentration of public sector employment. The Scottish Government is officially opposed to austerity measures, but the reality is that the capital cannot escape job cuts entirely. Financial services is even more critical: Edinburgh banks and life funds have been severely restrained in recent years by market shifts and will remain so, while active fund management (Edinburgh’s strength) may face long-term threats from fee pressures and passive investment products.*” - Ernst & Young Key Findings Section

### Construction Sector Performance

**5.12** Both Ernst & Young and Fraser of Allander identify that the construction sector is a significant part of the recovery. However, a significant part of this is government infrastructure expenditure (e.g Borders Rail, Queensferry Crossing) and cannot be expected to continue at the same rate in the same places.

“Survey evidence suggests a positive outlook for commercial construction and for housebuilding that will continue to buoy the sector, but more construction businesses now report decreases in public procurement than increases.” – Ernst & Young page 13

“In Scotland it is the construction sector that is providing the main impetus with public spending on infrastructure underpinning growth.” –Fraser of Allander Page 7

“that the surge in Scottish construction output is almost wholly explained by a surge in spending on infrastructure, which almost quadrupled between 2012q1 and 2015q2. Other construction activity, however, rose by less than half over the same period. The data are in current prices and not seasonally adjusted but the surge in infrastructure spend cannot be explained away by inflation and/or seasonal factors. The surge is real and appears to be driven by increased public spending on infrastructure by the Scottish government, with spending on the new Forth road bridge crossing (and Borders Rail link etc.) likely to be a major element in this” – Fraser of Allander Page 15

## 5 Evaluating Alternative Futures

### Population

“Scotland’s population will continue to enjoy migration-fuelled growth. The widening gap in average prices between Scotland and the south of England could both attract population to Scotland and deter outmigration to the more expensive parts of the UK.” Ernst & Young Page 3

### Summary of Economic Commentaries

**5.13** These commentaries and forecasts indicate whilst there is a recovery in Scotland, it is slowing. Growth is not at the levels seen prior to the recession. The recovery is stronger in Edinburgh but it is not growing at the pace used in the descriptions used for 'Strong Economic Growth' or 'Wealth Distribution'. The commentaries at present most closely align with the 'Steady Recovery' description and variables. This supports the original findings of the Oxford Economic Studies which recommended three of the four economic variable settings used for 'Steady Recovery' as most likely to occur. However, commentary on migration may point to the migration variables used for 'Wealth Distribution' or 'Strong Economic Growth'. The low migration variable used for Steady Recovery does not match the "migration-fuelled growth" forecast from Ernst & Young.

### Analysis of Specific Variables

#### House Price Change

**5.14** The Oxford Economics Study made use of a detailed economic model with forecasting up to 2040. As the HNDA has been found robust and credible, this model will not be re-run. However, Emerging House Price trends can be compared against the assumptions used for the House Price Growth variable for each of the scenarios. Whilst only covering a three year period rather than the 30 year Oxford Economics forecast period, it can prove a useful check.

**5.15** Steady Recovery used an assumption that house prices would have an annual growth rate of 2.2% (no real growth) for all authorities, except Edinburgh and West Lothian, which would grow faster at 3.8% (OBR estimate) and 3.5% respectively (modest recovery). Wealth Distribution assumed 3.5% (modest recovery) for all authorities and 4.6% (strong recovery) for Edinburgh and West Lothian. Strong Economic Growth assumed 4.6% for all authorities.

**5.16** Table 5.2 shows the annual average increase from 2012 to 2015. This uses Registers of Scotland quarterly data from calendar years 2012 and 2015. The average price has been weighted by the volume of sales by quarter<sup>(9)</sup>.

## Evaluating Alternative Futures 5

**Table 5.2 House Price Change 2012-2015**

Authority	Average Sale Price (£)		Annual Average Increase
	2012	2015	
CEC	216,932	238,068	3.1%
ELC	197,285	215,822	3%
FC <sup>(10)</sup>	132,277	147,980	3.8%
MC	168,300	183,720	3%
SBC	163,668	173,541	2%
WLC	139,228	161,041	5%

**5.17** Whilst this analysis is over the short term compared to Oxford Economics (a 2011 to 2040 projection), it does show the following:

- West Lothian prices have grown at rate in excess of the Strong Economic Growth (4.6%) assumption;
- Edinburgh prices have grown at less than the Steady Recovery (3.8%) assumption;
- East Lothian, Midlothian and Fife prices have exceeded the Steady Recovery (2.2%) assumption, with Fife exceeding the Wealth Distribution (3.5%) assumption; and
- Scottish Borders prices have grown less than, but close to the Steady Recovery (2.2%) assumption.

**5.18** It is not possible to draw an overall conclusion from this data other than that there has been a range of house price change across the region that is not uniform with any one alternative future. It should be noted that majority of the price increases were between 2012 and 2014. 2015 quarter on quarter data shows fluctuating prices and a consistent pattern could not be identified from them.

### Migration

**5.19** There was a level of affordable need existing and not met before 2012 in addition to the new affordable need arising over the HNDA period. The HNDA adds this existing need to the estimates over the first 10 years (2012-2022). Each of the alternative future uses a different migration level assumption. Accurate and enough years of data is not available to match the level of migration since 2012 to an assumption used for each of the alternative futures.

**5.20** It was decided to use the 'Steady Economic Growth' alternative future in the Main Issues Report which uses the low migration setting for the migration variable. This was seen as most likely for this alternative future as lower economic growth prospects will lead to the area becoming less attractive and therefore lead to lower levels migration. However, the 'principal' migration level was considered the most likely outcome by the Core Housing Market Partnership. Taking into account the statement by Ernst & Young that Scotland's population 'will continue to enjoy migration-fuelled growth', there could be merit in using the Wealth Distribution alternative future from demographic perspective.

## 5 Evaluating Alternative Futures

### Impact of City Deal

**5.21** The Edinburgh City Region City Deal was referred in many responses to the Main Issues Report on Housing Land and Housing Supply Targets. They stated that it should be a consideration in informing which HNDA alternative future is used and be used as a factor in setting Housing Supply Targets.

**5.22** Whilst not yet finalised, the emergence of a City Deal for the Edinburgh City Region is relevant to the descriptions and assumptions used in the HNDA Alternative Futures. The following statements were contained in Table 9.3 of the HNDA report relating to governance.

**Steady Recovery** - Councils become more focused on being able to deliver local services (as opposed to working together at the City Region level) as public sector cuts prolong local unemployment rates and reduce consumer spending”.

**Wealth Distribution** - There is strong public and private sector leadership and a clear vision for the City Region and partners decide to promote more actively the City Region’s quality of life, to encourage greater numbers of business and leisure visitors.

**Strong Economic Growth** - The City region leads the way in developing new public/private funding models to support economic development and physical development including housing, with significant recovery in the construction sector.

**5.23** The presence of a city deal has a better alignment with these governance elements of the 'Wealth Distribution' and 'Strong Economic Growth' descriptions than 'Steady Recovery'. These descriptions have a better alignment with the SDP Vision.

**5.24** Whilst the key purpose of the Edinburgh City Region City Deal is to boost the economic fortunes of the city region, it is too early in the process to make predictions about the level of additional growth that might result or the impact it may have on housing need and demand. It is therefore not credible to base the HNDA on the 'Strong Economic Growth. City Deal is unlikely to be so transformative as to lead to the outcomes needed for the 'Strong Economic Growth' alternative future rather than 'Steady Recovery'.

**5.25** Beyond informing which HNDA scenario to use, the city deal impact on housing will be primarily related to enabling infrastructure to deliver what is previously planned for. This will enable existing planned housing sites to deliver homes as originally planned before economic conditions and infrastructure funding slowed or stopped delivery of these sites. Such sites include Blindwells and the Edinburgh Waterfront. None of the Edinburgh City Region City Deal objectives relate to enabling land to come forward for housing that has not already been, or is in the process of being allocated.

### Which Alternative Future

**5.26** Plans should be aspirational, but SPP and the HNDA Managers Guide that Housing Supply Targets also need to be reasonable and deliverable. Whilst Housing Supply Targets are separate from the HNDA, they should not be based on HNDA alternative futures that have no credible chance of occurring. Housing Supply Targets cannot be set at levels of need and demand that never going to be delivered. This will lead to plan failure.

## Evaluating Alternative Futures 5

**5.27** Based on rigorous analysis, the 2015 HNDA Report, set out that the 2012 based Wealth Distribution and Steady Recovery alternative futures most closely reflect the future of the SESplan area. 'Strong Economic Growth' was seen as being aspirational and not representing a likely alternative future. This conclusion still holds true following this updated analysis. Economic analysis does not show that the conditions driving 'Strong Economic Growth' are likely to occur. 'Strong Economic Growth' requires conditions where public sector cuts stopped and an increased export performance at UK level. Instead cuts have continued and exports have not grown. Therefore using the 'Strong Economic Growth' alternative future would not lead to reasonable or deliverable Housing Supply Targets.

**5.28** The Oxford Economics study recommends the economic related variables used for Steady recovery set out in Table 5.1. These projections are backed by the economic commentaries and forecasts from Ernst & Young and Fraser of Allander. Both predicted weak economic growth in the short and medium term. However if migration is closer to the Core Housing Market Partnership recommended principal level, then a greater level of market and affordable estimates would be required than projected by the 'Steady Recovery' estimates. In addition, the 'Steady Recovery' governance description relating to authorities working together does not reflect the emergence of an Edinburgh City Region City Deal.

**5.29** Based on this analysis the likely future is expected to be somewhere in between the 'Steady Recovery' and 'Wealth Distribution' alternative futures. One set of HNDA estimates must be used to inform Housing Supply Targets. Therefore, for the purposes of setting ambitious Housing Supply Targets and in order that the Market Housing Supply Target fully reflect the HNDA market estimate of demand, the 'Wealth Distribution' HNDA alternative future estimates in Table 5.3 have been used to inform Housing Supply Targets.

**Table 5.3 Wealth Distribution HNDA Estimates to Inform Housing Supply Targets**

Authority	Affordable (Annual Average)	Affordable Period	Market (Annual Average)	Market (Period)	Combined (Annual Average)	Combined (Period)	Proportion of Combined Need and Demand
CEC	2,412	28,944	1,496	17,952	3,908	46,896	59%
ELC	370	4,440	183	2,196	553	6,636	8%
FC	457	5,484	347	4,164	804	9,648	12%
MC	325	3,900	117	1,404	442	5,304	7%
SBC	165	1,980	113	1,356	278	3,336	4%
WLC	380	4,560	250	3,000	630	7,560	10%
<b>SESPLAN</b>	<b>4,109</b>	<b>49,308</b>	<b>2,506</b>	<b>30,072</b>	<b>6,615</b>	<b>79,380</b>	
Proportion	62%		38%				

## 6 Affordable Housing Supply Targets

### 6 Affordable Housing Supply Targets

#### Completion Rates and Capacity in the Construction Sector

**6.1** Table 6.1 sets out the annual average affordable Wealth Distribution HNDA estimates, recent and past affordable housing completion rates. 62% of the combined Wealth Distribution HNDA estimate is for affordable housing. The data shows that the annual rate of need for affordable housing is more than double the average recent affordable housing completions rate.

**Table 6.1 Wealth Distribution Affordable Housing HNDA Estimates & Affordable Completions**

	Annual Average Affordable HNDA Estimate 2018-2030	Average Affordable Completions (2010-2015)	Annual Average Affordable Completions (2005-2015)
CEC	2,412	695	575
ELC	370	142	101
FC	457	189	225
MC	325	124	115
SBC	165	87	74
WLC	380	198	157
<b>SESPLAN</b>	<b>4,109</b>	<b>1,434</b>	<b>1,247</b>

**6.2** The methodology set out that the spatial strategy, constraints, opportunities and affordable housing funding were valid considerations in setting out affordable Housing Supply Targets. Capacity of the construction sector and past delivery is less relevant as delivery of affordable housing is less closely linked to the availability of private finance, evidenced by the fact that affordable housing delivery increased in the post financial crash period, with the exception of SESplan Fife. This because public funding for affordable housing and council house building programmes increased in this period.

#### Availability of Resources - Affordable Housing Finance

**6.3** The availability of funding is a significant constraint on delivering the level of affordable housing required by the HNDA. In the current parliament, the Scottish Government had set a target to build 30,000 affordable homes. It has increased this target to 50,000 affordable in the next parliament, which covers four of the first five years of the 12 year Strategic Development Plan period.

**6.4** Each authority reviewed the following funding factors in setting affordable Housing Supply Targets:

- Current affordable housing programmes and funding
- Scottish Government affordable housing investment plans
- Council housebuilding programmes
- Potential for council borrowing
- Affordable housing being provided on market sites

## Affordable Housing Supply Targets 6

**6.5** Affordable Housing Supply Targets are not wholly dependant on the delivery of affordable homes on market sites as they are primarily informed by levels of funding available from Scottish Government and member authorities. A significant proportion of affordable homes have been delivered on sites that are part of specific council-led affordable housing programmes, largely on the public estate. The HNDA clearly shows that there is a greater level of affordable need (62%) compared to market demand (38%) under the wealth distribution scenario. However, the level of resources to deliver more affordable homes in practice and the need for market sites to help deliver affordable homes results in an overall SESplan affordable Housing Supply Target that has been set at a lower level than the SESplan market Housing Supply Target. Based on that analysis, the member authorities have agreed the number of affordable homes that will be delivered in the SESplan Housing Market Area and each member authority over the 2018-2030 plan period (Table 6.2).

**Table 6.2 Agreed Affordable Housing Supply Targets 2018-2030**

	Annual Average Affordable Housing Supply Targets	Affordable Housing Supply Targets (2018-2030 Total)	Annual Average Wealth Distribution HNDA Estimate 2018-2030	Annual Average Steady Recovery HNDA Estimate 2018-2030
CEC	1,200	14,400	2,412	2,136
ELC	189	2,268	370	336
FC	262	3,144	457	378
MC	165	1,980	325	296
SBC	128	1,536	165	128
WLC	300	3,600	380	341
<b>SESPLAN</b>	<b>2,244</b>	<b>26,928</b>	<b>4,109</b>	<b>3,615</b>

**6.6** Neither the annual affordable need estimates for the 'Wealth Distribution' (4,109) nor the 'Steady Recovery' (3,615) alternative futures can be realistically delivered over a 12 year period. However, the agreed Affordable Housing Supply Targets (2,244 homes per annum) are ambitious but deliverable when the increased investment in affordable housing and current affordable housing plans from each authority are considered. However, This is due to a lack of funding for affordable housing and the infrastructure needed to support both market and affordable homes. Delivery of these Affordable Housing Supply Targets will result in an increased rate of affordable housing. This will help to reduce waiting lists and address the significant SESplan region housing affordability issue identified in the HNDA.

## 7 Market Housing Supply Targets

### 7 Market Housing Supply Targets

**7.1** SPP requires that the market Housing Supply Target should fully reflect the overall market need and demand for selected HNDA scenario (2,506 per annum for the 2018-2030 period). The following section set out how these estimates have been analysed against the factors set out in the methodology to identify deliverable Housing Supply Targets.

#### Past & Recent Delivery Levels

**7.2** Table 7.1 sets out the 'Wealth Distribution' market HNDA estimates and compares them to past and recent market housing completion rates.

**Table 7.1 Market HNDA Estimates & Market Completions 2018-2030**

	Wealth Distribution Market HNDA Estimate (Annual Average)	Annual Average Market Completions (2010-2015)	Annual Average Market Completions (2005-2015)	Annual Average Market Completions (2004-2009)
CEC	1,496	797	1,320	2,056
ELC	183	227	351	501
FC	347	509	738	1,090
MC	117	402	343	249
SBC	113	238	389	518
WLC	250	337	489	818
<b>SESPLAN</b>	<b>2,506</b>	<b>2,509</b>	<b>3,630</b>	<b>5,231</b>

**7.3** It should be noted that past completions do not indicate future demand - that is the purpose of the HNDA estimates. However, past completions do indicate that for all of the member authorities, except Edinburgh, the market estimates are capable of being delivered over a year 12 period. These estimates are all within the average completions over the past five years.

**7.4** Whilst not shown in recent completion rates, City of Edinburgh market completions in the mid 2000's demonstrate past delivery levels that exceed the number of homes required to built on an annual basis to meet market demand identified in the HNDA. However, these completion rates were predominantly achieved because of the building of high density flatted sites on brownfield land. The current land supply in City of Edinburgh has a higher proportion of greenfield land (when compared to supply in the early 2000s) which will probably not be developed at the same rates as higher density flatted sites.

**7.5** When the annual market estimate for Edinburgh (1,496) is combined with HNDA annual affordable estimate (2,412) or annual affordable Housing Supply Target (1,200), this would require combined annual completions of 3,908 or 2,696 dwellings respectively. Neither have been delivered in a single year and the transition from current levels of completions would unlikely to take place. Therefore these rates of completions would not be reasonable or deliverable over a 12 year period.

## Market Housing Supply Targets 7

### Capacity of the Construction Sector

**7.6** Table 7.1 indicates that there has been past capacity in the construction sector to greater levels of housing than currently completed. There has been a recent upturn in market completions after lowest post 2008 recession level of completions in 2012/13. Volume house builders are now building at comparative rates to pre-recession years.

**7.7** Prior to the recession, smaller independent house builders were making a significant contribution to overall completions rates. However, those small and medium sized builders were significantly affected by the recession and many no longer. This is compounded by difficulty in getting development finance hindering the recovery of small and medium size builders. As a result the proportion of completed dwellings by small and medium sized builders is much smaller than their pre-recession contribution.

### Development Opportunities, Capacity, Constraints and Resources to Deliver Plan

**7.8** The full analysis of the opportunities, capacity and constraints is set out in Section 5 of the [MIR Spatial Strategy Technical Note](#)<sup>(11)</sup> and the [Interim Environmental Report](#). These set out that there is a physical and environmental capacity limits in the region. Unlimited numbers of homes cannot be allocated and delivered without subsequent detrimental impacts on the regions environmental assets and ability to adapt to climate change.

**7.9** A significant issue highlighted in the Spatial Strategy Technical Note and LDP appraisals is the lack of education capacity and resource levels to fund new schools. In many development areas, existing capacity has been used up. The lack of capacity and significant costs of new and expanded schools is affecting current housing delivery rates. There are significant shortfalls in available funding to deliver schools required to meet the housing requirements in emerging LDPs.

**7.10** The current capacity and ability to deliver future transport infrastructure is also limiting the future level of development in the region. This is recognised in [NPF3](#) under Edinburgh and South East Scotland Place Statement. It states "Whilst programmed transport improvements will collectively go some way towards enhancing capacity for growth, the longer-term spatial strategy for delivering housing land will need to acknowledge and address the region's infrastructure constraints". This statement particularly relates to the strategic transport network into and around Edinburgh.

**7.11** Whilst there are constraints and capacity issues, the analysis indicates that the 'Wealth Distribution' market estimates (Table 7.1) could be delivered in all authorities, without with exception of City of Edinburgh, without impacts on the environment or on infrastructure capacity. They are also within the level of funding resources to deliver the additional infrastructure capacity to support that level of housing delivery.

**7.12** Combined with the affordable Housing Supply Target, 2,696 dwellings per annum (market estimate + affordable Housing Supply Target) could not consistently be delivered over a 12 year period within infrastructure capacity, resource and environmental constraints. The constraints on Edinburgh were recognised at the SDP1 examination. It concluded that City of Edinburgh could not meet the full level of HNDA need and demand that originated there. This finding has not changed.

## 7 Market Housing Supply Targets

### City of Edinburgh Market Housing Supply Target

**7.13** Reviewing the capacity and constrain information with Edinburgh, a market Housing Supply Target for City of Edinburgh of 1,220 homes per annum. This would be at top of potential delivery capacities when combined with the affordable Housing Supply Target 1,200 homes per annum.

**7.14** The City of Edinburgh Housing Supply Target is higher than the last five years market completions average. Delivering the Edinburgh market Housing Supply Target consistently across the 2018-2030 period would require a 53% increase over recent market completions levels. To achieve this would require a range of measures including a less restrictive lending market and the continued roll out of schemes such as help to buy. Institutional and large scale investors would also have to deliver on their potential role in providing private sector rental housing.

**7.15** SESplan is single housing market area. Therefore as long as SESplan market Housing Supply Target equals the SESplan HNDA wealth distribution estimate (2,506 homes per annum) then the SPP paragraph 115 requirement is met. As there is a 276 homes per annum shortfall in the City of Edinburgh market Housing Supply Target (1,220) against its market estimate (1,496), then HNDA 'Wealth Distribution' market estimates must be exceed in other SESplan member authorities to meet this SPP requirement.

**7.16** This City of Edinburgh Housing Supply Target would be 82% of the HNDA market demand. This reflects the findings of the [Housing Market Area Assessment](#) which identified that 81% of purchasers originating from City of Edinburgh then bought with the city. The remaining 19% moved and bought housed in other SESplan member authorities.

### East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Market Housing Supply Targets

**7.17** Levels of housing can be delivered in East Lothian, Fife, Midlothian, Scottish Borders and West Lothian to meet the 'wealth distribution' market housing estimates over the 2018-2030 period. Higher levels of delivery than the HNDA estimates could be achieved within the constraints identified. However, to do so must be supported by robust justification to set market Housing Supply Targets at higher levels than the level of market demand indicated by the Wealth Distribution HNDA estimates.

**7.18** The first reason is to meet the shortfall in the market need from the Edinburgh Market Housing Supply Target. SESplan is a single housing market area and it is considered that the 276 per annum shortfall could be met across the five authorities without affecting delivery rates. This would be deliverable as the [Housing Market Area Assessment](#) demonstrates that a portion of market activity originating in the City of Edinburgh is met outside it.

**7.19** There are two further reasons to increase the market Housing Supply Targets for East Lothian, Fife, Midlothian, Scottish Borders and West Lothian above their respective HNDA 'Wealth Distribution' market estimates. These are:

- Where justified, additional market housing delivery contribute to meeting some of the shortfalls in the affordable Housing Supply Targets against affordable HNDA estimates (see table 5.2) for each of the five authorities.
- Additional market housing located near to City of Edinburgh could contribute to meeting some of the shortfall of the City of Edinburgh affordable Housing Supply Target against the Edinburgh affordable HNDA estimate.

## Market Housing Supply Targets 7

**7.20** The justifications for why market housing can meeting a proportion of affordable need is set out under the headings below. These are judgement and qualitative based reasons. Their contribution cannot be calculated by using a formula.

### Private Rented Sector Help Meeting Affordable Need Shortfall

- Private Rented Sector can help meet a proportion of affordable need that is not being met by recognised affordable tenures. Whilst there is no quantifiable level for how much affordable need this meets, Local Authorities do make use of private rented sector stock to house families in affordable need. Therefore it is justifiable to allow a small increase in the market Housing Supply Target to reflect this practice, helping to meet some of the unmet affordable need.
- The delivery of most additional private rented sector stock involves the conversion of existing stock to private rented sector. However, this loss of owner occupier stock to private rented sector means that an increase in new build owner occupier stock will be needed to meet this displacement.
- The role the Private Rented Sector will play may be limited recent challenges to the buy to let market. Tax exemption treatment and stamp duty rises introduced in 2016 will result in buy to let investment being less attractive. Buy to let purchases may fall away, limiting the role of this sector in helping to meet HNDA estimates.
- Scottish Government is supporting an increased role of institutional investors, such as pension funds, in delivering new build PRS schemes to help increase housing supply. They are usually delivered in apartment format with communal facilities such as gyms. Scottish Government are supporting a PRS champion from Homes for Scotland and the Chief Planner has issued a [letter](#) to all planning authorities asking them to support PRS. Whilst there is no record of historic delivery of new build PRS, there is expected to be a role for it in helping meet market housing need. There has been interest in Edinburgh for new build PRS but the contribution outside the city may be limited.

### Other Tenures Recognised as Affordable

- New Build Shared Equity enables Registered Social Landlords's and private developers to build or buy new homes for sale on a shared equity basis, with purchasers buying a majority stake of the equity depending on income. The delivery of new build shared equity as part of a market Housing Supply Target can assist to meet a limited level of need recognised as affordable in the HNDA estimates. This is limited because it has not been consistently delivered across the SESplan area and not in significant numbers to make more than a small contribution
- Open Market Shared Equity is a scheme that enables people on low to moderate incomes buy homes for sale of the open market where it is affordable for them to do so. The scheme is open to fist time buyers. It is not formally recognised affordable in the HNDA. Using existing owner occupier homes this way to help meet affordable need can be replaced with new build owner occupier homes. Like new build shared equity, delivery has not been high or consistent across the region.

### Help to Buy

- Help to Buy was not fully forecast when the HNDA was being produced. Currently it is helping meeting the needs of some households who want to but could not raise the finance to own a home. It provides government backed deposit support. Whilst households estimated by the HNDA who could afford a market home may be making use of the scheme, it could also be those at the identified as needing affordable need. It is not possible to quantify what this level might be. Whilst it will have a contribution to make, SESplan cannot also cannot rely on this continuing

## 7 Market Housing Supply Targets

over the SDP 12 period to 2030. There have been no announcements on long term government support for the scheme.

### Delivering Long Term Strategies

- Authorities plans and strategies are reliant on a level of market housing delivery that is higher than the HNDA estimates for market housing. Delivering long term strategies will require a higher level of market completions than the HNDA estimates for Fife, West Lothian, Midlothian, East Lothian and Scottish Borders.
- Housing Supply Targets are authorities' views on the level of housing delivery the they should plan for. Development plans are create to support multi-benefit objectives other than just housing delivery. Therefore it is appropriate to set Market Housing Supply Targets at these higher but deliverable levels for these authorities.

**7.21** These reasons cannot be expected to account for the market sector to fully meet the shortfall in meeting the affordable HNDA estimate. If this was the case there would be no current housing waiting lists if the market housing could fully meet what could not be delivered by the affordable sector.

**7.22** Based on the factors highlighted in this chapter, the SESplan member authorities agreed the number of market homes that will be delivered in the SESplan housing market area and each member authority over the period 2018-2030 (Table 7.2). The SESplan housing market area Housing Supply Target exceeds the SPP requirement to fully reflect the overall market need and demand for selected HNDA scenario (Wealth Distribution - 2,506 per annum).

**Table 7.2 Agreed Market Housing Supply Targets 2018-2030**

	Market Housing Supply Targets (Annual Average)	Market Housing Supply Targets (2018-2030 Total)	Annual Average Wealth Distribution HNDA Estimate 2018-2030	Annual Average Market Completions (2010-2015)
CEC	1,220	14,640	1,496	797
ELC	330	3,960	183	227
FC	605	7,260	347	509
MC	369	4,428	117	402
SBC	220	2,640	113	238
WLC	333	3,996	250	338
<b>SESPLAN</b>	<b>3,077</b>	<b>36,924</b>	<b>2,506</b>	<b>2,509</b>

**7.23** Higher market Housing Supply Targets cannot be delivered in combination with the agreed affordable Housing Supply Targets due to infrastructure funding and environmental constraints. Delivery of housing is being restricted by education capacity and the ability to fund the require new schools and school expansion.

## Market Housing Supply Targets 7

**7.24** Setting higher market Housing Supply Targets than proposed would not be credible against the HNDA as they would not reflect future demand. Therefore they would remain undelivered and is therefore neither reasonable nor realistic.

**7.25** Delivering the market Housing Supply Targets will be challenging over 12 period. To be achieved they will require a 22.5% increase over recent market completion rates in the SESplan area. Significant investment is required to overcome infrastructure constraints.

Committee Draft

## 8 Demolitions

### 8 Demolitions

#### Demolitions

**8.1** Housing Supply Targets are net figures, not gross. They are annual or period totals of the number of additional homes that are to be added to the existing supply. If there are planned or expected housing demolitions, then the number of homes demolished are subtracted from the number of new homes added to the supply to calculate the net additional completions. A housing proposal which demolishes 100 homes and then rebuilds 100 homes would contribute a net zero to the Housing Supply Target.

**8.2** SPP and the agreed methodology allows for the market and affordable Housing Supply Targets to be lowered by the levels of planned demolitions or by historic trends of demolitions.

**8.3** Each authority considered any planned demolitions and historic demolition trends. However, no authority considered these to be significant. None of the authorities had identified any significant housing demolition proposals. Therefore there has been no adjustment to the Housing Supply Targets set out in Chapters 6 'Affordable Housing Supply Targets' and 7 'Market Housing Supply Targets'.

## Agreed Housing Supply Targets 9

### 9 Agreed Housing Supply Targets

#### Housing Supply Targets Plan Period 2018-2030

**9.1** The following combined Housing Supply Targets (Table 9.1) are based on the preceding justification are included in the SESplan Proposed Plan. Housing Supply Targets are shown as annual average figures and as 2018-2030 period totals. The Housing Supply Targets represent the SESplan Joint Committee view of the levels of additional housing to be developed in the SESplan housing market area and each member authority. The Housing Supply Targets are challenging yet reasonable and deliverable. Over the 12 year period The market Housing Supply Target properly reflects the HNSA wealth distribution estimate of housing demand in the market sector.

**Table 9.1 SESplan Housing Supply Targets 2018-2030**

Area	Affordable Housing Supply Targets		Market Housing Supply Targets		Combined Housing Supply Targets	
	Annual Average	Period Total	Annual Average	Period Total	Annual Average	Period Total
City of Edinburgh	1,200	14,400	1,220	14,640	2,420	29,040
East Lothian	189	2,268	330	3,960	519	6,228
Fife	262	3,144	605	7,260	867	10,404
Midlothian	165	1,980	369	4,428	534	6,408
Scottish Borders	128	1,536	220	2,640	348	4,176
West Lothian	300	3,600	333	3,996	633	7,596
<b>SESplan</b>	<b>2,244</b>	<b>26,298</b>	<b>3,077</b>	<b>36,924</b>	<b>5,321</b>	<b>63,852</b>

**9.2** The proposed Housing Supply Targets have been identified to align with the MIR preferred Spatial Strategy (supported by the majority of respondees and Scottish Government) that requires that City of Edinburgh to meet a comparatively greater proportion of housing need and demand than required by SDP1. City of Edinburgh's Housing Requirement (2009-2024) from SDP1 Supplementary Guidance was 27% of the SESplan Housing Requirement. City of Edinburgh's proposed Housing Supply Target is 45% of the overall SESplan Housing Supply Target and therefore a significant increase in relative contribution compared with first Strategic Development Plan adopted in 2013.

**9.3** This re-profiling of SESplan housing delivery will deliver benefits in terms of reducing car commuting, journey times, carbon and nitrogen oxide emissions and locating new homes nearer to future employment. However, the proportion of this need and demand met in City of Edinburgh has been tempered by environmental impact and infrastructure capacity concerns in City of Edinburgh. City of Edinburgh could not have met its full affordable and market HNSA estimates of need and demand. It is considered that the distribution of the Housing Supply Targets across the SESplan Housing Market Area meets this balance.

## 9 Agreed Housing Supply Targets

**9.4** City of Edinburgh is prepared to meet a higher proportion of its own need and demand for new homes and this is reflected in the distribution of the Housing Supply Target. The strategy focuses the majority of new homes for each authority in settlements and other locations that are well served by public transport or walkable neighbourhoods.

**9.5** The Housing Supply Targets are challenging compared to past delivery rates (Table 9.2). To achieve them will require a step change in completions resulting in a 35% increase above the average last five year completion rate. This will have to be achieved over a 12 year period. It is not expected to be met every year. Some years will be lower and other years will be higher. It is considered to be reasonable and deliverable over the 12 year period from 2018 to 2030.

**Table 9.2 Housing Supply Targets Compared to Past Completions**

	Combined Housing Supply Target Annual Average	Combined Annual Average Completions 2010-2015	Combined Annual Average Completions 2005-2015
City of Edinburgh	2,420	1,492	1,896
East Lothian	519	369	452
Fife	867	698	963
Midlothian	534	525	459
Scottish Borders	348	325	463
West Lothian	633	532	644
<b>SESplan</b>	<b>5,321</b>	<b>3,940</b>	<b>4,876</b>

**9.6** The highest annual average increase in completions rate over a 12 year period achieved in Scotland was 3% compound increased achieved over a 12 year period between 1994 and 2002<sup>(12)</sup>. A similar level of compound annual average increase over 2014/15 completions (4,126) will be required over 12 years if the annual average Housing Supply Target between 2018-2030 of 5,321 additional dwellings is to be achieved.

### 2030-2038 Period

**9.7** The SDP covers a 20 year period from adoption in 2018 to 2038. SPP requires the SDP to set Housing Supply Targets for the first 12 year period. It is not required to be as specific on housing delivery for the latter eight year period from 2030 to 2038.

**9.8** The HNDA sets out estimates of housing need and demand up to 2038. To set Housing Supply Targets environmental and infrastructure considerations, resources, funding, housing completion rates and the capacity of the construction sector are also required to be considered. It has not been possible to fully consider these factors for the 2030-38 period, as there is no robust information to base decisions on housing delivery for the 2030's on. It is not reasonable to base decisions on future housing delivery into the 2030's on 2015 data, which does not fully project into the 2030's. Therefore

12 Using Scottish Government statistics for all tenure completions. No higher compound change in completions rate over 12 years has been achieved since 1979

## Agreed Housing Supply Targets 9

the SDP will not set out Housing Supply Targets for this period. The next SDP will set out Housing Supply Targets for the first five years of this period. They will be based on a new HNDA and an analysis of the relevant factors.

**9.9** The SDP is still required to provide an indication of the scale housing required in the 2030-38 period. For the SESplan Housing Market Area and each of the member authorities, the total SESplan Housing Market Area Wealth Distribution estimate from the HNDA for the 2030-38 period (Table 4.5) has been used. In order to distribute this between the six SESplan member authorities, the same proportional distribution as the combined 2018-2030 Housing Supply Targets has been used. This distribution was based on the factors agreed in the methodology. Continuing with this distribution will match the long term Spatial Strategy of the SDP. Therefore in the absence of more robust information for the 2030-38 period, it is appropriate to continue the distribution trend from the previous period in order to continue to deliver and achieve the aims of the spatial strategy.

**Table 9.3 Indicative Scale of Housing Required 2030-2038**

Plan Area	2030-38 Housing Supply Target Distribution	Annual Average	Period Total
City of Edinburgh	45.5%	2,491	19,928
East Lothian	9.8%	534	4,274
Fife	16.3%	892	7,139
Midlothian	10.0%	550	4,397
Scottish Borders	6.5%	358	2,866
West Lothian	11.9%	652	5,212
<b>SESplan</b>	<b>100%</b>	<b>5,477</b>	<b>43,816</b>

**9.10** The scale of housing required is a combined market and affordable figure. It has not been split into market and affordable, although 55% of the estimated need and demand for the 2030-2038 period is for affordable tenures. There is no reliable evidence on affordable housing funding for this period to inform setting a deliverable level of affordable housing. The total combined housing need and demand estimate is higher than the combined SESplan Housing Supply Target for 2018-30 and therefore to fully deliver that level of housing will require a further step-change in the rate of delivery of affordable housing.

## 10 Housing Land Requirements

### 10 Housing Land Requirements

**10.1** Strategic Development Plans are also required to set out the generous level of housing land supply required to allow the Housing Supply Targets to be met. This is the Housing Land Requirement. The level of the Housing Land Requirement is calculated by adding a 10% to 20% generosity margin to the new built housing element of the Housing Supply Targets. The generosity margin applies to the combined Housing Supply Targets to give a single Housing Land Requirement for SESplan area and each member authority. Housing Land Requirements are not split into market and affordable.

#### Vacant Housing Returned to Occupation

**10.2** SPP and the agreed methodology also allows for the Housing Supply Targets to be met by vacant housing returning to use as well as the construction of new homes. Due to vacancy turnover this is only achieved through by net reductions in the level of vacant housing. This is where the numbers of vacant homes returned to occupation exceeds the number of homes that become vacant.

**10.3** Returning vacant homes to use has become a priority for Scottish Government and member authorities as a resource efficient way of increasing housing supply. Each authority considered their vacant housing programmes to identify whether they could be anticipated to contribute to meeting Housing Supply Targets. Whilst each authority is seeking a net reduction in vacant homes, there is no robust data yet available to indicate that this would be significant. Therefore the the generosity margin to calculate the Housing Land Requirement will apply to the full level of Housing Supply Targets.

#### Generosity Margin

**10.4** The Combined Housing Supply Target is made up of both market and affordable delivery. Therefore the generosity margin should be informed by how both are delivered. Affordable housing delivery is related to level of resources, primarily finance to fund affordable housing delivery. Further availability of land for affordable housing above a 10% generosity level will not increase the likelihood affordable housing is delivered. Land for affordable housing is developed when affordable housing funding is available. Therefore decision on the generosity margin primarily relates to delivery of market housing.

**10.5** As set out in Chapter 5, most likely outcome in terms of alternative HNSA futures is a position inbetween Steady Recovery and Wealth Distribution. However, for the purposes of meeting SPP requirements, market Housing Supply Targets fully reflect and exceed the Wealth Distribution alternative future. Therefore the market Housing Supply Targets are informed by estimates of market demand that are higher than what may occur over the 12 year period from 2018-2030. The Housing Supply Targets are based on an optimistic alternative future and market Housing Supply Targets exceed the associated market demand to help meet come of the shortfall in meeting affordable need. As there is this inbuilt generosity and optimistic assumption within the Housing Supply Targets, it is determined that a 10% generosity margin has the most robust justification. It will be applied equally over the single SESplan HMA and its constituent member authorities.

**10.6** A 10% margin is sufficient to allow the Housing Supply Target to be achieved. A 20% margin for the Housing Land Requirement would be unlikely to result in any greater likelihood of the combined Housing Supply Targets, with there implicit generosity to be delivered. The viability of allocated land could be undermined by an over-supply of land. Therefore table 10.1 sets out the agreed Housing Land Requirements using a 10% margin.

## Housing Land Requirements 10

Table 10.1 SESplan Housing Land Requirements 2018-30

Area	Combined Housing Supply Targets		Housing Land Requirements	
	Annual Average	Period Total	Annual Average	Period Total
City of Edinburgh	2,420	29,040	2,662	31,944
East Lothian	519	6,228	571	6,851
Fife	867	10,404	954	11,444
Midlothian	534	6,408	587	7,049
Scottish Borders	348	4,176	383	4,594
West Lothian	633	7,596	696	8,356
<b>SESplan</b>	<b>5,321</b>	<b>63,852</b>	<b>5,853</b>	<b>70,237</b>

## 11 Land Supply Implications

### 11 Land Supply Implications

**11.1** SESplan and the member authorities have been allocating generous levels of housing land to meet the housing requirements of the SDP approved in 2013 and the subsequent SESplan Housing Land Supplementary Guidance. The capacity of these allocations, in addition to existing land supply from sites with planning consent and previous Local Plan allocations, results in SESplan having a significant level of identified housing land.

**11.2** The SDP is required to set out the amount and broad locations of additional housing land which should be identified in local development plans to meet the Housing Land Requirement up to year 12 from the expected year of plan approval (2018)<sup>(13)</sup>. This housing land is in addition to current housing land supplies. In order to broadly identify the amount of additional land required to be allocated in future LDPs, the SDP is required to identify what the estimated capacity of the supply of housing land will be for the 2018 to 2030 period.

**11.3** The data set out in tables 11.1 and 11.2 are the best available estimates of what land supply will be available over the 2018-2030 period based on current information. A full definition of each row is set out after the tables. The Estimated Land Supply at 2018 is calculated using the formula  $H = A+B+D+F-G$ . This is then compared against the Housing Land Requirements to indicate whether there is a surplus or deficit. The scale of any deficit indicates the potential scale of additional housing that may be required to be identified in the LDP. However, this is only an indication. For all SESplan member authorities, the level of additional housing land to be identified in LDPs will be dependant on land supplies at the time of LDP preparation. The information here is presented as a guide as to what the level of additional housing land might be.

**Table 11.1 Land Supply Estimates at 2018 - City of Edinburgh, East Lothian & Fife**

	City of Edinburgh	East Lothian	Fife
A. Effective Land Supply	21,803	4,698	19,322
B. Emerging LDP	2,943	5,675	
C. Constrained Sites	8,907	873	3,352
D. Constrained Expected to Become Effective	5,045	873	503
E. Windfall Allowance (Annual)	420		140
F. Windfall Allowance 2018-2030	5,040	209	1,680
G. Estimated Completions 2015-2018	5,664	1,077	1,917
H. ESTIMATED LAND SUPPLY	29,167	11,378	19,588
I. HOUSING LAND REQUIREMENT	31,944	6,851	11,444
J. DIFFERENCE	-2,777	+4,527	+8,144

## Land Supply Implications 11

**Table 11.2 Land Supply Estimates at 2018 - Midlothian, Scottish Borders, West Lothian & SESplan**

	Midlothian	Scottish Borders	West Lothian	SESplan
A. Effective Land Supply	9,883	4,844	13,350	73,900
B. Emerging LDP	5,142	1,598	3,996	20,354
C. Constrained Sites	145	2,357	7,607	23,241
D. Constrained Expected to Become Effective		2,357	7,607	16,385
E. Windfall Allowance (Annual)				
F. Windfall Allowance 2018-2030		1,464		8,393
G. Estimated Completions 2015-2018	1,788	843	2,085	13,374
H. ESTIMATED LAND SUPPLY	13,237	9,420	22,868	105,658
I. HOUSING LAND REQUIREMENT	7,049	4,594	8,356	70,238
J. DIFFERENCE	+6,188	+4,826	+14,512	+35,420

**A Effective Land Supply** - Capacity of housing land allocated or permitted for housing, which is free of all constraints that would prevent development. Data is taken from each member authority's most recent Housing Land Audit (HLA). For all authorities except West Lothian, this uses data from HLA 2015. At the time of preparation, West Lothian had not finalised their HLA 2015 but draft data from it was included.

**B Emerging LDP** - Capacity of housing land being allocated for housing in emerging LDPs that is not included in the most recent HLA. For Scottish Borders this also includes the 916 dwellings that the the council is expected to identify land for in Supplementary Guidance within one year of adoption of the Scottish Borders LDP (adopted May 2016).

**C Constrained Sites** - Capacity of housing sites that are not currently developable for housing due to a range of constraints. These sites are not considered effective. Current constraints include ownership, physical (e.g. slope, aspect, stability, flood risk, access), contamination, deficit funding, marketability, infrastructure and land use. These constraints may be overcome and the land may become effective over the life of the plan.

**D Constrained Expected to Become Effective** - Capacity of constrained sites whose constraints are expected to be overcome, therefore becoming effective and allowing them to contribute towards meeting the Housing Land Requirement for the 2018-2030 period.

**E & F Windfall Allowance** - Windfall is defined as sites which become available for development unexpectedly during the life of the development plan and so are not identified individually in the plan. SPP paragraph 117 allows the Housing Land Requirement to be met from a number of sources, including windfall development, where evidenced. *Any assessment of the expected contribution to*

## 11 Land Supply Implications

*the housing land requirement from windfall sites must be realistic and based on clear evidence of past completions and sound assumptions about likely future trends".* Where capacity has been included, it is based on windfall allowances used to support adopted or emerging LDPs. It is shown as both an annual and 2018-2030 period total.

**G Estimated Completions** - As data is presented from a HLA 2015 base, it is necessary to subtract an estimate for completions for the three years between 1 April 2015 and 31 March 2018. For Edinburgh, the HLA 2015 data had been used for estimates of completions in the financial years 2015-16, 2016/17, 2017/18. This is because previous estimates have been close to the actual level of completions. For other authorities, their HLA estimates for future years represent land available that could come forward rather than an accurate prediction of completions. Therefore for all other authorities an average of the last two years completions<sup>(14)</sup> has been used to estimate completions over the three years from 2015 to 2018.

**H Estimated Land Supply** - The estimated level of land supply available in the 2018-2030 period is based on the total capacity of the current effective supply plus emerging LDP sites plus constrained sites expected to come forward plus windfall. 2015 to 2018 completions are then subtracted from this. This is expressed as  $H = A + B + D + F - G$ .

**I Housing Land Requirement** - The Housing Land Requirements for the 2018-2030 period included in the SDP, as set out in Chapter 10 'Housing Land Requirements'.

**J Difference** - Result of the subtraction of the Estimated Land Supply from the Housing Land Requirement. A negative figure shows a potential deficit in housing land indicating that further allocations may be necessary. A positive figure shows a surplus indicating further allocations may not be required.

**11.4** In summary there is a deficit against the estimate level of supply in Edinburgh. Therefore an additional 2,777 homes may be required in the Edinburgh LDP to fully meet the Housing Land Requirement up to 2030. In all other areas, it is estimated that there will be a surplus of housing land. Therefore further allocations in LDPs may not be required to fully meet Housing Land Requirements up to 2030.

**11.5** Housing land surpluses will be required as longer term growth opportunities to provide housing land into the 2030's. Housing Supply Targets and Housing Land Requirements for this period will be set out in the next SDP.

## Policy and Guidance A

## Appendix A Policy and Guidance

**A.1** The key relevant sections of each policy and guidance document are set out below. Note that only documents which were fully adopted policy or guidance when the Main Issues Report and Proposed Plan were being prepared are included here.

**A.2** The most important points have had emphasis added.

### Scottish Planning Policy

**A.3** Scottish Planning Policy (SPP) sets out the requirements for Strategic Development Plans on housing matters.

#### SPP

30 Development plans should.....be consistent with the policies set out in this SPP, including the presumption in favour of development that contributes to sustainable development.

109 □ National Planning Framework 3 (NPF3) aims to facilitate new housing development, particularly in areas within our cities network where there is continuing pressure for growth, and through innovative approaches to rural housing provision. **House building makes an important contribution to the economy. Planning can help to address the challenges facing the housing sector by providing a positive and flexible approach to development.** In particular, provision for new homes should be made in areas where economic investment is planned or there is a need for regeneration or to support population retention in rural and island areas.

110 □ The planning system should.... identify a generous supply of land for each housing market area within the plan area to support the achievement of the housing land requirement across all tenures, maintaining at least a 5□year supply of effective housing land at all times.

112 □ Planning for housing should be undertaken through joint working by housing market partnerships, involving both housing and planning officials within local authorities, and cooperation between authorities where strategic planning responsibilities and/or housing market areas are shared, including national park authorities.

113 □ Plans should be informed by a robust housing need and demand assessment (HNDA), prepared in line with the Scottish Government's HNDA Guidance. This assessment provides part of the evidence base to inform both local housing strategies and development plans (including the main issues report).

115 □ Plans should address the supply of land for all housing. **They should set out the housing supply target (separated into affordable and market sector) for each functional housing market area, based on evidence from the HNDA.**

115 □ **The housing supply target is a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy, taking into account wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements such as the aims of National Parks.**

115 - **The target should be reasonable, should properly reflect the HNDA estimate of housing demand in the market sector, and should be supported by compelling evidence.**

## A Policy and Guidance

116 □ **Within the overall housing supply target, plans should indicate the number of new homes to be built over the plan period. This figure should be increased by a margin of 10 to 20% to establish the housing land requirement**, in order to ensure that a generous supply of land for housing is provided. The exact extent of the margin will depend on local circumstances, but a robust explanation for it should be provided in the plan.

117 □ The housing land requirement can be met from a number of sources, most notably sites from the established supply which are effective or expected to become effective in the plan period, sites with planning permission, proposed new land allocations, and in some cases a proportion of windfall development. Any assessment of the expected contribution to the housing land requirement from windfall sites must be realistic and based on clear evidence of past completions and sound assumptions about likely future trends. In urban areas this should be informed by an urban capacity study.

118 □ **Strategic development plans should set out the housing supply target and the housing land requirement for the plan area, each local authority area, and each functional housing market area. They should also state the amount and broad locations of land which should be allocated in local development plans to meet the housing land requirement up to year 12 from the expected year of plan approval, making sure that the requirement for each housing market area is met in full. Beyond year 12 and up to year 20, the strategic development plan should provide an indication of the possible scale and location of housing land, including by local development plan area.**

119 □ Local development plans in city regions should allocate a range of sites which are effective or expected to become effective in the plan period to meet the housing land requirement of the strategic development plan up to year 10 from the expected year of adoption.

127 □ Where the housing supply target requires provision for affordable housing, strategic development plans should state how much of the total housing land requirement this represents.

### National Planning Framework 3

**A.4** The National Planning Framework (NPF) is the framework for the spatial development of Scotland as a whole. It sets out the Government's development priorities over the next 20-30 years. The key related sections are set out below (emphasis added).

#### NPF3

2.18 But throughout, there will be a need to ensure a generous supply of housing land in sustainable places where people want to live, providing enough homes and supporting economic growth.

Edinburgh and South East Scotland Place Statement – A planned approach is required to ensure development needs are met, whilst taking into account existing and future infrastructure capacity. Led by SESplan, we wish to see greater and more concerted effort to deliver a generous supply of housing land in this area.

Edinburgh and South East Scotland Place Statement – the longer-term spatial strategy for delivering housing land will need to acknowledge and address the region's infrastructure constraints.

## Policy and Guidance A

### Housing Need and Demand Assessment Manager's & Practitioner's Guides

**A.5** These documents inform about the preparation and use of HNDAs, including their role in informing Housing Supply Targets. The key related sections are set out below (emphasis added).

#### HNDA Managers Guide

9.1 □ The HNDA provides the evidence on which an Housing Supply Target(s) is based. **While it is expected that there is a clear alignment between the HNDA and the Housing Supply Target the two are not the same and are therefore not expected to match.**

9.2 □ The Housing Supply Target will take the HNDA as its starting point, **but will consider policy and practical considerations to reach a view on the level of housing that can actually be delivered over a defined period.**

9.3 □ **The HNDA gives a statistical estimate of how much additional housing is required, whereas the Housing Supply Target gives an estimate of how much additional housing can be actually be delivered by authorities.**

9.4 □ **The Housing Supply Target is NOT part of the HNDA process.**

11.1 □ HNDAs should be undertaken every 5 years and be capable of looking forward 20 years from the year of plan approval. Once considered robust and credible by the Scottish Government Centre for Housing Market Analysis (CHMA) there is no requirement to revisit the assessment within the 5 year period.

13.1 □ The Housing Supply Target .... is the next stage of the housing planning process AFTER the HNDA. The Housing Supply Target feeds into both LHSs and Development Plans. It sets out the estimated level of additional housing that can actually be deliverable, on the ground, over the period of the plan. The Housing Supply Target represents a policy interpretation of the HNDA and therefore should be considered separately to the HNDA.

13.2 □ Local authority housing and planning departments should work together to jointly agree the Housing Supply Target which in turn should be agreed by all strategic and local authority interests in the HMP, to ensure consistency to delivery across local authority and housing market boundaries.

13.3 □ In SDP areas it will be particularly important to ensure that Housing Supply Target figures have been developed and agreed jointly by planning and housing interests at both the local and strategic authority level.

**13.4 □ In setting and agreeing the Housing Supply Target, authorities should give full consideration to those factors which may have a material impact on the pace and scale of housing delivery such as:**

- **economic factors which may impact on demand and supply**
- **capacity within the construction sector**
- **the potential inter□dependency between delivery of market and affordable housing at the local level**
- **availability of resources**
- **likely pace and scale of delivery based on completion rates**
- **recent development levels**

## A Policy and Guidance

- **planned demolitions**
- **planned new and replacement housing or housing brought back into effective use.**

13.5 □ **Consideration of these factors could result in a Housing Supply Target figure which may be lower or higher than the housing estimate in the HNDA.**

13.7 □ The Housing Supply Target should cover all tenures and set out the expected broad split between market and affordable housing. In reaching a view about this tenure split, partnerships will want to consider the outputs from the HNDA tool alongside other practical and delivery considerations including pressure on existing stock.

13.8 The Housing Supply Target should normally be expressed over a period of 5, 10 and 20 years in line with the planning timeframes associated with LHS and Local Development Plans.

13.9 However in SDP areas the Housing Supply Target should be capable of being expressed at a 12 and 20 year timeframe within the MIR and SDP and at 5, 10 and 20 year timescales in the subsequent LDP and LHS.

### **HNDA Practitioner's Guide**

What HNDAs are Designed to do □ The housing need/demand estimates derived from HNDAs are subsequently refined in the Housing Supply Target . **Several factors such as housing policies, available finance and capacity of the construction sector are used to translate the HNDA estimates into the Housing Supply Target.**

1.15 □ Future need is mainly driven by future household formation (projections). By its very nature this has to be met through the provision of additional housing units. This is what the HNDA Tool outputs. Most additional housing units will be delivered through new build, but delivery should also be considered through changes in housing stock such as conversions and bringing empty properties back into use. The amount and type of additional units that need to be delivered is decided in the Housing Supply Target.

### **Local Housing Strategy Guidance**

**A.6** Produced to inform the preparation of LHSs. The key related sections are set out below (emphasis added).

#### **Local Housing Strategy Guidance**

7.1 A local authority's ability to provide housing of the right types in the right places, to meet the needs of the population is fundamental to the LHS. Local authorities should undertake an assessment of housing need and demand and **informed by this evidence, set a Housing Supply Target. In doing so, local authorities should consider the role, capacity and mechanisms available to its housing association partners, the private sector as well as its own ability to meet the need and demand of its population within its LHS.**

7.6 Local authorities, as both the statutory housing and planning authority, are responsible for assessing housing requirements, ensuring a generous supply of housing land and enabling the delivery of the both market and affordable housing. This section of the LHS should be consistent with and complement the local authority's Local Development Plan.

## Policy and Guidance A

7.7 Housing and planning authorities should continue to work closely together to take forward the processes that underpin effective housing planning and the delivery of strong local housing outcomes.

7.8 Central to the processes is the agreement of a Housing Supply Target, which should be set out clearly in the LHS.

7.9 The Local Housing Strategy should draw on the findings of the HNDA to inform its approach to housing investment and delivery. The LHS should set out clearly the local authority's view of the type and level of housing to be delivered over the period of the plan in its Housing Supply Target. **The Housing Supply Target set out in the LHS should be broadly consistent with the Housing Supply Target set out in the development plan.**

7.10 In setting and agreeing the Housing Supply Target, authorities should give full consideration to those factors which may have a material impact on the pace and scale of housing delivery such as:

- economic factors which may impact on demand and supply in particular parts of the area
- capacity within the construction sector
- the potential inter-dependency between delivery of market and affordable housing at the local level
- availability of resources
- likely pace and scale of delivery based on completion rates
- recent development levels
- planned demolitions
- planned new and replacement housing or housing brought back into effective use.

7.11 The Housing Supply Target should be split by market and affordable housing and expressed at both local authority and functional housing market area.

7.12 **Those local authorities covering a large geographic area or those with distinct submarket areas may wish to set out a Housing Supply Target at sub-housing market area.**

## B Housing Need and Demand Assessment Data

### Appendix B Housing Need and Demand Assessment Data

**B.1** Chapter 4 'Methodology for Setting Housing Supply Targets' paragraphs 4.5 to 4.7 sets out the agreed approach to using the HNDA alternative future estimates for the SDP 12 year and 8 year periods. Annual averages of the 2012 to 2030 estimates were used to calculate estimates for the 12 year period 2018 to 2030. The exact HNDA estimates will be used for the eight year 2030 to 2038 period.

**B.2** Tables of sub-housing market area HNDA estimates are set out in [HNDA Supporting Document 4 Final Analysis of Need and Demand at Sub Housing Market Area Level](#). Data for the both the 2010 based and 2012 based alternative futures is presented. For the purposes of setting Housing Supply Targets, only the 2012 based estimates will be used for reasons set out in paragraphs 3.11 and 3.12. Each row of each table represents the additional housing need and demand in an individual year from 2012 up to 2038. The columns break down the estimates of need and demand into the four broad tenure categories - Social Rent, Below Market Rent, Private Rental Sector and Owner Occupied.

**B.3** The following four step process was used to sort the data from the [HNDA Supporting Document 4](#):

1. Combined data at member authority and SESplan Housing Market Area level
2. Combined tenures into market and affordable
3. Sort relevant years for 12 and 8 year plan periods
4. Calculate annual average for 2012-2030 estimates for use in 12 year period.

#### Step 1

**B.4** Table B.1 below sets out a key of the tables of sub-housing market area level that were combined from [HNDA Supporting Document 4](#) to set out estimates at SESplan member authority level for each of the 2012 based alternative futures. The totals from each authority are combined for SESplan Housing Market Area estimates.

**Table B.1 HNDA Estimate Tables Used**

Authority	'Steady Recovery'	'Wealth Distribution'	'Strong Economic Growth'
City of Edinburgh	CEC06	CEC07	CEC08
East Lothian	EL16, EL17, EL18	EL19, EL20, EL21	EL22, ELL23, EL24
Fife	FS11, FS12	FS13, FS14	FS15, FS16
Midlothian	M11, M12	M13, M14	M15, M16
Scottish Borders	SB21, SB22, SB23, SB24	SB25, SB26, SB27, SB28	SB29, SB30, SB31, SB32
West Lothian	WL16, WL17, WL18	WL19, WL20, WL21	WL22, WL23, WL24

#### Step 2

## Housing Need and Demand Assessment Data B

**B.5** The social rent estimates and below market rent estimates for each individual year were then combined to set out the affordable estimate for each year. The private rented sector and owner occupied estimates were combined to set out the market estimate for each year.

### Step 3

**B.6** Estimates for each individual year from 2012 up to and including 2030 were combined. These are set out in Tables B.2, B.3 and B.4 under Step 4. Estimates for each individual year from 2031 up to and including 2038 were combined. These combined estimates were used for the 2030-38 period set out in Tables 4.4, 4.5 and 4.6.

### Step 4

**B.7** The data for step 4 is shown in Table B.2, B.3 and B.4 for each of the alternative futures. An annual average figure of the total 2012 to 2030 estimate for market and affordable need and demand was calculated. This is the total in Column A divided by the 19 individual years. The annual average is then shown in Column B. This annual average is then used as the annual average need and demand for the 2018-2030 period.

**B.8** To calculate the 2018-2030 period need and demand for each scenario, the average figures in Column B are multiplied by the 12 years in the 2018-2030 period. The total is then set out in Column C.

**Table B.2 Steady Recovery Estimates**

	Affordable			Market		
	A. 2012-2030 Total	B. 2012-2030 Annual Average	C. Estimate 2018-2030 Period Total	A. 2012-2030 Total	B. 2012-2030 Annual Average	C. Estimate 2018-2030 Period Total
City of Edinburgh	40,586	2,136	25,633	21,796	1,147	13,764
East Lothian	6,391	336	4,032	3,406	179	2,148
Fife	7,187	378	4,536	5,110	269	3,228
Midlothian	5,627	296	3,552	2,123	112	1,344
Scottish Borders	2,432	128	1,536	1,422	75	900
West Lothian	6,475	341	4,092	4,184	220	2,640
<b>SESplan</b>	<b>68,698</b>	<b>3,615</b>	<b>43,381</b>	<b>38,041</b>	<b>2,002</b>	<b>24,024</b>

## B Housing Need and Demand Assessment Data

**Table B.3 Wealth Distribution Estimates**

	Affordable			Market		
	2012-2030 Total	2012-2030 Annual Average	Estimate 2018-2030 Period Total	2012-2030 Total	2012-2030 Annual Average	Estimate 2018-2030 Period Total
City of Edinburgh	45,819	2,412	28,944	28,423	1,496	17,952
East Lothian	7,027	370	4,440	3,484	183	2,196
Fife	8,676	457	5,484	6,602	347	4,164
Midlothian	6,180	325	3,900	2,223	117	1,404
Scottish Borders	3,126	165	1,980	2,151	113	1,356
West Lothian	7,223	380	4,560	4,752	250	3,000
<b>SESplan</b>	<b>78,051</b>	<b>4,109</b>	<b>49,308</b>	<b>47,635</b>	<b>2,506</b>	<b>30,072</b>

**Table B.4 Strong Economic Growth Estimates**

	Affordable			Market		
	2012-2030 Total	2012-2030 Annual Average	Estimate 2018-2030 Period Total	2012-2030 Total	2012-2030 Annual Average	Estimate 2018-2030 Period Total
City of Edinburgh	50,556	2,661	31,932	36,303	1,911	22,932
East Lothian	7,229	380	4,560	4,184	220	2,640
Fife	9,915	522	6,264	8,121	427	5,124
Midlothian	6,128	323	3,876	2,572	135	1,620
Scottish Borders	3,783	199	2,388	2,947	155	1,860
West Lothian	7,216	380	4,560	6,020	317	3,804
<b>SESplan</b>	<b>84,827</b>	<b>4,465</b>	<b>53,580</b>	<b>60,147</b>	<b>3,165</b>	<b>37,980</b>

## Glossary C

## Appendix C Glossary

### Glossary

Term	Description
Affordable Housing	Housing of reasonable quality that is affordable to people on modest incomes.
Allocation	Land identified in a local development plan for a particular use.
Below Market Rent housing products	Housing options available at a cost below full market value to meet an identified need.
City Deal	Funding mechanism in which contributions and risks are shared between councils and central government and across sectors, based on the improved performance of the regional economy.
Development Plan	A document setting out how places should change and what they could be like in the future. It stipulates what type of development should take place and where should not be developed.
Effective Land Supply	The part of the established housing land supply which is free or expected to be free of development constraints in the period under consideration.
Established Land Supply	The total housing land supply including the effective housing land supply plus remaining capacity for sites under construction, sites with planning consent, sites in adopted local development plans and where appropriate other buildings and land with agreed potential for housing development.
Green Belt	Area of countryside around cities or towns which aims to prevent urban sprawl and inappropriate development.
Greenfield Land	Land in a settlement or rural area which has never been developed, or where traces of any previous development are now such that the land appears undeveloped.
Housing Demand	Quantity and type/quality of housing which households wish to buy or rent and are able to afford
Housing Land Requirement	Generous capacity of land for housing required to be made available in Local Development Plans. For SESplan it is set at 110% of the Combined Housing Supply Target.
Housing Market Area	Geographical space in which people will search for housing and within which they are willing to move while maintaining existing economic and social relationships.

## C Glossary

Term	Description
Housing Need and Demand Assessment (HNDA)	The evidence used as a basis for identifying future housing requirements to ensure suitable land is allocated through development plans.
Housing Market Areas	Geographical spaces in which people will search for housing and within which they are willing to move while maintaining existing economic and social relationships.
Housing Market Partnership	A group of local authorities and relevant organisations working jointly to plan for housing within a housing market area
Housing Need	Households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the housing market without some assistance
Housing Need and Demand Assessment (HNDA)	The evidence used as a basis for identifying future housing requirements to ensure suitable land is allocated through development plans.
Housing Supply Target	a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy, taking into account wider economic, social and environmental factors, issues of capacity, resource and deliverability, and other important requirements such as the aims of National Parks. The target should be reasonable, should properly reflect the HNDA estimate of housing demand in the market sector, and should be supported by compelling evidence.
Infrastructure	Public transport, roads, sewerage, water supply, schools, gas, electricity, telecommunications etc. which are needed to allow developments to take place.
Market Housing	Private housing for rent or sale, where the price is set in the open market.
New Build Shared Equity	Enables RSL's and private developers to build or buy new homes for sale on a shared equity basis, with purchasers buying a majority stake of the equity depending on income
Open Market Shared Equity	Operates on similar principles to New Build Shared Equity, enabling eligible purchasers to acquire a property in the second hand market
Prudential Borrowing	The set of rules governing local authority borrowing.
Strategic Development Areas	Areas identified under SDP1 of being capable of accommodating strategic growth.
Scottish Planning Policy (SPP)	A statement of the Scottish Government's approach to land use planning

## Glossary C

Term	Description
Windfall	A site which becomes available for development during the plan period which was not anticipated to be available when the plan was being prepared

Committee Draft



Committee Draft

**APPENDIX 4 –**

## APPENDIX 4 – TRANSPORT APPRAISAL

---

1. This covering paper sets out the Transport Appraisal process for the SESplan Proposed Plan. Attached is the SDP2 Transport Appraisal setting out the impacts and outline mitigation options of the additional housing development that the Strategic Development Plan (SDP2) has identified is needed to contribute towards meeting the Housing Supply Targets in the Proposed Plan. Based on current estimates, only the City of Edinburgh may be required to identify additional housing land above what is emerging from the LDP. All other SESplan member authorities are not expected to identify additional housing land above what is emerging from their Local Development Plans (LDPs) to meet the Proposed Plan Housing Supply Targets.
2. A Transport Appraisal is a process which allows the relationship between land use and movement to be taken into account when preparing development plans. It helps shape the spatial strategy, identifies regional level impacts of the strategy on the strategic transport network and presents outline mitigation options that could be delivered to support development. These will be examined in future appraisal work, including that undertaken to support the next Edinburgh LDP.
3. The first Strategic Development Plan (SDP1) and Housing Land Supplementary Guidance were accompanied by Transport Appraisals<sup>1</sup>. These identified that, as the result of development proposed over the plan period to 2024, there would be significant impacts on journey times and congestion on the strategic road network. The majority of impacts were identified on road approaches to Edinburgh (e.g. M9, M8, A1, etc) and on the A720 Edinburgh Bypass. Subsequent to this, each SESplan Member Authority Local Development Plan has undergone a transport appraisal identifying detailed impacts in each area and a range of transport interventions to mitigate the impacts.
4. The SDP2 spatial strategy was informed by the findings from the Transport Appraisal of SDP1 and transport appraisals of the emerging LDPs. In addition a sustainable [Accessibility Analysis](#) (2014) was undertaken to identify the accessibility of settlements to employment and other generators of travel by public transport. These studies underpinned the 'Growth Corridors' strategy set out as the preferred option in the MIR. This strategy involves locating a greater proportion of development in Edinburgh, where over 50% of future additional jobs were forecast, where journeys are shorter and where there is greater public transport infrastructure and services. Long term

---

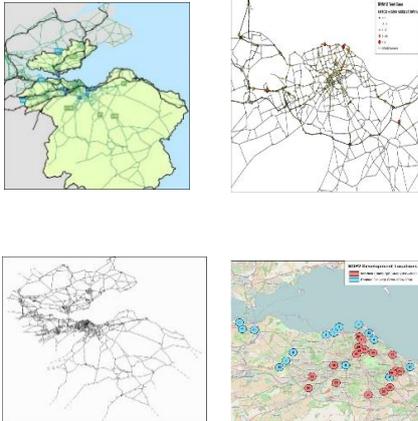
<sup>1</sup> [SDP1 Appraisal](#), [SDP1 Appraisal Appendices](#), [Housing Land Supplementary Guidance Appraisal](#)

growth will also be focussed along sustainable transport corridors. The overall approach will reduce the need to travel, reduce the length and number of additional journeys and support a shift away from private car towards walking, cycling and public transport.

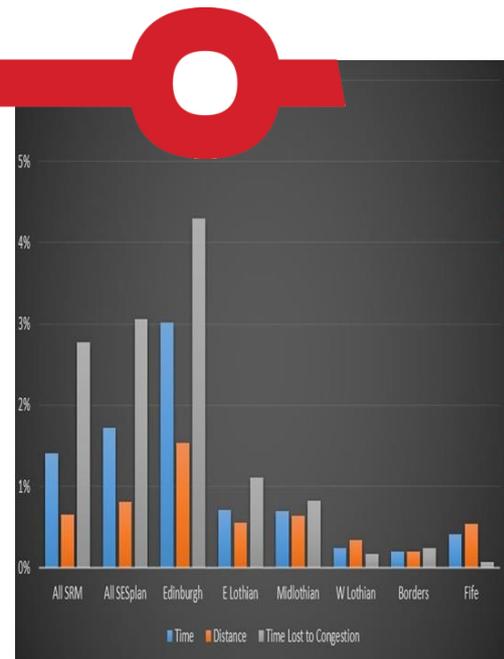
5. The SDP1 Transport Appraisal made use of a regional transport model. This model has been updated as part of a Cross Boundary Study (CBS), funded and led by Transport Scotland, to identify the transport impacts of SDP1 and emerging LDPs in greater detail. The study takes into account all sites permitted or allocated for housing, employment, retail and other types of development. When complete, it will identify the cumulative and cross authority boundary impacts of this development and present packages of road and public transport mitigation measures that could be developed to address them. It will also provide evidence to underpin a Developer Contributions Framework to be prepared as Supplementary Guidance to SDP2. This will set out an approach to securing developer contributions to help meet the cost of some of the key transport interventions identified by the appraisals.
6. The Cross Boundary Study was due to report in 2015. The initial plan-making programme for the Proposed Plan envisaged that a Transport Appraisal of the additional development required (the SD2 Transport Appraisal attached) would follow the completion of the Cross Boundary Study and be based on its findings. However, due to delays in data gathering, the final CBS report will not now be available until September 2016. Whilst the CBS outputs are still to be finalised, the SDP2 Transport Appraisal was able to take some of the emerging findings into account, identify the additional impacts of SDP2 and set out some outline mitigation options. The key finding of the SDP2 Transport Appraisal (set out in the Executive Summary) is that the additional impacts of SDP2 are localised and small in proportion to scale of impacts associated with SDP1 development already permitted or allocated in existing and emerging LDPs.
7. The transport interventions included in the Proposed Plan (Table 6.1) are based on the SDP1 and SDP2 appraisals as well as individual LDP appraisals. As the Cross Boundary Study is not yet complete, we are unable to set out a definitive list of cross boundary measures supported by sufficient evidence. We are however able to set out in broad terms the types of interventions that may be required (Table 6.1 Column B).

### **Next Steps**

8. As set out in the Action Programme and paragraph 6.10 of the Proposed Plan, SESplan is working with Transport Scotland to finalise the Cross Boundary Study. Together, these appraisals will form the evidence base to support the preparation of a Developer Contributions Framework to be adopted as Supplementary Guidance within one year of the approval on the SDP.



## SDP2 TRANSPORT APPRAISAL



# SESPLAN STRATEGIC DEVELOPMENT PLAN

## SDP2 TRANSPORT APPRAISAL

### IDENTIFICATION TABLE

<b>Client</b>	SESplan
<b>Project</b>	SESplan Strategic Development Plan
<b>Study</b>	SDP2 Transport Appraisal
<b>Type of document</b>	Draft Report
<b>Date</b>	22/04/2016
<b>File name</b>	SDP2 Transport Appraisal Draft Report
<b>Reference number</b>	103914 12
<b>Number of pages</b>	49

### APPROVAL

Version	Name	Position	Date	Modifications	
1.3	Author	J Knight L Bacon	Associate Director Senior Consultant	21/04/2016	Initial Draft
	Checked by	J Davidson	Associate Director	22/04/2016	
	Approved by	J Davidson	Associate Director	22/04/2016	
2	Author	J Knight L Bacon	Associate Director Senior Consultant	11/05/2016	Revised Draft on receipts of clients comments
	Checked by	J Davidson	Associate Director	20/05/2016	
	Approved by	J Davidson	Associate Director	20/05/2016	

## TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b>	<b>6</b>
<b>1. INTRODUCTION</b>	<b>9</b>
<b>1.1 BACKGROUND</b>	<b>9</b>
<b>1.2 SESTRAN REGIONAL MODEL &amp; SESPLAN CROSS BOUNDARY STUDY</b>	<b>9</b>
<b>1.3 SDP2 APPROACH</b>	<b>9</b>
<b>2. SDP2 DEVELOPMENT CONTENT</b>	<b>13</b>
<b>2.1 HOUSING DEVELOPMENT</b>	<b>13</b>
<b>2.2 FORECAST LEVEL OF HOUSING DEVELOPMENT</b>	<b>14</b>
<b>3. TRANSPORT MODELLING RESULTS</b>	<b>16</b>
<b>3.1 INTRODUCTION</b>	<b>16</b>
<b>3.2 AGGREGATE STATISTICS</b>	<b>16</b>
<b>3.3 NETWORK LEVEL RESULTS</b>	<b>18</b>
<b>3.4 DEMAND FLOWS</b>	<b>19</b>
<b>3.5 TRAFFIC VOLUME TO CAPACITY</b>	<b>23</b>
<b>3.6 JOURNEY TIME DATA</b>	<b>28</b>
<b>3.7 PUBLIC TRANSPORT DATA</b>	<b>28</b>
<b>4. IDENTIFICATION OF TRANSPORT IMPACTS</b>	<b>30</b>
<b>4.1 TRANSPORT ISSUES</b>	<b>30</b>
<b>5. POTENTIAL TRANSPORT INTERVENTIONS</b>	<b>33</b>
<b>5.1 INTRODUCTION</b>	<b>33</b>
<b>5.2 SCHEME INTERVENTION</b>	<b>33</b>
<b>6. CONCLUSIONS</b>	<b>36</b>
<b>6.1 SUMMARY AND CONCLUSIONS</b>	<b>36</b>
<b>APPENDIX A – LEVEL OF SDP2 HOUSING DEVELOPMENT</b>	<b>38</b>
<b>APPENDIX B – ADDITIONAL APPRAISAL METRICS</b>	<b>42</b>
<b>APPENDIX C – LIST OF POSSIBLE SCHEMES</b>	<b>48</b>

## LIST OF FIGURES

Figure 1.	Location of Planned Housing Developments building out beyond 2024	15
Figure 2.	Change in travel time, vehicle kilometres and lost time by Local Authority	18
Figure 3.	Change in Flows AM Peak - SDP2 relative to CBS	21
Figure 4.	Change in Flows PM Peak – SDP2 relative to CBS	21
Figure 5.	% Change in Flows: AM Peak - SDP2 relative to CBS	22
Figure 6.	% Change in Flows: PM Peak - SDP2 relative to CBS	22
Figure 7.	Absolute Change in V/C (%) AM Peak - SDP2 relative to CBS	25
Figure 8.	Absolute Change in V/C (%) PM Peak - SDP2 relative to CBS	25
Figure 9.	Change in V/C (CBS > 100%) AM Peak - SDP2 relative to CBS	26
Figure 10.	Change in V/C (CBS > 100%) PM Peak - SDP2 relative to CBS	26
Figure 11.	Change in V/C (CBS < 100%, SDP2>100%) AM Peak - SDP2 relative to CBS	27
Figure 12.	Change in V/C (CBS < 100%, SDP2>100%) PM Peak - SDP2 relative to CBS	27
Figure 13.	Change in Delays AM Peak - SDP2 relative to CBS	43
Figure 14.	Change in Delays PM Peak – SDP2 relative to CBS	43
Figure 15.	Change in Delay (%) AM Peak 2030 - SDP2 relative to CBS	44
Figure 16.	Change in Delay (%) AM Peak - SDP2 relative to CBS	44
Figure 17.	Difference in Delays per Km SDP2 relative to CBS - AM Peak	46
Figure 18.	Difference in Delays per km SDP2 relative to CBS - PM Peak	46
Figure 19.	% Difference in Delays per km SDP2 relative to CBS - AM Peak	47
Figure 20.	% Difference in Delays per km SDP2 relative to CBS - PM Peak	47

## LIST OF TABLES

Table 1.	Modelled Housing Inputs Additional to CBS	15
Table 2.	Global network statistics for actual and demand flows for CBS and SDP2	17
Table 3.	Change in Journey Time between CBS and SDP2 Test Case	28
Table 4.	Change in Public Transport Boardings between CBS and SDP2 Test Case	29
Table 5.	Summary of Transport Issues	30
Table 6.	Housing inputs to CBS	38
Table 7.	Housing completions 2013/4 to 2029/30	39
Table 8.	Housing Development Sites with on-going phased delivery 2024 and onwards	40
Table 9.	Additional Housing Sites since 2014 not included within CBS	40
Table 10.	Change in Households/Population between CBS and SDP2 (2024-2030)	41
Table 11.	Forecast level of housing development 2024-2030	41

## EXECUTIVE SUMMARY

### Summary

In February 2016 SESplan commissioned a study to undertake a Transport Appraisal to inform the SESplan Strategic Development Plan (SDP2) Proposed Plan stage.

The objective of the study was to identify the potential transport impacts associated with the delivery of the additional housing required in Edinburgh to meet Housing Supply Targets in the Proposed SDP. It is estimated that the other five SESplan member authorities will have sufficient housing land already identified in existing and emerging plans. This appraisal only examined the additional impact as a result of the Edinburgh requirements.

### Approach

The appraisal of the transport impacts of the additional housing build out was undertaken using the SESplan Regional Model (SRM12). The SRM12 model 2024 forecast year network and demand data was recently updated during the preliminary stages of a parallel study known as the Cross Boundary Study (CBS). This study is examining the cumulative and cross boundary impacts of housing and employment development being built out between 2012 and 2024 as a result of the development requirements of the 2013 SESplan Strategic Development Plan and subsequent emerging Local Development Plans. The model updates included planning and development input data to the Transport Economic and Land use Model of Scotland (TELMoS), and the public transport and road assignment models. Preliminary findings are now emerging from the on-going CBS study and the final report is due in autumn 2016.

The additional build out between the CBS housing inputs to contribute to the shortfall against the Edinburgh Housing Supply Targets (HST) in SDP2 in 2030 was identified as 13,621 units. Travel demand in the model was updated to reflect known housing sites continuing to be built out beyond the CBS cut-off date of 2024, potential additional housing development at the International Business Gateway (IBG) and the expected contribution of windfall housing sites within the Edinburgh urban area. Further development of employment land and associated jobs was not undertaken as the CBS study includes a level of employment land build out that is optimistic when considered against recent trends. The Proposed Plan also does not identify a requirement for further strategic employment land.

### Key Impacts

The impacts of the delivery of the additional housing build out in Edinburgh were evaluated using a range of measures, with particular focus on the change in flows and change in capacity (the change in delays and journey times largely reflected these changes). Overall, the strategic impacts are widely distributed and relatively minor. The total network journey distance by vehicle kilometres and travel time are forecast to increase by an average of 1% in the peak periods and the increase in time lost due to congestion was 3%, indicating that areas of the network are close to or at capacity.

The appraisal has shown that transport impacts occur both locally at the development locations and on the suburban network as well as at a strategic level at recognised constraints within the key strategic road network. Localised impacts can be more significant and impacts in the vicinity of the proposed developments in north Edinburgh, at the International Business Gateway (IBG) and Maybury, along A8 and in west Edinburgh are considerable. The Gogar link road and Eastfield airport road improvements associated with A8 were not included within the model and would probably mitigate some of the impacts of the proposed IBG development.

The additional housing build out in Edinburgh gives rise to small increases in flows at many locations compared with findings to date from the CBS outputs. The highest level of increase in flows are associated with areas to the north of Edinburgh, Ferry Road, west of Edinburgh and along the city bypass (specifically A8, M8, A71, A90, M9, A720 and north Edinburgh in vicinity of Leith and Ferry Road).

The most significant increase in flow relative to capacity along one or more junction approach occurs along the A8 and at junctions in North Edinburgh. For those junctions where one or more approach is forecast to be at capacity in CBS, additional traffic demand in SDP2 HST is forecast at A8 (Newbridge to Gogar), A71 Calder Road, A720 and Queensferry Crossing and at Newbridge, Gogar, Maybury, Barnton and Hermiston Gait. Traffic demand at a number of junction approaches along the A8 and A720 in the vicinity of Gogar are forecast to increase and exceed capacity.

## Potential Mitigation

Potential measures that could be considered to mitigate the impact of the additional HST development were identified, by reviewing existing transport proposals and opportunities. The approach adopted recognised and accommodated the need to limit the detailed identification of new transport options until the CBS options emerge.

This identified the following measures:

- Extensions to Edinburgh tram
- Public Transport Action Plan and Active Travel Strategy
- South Suburban Line passenger services
- North Edinburgh Transport Action Plan
- Travel demand management plan
- Development of public transport hubs
- Capacity enhancements to IBG access junctions along A8
- Widening of A8 and bus priority measures
- Walking and cycling connections to the new Edinburgh Gateway station
- Upgrade of Barnton junctions
- Capacity enhancements to Maybury junctions
- Optimised signals strategy
- South Queensferry capacity enhancements including Builyleon Road
- Eastfield airport road improvements and Gogar link road

The appraisal has been based on a strategic assessment of the additional housing build anticipated in Edinburgh based on the Housing Supply Targets in the SESplan Proposed Plan. The appraisal builds on emerging findings from the 2024 CBS study and the updated

SESplan model. The list of emerging schemes under consideration within the CBS were not available.

The appraisal of the SDP2 HST has been based on the available information including the current estimates of housing land and building phasing. The operational performance of the differences in the network between the CBS and additional development required by the emerging Proposed Plan has been appraised at a high level. As the Local Development Plans (LDPs) are developed, more detailed information will enable the impacts of interventions to be appraised in greater detail along corridors.

## 1. INTRODUCTION

### 1.1 Background

- 1.1.1 An appraisal known as the Cross Boundary Study (CBS) is currently being undertaken to identify the impact of the 2013 SESplan Strategic Development Plan (SDP1), assess points of stress within the highway network and identify potential mitigation measures.
- 1.1.2 In February 2016 SYSTRA were appointed by SESplan to undertake a Transport Appraisal to inform the SESplan Strategic Development Plan (SDP2) Proposed Plan stage.
- 1.1.3 The objective of the study is to identify the potential transport impacts associated with the delivery of the additional housing required in Edinburgh to meet Housing Supply Targets in the Proposed SDP (referred to as SDP2). It is estimated that the other five SESplan members' authorities will have sufficient housing land already identified in existing and emerging plans. Therefore this appraisal only examined the additional impact as a result of the Edinburgh requirement.
- 1.1.4 For this purpose the CBS model has been used to model travel movements and forecast impacts across the SESplan transport network.

### 1.2 SEStran Regional Model & SESplan Cross Boundary Study

- 1.2.1 The SEStran Regional Model 2012 (SRM12) is a strategic transport model that is capable of modelling travel demand and choice of mode of transport for public and private transport (including car, goods vehicles bus, rail and tram) throughout the area of South East of Scotland, including the SESplan authorities. The model forecasts changes in travel movements and can provide information to enable an appraisal to be undertaken of the impact of these on the transport network.
- 1.2.2 The SESplan Cross Boundary Study is investigating the transport impacts associated with SESplan CBS development and emerging LDP proposals. This on-going study is considering the forecast period up to 2024 and one of the primary objectives of the study is to identify areas of impact and outline potential transport intervention options.
- 1.2.3 The CBS study forecasts are founded on spatially detailed planning data provided by the SESplan member authorities in 2015. This included housing sites from existing plans and emerging Local Development Plans. The CBS land use forecast development data collected from Local Authorities are input to the SRM12 to create the transport forecasts.

### 1.3 SDP2 Approach

- 1.3.1 The objective of the current SDP2 HST study is to deliver a Transport Appraisal of the impact additional housing required in Edinburgh to meet the Housing Supply Targets 2018-2030 relative to the level of development in the CBS to inform the SESplan Strategic Development Plan (SDP2) Proposed Plan stage. The appraisal considers impacts through the analyses of key indicators e.g. identifying pressure points, change in travel demand, growth etc. - highlighting where impacts create new areas of concern compared to the CBS scenario.

- 1.3.2 A longer term land use scenario has been developed (based on the CBS Future Case scenario), which reflects the proposed additional housing build out to meet the SDP2 HST for Edinburgh. Analysis of land supplies shows that City of Edinburgh will need to permit windfall development and potentially identify further housing land in its next LDP. This study seeks to identify the impact of this. This scenario does not consider further employment allocations as the level of employment land built out modelled in the CBS to 2024 was considered optimistic against recent trends. SESplan does not anticipate any further employment land allocations at this time. The Proposed Plan also does not identify a requirement for further strategic employment land.
- 1.3.3 Further housing development in the authorities, with the exception of Edinburgh, was not modelled. This is because the Housing Supply Targets in SDP2 are not anticipated to require further housing land allocations in the LDPs to follow. The Cross Boundary Study modelled housing build out to 2024 at rates that are higher than the HSTs so that in West Lothian, Scottish Borders and East Lothian build out to 2024 is higher than what is expected by SDP2 HSTs to 2030. Therefore additional housing build out that is modelled is restricted to Edinburgh.
- 1.3.4 The household and population allocations, and demographic profile for the proposed SDP2 HST residential areas are informed using feedback from CBS and the TELMoS population profile information. The assumptions, transport appraisal information and processes developed are generally consistent across the two appraisal studies, enabling stakeholders to more clearly understand potential impacts between the two sets of development content.
- 1.3.5 As the Proposed Plan does not identify a requirement for further strategic employment lands, there is no significant requirement to undertake further TELMoS model runs
- 1.3.6 The predicted impacts of SDP2 HST, including the geography and scale of impacts arising from the additional housing development required in Edinburgh to meet the Housing Supply Targets, are used to inform where transport mitigation maybe required.
- 1.3.7 The transport constraints and opportunities within the LDP data have been cross-referenced to ensure consistency in terms of previously predicted impacts and proposed transport infrastructure.
- 1.3.8 The staged approach to the appraisal undertaken is outlined below:
- Data gathered and information collated regarding the SDP2 HST scenario, including: scale of development, spatial strategy, access strategy and consideration of links to the Cross Boundary Study;
  - SDP2 HST scenario modelled using SRM12;
  - The impact in relation to the Cross Boundary Study considered as far as possible by analysing key indicators e.g. identification of pressure points, transport growth etc. – to highlight where impacts create new areas of concern;
  - Areas of concern identified and assessed whether these are located within areas which are likely to already be identified for mitigation from the Cross Boundary Study (on-going);

- Outlined at a high level what type of potential transport options could be considered, taking into consideration emerging CBS transport opportunities and proposals;
- Reported outcomes of the study, including the scenario development, test case analyses, key impacts and potential mitigation areas, and transport options.

1.3.9 As the appraisal of transport mitigation from the CBS has been delayed and is not due until autumn 2016, the transport mitigation proposals from the CBS are not expected to be available within the proposed timeline of this study. The current study has focused on comparing the areas requiring mitigation between the two studies (i.e. if an area has already been identified within the CBS, it's likely to be mitigated by an (as yet unidentified) transport scheme.

1.3.10 The impact of the SDP2 HST development proposals have been identified relative to the CBS, but as the CBS is an on-going study it is not appropriate to fully consider and test additional mitigation to that coming forward from the CBS. A qualitative statement of potential new infrastructure impacts has been provided to enable the rationale, scale, and type of benefits to be understood and further considered.

### Outputs & Indicators

1.3.11 The reported modelling scenario outputs provide indicators at the following three levels of evidence:

1.3.12 i. Regional & Local Authority Traffic & Travel Statistics:

- Changes in region-wide road movements – including the scale of overall growth associated with the additional allocations, across the full SESplan area and for each Local Authority;
- Forecasts the net change in travel distributions, demonstrating where SDP2 housing significantly increases road demand;
- Forecasts the changes in vehicle kilometres, travel time and time lost due to congestion, and thereby assesses the change in trip lengths (as an indication for Carbon emissions), and the subsequent impact to travel times and overall levels of congestion. The key measure of time lost per vehicle kilometre provides an overall indication of regional road network performance.

1.3.13 ii. Corridor Level Outputs

- Road traffic volumes – forecasts the change in traffic volumes along key corridors to illustrate changes in demand;
- Road journey times – forecasts the change in operational performance along key routes (including orbital and radial corridors), indicating impacts between key settlements.

1.3.14 iii. Detailed Network Outputs

- Volume / Capacity (capacity hot spot) maps illustrating specific points on the network which are forecast to become pressurised from the delivery of SDP2 HST;
- Network delay (delay hot spot) maps identifying locations where excessive congestion is forecast with the new housing in place;
- Evidence has been analysed to identify areas of the network that may require mitigation compared to the underlying CBS scenario;

## 2. SDP2 DEVELOPMENT CONTENT

### 2.1 Housing Development

2.1.1 The additional housing build out between Cross Boundary Study Test Case 2024 to contribute to meeting the shortfall against the City of Edinburgh Housing Supply Target in SDP2 to 2030, are shown in Figure 1. This information originates from three sources and as discussed below as, at this point in time, this is the best available information available to inform this study in advance of City of Edinburgh's next LDP to be prepared after the adoption of the SDP in 2018:

- Known sites continuing delivery from 2024 and onwards. Pre-2024 delivery of these sites is already included in the TELMoS outputs for the Cross Boundary Study;
- Increasing housing mix at the International Business Gateway (IBG). City of Edinburgh are now advocating an employment led but mixed use site with up to 2,400 dwellings; and
- Windfall housing sites within the urban area. Analysis shows that 420 dwellings per annum would be a conservative windfall allowance.

#### i. Sites with phased delivery 2024 and onwards

2.1.2 Data prepared for Edinburgh by consultants (CH2M) in the form of an excel spreadsheet has been applied. The spreadsheet was based on Edinburgh 2014 Housing Land Audit data and takes into consideration sites under on-going development between 2024 and up to and including 2029. This ensures compatibility with the Cross Boundary dataset and prevents overlap.

2.1.3 These sites were already coded in the model as they all provided phased delivery pre 2024 in the Cross Boundary Study.

#### ii. International Business Gateway

2.1.4 The potential Edinburgh IBG phasing expects all dwellings to be delivered by 2030 and results in an increase capacity of IBG to 2,400 dwellings. No dwellings are included at the IBG within the CBS scenario at present.

2.1.5 The level of housing development associated with both windfall developments and phasing of committed developments sites between 2024 and 2030 will be fully developed by 2030. At present the IBG is the only additional optional element considered within this appraisal that is not committed. Additional housing developments will be considered during the preparation of the City of Edinburgh LDP that follows on from this SDP.

2.1.6 The earlier low density office park layout (136,000m<sup>2</sup>) has been re-profiled to provide higher density office capacity despite the proposed additional housing at the IBG. The CBS reference case forecast high build out level of Non-Edinburgh City Centre floor space (and therefore the assumption that 136,000m<sup>2</sup> level of floor space will be built out to 2030 remains reasonable given the high level of office buildout predicted by the CBS to 2024 in

surrounding parts of West Edinburgh. Previous employment levels at the site are maintained until 2030. Therefore the SDP2 scenario contains a consistent number of jobs at the IBG as applied within the CBS study.

### iii. Windfall

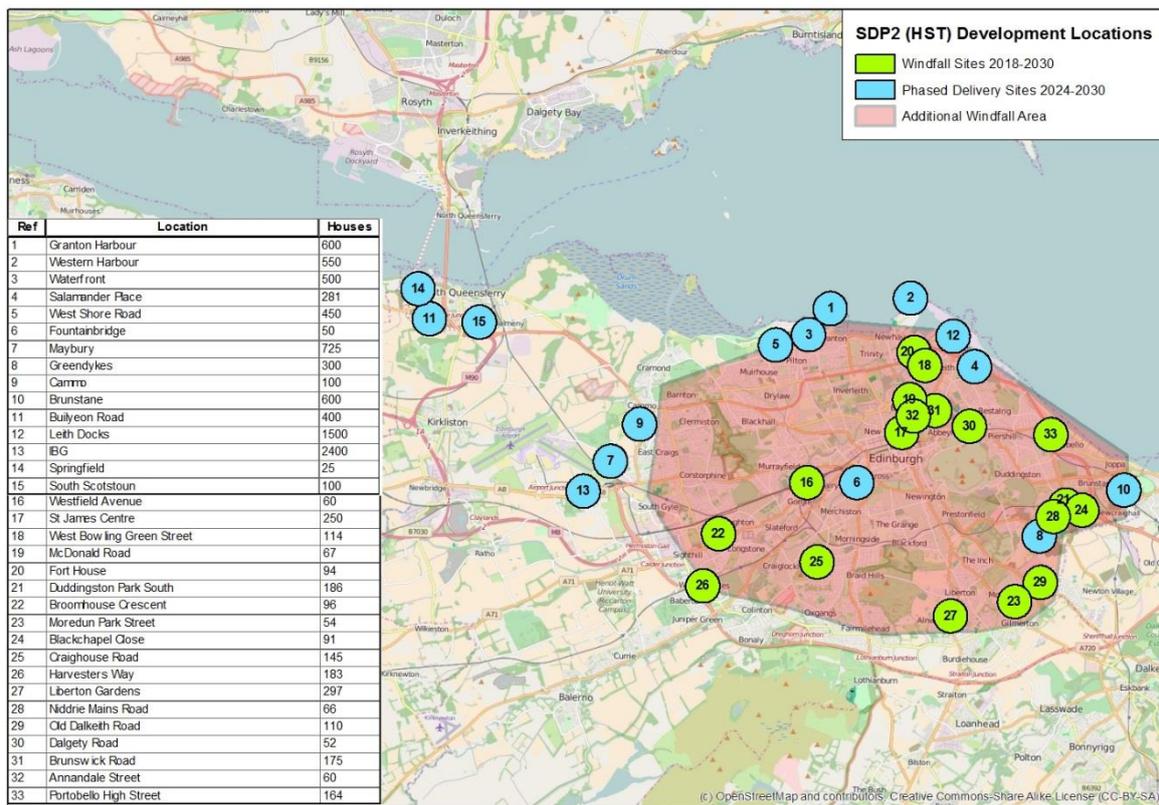
- 2.1.7 A total of 420 completions per annum is considered by City of Edinburgh Council to be a conservative forecast for windfall permissions (sites not allocated for development) on the basis of current analysis.
- 2.1.8 The location of the Additional Sites Permitted give an indication of where windfall sites have occurred (see Figure 1 and Appendix A: Table 9). These are sites that have been permitted post end 2014 that were not included in the Cross Boundary Data. The appraisal has modelled windfall completions over the 12 year SDP2 HST plan period from 2018 up to 2030 (5,040 additional dwellings).
- 2.1.9 Windfall has been modelled as urban brownfield completions and not peripheral greenfield sites, in accordance with the emerging SDP Strategy and principle for preference to be given to brownfield sites. Development has been distributed on the basis of current residential densities, excluding those locations where recent development has taken place as listed within the Additional Sites Permitted.

## 2.2 Forecast Level of Housing Development

- 2.2.1 To summarise, Table 1 shows that a total of 13,621 houses have been added to represent the potential level and location of additional housing build out in Edinburgh compared to the CBS 2024 scenario. The forecast population increase is 29,213 people and the average number of additional residents is 2.07 per household.
- 2.2.2 For further information about the calculation of the level of housing to meet the Housing Supply Target by 2030, see Appendix A.

**Table 1. Modelled Housing Inputs Additional to CBS**

HOUSING DEVELOPMENT	HOUSING UNITS
Continued delivery of sites in CBS from 2024 to 2030	6,181
International Business Gateway	2,400
Edinburgh Windfall Housing	5,040
<b>Total</b>	<b>13,621</b>



Note: Location of sites with continuing delivery 2024-30 and location of Edinburgh windfall sites post Housing Land Audit 2014

**Figure 1. Location of Planned Housing Developments building out beyond 2024**

### 3. TRANSPORT MODELLING RESULTS

#### 3.1 Introduction

3.1.1 The following sections consider aggregate and network based statistics. The focus here is to report on the change in the operational performance of the transport network between the currently available scenario for 2024 within the CBS and the SDP2 2030 housing development scenario.

3.1.2 The infrastructure package within the reference case for the CBS included committed infrastructure (i.e. which will be ‘on the ground’ by 2024) and recently delivered transport investments which have been built since the 2007 base version of the SRM. This was checked and agreed by SES plan and the local planning authorities. The package was as follows:

- Edinburgh Trams;
- Borders Railway;
- Queensferry Crossing;
- Edinburgh to Glasgow Improvement Programme;
- Winchburgh Station; and
- Access arrangements to new development areas.

3.1.3 The multimodal SEStran Regional Model models transport mode choice for both private transport and public transport (including cars, goods vehicles, rail and tram). Results from the model are presented below at both an aggregate level and local authority level. The proposed housing developments will generate movements by active modes such as walking and cycling, which are implicitly modelled as part of private and public transport journeys, both at the origin and destination, as well as, for example, access to public transport and at interchanges. To forecast modal choice of active modes and the number of walking and cycling trips, particularly for the IBG development where an Active Travel Strategy may be implemented, it would be necessary to model developments at a more detailed level.

3.1.4 The Gogar link road and Eastfield airport road improvements are not modelled within CBS as they may be covered under the CBS mitigation (for more information see paragraph 0) and therefore the IBG related development impacts may appear to be more significant than they would be otherwise.

#### 3.2 Aggregate Statistics

##### SESplan Level

3.2.1 Table 2 shows that at the SESplan level the forecasts suggest that the increase in traffic levels due to the additional Edinburgh development relative to the level of development in CBS in the AM and PM peak hours (average peak hour 8.00-9.00 and 17.00-18.00 across

model area) will result in an increase in an average total vehicle kilometres and total travel time of around 1%.

3.2.2 Congestion measured in terms of vehicle hours lost (the time ‘lost’ when travelling in congested conditions compared to travelling at free-flow speeds) is forecast to increase by approximately 3% in the peak hours with the delivery of SDP2 HST compared with CBS scenario.

3.2.3 At the strategic level it is notable that the forecast change to the level of congestion is greater than the impact on traffic volumes i.e. small increases in traffic on congested networks lead to disproportionately greater increases in congestion.

3.2.4 These forecast changes are small in magnitude but given the congested state of the network and that the developments are primarily located to the west of Edinburgh, the increase would be expected to have significant local impact in some areas.

**Table 2. Global network statistics for actual and demand flows for CBS and SDP2**

		2012 CBS Model*		2024 CBS Model**		2030 SDP2 (HST) Model***	
Time Period		Actual	Demand	Actual	Demand	Actual	Demand
Total Network Distance	AM	2,852,492	2,917,494	3,440,403	3,679,161	3,458,030	3,706,917
	IP	2,086,073	2,092,172	2,590,433	2,611,888	2,604,594	2,627,122
	PM	2,982,058	3,102,937	3,551,529	3,987,020	3,567,444	4,008,792

Note: Units are VehKm

Total Network Travel Time	AM	52,343	53,784	69,230	74,963	70,009	75,987
	IP	35,245	35,370	44,781	45,162	45,182	45,588
	PM	55,642	57,995	73,721	83,031	74,608	84,243

Note: Units are Hours

Total Time Lost due to Congestion	AM	11,650	12,108	19,501	21,774	19,942	22,306
	IP	5,083	5,106	7,450	7,530	7,601	7,689
	PM	12,587	13,252	21,798	25,351	22,397	26,135

Note: Units are Hours

		2012 vs 2024				2024 vs 2030				2012 vs 2024	2024 vs 2030
		Change		% Change		Change		% Change		AM and PM	AM and PM
Time Period		Actual	Demand	Actual	Demand	Actual	Demand	Actual	Demand	Average	Average
Total Network Distance	AM	587,912	761,666	21%	26%	17,627	27,756	1%	1%	27%	1%
	IP	504,360	519,715	24%	25%	14,160	15,235	1%	1%		
	PM	569,471	884,083	19%	28%	15,915	21,772	0%	1%		

Note: Units are VehKm

Total Network Travel Time	AM	16,888	21,179	32%	39%	778	1,024	1%	1%	41%	1%
	IP	9,536	9,791	27%	28%	401	426	1%	1%		
	PM	18,079	25,036	32%	43%	887	1,212	1%	1%		

Note: Units are Hours

Total Time Lost due to Congestion	AM	7,851	9,666	67%	80%	441	532	2%	2%	85%	3%
	IP	2,367	2,424	47%	47%	151	159	2%	2%		
	PM	9,211	12,099	73%	91%	599	785	3%	3%		

Note: Units are Hours

\*2012 CBS model ID = BC62, planning data ID = A803

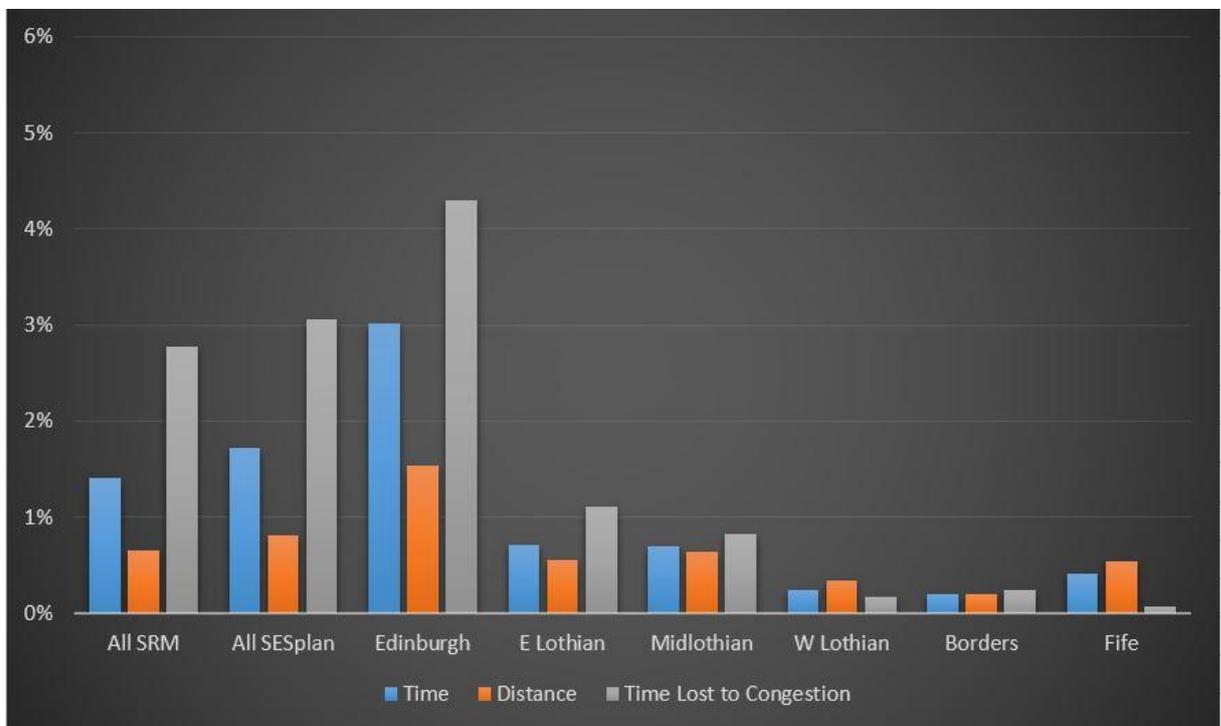
\*\*2024 CBS model ID = TC30, planning data ID = LA02

\*\*\*2030 SDP2 model ID = SD30, planning data ID = LE01

**Local Authority Level**

3.2.5 The percentage change in traffic travel times, vehicle distances and lost time for each local authority between CBS and SDP2 HST is shown in Figure 2. At the local authority level, the largest increase is forecast in Edinburgh.

3.2.6 These changes generally reflect the level of changes in traffic between CBS and SDP2 HST which in turn reflects the changes in level of housing, population and traffic between the two scenarios. Even though only the additional housing in Edinburgh was modelled, new journeys and congestion can occur as the result of new trips associated with developments elsewhere and existing traffic reassigning to alternative routes as congestions and delays increase. As expected the change in the level of lost time due to congestion indicates the majority of flow changes are found in Edinburgh.



**Figure 2. Change in travel time, vehicle kilometres and lost time by Local Authority**

**3.3 Network Level Results**

3.3.1 The network level reporting of results has focussed on the location of the developments, which are shown in Figure 1.

3.3.2 The appraisal of the relative change between the CBS and SDP2 HST scenario has been evaluated to assess the change in operational performance along road links and junctions using the following measures:

- Demand flows

- Relative difference between the traffic capacity and the demand flow for junction turning movements (V/C ratio)
- Junctions delays
- Road link delays
- Journey times

3.3.3 For each of the above measures the appraisal indicated that the operational impact of SDP2 HST was similar and the results are presented here are only for traffic flows and junction capacity. For further information relating to the appraisal of the other measures, reference should be made to Appendix B

3.3.4 Junction based data (delays and volume/capacity ratios) have been classified into ranges and displayed on link based road network diagrams by turning movement, with the greatest level of change shown more predominantly. Demand flows and delays along road links have been classified into category ranges and displayed on the same figures by direction, with the higher levels of flow shown more predominantly.

3.3.5 A series of figures showing the core SESplan road network around Edinburgh have been prepared to show the relative and absolute change in the level of service between the CBS and SDP2 HST scenarios. The overall impact of the SDP HST scenario is shown to be relatively small compared to the CBS scenario in Figure 2 is, although local impacts may be more significant. To enable the level of change associated with SDP HST to be considered within the context of CBS, for each measure a brief overview has been presented describing the location and scale of the most significant delays/impacts. The geographical location of the absolute and relative change due to the SDP2 HST scenario at junctions and along roads are then presented on figures of the road network within the SESplan area.

3.3.6 The analysis of the results have been based on model runs using a modelling option known as PASSQ, as this allows the high level of congestion and growth in traffic demand, queues and delays prior to the peak hour to be taken into account when modelling peak hour traffic movements. This is considered to better reflect travel behaviour when modelling highly congested areas but results in extended model run times.

3.3.7 The model forecasts both actual and demand flows. Actual flows are consistent with the flow that would be observed on the network whereas demand flows indicates the actual flow that would travel along the link plus the additional traffic if it were not held up upstream in the network by congestion. All flows presented within this report are based on the demand flow (actual flows are not used) and expressed in passenger car units (PCUs allow for the different vehicle types within a traffic flow group to be considered in a consistent manner and typically larger vehicles such as buses or heavy goods vehicle are considered to be equivalent to 2 or more cars (car or light goods vehicles are factored by 1 and a higher factors applied to buses and heavy goods vehicles are to calculate the equivalent total number of PCUs).

## 3.4 Demand Flows

3.4.1 In 2024 the major traffic flows (greater than 2,000 PCUs) in the CBS scenario are forecast along the A1, A720 city bypass, M8, M9, A90, A8, Queensferry Crossing and the Calder Road A71 and to the west of Edinburgh along A71 Calder Road, M8, M9, A90 in both peak

periods (forecast flows are generally 2000-4000 pcus/hr and for a limited number of locations flows exceed 4000 pcus/hr). Flows along many other key radial and orbital roads, including Ferry Road, Granton Road, A199 and A901 are between 1000-2000 pcus/hr. Flows along the majority of the remaining network is 200-500 pcus/hr.

3.4.2 The maximum link demand flow is similar between the AM and PM peak if directionality is not taken into consideration. The only small difference between peak hour flows occurs along the A90, which fall slightly in the evening peak period.

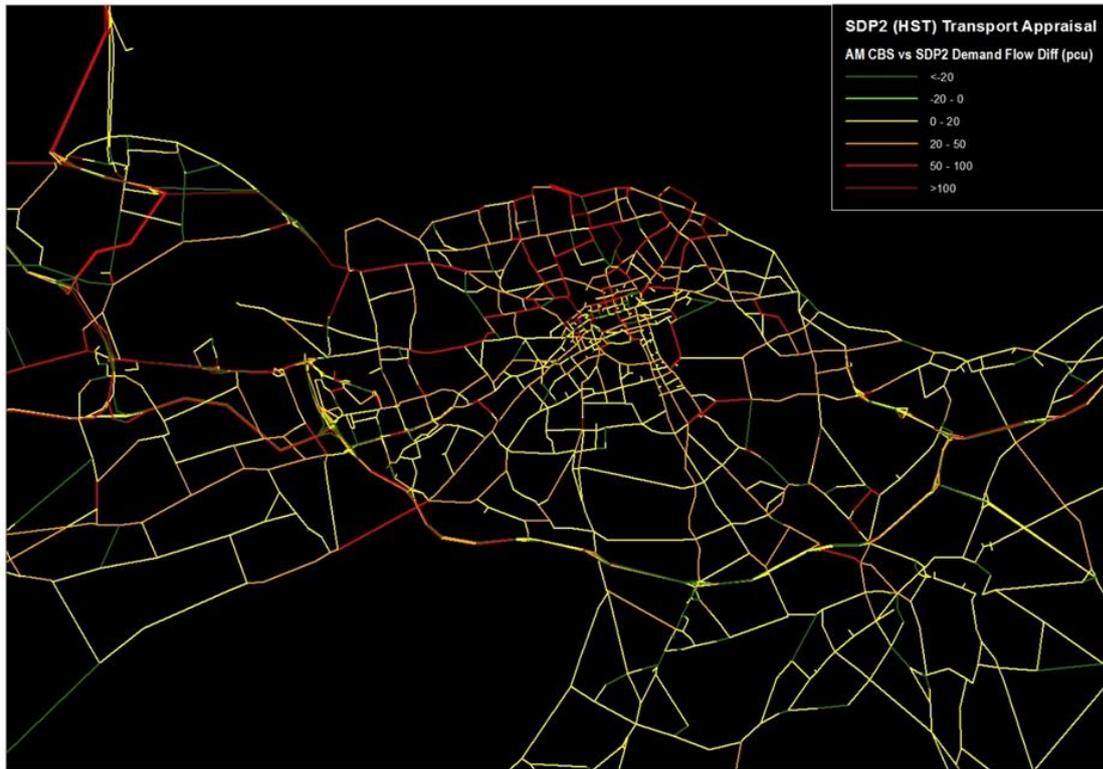
3.4.3 The following graphics have been produced which show impact of HST scenario as follows:

- Traffic Demand Flows: Change in Flows AM Peak - SDP2 relative to CBS
- Traffic Demand Flows: Change in Flows PM Peak - SDP2 relative to CBS
- Traffic Demand Flows: Change in Flows (%) AM Peak - SDP2 relative to CBS
- Traffic Demand Flows: Change in Flows (%) PM Peak - SDP2 relative to CBS

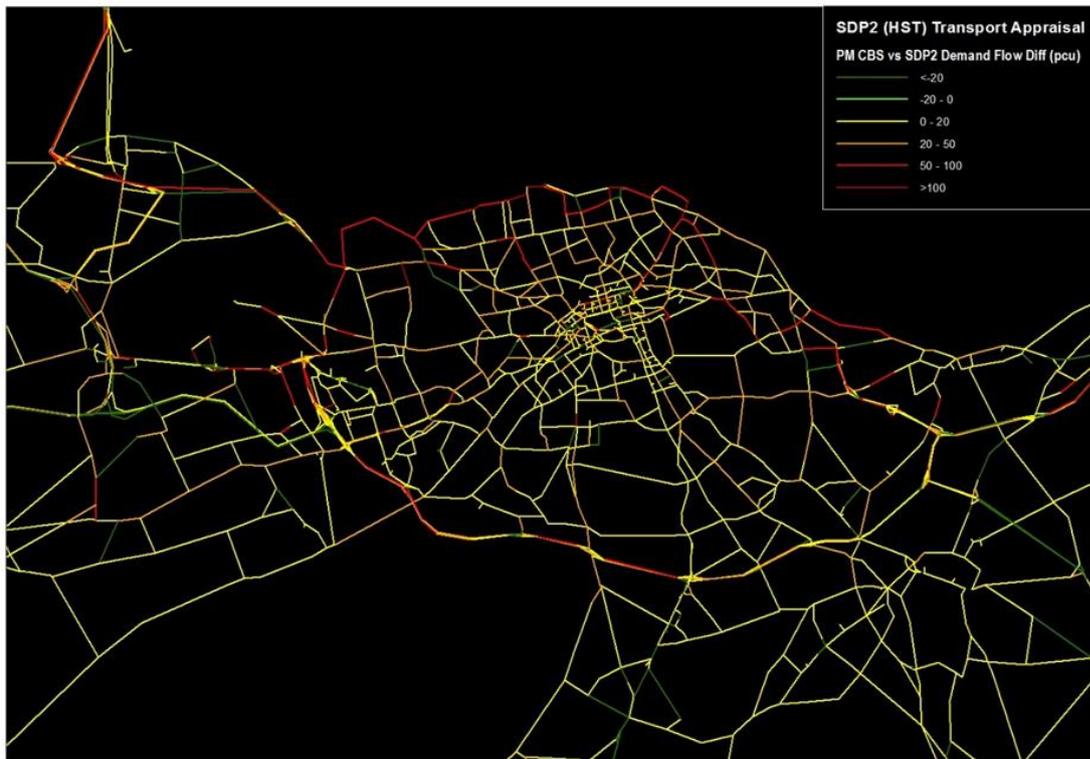
3.4.4 Figure 3 and Figure 4 show that relative to CBS, the change in flows across the network is relatively small and within the key the maximum increase banding shown for link flows is set at 100+PCUs. The highest absolute increase in traffic flows are associated with the developments in north and west Edinburgh, particularly along the A8 close to the IBG development where the impact an increase of this level is likely to be considerable as the network is at capacity. The relative change in flows are shown in Figure 5 and Figure 6.

3.4.5 There are increases in demand flows, as indicated by the 100 pcus/hr flow band, forecast across the Queensferry Crossing, along M8, A720 and A90 due to additional trips, such as commuting, associated with SDP2 housing developments. The overall level of increase due to the SDP HST developments in total flow relative to the CBS scenario, where flows of more than 2000 pcus/hr are forecast, are relatively small and around 1.5% of link flow, although where the network is operating at capacity the impact is likely to be considerable.

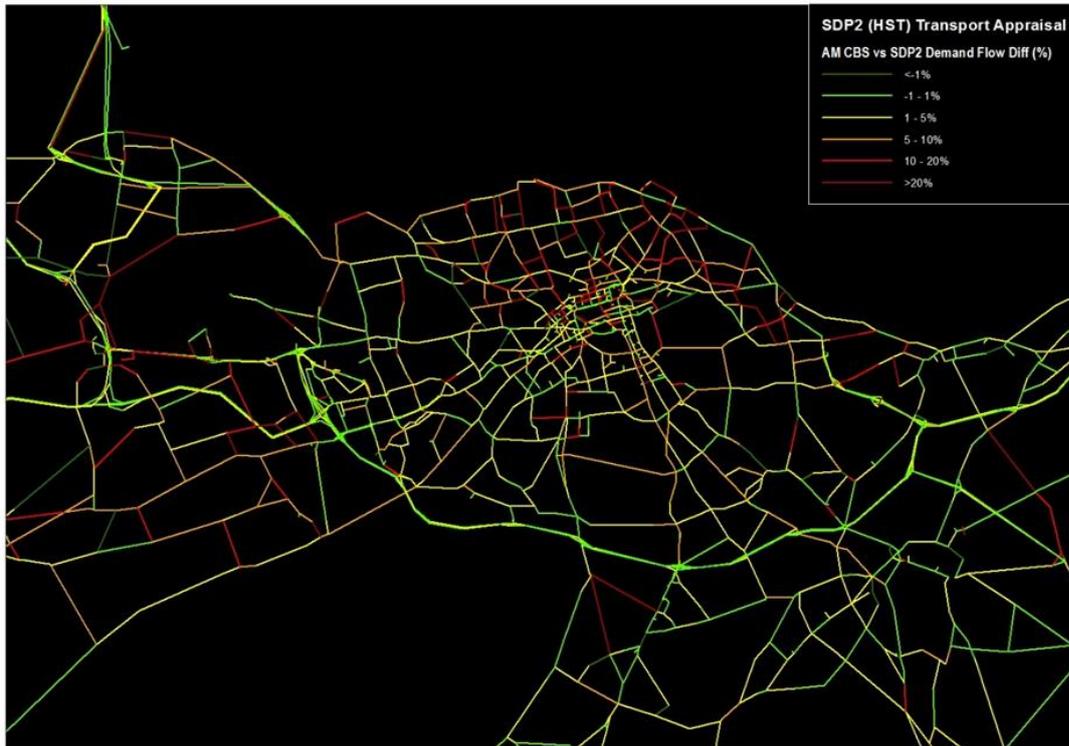
3.4.6 The greatest increase in both absolute and relative demand in flows (more than 100 pcus and/or 20+ %) are along areas of north Edinburgh and Edinburgh waterfront including Leith, Lower Granton and Ferry Road. This reflects the high level of demand in CBS and that flows are close or beyond capacity along the key routes and that there is high growth along many of the lesser trafficked roads within north Edinburgh.



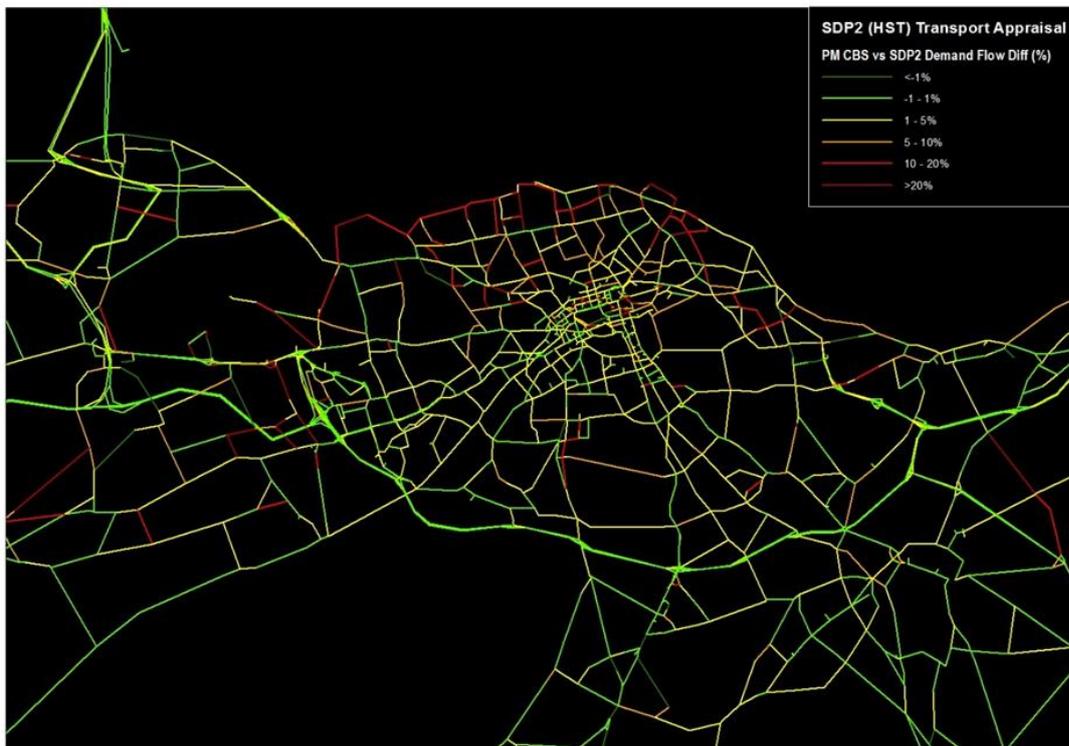
**Figure 3. Change in Flows AM Peak - SDP2 relative to CBS**



**Figure 4. Change in Flows PM Peak – SDP2 relative to CBS**



**Figure 5. % Change in Flows: AM Peak - SDP2 relative to CBS**



**Figure 6. % Change in Flows: PM Peak - SDP2 relative to CBS**

### 3.5 Traffic Volume to Capacity

3.5.1 The level of service within the network can be assessed using a number of measures, a key one of which is traffic flow expressed as a percentage the traffic capacity of the road network. As traffic flows exceed capacity (the point at which the flow volume expressed as a percentage of the capacity of the road or turning movement exceeds 100%), the level of delay, congestion and lost time increase significantly and alternative routes with lower delays, where available, become more attractive. Figures showing the percentage flow to capacity measure at junctions across the network are presented in the section below.

3.5.2 In the 2024 CBS scenario the demand flow is forecast to exceed capacity along one or more junction approaches or turning movements (locations where the demand equals or exceeds 100% capacity) at many junctions. The major intersections affected include those along the A720 city bypass, A71 Calder Road, Hermiston Gait, M8, A8, Gogar, Claylands M8/M9, A90 (Drum Brae and North Clermiston), Old Craighall and Queensferry Crossing. Overall, the trend between the morning and evening peak hours is similar, with slightly greater number of junctions along A90 and in central Edinburgh at capacity in the evening peak.

3.5.3 This assessment has been carried out at a strategic level to determine where the flow to capacity has been exceeded along one or more turning movements or junction approach arms. More detailed analysis outwith the scope of the current study would be required to determine whether the junction capacity or the capacity for the major demand flow has been exceeded.

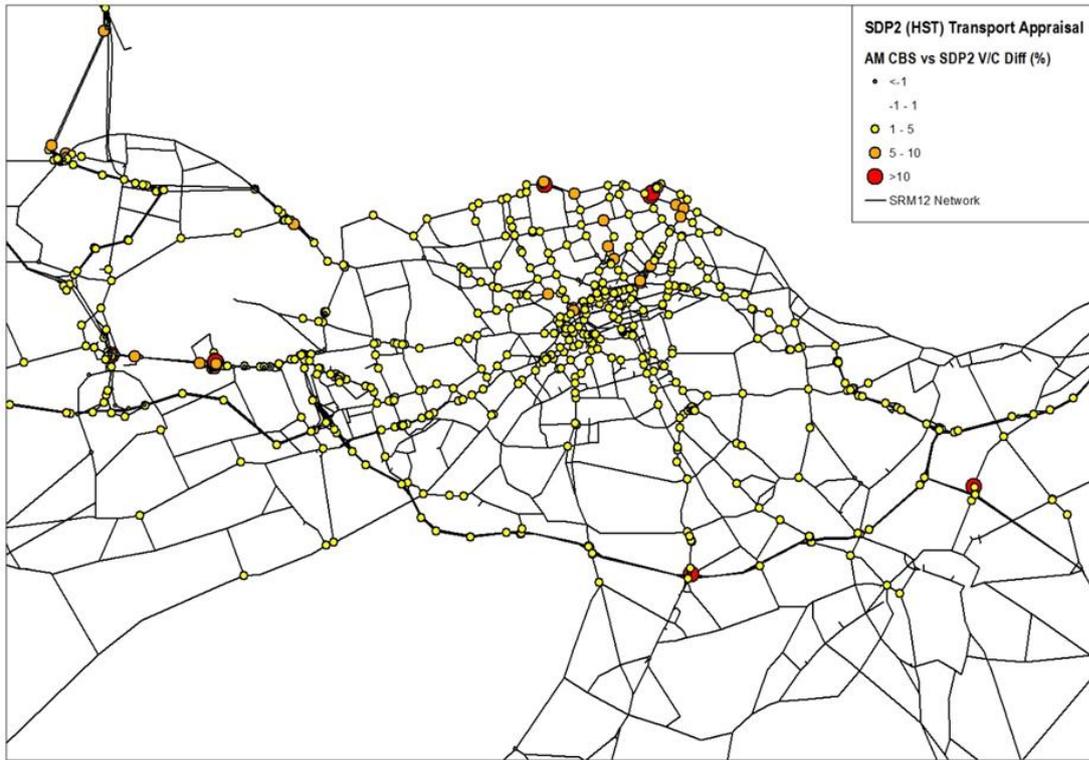
3.5.4 A significant number of junctions along radial routes to and from Edinburgh, and in north Edinburgh along Ferry Road and Granton, are close to capacity (the flow is more than 85%).

3.5.5 Figure 7 to Figure 12 show the locations where the demand flow increases relative to the junction capacity in the SDP2 HST compared to the CBS scenario. Figures Figure 9 Figure 10 highlight the locations where the flow in the CBS exceeds capacity AND the demand flows are forecast to increase further in SDP2 due to the additional developments. The final two figures show the locations where the junction is operating below capacity in CBS and the increase in demand flows due to the SDP2 HST developments result in the v/c increasing to more than 100%. The figures are as follows:

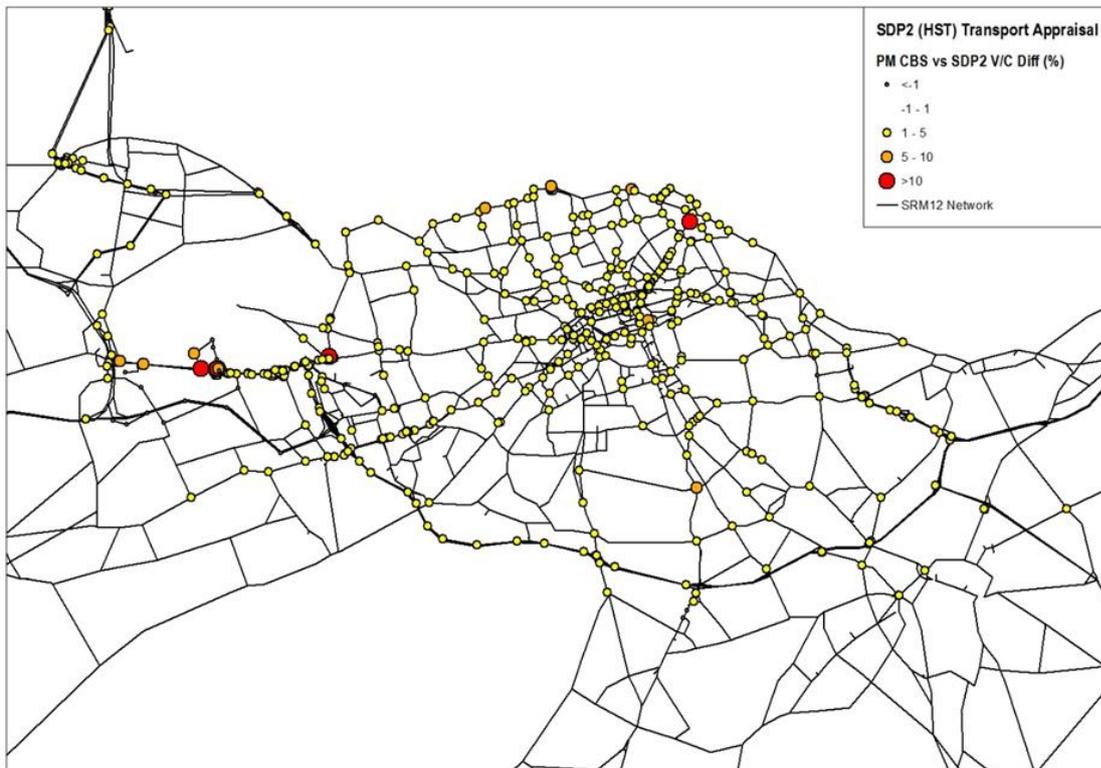
- Absolute Change in V/C (%) AM Peak - SDP2 relative to Test Case CBS
- Absolute Change in V/C (%) PM Peak - SDP2 relative to Test Case CBS
- Change in V/C (CBS> 100%) AM Peak - SDP2 relative to Test Case CBS
- Change in V/C (SDP>100%) PM Peak - SDP2 relative to Test Case CBS
- Change in V/C (CBS< 100%, SDP2>100%) AM Peak - SDP2 relative to CBS
- Change in V/C (CBS<100%,SDP2>100%) PM Peak - SDP2 relative to CBS

3.5.6 Figure 7 and Figure 8

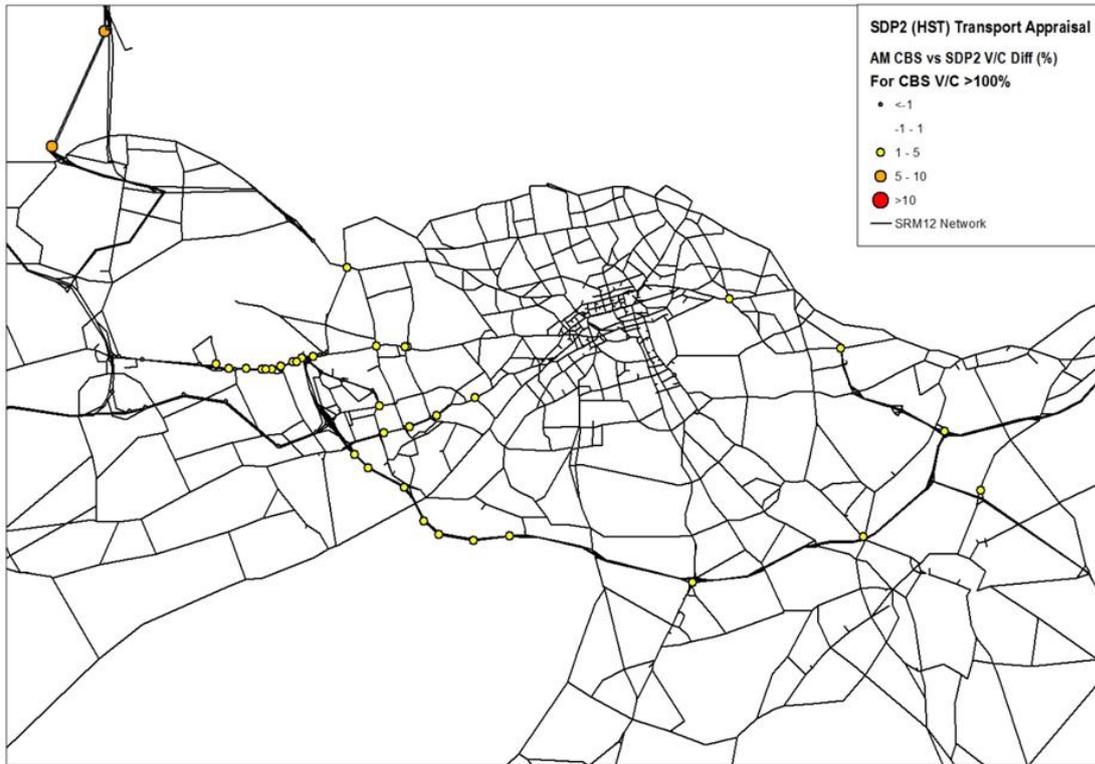
- 3.5.7 show that the volume/capacity ratio increases at many junctions throughout Edinburgh. The level of increase is more significant along the A8 in the proximity of the airport due to the trip generation associated with the IBG housing development, where the impact is likely to be considerable as the network is near to or at capacity.
- 3.5.8 Figure 9 and Figure 10 only show the junction locations which have one or more turning movement/junction approach over capacity in CBS and, as the result of increased flows in SDP2 HST, the level of service at the junction declines further. The majority of junctions within the study area experience a small increase (less than 5%) in flows relative to capacity for one or more turning movements. The main locations where the level of increase is higher (in the range 5-10%) are associated with Queensferry Crossing, A8/IGB and north Edinburgh (including Leith and Granton Road) and the impact is likely to be considerable.
- 3.5.9 Figure 11 and Figure 12 only show the location of those junctions at which the demand flows in CBS at one or more turning movement is less than capacity and in SDP2 HST the capacity is exceeded. The overall change in percentage increase in flow relative to capacity is relatively small and the maximum banding shown is for an increase of 10%. As before, the specific turning movements affected may relate to major or minor turning movements but this level of detail is not shown within the present strategic appraisal. The greatest impact is associated with junctions along A8 close to the IBG development (these movements were close to capacity and the IBG development generates a significant number of additional trips)) plus a small number of junctions along A8 and A720 in the vicinity of Gogar/Hermiston Gait.



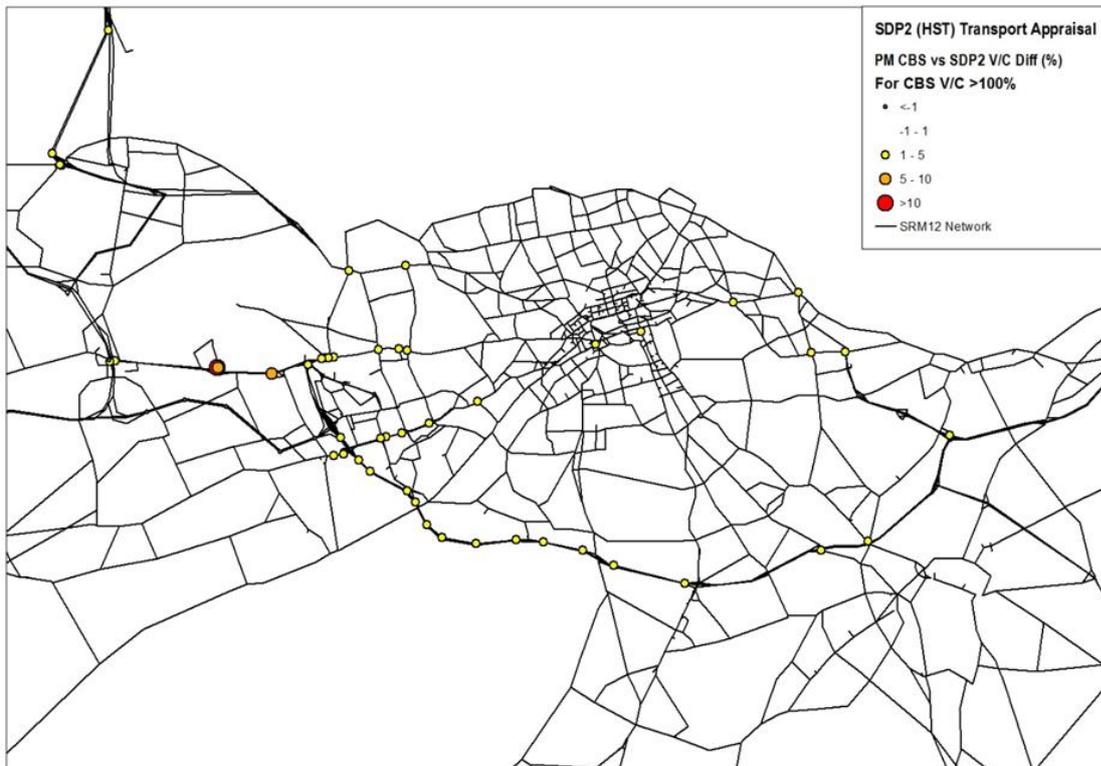
**Figure 7. Absolute Change in V/C (%) AM Peak - SDP2 relative to CBS**



**Figure 8. Absolute Change in V/C (%) PM Peak - SDP2 relative to CBS**



**Figure 9. Change in V/C (CBS > 100%) AM Peak - SDP2 relative to CBS**



**Figure 10. Change in V/C (CBS > 100%) PM Peak - SDP2 relative to CBS**



**Figure 11. Change in V/C (CBS < 100%, SDP2>100%) AM Peak - SDP2 relative to CBS**



**Figure 12. Change in V/C (CBS < 100%, SDP2>100%) PM Peak - SDP2 relative to CBS**

### 3.6 Journey Time Data

3.6.1 The change in delay associated with a representative number of routes through the study area, consistent with previous studies, was analysed and is shown in Table 3.

**Table 3. Change in Journey Time between CBS and SDP2 Test Case**

Route Number	Journey Time Route Description	Direction	CBS (mins:secs)			SDP2 (mins:secs)			CBS vs SDP2								
			Change			% Change			AM			IP			PM		
			AM	IP	PM	AM	IP	PM	AM	IP	PM	AM	IP	PM	AM	IP	PM
1	M9 J3 - Hermiston Gait	EB	22:27	12:30	13:56	21:58	12:31	14:07	00:29	00:01	00:11	-2%	0%	1%			
		WB	12:34	12:56	24:00	12:55	13:00	23:56	00:20	00:03	00:04	3%	0%	0%			
2	Ferrytoll - Hermiston Gait	EB	29:50	14:18	18:09	29:03	14:21	18:33	00:46	00:03	00:24	-3%	0%	2%			
		WB	16:50	14:13	27:24	17:28	14:18	27:19	00:39	00:05	00:05	4%	1%	0%			
3	M8 J3A - Hermiston Gait	EB	24:12	12:42	14:59	23:54	12:45	15:14	00:18	00:03	00:15	-1%	0%	2%			
		WB	12:58	13:20	25:25	13:23	13:24	25:23	00:25	00:04	00:02	3%	0%	0%			
4	Halbeath - Barnton	EB	35:00	14:54	18:53	33:50	14:57	19:35	01:10	00:03	00:43	-3%	0%	4%			
		WB	17:12	13:53	18:04	17:42	13:57	18:01	00:30	00:04	00:03	3%	1%	0%			
5	Barnton - Tranent (via Bypass)	EB	37:45	29:39	44:33	38:31	29:41	45:10	00:47	00:02	00:37	2%	0%	1%			
		WB	49:19	29:07	45:33	49:52	29:18	45:48	00:33	00:11	00:15	1%	1%	1%			
6	Barnton - Tranent (via Ferry Rd)	EB	48:11	43:48	1:00:29	49:38	44:07	1:01:28	01:27	00:19	00:59	3%	1%	2%			
		WB	1:01:46	46:07	1:15:23	1:03:53	46:17	1:16:04	02:07	00:10	00:41	3%	0%	1%			
7	Barnton - Tranent (via Queen St)	EB	36:27	33:08	47:22	37:13	33:18	48:12	00:46	00:09	00:50	2%	0%	2%			
		WB	46:21	34:36	1:03:30	46:52	34:46	1:03:48	00:31	00:10	00:18	1%	0%	0%			
8	Livingston - Haymarket (via A8)	EB	40:57	29:02	35:43	40:51	29:07	35:59	00:06	00:06	00:16	0%	0%	1%			
		WB	34:11	30:30	50:21	34:56	30:42	50:15	00:45	00:12	00:06	2%	1%	0%			
9	Livingston - Haymarket (via A71)	EB	38:13	28:23	36:47	38:03	28:26	37:24	00:10	00:04	00:38	0%	0%	2%			
		WB	31:37	28:10	40:20	32:20	28:14	40:35	00:42	00:05	00:16	2%	0%	1%			
10	Penicuik (A702) - Princes St (Lothian Rd)	NB	37:57	31:33	35:13	37:56	31:38	36:14	00:01	00:05	01:01	0%	0%	3%			
		SB	32:43	31:04	37:40	33:36	31:07	37:17	00:53	00:03	00:24	3%	0%	-1%			
11	Penicuik (A703) - Princes St (Lothian Rd)	NB	41:28	30:46	35:23	41:43	30:51	36:33	00:15	00:05	01:10	1%	0%	3%			
		SB	32:02	30:23	38:23	32:55	30:26	37:52	00:53	00:03	00:30	3%	0%	-1%			
12	Penicuik (A701) - Princes St (North Bridge)	NB	39:27	31:06	35:17	39:10	31:14	36:02	00:17	00:08	00:45	-1%	0%	2%			
		SB	31:07	31:36	37:27	31:30	31:42	37:34	00:22	00:05	00:07	1%	0%	0%			
13	North Middleton (B7007) - Millerhill	NB	20:04	16:05	18:14	20:05	16:07	18:27	00:01	00:03	00:13	0%	0%	1%			
		SB	19:13	16:41	21:00	19:29	16:41	20:49	00:16	00:01	00:11	1%	0%	-1%			
14	A68 - Princes St (North Bridge)	WB	38:45	31:02	37:05	39:32	31:09	38:23	00:47	00:07	01:18	2%	0%	3%			
		EB	35:28	31:01	41:26	35:51	31:06	41:26	00:23	00:05	00:00	1%	0%	0%			
<b>Average across all routes</b>			<b>33:00</b>	<b>25:48</b>	<b>35:39</b>	<b>33:22</b>	<b>25:54</b>	<b>35:59</b>	<b>00:22</b>	<b>00:06</b>	<b>00:20</b>	<b>1.1%</b>	<b>0.4%</b>	<b>1.0%</b>			

**Notes**

Journey time statistics reflect average journey times within each modelled time period.

3.6.2 The journey time routes listed in Table 3 are consistent with the routes defined within the CBS, which were developed to assess strategic movements. The SDP2 HST development scenario is associated with a large number of widely dispersed developments (with the exception of the IBG) and in many instances significant localised increase in delays is only a small percentage of the overall journey time (the average overall percentage change in journey time is about 1%). The increased journey times in Route 2 and 4 are due to delays in West Edinburgh are apparent at Hermiston Gait and Barnton to the west of Edinburgh

### 3.7 Public Transport Data

3.7.1 The SDP2 housing development gives rise to additional demand for public transport by rail, bus and tram relative to the CBS scenario. Table 1 shows that the number of total daily boardings (12 hour) by train increase by 948 trips and bus/tram boardings increase by 8,605 trips ( 0.4% and 1.7% respectively) and reflects the higher accessibility of the developments to bus/tram services than to rail services.

**Table 4. Change in Public Transport Boardings between CBS and SDP2 Test Case**

SCENARIO	BUS/TRAM BOARDINGS (12 HOURS)	TRAINS BOARDINGS (12 HOURS)	TOTAL PUBLIC TRANSPORT BOARDINGS (12 HOURS)
2024 CBS Model *	489,913	215,298	705,211
2030 SDP2 (HST) Model **	498,518	216,246	714,764
Additional Journeys	8,605	948	9,553

\* 2024 CBS Model ID = TC30 Planning ID = LA02

\*\* 2020 SDP2 Model ID = SD30. Planning ID = LE01

## 4. IDENTIFICATION OF TRANSPORT IMPACTS

### 4.1 Transport Issues

- 4.1.1 Table 5 provides an overview of network conditions and how these are forecast to change between the CBS scenario and the SDP2 HST Test Case scenario.
- 4.1.2 These outcomes are based on the appraisal and analysis of a range of network data to determine the level of change in operational performance of the network between CBS and SDP2 HST. The multi-criteria analysis enables differences between absolute and relative changes to be identified and highlight change in overall operational performance at junctions and along links.
- 4.1.3 The Cross Boundary Study is progressing in parallel to the current study and focussed on the mitigation of traffic impacts of the proposed development. The current study has benefitted from feedback from CBS, undertaking the appraisal using the PASSQ option within the modelling (for further information, see paragraph **Error! Reference source not found.**). The primary appraisal objective has been to determine the impact of the additional SDP2 housing development scenario relative to the CBS.
- 4.1.4 The IBG development consists of 2,400 housing units and any local impacts would be mitigated to some extent by the Gogar link road and Eastfield road improvements. It should be noted that these improvements are included within the current model.

**Table 5. Summary of Transport Issues**

CORRIDOR	FORECAST TRANSPORT ISSUES SDP2 RELATIVE TO CBS
1. West Edinburgh	<p><u>The impact of the SDP2 proposed housing development is centred on west Edinburgh and the most significant increase in traffic demand occurs in the following areas:</u></p> <ul style="list-style-type: none"> <li>- A8 (Newbridge, Gogar and Maybury corridor)</li> <li>- M8 (Claylands to Hermiston Gait)</li> <li>- A71</li> <li>- A90 Barnton to Forth Bridge approach</li> <li>- M9</li> <li>- A720 City Bypass</li> </ul> <p><u>The CBS corridors along which the capacity for one are more turning movement on the junction approach is over capacity AND flows are forecast to increase in the SDP2 HST scenario include:</u></p> <ul style="list-style-type: none"> <li>- A8 (Newbridge to Gogar)</li> <li>- A71 Calder Road</li> <li>- Queensferry Crossing</li> <li>- A720</li> <li>- Newbridge, Gogar, Maybury, Barnton, Hermiston Gait</li> </ul>

The main junctions at which the demand on one or more approach/turning movements in the CBS scenario are less than capacity and forecast to exceed capacity in the SDP2 HST scenario are listed below (note: the junction approaches/turning movements at which the flow exceeds capacity in the CBS scenario are not listed here):

- IBG (A8 to Gogar)
- Hermiston Gait

The significant residential proposals for the IBG site creates considerable impact, although these may be mitigated to some degree by the constructions of the Gogar link road and Eastfield airport road improvement, which have not been modelled. The additional travel demand associated with these new proposals also provide an opportunity to create more viable public transport options serving the west Edinburgh area.

Within Inner Edinburgh the SDP2 proposed housing development adversely impacts on junction capacity and the most significant increase in traffic demand occurs in the following areas:

- Ferry Road
- Leith
- A1
- City Centre

2. Edinburgh City

The CBS corridors along which one or more junction approaches are over capacity and flows are forecast to increase in the SDP2 HST scenario include:

- Barnton
- A8 Maybury
- A71 Calder Road
- A1

The main junctions where the demand at one or more approach/turning movements in the CBS scenario are forecast to increase in the SDP2 HST scenario and exceed capacity are listed below (note: the junction approaches at which the flow exceeds capacity in the CBS scenario are not listed here):

- Lower Granton

CORRIDOR	FORECAST TRANSPORT ISSUES SDP2 RELATIVE TO CBS
<p>3. City Bypass</p>	<p><u>The SDP2 HST development adversely impact on the junction capacity at the majority of junctions along the city bypass A720 between Old Craighall, M8 and Gogar.</u></p> <p><u>The CBS scenario junctions along the A720 at which one are more junction approaches are over capacity and flows are forecast to increase in the SDP2 HST scenario include the majority of junctions.</u></p> <p><u>The main junctions where the demand at one or more approach/turning movements in the CBS scenario are forecast to increase in the SDP2 HST scenario AND exceed capacity are listed below (note: the junction approaches at which the flow exceeds capacity in the CBS scenario are not listed here):</u></p> <ul style="list-style-type: none"> <li>- Gogar</li> <li>- Hermiston Gait</li> </ul>
<p>4. Non CBS Impacts</p>	<p>The CBS study is on-going and the network hot spots have not yet been identified. In many instances, the SDP2 HST scenario traffic impacts on the strategic road network are may be similar. The appraisal showed that the SDP2 HST scenario developments adversely impact on traffic movements in northern and central Edinburgh, where the CBS is less likely to identify or recommended traffic mitigation measures. Traffic flows in north Edinburgh are commonly between 500-1000 pcus/hr and are forecast to increase by in excess of 50 pcus/hr (10% or more) in many instances. This reflects the proximity and cumulative impact of the proposed housing developments in North Edinburgh.</p>

## 5. POTENTIAL TRANSPORT INTERVENTIONS

### 5.1 Introduction

- 5.1.1 There are anticipated to be a wide range of transport infrastructure proposals coming forward from the CBS, the type of which are outlined in Section 6 of the SDP2 Proposed Plan. These will be identified as the Proposed Plan proceeds to examination, following the completion of the CBS. Therefore, the option generation (and potential assessment) element of this appraisal presents a risk, as the transport interventions that may accommodate SDP2 HST proposals, would not be taken into account.
- 5.1.2 The approach adopted here recognises this situation and accommodates the need to limit the detailed identification of new transport options until the CBS options emerge.
- 5.1.3 Our appraisal has focused on ensuring consistency, identifying areas where there are significant additional impacts arising from SDP2 HST, particularly in new areas which were not identified previously. During the course of the appraisal, the previous appraisal and current policies were consulted, and these are listed in Appendix C.
- 5.1.4 The scheme intervention appraisal has been proportionate by building on an existing evidence base where available, assessing the main impacts, and recognising the majority of solutions are likely to emerge through the CBS. The next Edinburgh LDP and Accompanying Transport appraisal will identify impacts and mitigation measures for sites proposed within it.

### 5.2 Scheme Intervention

#### Central Edinburgh

- 5.2.1 The additional housing build out in Edinburgh compared to the CBS result in increased traffic within central Edinburgh to access employment within the city as well as other services and facilities. The emerging CBS measures identified in this area may be limited and further consideration of potential measures to mitigate the SDP2 HST impact and enhance the transport network within the area may be warranted. Potential options that may have been proposed previously to mitigate these types of impacts include:
- connecting developments to their local centres to allow for ready access to facilities and services where feasible;
  - Delivery of Public Transport Action Plan, and Active Travel Strategy creating a city centre and wider city environment which is conducive to and supports accessibility by walking, cycling and public transport;
  - Extensions of Edinburgh Tram; and
  - Reintroduction of passenger services on the South Suburban rail line.

### Waterfront/North Edinburgh

5.2.2 Within north Edinburgh the developments at the Waterfront, Shore and Granton areas result in an increase of over 4,000 houses and the model forecasts a resulting increase in delay towards central Edinburgh, A1 and westward towards the Forth Crossing. The emerging CBS measures may be limited along these corridors and potential measures that may warrant further consideration to mitigate the impact of the additional housing modelled compared to CBS and enhance the transport network within the area include:

- delivery of North Edinburgh Transport Action Plan to facilitate and maximise access to new developments by sustainable modes as far as possible;
- implementation of travel planning measures aimed at reducing the demand for car travel to and from new office, retail and residential developments;
- development of public transport hubs at Commercial Street and also the Waterfront; and
- Edinburgh tram extension to Granton and Newhaven.

### South Edinburgh

5.2.3 To the south of Edinburgh a key issue of the new development is the impact on the A720 City Bypass and main corridors into Edinburgh city centre. It is likely that the CBS will identify impacts along A720 and a number of radial routes that result in the development of mitigation measures that may address the impact of SDP2 HST.

### West Edinburgh

5.2.4 The International Business Gateway (IBG 2,400 houses) would be a key development within the West Edinburgh area. There are large developments with phasing beyond the CBS date of 2024 in close proximity such as at Maybury. It is likely that the CBS will identify impacts in West Edinburgh that result in the development of measures that may mitigate the additional impacts of housing development between 2024 and 2030. The appraisal has indicated a number of locations where the housing development between 2024 and 2030 introduces additional demand on the network that may not be addressed within CBS and require further intervention. These may include:

- capacity enhancements at the IBG access junctions along A8 (and possibly key interchanges of Gogar and Newbridge);
- the increased residential demand associated with the IBG may provide the opportunity for the development of sustainable public transport options along the corridor;
- Widening of A8 and bus priority between Newbridge and Gogar roundabouts;
- M8 link to upgraded A8/Eastfield airport road junction;
- Extension of tram to Newbridge;
- Walking and cycling connections from Maybury and Cammo to the new Edinburgh Gateway station;
- Upgrade of Barnton junction;
- Capacity enhancements at Maybury junctions;

- Outer orbital bus route with links to IBG; and
- Optimised signal junction capacity based on MOVA

## Queensferry/Firth of Forth

5.2.5 Continued build out of housing development post 2024 within the Queensferry area impact on the capacity of the transport network in the vicinity of the new Forth Crossing to the north and south, and these may not be addressed within emerging options arising from CBS. These include:

- South Queensferry capacity enhancements including Builyleon Road.

## 6. CONCLUSIONS

### 6.1 Summary and Conclusions

- 6.1.1 In February 2016 SESplan commissioned a study to undertake a Transport Appraisal to inform the SESplan Strategic Development Plan (SDP2) Proposed Plan stage.
- 6.1.2 The objective of the study was to identify the potential transport impacts associated with the delivery of the additional housing required in Edinburgh to meet the Housing Supply Targets set out in SDP2 relative to the level of housing in 2024 up until 2030.
- 6.1.3 The appraisal of the transport impacts of the additional housing build out in Edinburgh was undertaken using the SESplan Regional Model (SRM12). The SRM12 model 2024 forecast year network and demand data was recently updated during the preliminary stages of a parallel study known as the Cross Boundary Study. Preliminary findings are now emerging from the on-going CBS study.
- 6.1.4 The additional build out of housing in Edinburgh above the CBS Test Case to contribute to meeting the Edinburgh Housing Supply Targets in SDP2 in 2030 was identified as 13,621 units. Travel demand in the model was updated to reflect known housing sites due for delivery from 2024 onward, potential additional housing development at the International Business Gateway and windfall housing sites within the Edinburgh urban area.
- 6.1.5 The impacts of the delivery of the SDP2 HST were evaluated using a range of measures, with particular focus on the change in flows and change in capacity (the change in delays and journey times largely reflected these changes).
- 6.1.6 The total network vehicle kilometres and travel time are forecast to increase by an average of 1% in the peak periods and the increase in time lost due to congestion was 3%, indicating that areas of the network are close to or at capacity.
- 6.1.7 The highest level of increase in flows are associated with areas to the north of Edinburgh, Ferry Road, west of Edinburgh and along the city bypass (specifically A8, M8, A71, A90, M9, A720 and north Edinburgh in the vicinity of Leith and Ferry Road). The impacts on traffic flows and traffic flow relative to road capacity at one or more turning movements at junctions along A8 and in North Edinburgh is considerable. Gogar link and Eastfield Road improvements associated with A8 were not included within the model and would probably mitigate some of the impacts of the proposed IBG development
- 6.1.8 For those junctions where the flow in CBS is forecast to exceed capacity on one or more turning movements/junction approaches, additional traffic demand is forecast in SDP2 HST at A8 (Newbridge to Gogar), A71 Calder Road, A720 and Queensferry Crossing and at Newbridge, Gogar, Maybury, Barnton and Hermiston Gait. Traffic demand on one or more turning movement/junction approach at junctions along A8 and A720 in the vicinity of Gogar are forecast to increase and exceed capacity. The SDP2 HST developments give rise to small increases in flows at many locations throughout Edinburgh compared with CBS.

- 6.1.9 Potential measures that could be considered to mitigate the impact of the additional HST development were identified by reviewing existing transport proposals and opportunities. It was not possible to take into consideration the emerging findings of the CBS and where any such schemes provide residual capacity. The approach adopted recognised this situation and accommodated the need to limit the detailed identification of new transport options until the CBS options emerge.
- 6.1.10 The appraisal has been based on a strategic assessment of SDP2 HST on the basis of emerging findings from the 2024 CBS study and the updated SESplan model. The appraisal of the SDP2 HST has been based on the available information including the current forecast housing development distribution. The operational performance of the differences in the network between CBS and SDP HST has been appraised at a high level. As the LDP in Edinburgh and surrounding areas are developed and new transport options emerge from the CBS, it will become possible to identify potential measures to mitigate the impact of the HST development in greater detail.

## APPENDIX A – LEVEL OF SDP2 HOUSING DEVELOPMENT

The level of housing build out to 2030 was calculated on the basis of the information presented below. TELMoS was run on the basis of housing input data supplied to CH2M at end 2014 to predict the residential and employment build out 2013-2024 as shown in Table 6 (21,429 units).

Table 7 **Error! Reference source not found.** shows the calculation of the difference between the SDP2 Housing Supply Target build out 2013-2030 (37,392 units) compared with the level of completions predicted by the TELMoS CBS forecast for the period 2013-2024 (21,429 units). The additional proposed HST level of housing to be developed between 2024 and 2030 is 15,963 houses, which will consist of a mixture of on-going developments, new developments and windfall.

On-going committed SDP1 housing developments are shown in Table 8 and will deliver 6,181 additional houses between 2024 and 2030.

Windfall housing will provide 5,040 units (420 units per annum based on windfall assumption submitted at LDP examination), of which additional windfall housing sites permitted since end of 2014 and not included within CBS in Edinburgh 2,264 units (see Table 9). The remaining windfall development of 2,776 units is distributed throughout inner Edinburgh.

Potential proposed housing unit development at the IBG would be 2,400 units.

The location of the forecast housing development is shown in Table 1. In total the development of 13,621 unit is forecast. Recent observed levels of windfall development in Edinburgh has been higher and if these were maintained in future would address this shortfall.

**Table 6. Housing inputs to CBS**

Authority	Housing Inputs	Housing Not Built Out	Housing Built to 2024
CEC	21,430	1	21,429
ELC	11,591	30	11,561
FC	15,121	4,617	10,504
MLC	12,104	2,469	9,635
SBC	10,787	1,990	8,797
WLC	14,903	762	14,141
<b>SESPLAN</b>	<b>85,936</b>	<b>9,869</b>	<b>76,067</b>

**Table 7. Housing completions 2013/4 to 2029/30**

	Year	CEC
Actual	2013/14	2079
Actual	2014/15	1525
Estimate	2015/16	1,699
Estimate	2016/17	1,470
Estimate	2017/18	1,579
SDP2 HST	2018/19	2,420
SDP2 HST	2019/20	2,420
SDP2 HST	2020/21	2,420
SDP2 HST	2021/22	2,420
SDP2 HST	2022/23	2,420
SDP2 HST	2023/24	2,420
SDP2 HST	2024/25	2,420
SDP2 HST	2025/26	2,420
SDP2 HST	2026/27	2,420
SDP2 HST	2027/28	2,420
SDP2 HST	2028/29	2,420
SDP2 HST	2029/30	2,420
A.	Total Completions 2018-30	29,040
B.	Total Completions 2013-30	37,392
C.	TELMOS Future Case Residential Take Up 2013-2024	21,429
D.	Difference B-C = Difference Cross Boundary Study 2024 to SDP2 2030	15,963

**Table 8. Housing Development Sites with on-going phased delivery 2024 and onwards**

Site Name	Easting	Northing	Additional Capacity 2023-2030	Phasing					
				2024	2025	2026	2027	2028	2029
WAC 1b: Leith Docs	327247	677031	1,500	250	250	250	250	250	250
Granton Harbour	323493	677496	600	100	100	100	100	100	100
Western Harbour	325995	677491	550	75	75	100	100	100	100
Waterfront - WEL - Central Dev Area	323047	677077	500	50	50	100	100	100	100
WAC 1c: Salamander Place	327870	676142	281	50	50	50	50	50	31
West Shore Road - Forth Quarter	322217	676888	450	75	75	75	75	75	75
HSG 19: Maybury	317290	673378	725	150	150	150	150	125	0
HSG6: Greendykes	329752	671187	300	50	50	50	50	50	50
HSG 20: Cammo	318138	674461	100	100	0	0	0	0	0
CA3: Fountainbridge	324275	672851	50	50	0	0	0	0	0
RWELP HSG 2: Springfield	311470	678409	25	25	0	0	0	0	0
LDP HSG 29: Brunstane	332210	672530	600	100	100	100	100	100	100
LDP HSG 32: Buillyeon Road, Queensferry	312030	677540	400	100	100	100	100	0	0
LDP HSG 33: South Scotstoun, Queensferry	313560	677170	100	100	0	0	0	0	0
<b>Total</b>			<b>6,181</b>	<b>1,275</b>	<b>1,000</b>	<b>1,075</b>	<b>1,075</b>	<b>950</b>	<b>806</b>

**Table 9. Additional Housing Sites since 2014 not included within CBS**

Name of Housing Development	Easting	Northing	Capacity (no of units)	Access
Westfield Avenue	322404	672401	60	
St James Centre	325852	674178	250	
West Bowling Green Street	326425	676181	114	
Mcdonald Road	326005	675216	67	
Fort House	326206	676577	94	
Duddingston Park South	330541	672033	186	
Broomhouse Crescent	320380	671257	96	
Moredun Park Street	329036	669339	54	
Blackchapel Close	330890	671888	91	
Craighouse Road	323360	670600	145	
Harvesters Way	319931	669702	183	
Liberton Gardens	327199	668967	297	
Niddrie Mains Road	330178	671851	66	
Old Dalkeith Road	329822	669747	110	
Dalgety Road	327682	674493	52	
Brunswick Road	326605	674792	175	
Annandale Street	326069	674912	60	
Portobello High Street	330089	674209	112	
Portobello High Street	330089	674209	52	
<b>Total (all developments)</b>			<b>2264</b>	

Notes: Windfall housing development in Edinburgh 2,264 units

**Table 10. Change in Households/Population between CBS and SDP2 (2024-2030)**

Households	CBS Test Scenario to SDP2 (HST)			
	2024	2030	Change	% Change
Edinburgh	246,492	260,113	13,621	6%
East Lothian	56,384	56,384	-	0%
Fife SESplan	138,686	138,686	-	0%
Midlothian	46,498	46,498	-	0%
Scottish Borders	58,158	58,158	-	0%
West Lothian	89,670	89,670	-	0%
SESplan	635,887	649,508	13,621	2%
Scotland	2,671,097	2,684,718	13,621	1%

Population	CBS Test Scenario to SDP2			
	2024	2030	Change	% Change
Edinburgh	480,661	508,866	28,205	6%
East Lothian	106,812	106,812	-	0%
Fife SESplan	281,082	281,082	-	0%
Midlothian	93,538	93,538	-	0%
Scottish Borders	125,042	125,042	-	0%
West Lothian	203,250	203,250	-	0%
SESplan	1,290,385	1,318,590	28,205	2%
Scotland	5,538,749	5,566,954	28,205	1%

**Table 11. Forecast level of housing development 2024-2030**

Summary to Model	Units
Phasing 2024-2030	6,181
International Business Gateway	2,400
Windfall 2018-2030	5,040
<b>Total</b>	<b>13,621</b>

## APPENDIX B – ADDITIONAL APPRAISAL METRICS

### Road Junction Delays

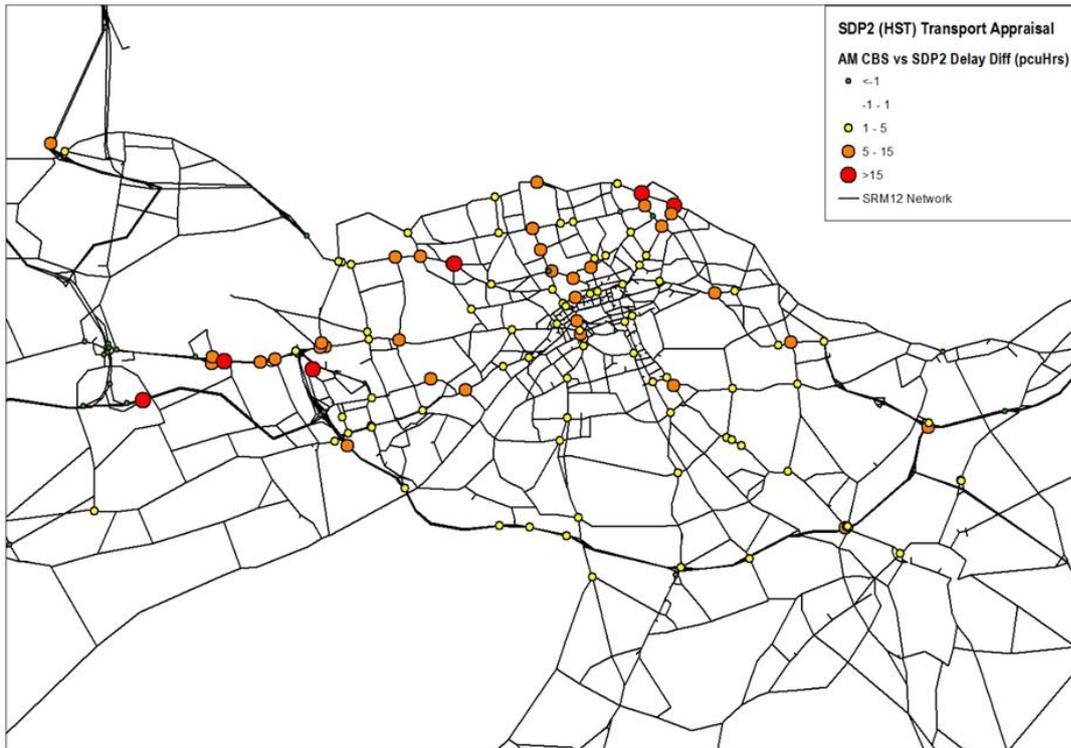
Congestion is measured in terms of vehicle hours lost. Junction and link delays are the time 'lost' when travelling in congested conditions compared to travelling in free flow conditions and speeds. The figures show the total change in delay associated with junctions as the result of the change in flow between the CBS and SDP2 HST scenarios.

In line with this, the following graphics have been produced which show locations which experience significant increases:

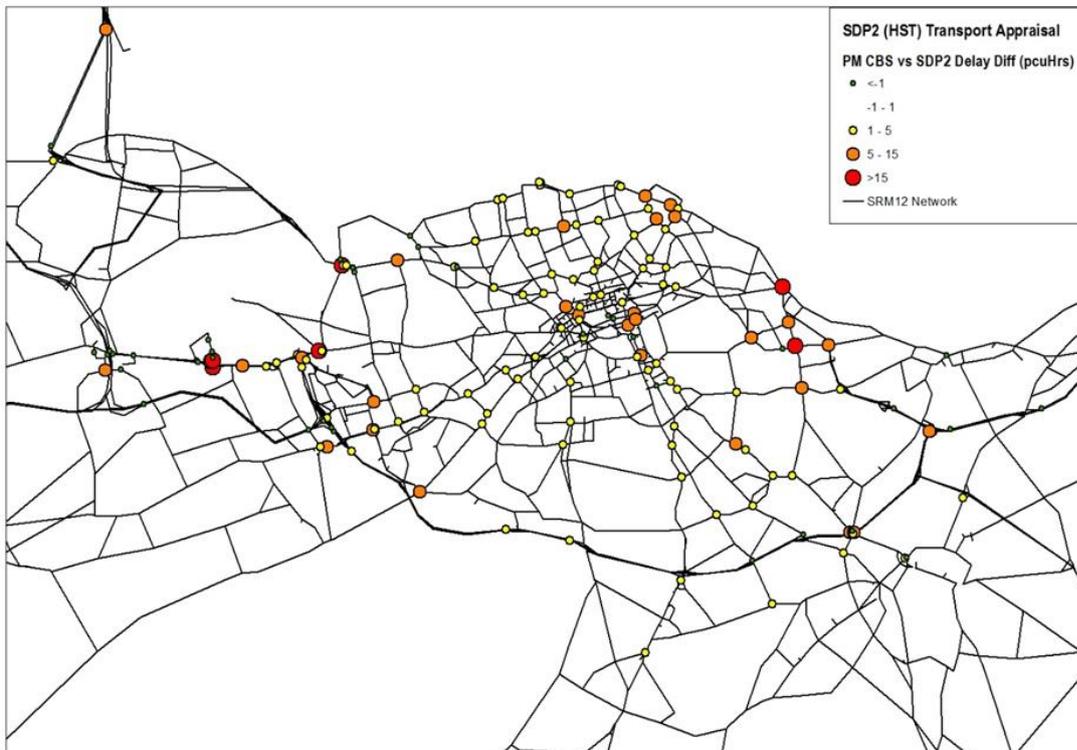
- Difference in Junction Delays AM Peak 2030 - Test Case SDP2 relative to CBS
- Difference in Junction Delays PM Peak 2030 - Test Case SDP2 relative to CBS
- Change in Junction Delay (%) AM Peak 2030 - SDP2 relative to Test Case
- Change in Junction Delay (%) PM Peak 2030 - SDP2 relative to Test Case

Figure 13 and Figure 14 show that the main change in absolute junction delays in SDP2 HST relative to CBS are located to the west and north of Edinburgh. Delays along the A8 are likely to be mainly associated with the IBG, for which the Gogar link and Eastfield airport road improvement mitigations were not modelled.

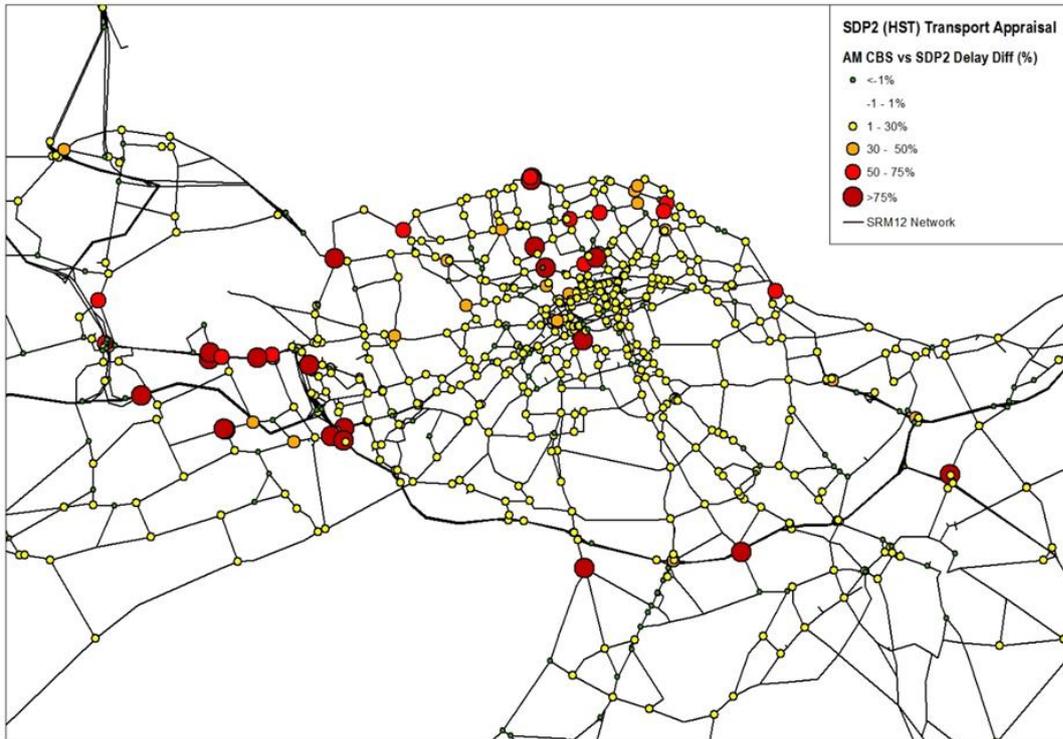
Figure 15 and Figure 16 show the relative change in total junction delay compared with CBS. The SDP2 housing development increase travel throughout the modelled area and a small change is apparent as expected. The IBG results in a higher level of delays to the west of Edinburgh along A8, which is already at or close to capacity. In north Edinburgh, the committed and windfall developments also give rise to a relatively high level of increase in junction delays, reflecting the low level of delay in the CBS scenario at these locations.



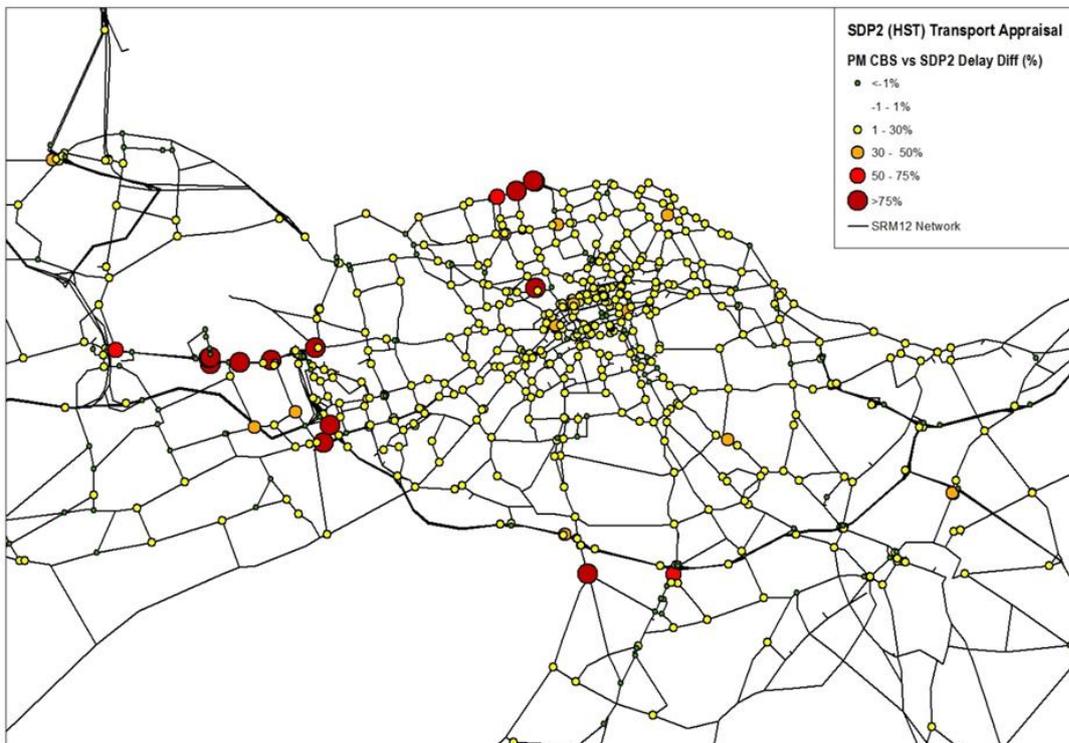
**Figure 13. Change in Delays AM Peak - SDP2 relative to CBS**



**Figure 14. Change in Delays PM Peak – SDP2 relative to CBS**



**Figure 15. Change in Delay (%) AM Peak 2030 - SDP2 relative to CBS**



**Figure 16. Change in Delay (%) PM Peak - SDP2 relative to CBS**

## Link Delays per Kilometre

The average time lost due to congestion per kilometre travelled by vehicles in the CBS and SDP2 HST scenarios is shown in the figures below. The delay per kilometre is a measure of service levels across the network and enables delays associated with short and long links to be compared on a common and consistent basis.

The link delay component is high along the City bypass and along many roads within Edinburgh. Link capacity delays are less significant to the west of the city along high capacity major road (for example M8 and M9).

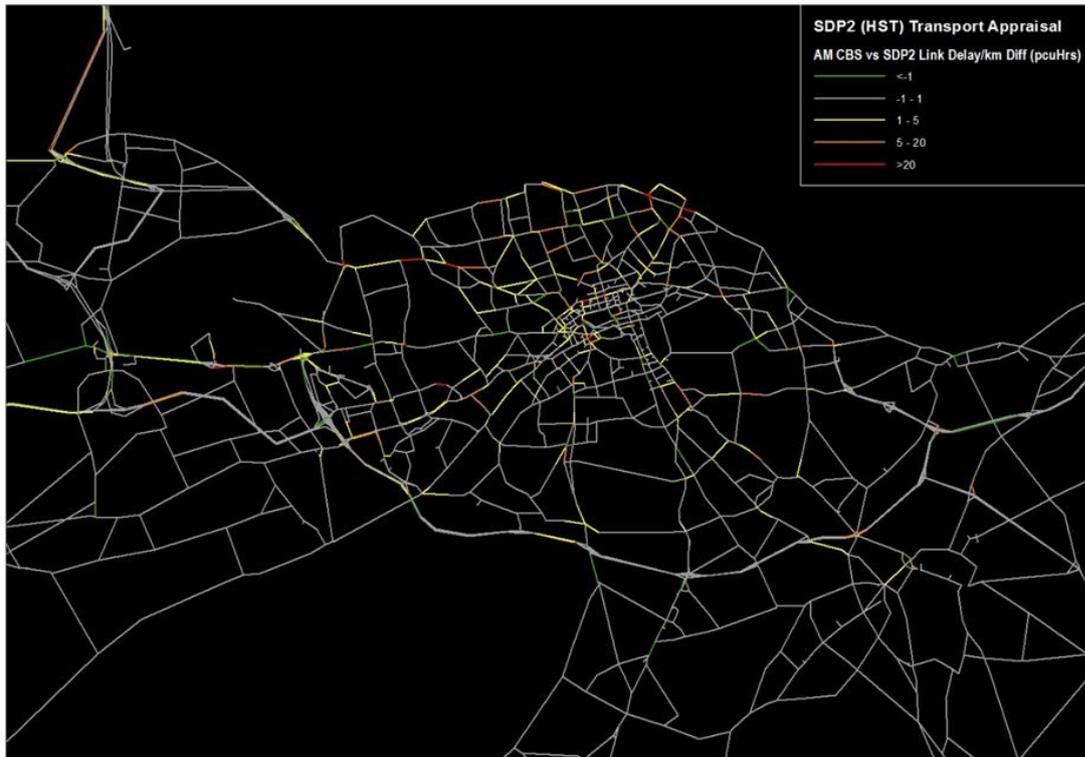
In the 2024 CBS scenario the higher level of delays per kilometre are associated a number of the major corridors of travel, including: A720 city bypass (west of Straiton), A8, Queensferry Crossing, north Edinburgh (Granton Road and Ferry Road) as well as radial corridors within Edinburgh including A8, A199, A71 Calder Road, A7 and A1.

The following graphics show the location and scale of the increase in delay within the network as the result of the SDP HST developments:

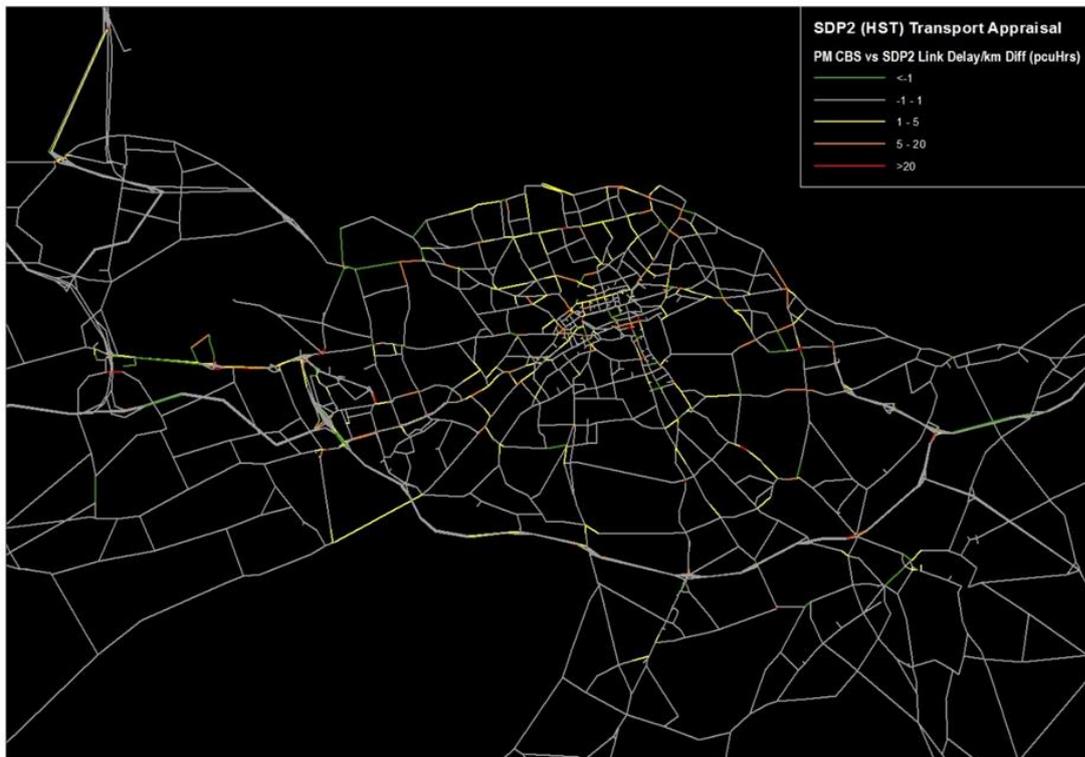
- Demand Flows: Difference in Link Delays per Kilometre - Test Case SDP2 relative to Test Case CBS AM Peak
- Demand Flows: Difference in Link Delays per Kilometre Test Case SDP2 relative to Test Case CBS - PM Peak
- Demand Flows: % Difference in Link Delays per Kilometre SDP2 relative to Test Case CBS - AM Peak
- Demand Flows: % Difference in Link Delays per Kilometre SDP2 relative to Test Case CBS - PM Peak

Figure 17 and Figure 18 show that the traffic generation associated with the SDP2 HST development has relatively small impact and the associated increase in link delays are relatively small in absolute terms (the increase is less than 5% on many links).

Figure 19 and Figure 20 show that the main impact of the SDP2 HST trip generation on average link delays as a percentage change relative to CBS (increases of between 5% and 20%) is associated with roads in northern Edinburgh and less important distributor roads to the west of Edinburgh. The links where the forecast increase in delay is high in both absolute and relative terms are associated with the proposed housing developments in north Edinburgh.



**Figure 17. Difference in Delays per Km SDP2 relative to CBS - AM Peak**



**Figure 18. Difference in Delays per km SDP2 relative to CBS - PM Peak**



**Figure 19. % Difference in Delays per km SDP2 relative to CBS - AM Peak**



**Figure 20. % Difference in Delays per km SDP2 relative to CBS - PM Peak**

## APPENDIX C – LIST OF POSSIBLE SCHEMES

### Mitigation Measures

To assess potential options to mitigate the impacts of the SDP2 HST developments that may not be adequately addressed when the CBS proposals become available in due course, a review of existing proposals and opportunities emerging from the LDP appraisal process has been undertaken, as follows:

### Sources Consulted

- CEC Local Transport Strategy: 2014 – 2019.  
[www.edinburgh.gov.uk/downloads/file/3525/local\\_transport\\_strategy](http://www.edinburgh.gov.uk/downloads/file/3525/local_transport_strategy)
- CEC Second Proposed Local Development Plan (2014).  
[www.edinburgh.gov.uk/info/20069/local\\_plans\\_and\\_guidelines](http://www.edinburgh.gov.uk/info/20069/local_plans_and_guidelines)
- CEC Waterfront and Leith Area Development Framework (2011).  
[www.edinburgh.gov.uk/info/20069/local\\_plans\\_and\\_guidelines](http://www.edinburgh.gov.uk/info/20069/local_plans_and_guidelines)
- CEC Rural West Edinburgh Local Plan Alteration (2011).  
[www.edinburgh.gov.uk/downloads/file/841/rural\\_west\\_edinburgh\\_local\\_plan\\_alteration](http://www.edinburgh.gov.uk/downloads/file/841/rural_west_edinburgh_local_plan_alteration)
- SEStran Regional Transport Strategy (2015).  
[www.sestran.gov.uk/uploads/rts\\_delivery\\_plan\\_2015\\_inc\\_appendices.pdf](http://www.sestran.gov.uk/uploads/rts_delivery_plan_2015_inc_appendices.pdf)
- SESplan Strategic Development Plan (2013).  
[www.sesplan.gov.uk/assets/assets/files/docs/290813/SESplan%20Strategic%20Development%20Plan%20Approved%2027%20June%202013.pdf](http://www.sesplan.gov.uk/assets/assets/files/docs/290813/SESplan%20Strategic%20Development%20Plan%20Approved%2027%20June%202013.pdf)
- Transport Infrastructure Study for West Edinburgh Phase 1 (TISWEP) (2013).
- West Edinburgh Transport Appraisal (2010).  
[www.scotlandsglobalhub.com/media/downloads/transport-west-edinburgh-transport-appraisal-2010.pdf](http://www.scotlandsglobalhub.com/media/downloads/transport-west-edinburgh-transport-appraisal-2010.pdf)

**SYSTRA provides advice on transport, to central, regional and local government, agencies, developers, operators and financiers.**

**A diverse group of results-oriented people, we are part of a strong team of professionals worldwide. Through client business planning, customer research and strategy development we create solutions that work for real people in the real world.**

**For more information visit [www.systra.co.uk](http://www.systra.co.uk)**

**Abu Dhabi**

AS Business Centre, First Floor, Suites 201-213,  
Al Ain Road, Umm al Nar, P.O. Box 129865,  
Abu Dhabi, UAE  
T: +971 2 558 3809 F: +971 2 558 9961

**Birmingham**

Second Floor, 37a Waterloo Street  
Birmingham B2 5TJ United Kingdom  
T: +44 (0)121 233 7680 F: +44 (0)121 233 7681

**Dublin**

1st Floor, 12/13 Exchange Place,  
Custom House Docks, IFSC, Dublin 1 Ireland  
T: +353 (0)1 542 6000 F: +353 (0)1 542 6001

**Edinburgh**

Prospect House, 5 Thistle Street, Edinburgh EH2 1DF  
United Kingdom  
T: +44 (0)131 220 6966

**Glasgow**

Seventh Floor, 78 St Vincent Street  
Glasgow G2 5UB United Kingdom  
T: +44 (0)141 225 4400

**Lille**

86 Boulevard Carnot, 59000 Lille, France  
T: +33 (0)3 74 07 00 F: +33 (0)1 53 17 36 01

**London**

Seventh Floor, 15 Old Bailey  
London EC4M 7EF United Kingdom  
T: +44 (0)20 7529 6500 F: +44 (0)20 3427 6274

**Lyon**

11, rue de la République, 69001 Lyon, France  
T: +33 (0)4 72 10 29 29 F: +33 (0)4 72 10 29 28

**Manchester**

25th Floor, City Tower, Piccadilly Plaza  
Manchester M1 4BT United Kingdom  
T: +44 (0)161 236 0282 F: +44 (0)161 236 0095

**Marseille**

76, rue de la République, 13002 Marseille, France  
T: +33 (0)4 91 37 35 15 F: +33 (0)4 91 91 90 14

**Newcastle**

PO Box 438, Newcastle upon Tyne, NE3 9BT  
United Kingdom  
T: +44 (0)191 2136157

**Paris**

72 rue Henry Farman, 75015 Paris, France  
T: +33 (0)1 53 17 36 00 F: +33 (0)1 53 17 36 01

**Woking**

Dukes Court, Duke Street  
Woking, Surrey GU21 5BH United Kingdom  
T: +44 (0)1483 728051 F: +44 (0)1483 755207

**Hong Kong**

14th Floor West, Warwick House, TaiKoo Place,  
979 King's Road, Island East, Hong Kong  
T: +852 2529 7037 F: +852 2527 8490

**Shenzhen**

Room 905, Excellence Mansion, No.98, No.1 Fuhua Road,  
Futian Central Zone, Shenzhen, PRC, Post Code : 518048  
T : +86 755 3336 1898 F : +86 755 3336 2060

**Shenzhen - Beijing Branch Office**

Room 1503, Block C, He Qiao Mansion, No. 8 Guanghua Road,  
Chaoyang District, Beijing, PRC, Post Code : 100026  
T : +86 10 8557 0116 F : +86 10 8557 0126

**Beijing Joint Venture**

Room 1507, Main Building, No. 60, Nan Li Shi Road,  
Xi Cheng District, Beijing, PRC, Post Code : 100045  
T : +86 10 8807 3718 F : +86 10 6804 3744

**Mumbai**

Antriksh, Unit no. 301, 3rd Floor, CTS Nos.  
773, 773/1 to 7, Makwana Road, Marol, Andheri East ,  
Mumbai 400069  
T: +91 22 2647 3134  
B 307, Great Eastern Summit Sector - 15, CBD Belapur Navi  
Mumbai - 400 614  
T: +91 22 2757 2745

**New Delhi**

5th Floor Guru Angad Bhawan, 71 Nehru Place, New Delhi  
110019  
T: +91 11 2641 3310

**Noida**

3/F, C-131, Sector 2, Noida-201301, U.P.  
T: +91 120 432 6999

**Singapore**

25 Seah Street #04-01 Singapore 188381  
T : +65 6227 3252 F : +65 6423 0178

**Thailand**

37th Floor, Unit F, Payatai Plaza Building, 128/404-405 Payathai  
Road, Rajthwee, Bangkok 10400, Thailand  
T : +662 216 6652 F : +662 216 6651

**Vietnam**

5/F Perfect Building, Le Thi Hong Gam St, District 1,  
Ho Chi Minh City, Vietnam  
T : +84 8 3821 7183 F : +84 8 3821 6967

**APPENDIX 5 –**

**APPROVAL OF PROPOSED PLAN AND SUPPORTING DOCUMENTS FOR PUBLICATION**

<b>Output</b>	<b>Board decision/ noting</b>	<b>Committee decision/noting</b>	<b>For publication alongside Proposed Plan?</b>
Proposed Plan	<b>Approved</b>	<b>Decision</b>	Yes
Action Programme	<b>Approved</b>	<b>Decision</b>	Yes
Strategic Environmental Assessment Environmental Report (ER)	Draft addendum and intention to publish revised ER alongside Proposed Plan <b>noted</b>	<b>Note</b> addendum to ER and intention to publish revised ER alongside Proposed Plan.	Yes
Housing Background Paper	<b>Approved</b>	<b>Note</b>	Yes
Transport Appraisal	<b>Draft report noted</b>	<b>Note</b> Final Report	Yes
Habitats Regulations Appraisal (HRA)	<b>Noted</b> intention to prepare a record of HRA and publish alongside Proposed Plan.	<b>Note</b> intention to prepare record of HRA and publish alongside Proposed Plan.	Yes
Strategic Flood Risk Assessment (SFRA)	<b>Noted</b> intention to prepare and publish revised SFRA alongside Proposed Plan.	<b>Note</b> intention to prepare and publish revised SFRA alongside Proposed Plan.	Yes
Equalities and Human Rights Impacts Assessment (EqHRIA)	<b>Noted</b>	<b>Note</b>	Yes
Minerals Technical Note	<b>Noted</b> proposal to carry out ‘Minerals Review’ in Action Programme	<b>Note</b> proposal to carry out ‘Minerals Review’ in Action Programme	Available on SESplan website
Revised Green Network Technical Note	<b>Noted</b> intention to prepare and publish revision with minor amendments alongside Proposed Plan	<b>Note</b> intention to prepare and publish revision with minor amendments alongside Proposed Plan	Yes
Spatial Strategy Technical Note	No revision required	No revision required	Available on SESplan website
Economy Technical Note	No revision required	No revision required	Available on SESplan website
Waste Technical Note	No revision required	No revision required	Available on SESplan website

For Decision	✓
For Information	

## ITEM 9 – FINANCE – MONITORING, UNAUDITED ACCOUNTS 2015/2016 AND ANNUAL AUDIT PLAN

Report by: Ian Angus, SDP Manager

### Purpose

This report presents: a budget monitoring report for the year to 31 March 2016; the SESplan Unaudited Accounts for 2015 / 2016; and the Annual Audit Plan for consideration by the Joint Committee.

### Recommendations

It is recommended that the SESplan Joint Committee:

- a. Notes the budget monitoring report attached as Appendix 1;
- b. Notes the Unaudited Accounts 2015 / 2016 as set out in Appendix 2;
- c. Agree to hereby give 14 days' notice that the Unaudited Accounts 2015 / 2016 will be made available on the SESplan website from the 14 June 2016 for a 30 day period; and
- d. Notes the Annual Audit Plan attached as Appendix 3.

### Resource Implications

As set out below and in Appendices 1 and 2.

### Legal and Risk Implications

There are risks to the process if sufficient funding is not available to progress the Strategic Development Plan (SDP) at a rate which provides an up to date strategic planning policy context for the timeous progression of the member authorities' Local Development Plans (LDP), as is required by the relevant legislation. All risks are detailed in the SESplan Risk Register and reported to Joint Committee on an annual basis.

### Policy and Impact Assessment

No separate impact assessment is required.

## **1. Background**

---

- 1.1 Under SESplan's Financial Rules, the Treasurer, in conjunction with the SDP2 Manager, is to submit detailed monitoring reports to the Joint Committee twice a year with one occasion being the end of each financial year. A monitoring report for the period to the end of the financial year 2015-16 is attached as Appendix 1 to this report.
- 1.2 The Local Authority Accounts (Scotland) Regulations 1985 require all local authorities (including joint boards and joint committees) to make their unaudited accounts available for public inspection for at least 15 working days.
- 1.3 Authorities must give at least 14 days public notice of the start of the inspection period. During this time, members of the public can look at *'the accounts to be audited, all books, deeds, contracts, bills, vouchers and receipts relating thereto...'* Section 101 of the Local Government (Scotland) Act 1973 (the Act) allows copies or extracts of the accounts to be taken without charge.
- 1.4 The Act also provides for 'any person interested' to object to the accounts. The Act and Regulations require such rights to be stated in the public inspection notice. An objector must send their objection in writing to the Controller of Audit, the local authority auditor, the authority and any officer concerned within 21 days of the documents becoming available.
- 1.5 Audit Scotland recommends the presentation of the Annual Audit Plan for SESplan to the Joint Committee as good practice.

## **2. Budget Monitoring to 31 March 2016**

---

- 2.1 SESplan's 2015-16 Operating Budget and the Provisional Six Month Out-turn report is attached as Appendix 1.
- 2.2 The report notes that total costs in the year were £289,643 compared to the budget of £300,874. There was an overspend of £1,491 on Fixed Costs and an underspend of £11,231 on Variable Costs.
- 2.3 The majority of SESplan's costs are Fixed Costs, primarily staff and associated costs. There was a small net overspend of £2,021 on salaries and related costs in 2015-16. This variance from the approved budget of £220,708 was related to higher costs associated with maternity leave than estimated which were, in part, offset by a small underspend on a student planner post.
- 2.4 The approved budget for SESplan's Variable Costs in 2015-16 was £42,500. This budget allows for the

commissioning of essential technical support and includes consultants' fees and event costs. In 2015-16, this was applied primarily to provide GIS and graphics support for the Main Issues Report and Proposed Plan and event costs related to the Main Issues Report consultation. In 2015-16, GIS services were provided by Scottish Borders Council and graphic services by City of Edinburgh Council at costs of £11,910 and £4,290 respectively. The transport appraisal for SDP2 was also to be funded from this budget in 2015-16 but this project was delayed and this contributed to an 'underspend' on Variable Costs of £12,722 in the year. The transport appraisal, which was commissioned in March 2015, at a cost of £13,222, has now been completed and the costs will fall in 2016-17.

- 2.5 SESplan's income is made up of member authorities' annual contributions and very small amounts from the sale of documents and interest on revenue balances. The total income in 2015-16 was £279,516 compared to an estimated income of £280,000. In 2015-16, members' contributions were £279,300 in total, as in the approved budget. There was no income from the sale of documents in the year. Income from interest on revenue balances was £216 against an estimate of £1,000.
- 2.6 The Operating Budget 2015-16 included £50,836 carried forward from 2014-15, estimated that SESplan would draw £20,324 from its reserves in the year and carry forward £30,512 to 2016-17. An effect of the timing of the transport appraisal and the small overspend on fixed costs was that SESplan drew £10,127 from reserves in the year and the reserves carried forward to 2016-17 will be increased by a corresponding amount.
- 2.7 In accord with SESplan's Financial Rules, a budget monitoring report and the proposed Operating Budget for 2017-18 will be presented for the consideration of the Joint Committee on 28 November 2016.

### **3. Unaudited Accounts 2015-16**

3.1 The Unaudited Accounts for 2015-16 are included as Appendix 2 to this Report. The Accounts include the following financial statements:

- The Movement in Reserves Statement reconciles the financial position shown in the Comprehensive Income and Expenditure Statement to the movement in SESplan's reserves;
- The Comprehensive Income and Expenditure Statement summarises the resources that have been generated and consumed in providing services and managing SESplan during the year;
- The Balance Sheet provides details of the Authority's assets and liabilities as at 31 March 2016; and
- The Cash Flow Statement details the inflows and outflows of cash arising from transactions.

3.2 Subject to agreement by the SESplan Joint Committee the Audited Accounts will be uploaded to the SESplan website for a 30 day inspection period commencing on the 14 June 2016.

#### **4. Annual Audit Plan**

---

4.1 The Annual Audit Plan is prepared for the Treasurer and the members of the SDPA by Audit Scotland and sets out the purpose of and programme for the Annual Audit. Fife Council, as the Treasurer for SESplan, and the SDP manager have an opportunity to comment on the draft Annual Audit Plan. The Annual Audit Plan, attached as Appendix 3, is presented to the Joint Committee for noting. The plan indicates that the audited accounts and Annual Audit Report will be presented to the meeting of the Joint Committee on 26 September 2016.

#### **Appendices**

---

Appendix 1	2015/16 Operating Budget and 6 Month Out-Turn 2015-16
Appendix 2	Unaudited Accounts 2015-16
Appendix 3	Annual Audit Plan 2015-16

#### **Background Papers**

---

SESplan Constitution, approved at SESplan Joint Committee on the 14 December 2015

SESplan Financial Rules, approved at SESplan Joint Committee on the 14 December 2015

**Report Contact:** [ian.angus@sesplan.gov.uk](mailto:ian.angus@sesplan.gov.uk) / 01506 282879

---

**Report Agreed By:** Ian Angus, SDP Manager

**Author:**

**Name:**

**Appendix 1 - SESplan 20115-16 Operating Budget and Six Month Out-turn 2015-16**

	<b>2015/16 Budget</b>	<b>2015/16 Provisional Outturn</b>	<b>2015/16 Variance</b>	<b>Cost per council pa</b>	<b>Notes</b>	<b>2016/17 Budget</b>
<b>FIXED COSTS</b>						
Team salaries + oncosts	220,708	222,729	2,021	37,122	1	227,199
Accommodation costs (including Reception staff)	7,500	7,453	-47	1,242		7,613
IT Costs	16,000	16,283	283	2,714		16,000
Audit Fee	3,350	3,380	30	563		3,400
Consumables, travel, training, misc	10,816	10,020	-796	1,670		10,124
<b>TOTAL Fixed Costs</b>	<b>258,374</b>	<b>259,865</b>	<b>1,491</b>	<b>43,311</b>		<b>264,336</b>
<b>VARIABLE COSTS</b>						
Technical Support	42,500	29,778	-12,722	4,963		20,000
Add: 10% contingency			0	0		2,000
<b>TOTAL Variable Costs</b>	<b>42,500</b>	<b>29,778</b>	<b>-12,722</b>	<b>4,963</b>	2	<b>22,000</b>
<b>TOTAL COSTS</b>	<b>300,874</b>	<b>289,643</b>	<b>-11,231</b>	<b>48,274</b>		<b>286,336</b>
<b>Sale of Plans</b>	250	0	-250	0		250
<b>Interest on Revenue Balances</b>	1,000	216	-784	36		1,000
<b>Funded By:</b>						
<b>Partner Contributions</b>	<b>279,300</b>	<b>279,300</b>	<b>0</b>	<b>46,550</b>		<b>279,300</b>
<b>TOTAL INCOME</b>	<b>280,550</b>	<b>279,516</b>	<b>-1,034</b>	<b>46,586</b>		<b>280,550</b>
<b>Net Expenditure</b>	<b>20,324</b>	<b>10,127</b>	<b>-10,197</b>	<b>1,688</b>		<b>5,786</b>
<b>Useable Reserve brought forward from 2014/15</b>	<b>-50,836</b>					
<b>Useable reserve Carried Forward to Future Year</b>		<b>-42,675</b>				<b>-36,889</b>
Reserves as percentage of expenditure	16.9%	14.7%				12.9%

Notes:

1. Minor overspend on maternity leave and cover, offset by £2k underspend on student planner
2. Variable costs underspent by £13k



# **SES**plan

**The Strategic Development Planning Authority  
for Edinburgh and South East Scotland**

## **SESplan**

### **Annual Accounts 2015 - 16**

ms10 232

<b>Contents</b>	<b>Page</b>
Management Commentary	1
Statement of Responsibilities	3
Movement in Reserves Statement	4
Comprehensive Income and Expenditure Statement	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Financial Statements	8
Annual Governance Statement	15
Remuneration Report	19

# **MANAGEMENT COMMENTARY**

## **INTRODUCTION**

Four strategic development planning authorities (SDPAs) were designated by Scottish Ministers in May 2008 under Section 4 of the Planning etc (Scotland) Act 2006. SESplan is the Strategic Development Planning Authority for Edinburgh and South East Scotland.

The membership of SESplan comprises 6 local authorities, these being East Lothian Council, City of Edinburgh Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council.

The key role of SESplan is the preparation and maintenance of an up-to-date Strategic Development Plan (SDP). This process involves engaging key stakeholders and the wider community. The first SDP was approved by Scottish Ministers on 27 June 2013. The purpose of the SDP is to assess cross boundary issues between the 6 member authorities. These issues include housing, transport, employment, infrastructure and energy.

The current SDP was approved in June 2013 and replaced the Edinburgh and Lothians Structure Plan, Fife Structure Plan and the Scottish Borders Structure Plan. Housing Land Supplementary Guidance, which provides further details on housing land requirements in support of the SDP, was formally adopted as part of the development plan by all SESplan authorities on 28 October 2014. The individual councils are now preparing Local Development Plans in order to implement the requirements of the approved SDP.

The second SESplan Main Issues Report (MIR) was published on 21 July 2015. During a 10 week consultation period SESplan received 240 responses. This was almost 10% more than the number received on the first Main Issues Report and 25% more than the average response to previous consultations undertaken by SESplan. There was a significant increase in the numbers of responses from individuals and community groups and, overall, there was an improved balance between the types of stakeholders who responded to the MIR. These responses helped to shape the next stage in the plan preparation process, the Proposed Plan, which is expected to be considered by the SESplan Joint Committee in May 2016.

The Proposed Plan Period for Representations will be held in late summer 2016. This will be a six week period where all stakeholders are invited to indicate their support for the plan or what changes should be made with justifications for any such changes. After the Period for Representations, the Proposed Plan will be submitted to Scottish Ministers for Examination, provided there are no modifications required.

Development Plan Scheme 8 was approved by the SESplan Joint Committee on 21 March 2016. You can download a copy of it by going to <http://www.sesplan.gov.uk/assets/publications/Development%20Plan%20Schemes/DPS8%20Final.pdf>

This management commentary is intended to provide a brief narrative on SESplan's financial position, as presented in these annual accounts for the financial year 2015-16.

The financial results for 2015-16 are set out in the following pages along with the accounting policies that have been adopted to ensure that the accounts present a true and fair view of the Authority's financial performance.

## **ACCOUNTING POLICIES**

The Statement of Accounting Policies sets out the basis on which the financial statements have been prepared and explains the accounting treatment of both general and specific items.

## **FINANCIAL STATEMENTS**

The Annual Accounts include the following financial statements:

- The Movement in Reserves Statement reconciles the financial position shown in the Comprehensive Income and Expenditure Statement to the movement in SESplan's reserves.
- The Comprehensive Income and Expenditure Statement summarises the resources that have been generated and consumed in providing services and managing SESplan during the year.
- The Balance Sheet provides details of the Authority's assets and liabilities as at 31 March 2016.
- The Cash Flow Statement details the inflows and outflows of cash arising from transactions.

## **COMPREHENSIVE INCOME AND EXPENDITURE AND MOVEMENT IN RESERVES STATEMENTS**

The Comprehensive Income and Expenditure Statement shows resources generated and consumed in running the Authority during the year, whilst the Movement in Reserves Statement identifies the differences, where these exist, between the Comprehensive Income and Expenditure Statement outturn and the impact on the usable reserves.

Details of how the Authority's expenditure is financed are presented on the Comprehensive Income and Expenditure Statement.

## **FINANCIAL PERFORMANCE**

The Comprehensive Income and Expenditure Statement shows that £10,127 was drawn down from useable reserves during 2015-16, which reflects the resources consumed during the year against the income generated. Expenditure related mainly to staffing and accommodation. This was funded from contributions from partners of £46,550 each, a total of £279,300.

During the year SESplan achieved an under-spend on budget of £10,197. This was mostly due to a saving of £14,627 on supplies & services. The activities of SESplan are cyclical which means that the organisation needs to use the reserve to cushion the impact of uneven cash flows. The cumulative surplus for the usable reserve is carried forward to 2016-17 and used to support all activities of the Authority.

The Balance Sheet as at 31 March 2016 shows a net asset position of £35,449.

## **STATEMENT OF RESPONSIBILITIES**

### **THE AUTHORITY'S RESPONSIBILITIES**

The Authority is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Treasurer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- to ensure the Annual Accounts are prepared in accordance with legislation (the Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- to consider the unaudited accounts at a meeting no later than 31 August.
- to approve the Statement of Accounts by presenting the audited accounts by 30 September.

### **RESPONSIBILITIES OF THE TREASURER**

The Treasurer is responsible for the preparation of the authority's statement of accounts which, in terms of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code), is required to give a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2016.

In preparing this statement of accounts, the Treasurer has:

- selected suitable accounting policies and then applied them consistently,
- made judgements and estimates that were reasonable and prudent,
- complied with legislation, and
- complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Treasurer has also:

- kept adequate accounting records which were up to date,
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

These accounts give a true and fair view of the financial position of the authority at the reporting date and its income and expenditure for the year ended 31 March 2015.



.....  
**Eileen Rowand MBA, CPFA**

**Treasurer**

**20 May 2015**

## MOVEMENT IN RESERVES STATEMENT

### EXPLANATORY NOTE

This statement shows the movement in the year on the different reserves held by the organisation, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure) and unusable reserves. The (Surplus) or Deficit on the Provision of Services shows the true economic cost of providing the organisation's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance. The unusable reserves consist of the Employee Statutory Adjustment Account which absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund is neutralised by transfers to or from the account.

	Notes	Usable Reserves £	Unusable Reserves £	Total Reserves £
<b>Balance at 31 March 2015 brought forward</b>		(50,836)	5,260	(45,576)
<b><u>Movement in Reserves during 2015-16</u></b>				
(Surplus) or deficit on provision of services		10,127	0	10,127
Other Comprehensive Expenditure and Income		0	0	0
<b>Total Comprehensive Expenditure and Income</b>		<b>10,127</b>	<b>0</b>	<b>10,127</b>
Adjustments between accounting basis & funding basis under regulations	5	(1,966)	1,966	0
<b>(Increase) or Decrease in Year</b>		<b>8,161</b>	<b>1,966</b>	<b>10,127</b>
<b>Balance at 31 March 2016 carried forward</b>		<b>(42,675)</b>	<b>7,226</b>	<b>(35,449)</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

### EXPLANATORY NOTE

This statement shows the accounting cost in the year of providing services in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 and the Service Reporting Code of Practice 2015-16.

2014-15 Gross Expenditure £	2014-15 Gross Income £	2014-15 Net Expenditure £	Notes	2015-16 Gross Expenditure £	2015-16 Gross Income £	2015-16 Net Expenditure £
198,268	0	198,268	Employee Costs	222,729	0	222,729
50,322	0	50,322	Premises Related Costs	7,453	0	7,453
1,305	0	1,305	Transport Related Costs	4,722	0	4,722
63,754	0	63,754	Supplies & Services	54,739	0	54,739
0	(185)	(185)	Income	0	0	0
<b>313,649</b>	<b>(185)</b>	<b>313,464</b>	<b>Cost Of Services</b>	<b>289,643</b>	<b>0</b>	<b>289,643</b>
	(618)	(618)	Financing & Investment Income & Expenditure		(216)	(216)
	(279,300)	(279,300)	Requisitions from member authorities	12 8	(279,300)	(279,300)
		<b>33,546</b>	<b>(Surplus) or Deficit on Provision of Services</b>			<b>10,127</b>
		0	Other Comprehensive Income & Expenditure			0
		<b>33,546</b>	<b>Total Comprehensive Income &amp; Expenditure</b>			<b>10,127</b>

## BALANCE SHEET

### EXPLANATORY NOTE

The Balance Sheet shows the value as at the Balance Sheet date, 31 March 2016, of the assets and liabilities recognised by SESplan. The net assets of the organisation (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the organisation may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use. The second category of reserves is those that the authority is not able to use to provide services. This category of the reserve holds timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2015	Balance Sheet as at 31 March	Notes	31 March 2016
£			£
10,000	Debtors and Pre-payments	6	10,000
76,136	Cash and Cash Equivalents	9	64,809
<u>86,136</u>	<b>Current Assets</b>		<u>74,809</u>
<u>(40,560)</u>	Creditors	7	<u>(39,360)</u>
<u>(40,560)</u>	<b>Current Liabilities</b>		<u>(39,360)</u>
<b>45,576</b>	<b>Net Assets</b>		<b>35,449</b>
(50,836)	Usable Reserves		(42,675)
5,260	Employee Statutory Adjustment Account	5	7,226
<b>(45,576)</b>	<b>Total Reserves</b>		<b>(35,449)</b>

The unaudited accounts were issued on 20 May 2015.



**Eileen Rowand MBA, CPFA**  
**Treasurer**  
**20 May 2015**

## CASH FLOW STATEMENT

### EXPLANATORY NOTE

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. SESplan does not generate any cash inflow through investing or financing activities.

<b>2014-15</b>		<b>Notes</b>	<b>2015-16</b>
<b>£</b>	<b>Operating Activities</b>		<b>£</b>
	<u>Cash Outflows</u>		
194,332	Cash paid to and on behalf of employees		213,881
<u>100,295</u>	Other operating cash payments		<u>76,962</u>
294,627	<b>Total Payments</b>		290,843
	<u>Cash Inflows</u>		
<u>(280,104)</u>	Other operating cash receipts		<u>(279,516)</u>
<u>(280,104)</u>	<b>Total Receipts</b>		<u>(279,516)</u>
<b>14,523</b>	<b>Net Cash Outflow-(Inflow) from Operating Activities</b>	<b>11</b>	<b>11,327</b>
0	<b>Investing Activities</b>		0
0	<b>Financing Activities</b>		0
<b>14,523</b>	<b>Net Decrease-(Increase) in Cash-Cash Equivalents</b>		<b>11,327</b>
90,659	<b>Cash and cash equivalents at the beginning of the period</b>		<b>76,136</b>
76,136	<b>Cash and cash equivalents at the end of the period</b>	<b>9</b>	<b>64,809</b>

# **NOTES TO THE FINANCIAL STATEMENTS**

## **1. STATEMENT OF ACCOUNTING POLICIES**

### **A) GENERAL PRINCIPLES**

These accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015-16 and the Service Reporting Code of Practice 2015-16. The accounts are prepared in accordance with the fundamental accounting principles in terms of the characteristics required, the materiality of the information involved and the accounting concepts underlying the preparation of the accounts. The two essential fundamental characteristics are that the financial information is relevant and is a faithful representation of the authority's financial performance. The desirable qualitative characteristics of the financial information are that they are comparable, verifiable, timely and understandable. Every attempt has been made to ensure these characteristics have been achieved. In compiling these accounts underlying assumptions have been made. These are that the accounts should be on the accrual basis; that the organisation is a going concern, and the primacy of legislation.

In calculating relevant figures for the provisions and accruals suitable estimation techniques have been used, using previous year's experience, relevant data and the guidance contained within the Code.

Fife Council is acting as the lead authority for the financial matters in relation to SESplan, therefore, the accounting policies and concepts applied are consistent with those of Fife Council. Those which are relevant for SESplan are detailed in this document.

### **B) ACCRUALS OF INCOME & EXPENDITURE**

In accordance with the Code, the Accounts and related Statements have been compiled on an accruals basis. Accruals are made for all material debtors and creditors within the accounts. Accruals have been made for payroll costs where pay has been earned but not paid, supplies and services where they have been received or consumed within the financial year, for interest due and payable on external borrowings and for customer and client receipts due and receivable in the period to which they relate.

The main accrual bases used are as follows:

**Payroll Costs:** A calculation of the salaries and wages paid in 2016-17 which relate to 2015-16 is made and accrued back to 2015-16 based on the number of days which relate to the period to 31 March 2016.

**Travelling Expenses:** Estimate of claims paid in 2016-17 that relate to 2015-16.

Holiday Pay: Based on the employees' holiday and flexi leave earned during 2015-16 but not taken by 31 March 2016.

Supplies and Services: Based on purchase ordering and goods receipting information held in the Council's financial systems and by SESplan.

Interest: Based on Fife Council's Investment and Banking team's records of external and internal loans.

### **C) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are defined as cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

### **D) PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. There have been none for this period.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period. There have been none for this period.

### **E) EMPLOYEE BENEFITS & PENSION COSTS**

#### Benefits Payable During Employment

The staff of SESplan are directly employed by Fife Council. All salaries and wages, including any pension related costs, are paid through the Fife Council payroll system and charged to SESplan' accounts as they are incurred.

All salaries and wages earned up to 31 March 2016 are included in the Accounts irrespective of when payment was made. An accrual is made for the cost of holiday and flexi leave entitlements earned by employees, but not taken before the year end, which employees may carry forward into the next financial year.

### **F) EVENTS AFTER THE REPORTING PERIOD**

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect disclosure is made in the notes of the nature of the events and their estimated financial effect

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

There were no events after the reporting period relevant to SESplan.

#### **G) PROVISIONS**

SESplan is required to provide for all known liabilities where the authority has a present obligation as a result of a past event, where it is likely that a payment will be made to settle this obligation and where a reasonable estimate can be made of the amount that will be paid.

At present SESplan does not have any provisions.

#### **H) CONTINGENT ASSETS AND LIABILITIES**

A contingent asset arises where an event has taken place that gives SESplan a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within its control.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

A contingent liability arises where SESplan has a possible obligation e.g. through litigation claims, claims from contractors, etc that could result in financial payment or other settlement to be made in the future. These liabilities are disclosed in the Notes to the Accounts. Where potentially such liabilities are reduced through contributions or recoveries from other parties the net liability is shown.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

For more information on contingent assets and liabilities, please see Note 10.

#### **I) VALUE ADDED TAX**

VAT is included within the relevant revenue or capital accounts only to the extent that it is not recoverable from HM Revenue and Customs.

#### **J) RESERVES**

SESplan has a usable reserve which is the accumulated surplus of income received less expenditure incurred. This will be used to fund costs in subsequent financial years. It also has an unusable reserve which reflects the accumulated absences earned by staff but not taken by the end of the financial year.

## 2. ACCOUNTING STANDARDS ISSUED NOT YET ADOPTED

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

Accounting Standards not yet adopted are:-

- Amendments to IAS 19 *Employee Benefits* (Defined Benefit Plans: Employee Contributions)
- Annual Improvements to IFRSs 2010 – 2012 Cycle (Amendments to IAS 24 Related Parties Disclosures)
- Amendment to IFRS 11 *Joint Arrangements* (Accounting for Acquisitions of Interests in Joint Operations)
- Amendment to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* (Clarification of Acceptable Methods of Depreciation and Amortisation)
- Annual Improvements to IFRSs 2012 – 2014
- Amendment to IAS 1 *Presentation of Financial Statements* (Disclosure Initiative)
- The changes to the format of the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement and the introduction of the new Expenditure and Funding Analysis
- The changes to the format of the Pension Fund Account and the Net Assets Statement.

The Code requires implementation from 1 April 2016 and there is therefore no impact on the 2015-16 financial statements.

## 3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgement made in the Statement of Accounts is that there is a high degree of uncertainty about future levels of funding for local government. As SESplan is wholly funded through contributions from the six local authority members, this has implications for the levels of funding available to SESplan in future years. However, the authority has determined that this uncertainty is not yet sufficient to provide an indication that its assets might be impaired as a result of a need to reduce levels of service provision.

## 4. AUDIT COSTS

The authority has agreed the following fees in respect of the audit work relating to the respective financial years:

2014-15		2015-16
£		£
3,380	Fee for Appointed Auditors	3,380

This is included in the Supplies & Services line of the Comprehensive Income & Expenditure Statement.

## 5. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

2014-15 £	<b>Employee Statutory Adjustment Account</b>	2015-16 £
(4,464)	Settlement or cancellation of accrual made at the end of the preceding year	(5,260)
5,260	Amounts accrued at the end of the current year	7,226
<u>796</u>	Amount by which officer remuneration charged to CI&ES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	<u>1,966</u>

## 6. DEBTORS

2014-15 £		2015-16 £
10,000	Non-government Entities & Individuals	10,000

## 7. CREDITORS

2014-15 £		2015-16 £
2,084	Other Local Authorities	9,457
<u>38,476</u>	Other Entities and Individuals	<u>29,903</u>
<u>40,560</u>		<u>39,360</u>

## 8. RELATED PARTY TRANSACTIONS & BALANCES

SESplan is required to disclose material transactions with related parties i.e. bodies or individuals that have the potential to control or influence it or to be controlled or influenced by it. Disclosure of these transactions allows readers to assess the extent to which the authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the authority.

For SESplan, these related parties are the 6 local authorities which are the members of the organisation, i.e. East Lothian Council, City of Edinburgh Council, Fife Council, Midlothian Council, Scottish Borders Council and West Lothian Council. During the year SESplan received £46,550 as a funding contribution from each of the above related parties (2014-15, £46,550 from each). The total contributions from the members amounted to £279,300 in 2015-16 (2014-15, £279,300).

SESplan is located at premises at West Lothian Council. The rent and service charges for 2015-16 are £7,376.

Scottish Borders Council provided GIS Support to SESplan at a cost of £11,910.

Fife Council manages SESplan's cash reserves. More details relating to this can be found in Note 9.

There were no amounts due from related parties at 31 March 2016. The amounts due to related parties at that date were:

<b>2014-15</b>		<b>2015-16</b>
£		£
179	City of Edinburgh Council	0
2,084	West Lothian Council	9,457

## 9. ANALYSIS OF INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

<b>2014-15</b>		<b>2015-16</b>
£		£
90,659	Other Local Authorities	76,136
<u>(14,523)</u>	Other Entities and Individuals	<u>(11,327)</u>
<u>76,136</u>		<u>64,809</u>

This is an advance to Fife Council's Loans Fund. Fife Council manages the cash on behalf of SESplan.

## 10. CONTINGENT LIABILITIES & CONTINGENT ASSETS

SESplan does not have any contingent assets or liabilities.

## 11. RECONCILIATION OF (SURPLUS)/DEFICIT ON INCOME AND EXPENDITURE ACCOUNT TO THE CASH FLOW STATEMENT

<b>2014-15</b>		<b>2015-16</b>
£		£
33,546	(Surplus) or Deficit on the Comprehensive Income and Expenditure Statement	10,127
(2,479)	(Increase) or Reduction in Creditors	0
(16,544)	Other Entities and Individuals	1,200
<u>14,523</u>	<b>Net Cash Outflow-(Inflow) From Operating Activities</b>	<u>11,327</u>

## 12. CASHFLOW STATEMENT OPERATING ACTIVITIES

2014-15		2015-16
£		£
618	Interest received	216

## 13. PENSION SCHEME ACCOUNTED FOR AS DEFINED CONTRIBUTION SCHEME

SESplan's members of staff are employed by Fife Council and as such they are entitled to be members of the Superannuation Scheme which is administered by Fife Council. This provides staff with defined benefits upon their retirement and SESplan contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

It is neither appropriate nor possible for SESplan to identify a share of the underlying liabilities in the scheme attributable to its staff. For the purposes of this statement of accounts, it is therefore accounted for as a defined contribution scheme.

In 2015-16, SESplan paid £35,850 (£31,053 in 2014-15) in respect of superannuation contributions representing 22.3% of pensionable pay of those individuals who have joined the scheme (2014-15: 20.5%).

The employing authority is responsible for all pension payments related to "added years" it has awarded, together with related increases. There are no awards in respect of staff working for SESplan.

## 14. EVENTS AFTER THE BALANCE SHEET

There were no events after the reporting period relevant to SESplan.

## **ANNUAL GOVERNANCE STATEMENT 2015-2016**

### **1.0 GOVERNANCE ARRANGEMENTS**

- 1.1 The designation order which formally constituted the Edinburgh and South East Scotland Strategic Development Planning Authority came into force on 25 June 2008. A formal joint committee comprising of 12 councillors, 2 from each of the six constituent authorities, was established on 27 June 2008. The Joint committee meets three to four times per year to make decisions on the content and preparation of the Strategic Development Plan as well as governance and finance of the Strategic Development Planning Authority.
- 1.2 SESplan's constitution specifies that the Joint Committee is convened and chaired by one authority which is rotated on an annual basis. At its meeting on 18 November 2013, the Joint Committee agreed that the Convenership of the Joint Committee should, thereafter, rotate every two calendar years. At the same meeting, the Joint Committee approved the appointment of Councillor Ian Perry as Convener and Councillor Stuart Bell as Vice Convener of the SESplan Joint Committee for the two year period from 1 January 2014 to 31 December 2015. These roles rotated on 1 January 2016 with Councillor Stuart Bell from the Scottish Borders and Councillor Lesley Laird from Fife taking office as Convener and Vice Convener respectively. A report dealing with amendments to the governance arrangements was approved by the Joint Committee on 14 December 2015. The administration of the Joint Committee is the responsibility of the convening local authority.
- 1.3 As described in its constitution, the Joint Committee has an advisory role only. Its decisions are not binding on constituent authorities but its advice and recommendations will be considered by those authorities in reaching their own decisions. A Scheme of Delegation has been approved which outlines approved levels of delegation between the constituent authorities and the Joint Committee and also the Joint Committee and officers.
- 1.4 SESplan also has a Project Board which consists of six senior officers, one from each of the constituent councils. The Project Board is responsible to the Strategic Development Plan Authority ('SDPA') for the direction and management of SESplan. The Project Board is responsible for specifying the products of SESplan's programme. Its role includes managing the SESplan manager, ensuring that the decisions of the SDPA are implemented and agreeing reports to be presented to the Joint Committee.
- 1.5 The Strategic Development Planning Authority for Edinburgh and South East Scotland (SESplan) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted

for and used economically, efficiently and effectively. SESplan also has a duty under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised. In discharging this responsibility, elected members and senior officers are responsible for putting in place proper arrangements for the governance of SESplan's affairs and facilitating the effective exercise of its functions which includes the management of risk.

- 1.6 In discharging this overall responsibility, SESplan has adopted practices which are consistent with the principles and reflects the requirements of the CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives and Senior Managers) Framework "Delivering Good Governance in Local Government".
- 1.7 SESplan has put in place appropriate management and reporting arrangements to enable it to satisfy itself that its approach to corporate governance is both adequate and effective in practice. Specifically, it has developed and adopted a risk management strategy for the organisation.
- 1.8 However, it should be noted that a sound system of Corporate Governance and internal control provides only reasonable, but not absolute, assurance that SESplan will not be hindered in achieving its objectives or in the orderly and legitimate conduct of its business by circumstances which may reasonably be foreseen. A system of Corporate Governance and internal control cannot provide protection with certainty against an organisation failing to meet its objectives or material errors, losses, fraud, or breaches of laws or regulations.

## **2.0 Purpose of the governance framework**

- 2.1 The governance framework comprises the structure; systems and processes, and culture and values by which the authority is directed and controlled and the activities by which it accounts to and engages with its customers and the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 Key elements of good corporate governance include honesty, trust and integrity, openness, performance focus, responsibility and accountability, management of risk, mutual respect and commitment to the organisation. To that end the system of corporate governance and internal control in SESplan is based on a framework that includes:
  - the Scheme of Delegation
  - comprehensive training and development arrangements for councillors and employees
  - Financial Regulations
  - the Annual Workplan

- comprehensive budgeting systems
- regular planning and performance management reports
- periodic and annual financial reports which indicate actual and projected financial performance against budget
- setting and monitoring targets for financial and other performance
- clearly defined capital expenditure guidelines
- embedding risk management within SESplan
- as appropriate, formal programme and project management disciplines.

2.3 Fife Council acts as the employers of SESplan individuals as well as being the organisation through which SESplan records all expenditure. SESplan, as a result, also adheres to the following:

- Fife Council Code of Conduct for employees
- Parent authority's Code of Conduct for councillors
- Fife Council HR Plans and Policies

2.4 The Internal Audit function is provided by the Audit and Risk Management Services Division of Fife Council. It operates in accordance with the Public Sector Internal Audit Standards which apply to Local Government. The Division undertakes an annual programme of work approved by Fife Council's Standards and Audit Committee based on a five year strategic audit plan. The strategic audit plan is based on a formal risk assessment process and is amended on an ongoing basis to reflect evolving risks and changes within the Council. SESplan was not included in this annual programme for 2015-16.

2.5 SESplan uses the corporate financial systems of Fife Council, which are subject to review by both the Council's internal audit service and its external auditor.

### **3.0 Review of effectiveness**

3.1 SESplan has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review of effectiveness is informed by:

- The Audit & Risk Management Services Manager's annual assurance statement for Fife Council. In this regard, the most recent assurance statement states that the systems of Corporate Governance and internal control remain in the main robust with improvements in a number of areas and action being taken to address areas of weakness. In general, a medium level of control exists and reasonable assurance can be placed upon the adequacy

and effectiveness of the Council's systems of Corporate Governance and internal control system in the year to 31 March 2016.

- comments made by the external auditors and other review agencies and inspectorates;
- the review of various forms of customer and stakeholder feedback.

3.2 I am also clear that the Council's financial management arrangements conform to the governance requirements of the Chartered Institute of Public Finance and Accountancy's Statement on the Role of the Chief Financial Officer in Local Government (2010).

#### **4.0 Significant Governance Issues**

4.1 There are no significant governance issues. The governance arrangements were reviewed in 2015-16 and changes approved by the Joint Committee on 14 December 2015.

#### **5.0 Assurance**

5.1 Having reviewed the above, it is my opinion that reasonable assurance can be placed upon the adequacy and effectiveness of the Authority's system of internal financial control.

## SESplan

### REMUNERATION REPORT

All information disclosed in the tables contained within this Remuneration Report has been audited by Audit Scotland. The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

#### REMUNERATION ARRANGEMENTS

##### 1. Senior Councillors

No remuneration was paid by SESplan to the Local Authority Councillors who are members of the SESplan Joint Committee. There is therefore no information to report.

##### 2. Senior Employees

Senior employees as defined in the Local Authority Accounts (Scotland) Amendment Regulations 2011 include any local authority employee who has responsibility for management of the local authority or a local authority subsidiary body to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons; who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The following table provides details of the remuneration of SESplan's only senior employee as defined by the Act.

Senior Employee	Post	2015-16			2014-15
		Salary, Fees and Allowances £	Taxable Expenses £	Total Remuneration £	Total Remuneration £
Ian Angus	Strategic Development Plan Manager	59,276	0	59,276	59,276

### 3. General Disclosure by Pay Band

Remuneration Bands	Number of Employees	
	2014-15	2013-14
£55,000 - £59,999	1	1

### 4. Pension Benefits

Pension benefits for SESplan employees are provided through the Local Government Pension Scheme (LGPS). The LGPS is a funded scheme made up of contributions from employees and the employer. For local government employees this was a final salary pension scheme up until March 2015. This meant that pension benefits were based on the final years' pay and the number of years the person had been a member of the scheme. From April 2015, the scheme has changed to a career average (CARE) scheme but an employee's pre April 2015 pension will still be linked to his or her final salary.

The scheme's normal retirement age for employees is 65.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This is designed to give more equality between the cost and benefits of scheme membership. Prior to 2009 contribution rates were set at 6% for all non manual employees.

The 2015-16 members' contribution rates have not changed from the 2014-15 rates, but there has been a change to the tiers, as follows:

Whole Time Pay 2015-16	Contribution Rate 2015-16	Whole Time Pay 2014-15	Contribution Rate 2014-15
On earnings up to and including £20,500	5.50%	On earnings up to and including £20,335	5.50%
On earnings above £20,501 and up to £25,000	7.25%	On earnings above £20,335 and up to £24,853	7.25%
On earnings above £25,001 and up to £34,400	8.50%	On earnings above £24,853 and up to £34,096	8.50%
On earnings above £34,401 and up to £45,800	9.50%	On earnings above £34,096 and up to £45,393	9.50%
On earnings above £45,801	12.00%	On earnings above £45,393	12.00%

If a person works part-time their contribution rate is worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004. The accrual rate guarantees a pension based on 1/60<sup>th</sup> of final pensionable salary and years of pensionable service. From April 2015 onwards, the pension will be built up at 1/49<sup>th</sup> of pensionable pay.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a pension on retirement without reduction on account of its payment at that age, without exercising any option to commute pension entitlement into a lump sum and without any adjustment for the effects of future inflation.

The pension entitlement for the senior employee for the year to 31 March 2016 is shown in the table below, together with the contribution made by the council to the senior employee's pension during the year.

The Local Government Pension Scheme is a funded scheme with contributions from both the employer and the employee (see above for details) and as such the accrued benefits includes both of these contributions.

The pension benefits shown relate to the benefits that the individual has accrued as a consequence of their total local government service, including any service with a council subsidiary body, and not just their current appointment.

The accrued pension benefits include transfers from previous employers. The transferred additional accrued pension benefits for Ian Angus were £28,000 at the point he joined SESplan. His accrued pension benefits at 31 March 2016 were £41,000 (31 March 2015 - £39,000).

Senior Employee	Post	In-year employers contributions			Accrued Pension Benefits	
		For Year to 31 March 2016 £	For Year to 31 March 2015 £		As at 31 March 2016 £	Difference from March 2015 £
Ian Angus	Strategic Development Plan Manager	13,559	12,839	Pension	41,000	2,000
				Lump Sum	0	0



# Edinburgh and South East Scotland Strategic Development Planning Authority

Annual Audit Plan  
2015/16

Prepared for the Treasurer and Members of the  
Edinburgh and South East Scotland Strategic  
Development Planning Authority

March 2016



# Key contacts

Bruce Crosbie, Senior Audit Manager  
[bcrosbie@audit-scotland.gov.uk](mailto:bcrosbie@audit-scotland.gov.uk)

Jordan Roberts, Auditor  
[jroberts@audit-scotland.gov.uk](mailto:jroberts@audit-scotland.gov.uk)

Chris Windeatt, Auditor  
[cwindeatt@audit-scotland.gov.uk](mailto:cwindeatt@audit-scotland.gov.uk)

Audit Scotland  
4<sup>th</sup> floor  
102 West Port  
Edinburgh  
EH3 9DN  
Telephone: 0131 625 1500  
Website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

The Accounts Commission is a statutory body which appoints external auditors to Scottish local government bodies ([www.audit-scotland.gov.uk/about/ac/](http://www.audit-scotland.gov.uk/about/ac/)). Audit Scotland is a statutory body which provides audit services to the Accounts Commission and the Auditor General ([www.audit-scotland.gov.uk/about/](http://www.audit-scotland.gov.uk/about/)).

The Accounts Commission has appointed Bruce Crosbie as the external auditor of Edinburgh and South East Scotland Strategic Development Planning Authority Strategic Development Planning Authority for the period 2011/12 to 2015/16.

This plan has been prepared for the use of the Edinburgh and South East Scotland Strategic Development Planning Authority and no responsibility to any member or officer in their individual capacity or any third party is accepted.

# Contents

Summary .....	3
Responsibilities .....	4
Audit Approach .....	4
Audit issues and risks .....	8
Fees and resources .....	8
Appendix 1: Planned audit outputs.....	10
Appendix 2: Significant audit risks .....	11

# Summary

## Introduction

1. Our audit is focused on the identification and assessment of the risks of material misstatement in Edinburgh and South East Scotland Strategic Development Planning Authority's (SESplan) financial statements.
2. This report summarises the key challenges and risks facing SESplan and sets out the audit work that we propose to undertake for 2015/16. Our plan reflects:
  - the risks and priorities facing SESplan
  - current national risks that are relevant to local circumstances
  - the impact of changing international auditing and accounting standards
  - our responsibilities under the Code of Audit Practice as approved by the Auditor General for Scotland and Accounts Commission
  - issues brought forward from previous audit reports.

- they give a true and fair view of the state of affairs of SESplan as at 31 March 2016 and its income and expenditure for the year then ended
- the accounts have been properly prepared in accordance with the Local Government (Scotland) Act 1973 and the 2015/16 Code of Practice on Local Authority Accounting in the United Kingdom (the Code)
- a review and assessment of SESplan's governance and performance arrangements and financial position
- provision of the annual report on the audit addressed to SESplan and the Controller of Audit.

## Summary of planned audit activity

3. Our planned work for 2015/16 includes:
  - an audit of the financial statements and provision of an opinion on whether:

# Responsibilities

4. The audit of the financial statements does not relieve management or the Joint Committee, as the body charged with governance, of their responsibilities.

## Responsibility of the appointed auditor

5. Our responsibilities, as independent auditor, are established by the Local Government (Scotland) Act 1973 and the Code of Audit Practice, and guided by the auditing profession's ethical guidance.
6. Auditors in the public sector give an independent opinion on the financial statements. We also review and report on the arrangements set in place by the audited body to ensure the proper conduct of its financial affairs and to manage its performance and use of resources. In doing this, we aim to support improvement and accountability.

## Responsibility of the Treasurer

7. It is the responsibility of the Treasurer, as the appointed "proper officer", to prepare the financial statements in accordance with relevant legislation and the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This means:
  - maintaining proper accounting records

- preparing financial statements which give a true and fair view of the state of affairs of SESplan as at 31 March 2016 and its expenditure and income for the year then ended.

## Format of the accounts

8. The financial statements should be prepared in accordance with the Code, which constitutes proper accounting practice.

# Audit Approach

## Our approach

9. Our audit approach is based on an understanding of the characteristics, responsibilities, principal activities, risks and governance arrangements of SESplan. We also consider the key audit risks and challenges in the local government sector generally. This approach includes:
  - understanding the business of SESplan and the risk exposure which could impact on the financial statements
  - assessing the key systems of internal control, and considering how risks in these systems could impact on the financial statements
  - identifying major transaction streams, balances and areas of estimation and understanding how SESplan will include these in the financial statements

- assessing and addressing the risk of material misstatement in the financial statements
  - determining the nature, timing and extent of the audit procedures necessary to provide us with sufficient audit evidence as to whether the financial statements give a true and fair view.
10. We have also considered and documented the sources of assurance which will make best use of our resources and allow us to focus audit testing on higher risk areas during the audit of the financial statements. The main areas of assurance for the audit come from planned management action and reliance on systems of internal control. Planned management action being relied on for 2015/16 includes:
- comprehensive closedown procedures for the financial statements accompanied by a timetable issued to all relevant staff
  - clear responsibilities for preparation of financial statements and the provision of supporting working papers
  - delivery of unaudited financial statements to agreed timescales with a comprehensive working papers package
  - completion of the internal audit programme for 2015/16.
11. Auditing standards require internal and external auditors to work closely together to make best use of available audit resources. We seek to rely on the work of internal audit wherever possible and as part of our planning process we carry out an early assessment of the internal audit function. Internal audit is provided by Fife Council's

Audit and Risk Management Services (ARMS). Overall, we concluded that ARMS operates in accordance with the Public Sector Internal Audit Standards and has sound documentation standards and reporting procedures in place

12. As SESplan uses the financial systems hosted by Fife Council, we plan to place formal reliance on aspects of the work of internal audit in the following areas of their review of Fife Council systems, to support our audit opinion on the SESplan financial statements:
- payroll and expenses
  - debtors
  - bank and suspense accounts reconciliations.

## Materiality

13. Materiality can be defined as the maximum amount by which auditors believe the financial statements could be misstated and still not be expected to affect the decisions of users of financial statements. A misstatement or omission, which would not normally be regarded as material by amount, may be important for other reasons (for example, the failure to achieve a statutory requirement or, an item contrary to law). In the event of such an item arising, its materiality has to be viewed in a narrower context; such matters would normally fall to be covered in an explanatory paragraph in the independent auditor's report.
14. We consider materiality and its relationship with audit risk when planning the nature, timing and extent of our audit and conducting our audit programme. Specifically with regard to the financial

statements, we assess the materiality of uncorrected misstatements both individually and collectively.

15. Based on our knowledge and understanding of SESplan we have set our planning materiality at £3,375 (1% of gross expenditure).
16. We set a lower level, known as performance materiality, when defining our audit procedures. This is to ensure that uncorrected and undetected audit differences do not exceed our planning materiality. This level depends on professional judgement and is informed by a number of factors including:
  - extent of estimation and judgement within the financial statements
  - nature and extent of prior year misstatements
  - extent of audit testing coverage.
17. For 2015/16 performance materiality has been set at £2,362. We will report, to those charged with governance, all misstatements identified which are greater than £100.

## Reporting arrangements

18. The Local Authority Accounts (Scotland) Regulations 2014 require that the unaudited annual accounts are submitted to the appointed external auditor no later than 30 June each year. SESplan is required to consider the unaudited annual accounts at a meeting by 31 August.
19. SESplan must publish the unaudited accounts on their website and give public notice of the inspection period.

20. The 2014 regulations require SESplan to meet by 30 September to consider whether to approve the audited annual accounts for signature. Immediately after approval, the annual accounts require to be signed and dated by specified members and officers and then provided to the auditor. The Controller of Audit requires audit completion and issue of an independent auditor's report (opinion) by 30 September each year.
21. SESplan is required to publish on its website its signed audited annual accounts, and the audit certificate, by 31 October. The annual audit report is required to be published on the website by 31 December.
22. A proposed timetable for the audit of the 2015/16 financial statements is included at Exhibit 1 below. Discussions are still ongoing on the timing of committee dates to ensure compliance with the 2014 regulations.

**Exhibit 1: Financial statements audit timetable**

Key stage	Date
Meetings with officers to clarify expectations of working papers and financial system reports	March 2016
Consideration of unaudited financial statements by those charged with governance	30 May 2016
Latest submission date of unaudited council financial statements with complete working papers package	30 May 2016

Key stage	Date
Progress meetings with officers on emerging issues	As and when required during the audit process
Latest date for final clearance meeting with officers	10 September 2016
Agreement of audited unsigned financial statements, and issue of Annual Audit Report (which includes the ISA 260 report to those charged with governance)	17 September 2016
Joint Committee date for consideration of audited accounts and Annual Audit Report	26 September 2016
Independent auditor's report signed	26 September 2016

Page 277

23. Matters arising from our audit will be reported on a timely basis and will include agreed action plans. Draft management reports will be issued to the Strategic Development Plan (SDP) Manager and the Treasurer to confirm factual accuracy. A copy of all final agreed reports will be sent to the SDP Manager, Treasurer, internal audit and Audit Scotland's Performance Audit and Best Value Group.
24. We will provide an independent auditor's report to SESplan and the Accounts Commission that the audit of the financial statements has been completed in accordance with applicable statutory

requirements. The Annual Audit Report will be issued by 30 September.

25. All annual audit reports produced are published on Audit Scotland's website: [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk).
26. Planned outputs for 2015/16 are summarised at [Appendix 1](#).

## Quality control

27. International Standard on Quality Control (UK and Ireland) 1 (ISQC1) requires that a system of quality control is established as part of financial audit procedures. This is to provide reasonable assurance that those professional standards and regulatory and legal requirements are being complied with and that the independent auditor's report or opinion is appropriate in the circumstances. The foundation of our quality framework is our Audit Guide, which incorporates the application of professional auditing, quality and ethical standards and the Code of Audit Practice issued by Audit Scotland and approved by the Accounts Commission. To ensure that we achieve the required quality standards, Audit Scotland conducts peer reviews and internal quality reviews and has been subject to a programme of external reviews by the Institute of Chartered Accountants of Scotland (ICAS).
28. As part of our commitment to quality and continuous improvement, Audit Scotland will periodically seek your views on the quality of our service provision. We do, however, welcome feedback at any time and this may be directed to the engagement lead, Bruce Crosbie, Senior Audit Manager.

---

## Independence and objectivity

29. Auditors appointed by the Accounts Commission must comply with the Code of Audit Practice. When auditing the financial statements, auditors must also comply with professional standards issued by the Auditing Practices Board and those of the professional accountancy bodies. These standards impose stringent rules to ensure the independence and objectivity of auditors. Audit Scotland has in place robust arrangements to ensure compliance with these standards including an annual “fit and proper” declaration for all members of staff. The arrangements are overseen by the Assistant Auditor General, who serves as Audit Scotland’s Ethics Partner.
30. Auditing and ethical standards require the appointed auditor to communicate any relationships that may affect the independence and objectivity of audit staff. We are not aware of any other such relationships pertaining to the audit of SESplan.

Page 278

## Audit issues and risks

31. Based on our discussions with staff and a review of supporting information, we have identified the following main financial statements issues and risks for SESplan:
- accounting for transactions in wrong year
  - management override of controls.
32. These risks are documented in the summary assurance plan at [Appendix 2](#), together with details of the sources of assurance that

we have received and any audit work we plan to undertake for each of the risks. In the period prior to the submission of the unaudited financial statements, we will liaise with senior officers on any new or emerging issues.

## Fees and resources

### Audit fee

33. Over the past four years, Audit Scotland has reduced audit fees by 24% in real terms, exceeding our 20% target. Due to further refinement of our audit approach we have been able to maintain audit fees for 2015/16 at the same level as last year. This represents an additional real term fee reduction of 1.6%.
34. In determining the audit fee we have taken account of the risk exposure of SESplan, the planned management assurances in place, and the level of reliance we plan to take from the work of internal audit. We have assumed receipt of a complete set of unaudited financial statements and comprehensive working papers package by May 2016.
35. The proposed audit fee for the 2015/16 audit of SESplan is £3,380 (2014/15 £3,380). Our fee covers:
- the costs of planning, delivering and reporting the annual audit
  - your organisation’s allocation of the cost of national performance studies and statutory reports

- a contribution towards functions that support the local audit process (e.g. technical support and coordination of the National Fraud Initiative), support costs and auditors’ travel and subsistence expenses.

36. Where our audit cannot proceed as planned through, for example, late receipt of unaudited financial statements or being unable to take planned reliance from the work of internal audit, a supplementary fee may be levied. An additional fee may also be required in relation to any work or other significant exercises outwith our planned audit activity.

### Audit team

37. Bruce Crosbie, Senior Audit Manager, Audit Services is your appointed auditor. Details of the experience and skills of our team are provided in Exhibit 2. The core team will call on other specialist and support staff as necessary.

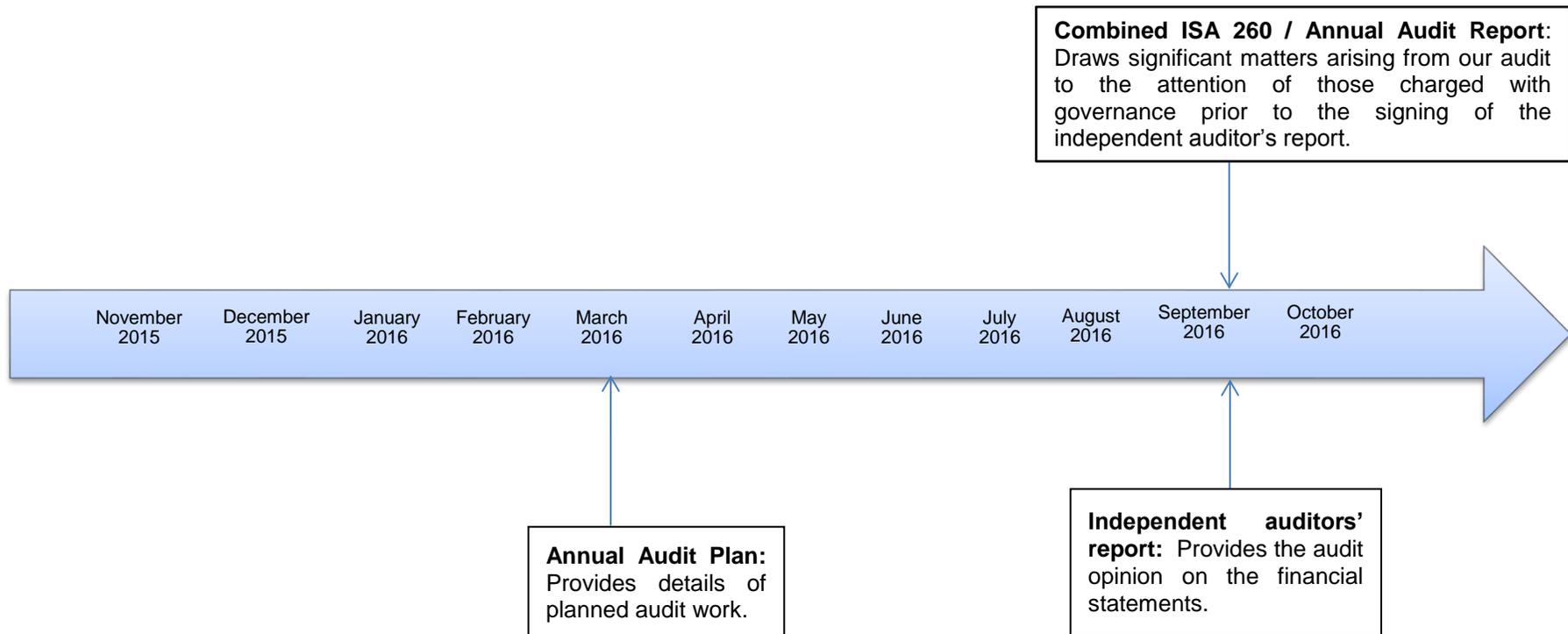
#### Exhibit 2: Audit team

Name	Experience
Bruce Crosbie FCCA, Senior Audit Manager (and certifying auditor)	Bruce has been involved in the external audit in the NHS and local government sectors for many years. He also has a key role in Audit Scotland’s internal quality arrangements.
Jordan Roberts MSc, Trainee Auditor	Jordan joined Audit Scotland in 2012 and is ICAS exam qualified. He has worked on NHS, local government and central government audits.
Chris Windeatt MSc, Trainee Auditor	Chris joined Audit Scotland in 2013 and is in the final year of his ICAS qualification. He has worked on NHS, local government and central government audits.

# Appendix 1: Planned audit outputs

The diagram below shows the key outputs planned for SESplan for 2015/16.

Page 280



## Appendix 2: Significant audit risks

The table below sets out the key audit risks, the related sources of assurance received and the audit work we propose to undertake to address the risks during our audit work.

	Audit Risk	Source of assurance	Audit assurance procedure
<b>Financial statement issues and risks</b>			
1	<p><b>Accounting for transactions in the wrong year</b></p> <p>In both 2013/14 and 2014/15 we identified transactions which had been accounted for in the wrong year which, had they not been corrected, would have had a material impact on the financial statements.</p> <p><b>Risk:</b> Transactions may not be accounted for in the correct year.</p>	<ul style="list-style-type: none"> <li>• Inspection of all significant invoices during accounts production process to ensure they are recorded in the correct financial year that the supplies/services relate to</li> <li>• Re-iterated year end instructions regarding timing of goods/services received.</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed 'cut-off' testing of transactions at the year end.</li> </ul>
2	<p><b>Management override of controls</b></p> <p>ISA 240 <i>The auditor's responsibilities relating to fraud in an audit of financial statements</i> requires auditors to consider, on all audits, management's ability to manipulate accounting records and prepare fraudulent or biased financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p><b>Risk:</b> Management is in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls.</p>	<ul style="list-style-type: none"> <li>• There are a range of measures in place through Fife Council to prevent and detect fraud, including Standing Financial Instructions, Standing Orders, a Code of Conduct for staff, a Fraud Prevention and Detection Strategy and a Whistleblowing Guide.</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed testing of journal entries.</li> <li>• Review of accounting estimates for bias.</li> <li>• Evaluating significant transactions that are outside the normal course of business.</li> </ul>



For Decision	✓
For Information	

## ITEM 10 – HOUSING UPDATE 2015

Report by: Ian Angus, SDP Manager

---

### Purpose

This report presents the SESplan Housing Update 2015 to the SESplan Joint Committee for consideration and noting.

### Recommendations

It is recommended that the Joint Committee notes the SESplan Annual Housing Update 2015, attached as Appendix 1 to this report.

### Resource Implications

As set out below.

### Legal and Risk Implications

All risks are detailed in the SESplan Risk Register and reported to Joint Committee on an annual basis.

### Policy and Impact Assessment

No separate impact assessment is required.

## 1. Background

---

- 1.1 On 18 May 2015, the SESplan Joint Committee approved non statutory guidance on maintaining a five year effective supply of housing land. The guidance indicates that an Annual Housing Update will be prepared for consideration by SESplan by no later than December each year. The updates are to consider the effective land supply and performance against the approved SDP and comment on other factors such as completions and significant appeal decisions. The updates will assist in monitoring the development plan, inform future plans and add to the context for the consideration of proposals within the SESplan area.
- 1.2 The first update, which covers the period 1 April 2014 to 31 March 2015, is based on the member authorities' 2015 Housing Land Audits and on the Planning and Environmental Appeals Division's records.

## **2. The Housing Update 2015**

---

- 2.1 The main findings of the Update relate to the calculation of the five year effective land supply, the application of SESplan Policy 7 Maintaining a Five Year Housing Land Supply and the approach of Reporters at appeals relating to housing proposals.
- 2.2 Calculating the five year effective land supply as programmed output over the next five years results in a shortfall against the five year requirement of 42%. On this basis, completions would need to be programmed at almost triple the current rate to meet the requirement. Scottish Government have published draft planning delivery advice, however, that removes marketability as a necessary criterion in a site being classed as effective and bases the effective land supply on capacity of unconstrained land rather than programmed output. There is more than sufficient land with planning support for housing across the SESplan area that is free of constraints to meet the five year housing land requirement in full.
- 2.3 Land supply policies in local plans were considered to be out of date under Scottish Planning Policy paragraph 125 where there was found to be a shortfall in the 5 year effective housing land supply. Although intended as a policy to be used in exceptional circumstances when a shortfall did occur, the levels of the SESplan requirement have meant that SESplan policy 7 has become the defacto policy used in many housing related applications and appeals, often being used to override other policies in the Local Plans and LDPs.
- 2.4 In planning appeals, Reporters are giving significant weight to the Scottish Planning Policy presumption in favour of development that contributes to sustainable development. There is not a consistent approach by reporters to the issue of prematurity.

## **3. Future Annual Housing Updates**

---

- 3.1 The Housing Update 2016 will be presented to the Joint Committee in November 2016, subject to the completion of member authorities' housing land audits 2016. In accord with the SDP2 Action Programme, Homes for Scotland and other housing interests will be consulted in the preparation of future updates.

### **Appendices**

---

Appendix 1 Housing Update 2015

**Report Contact:** 01506 282879

**Report Agreed By:** Ian Angus, SDP Manager

**Author Name:** Ian Angus, SDP Manager

**APPENDIX 1 – SESplan ANNUAL HOUSING UPDATE 2015**



**The Strategic Development Planning Authority  
for Edinburgh and South East Scotland**

## **SESplan Annual Housing Update 2015**

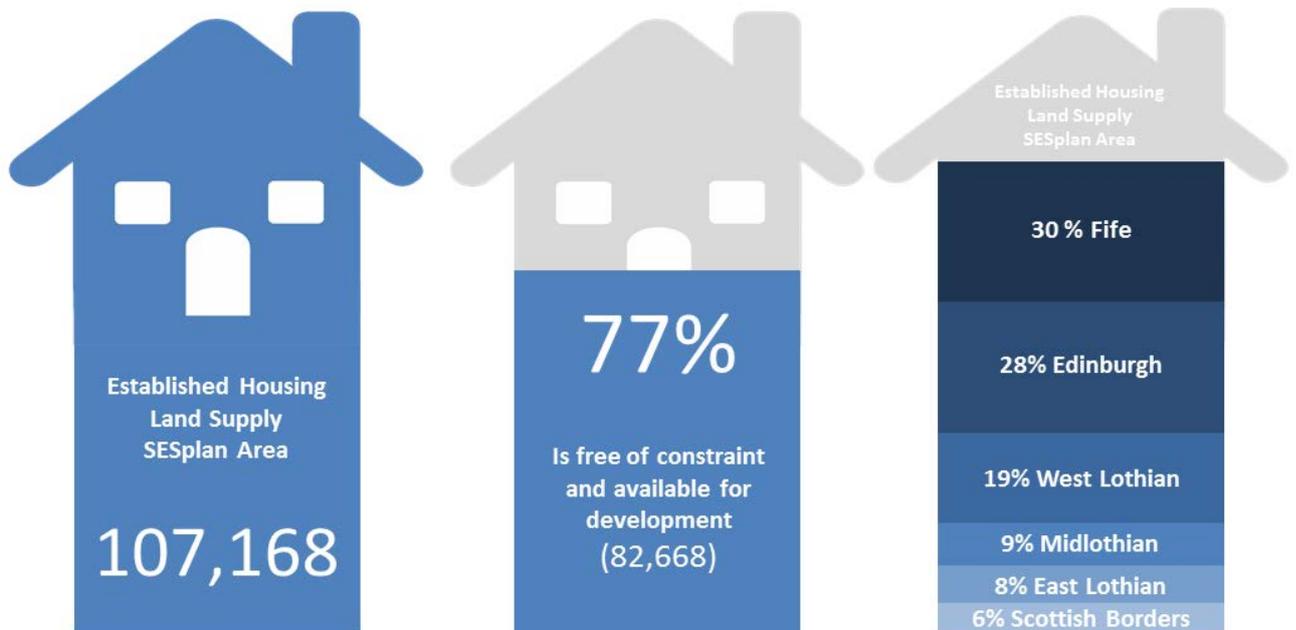
# Contents

<b>Executive Summary</b>	<b>2</b>
<b>1. Introduction</b>	<b>8</b>
<b>2. Established Land Supply</b>	<b>9</b>
Graph 1: Established Land Supply	9
Housing Requirement	10
Table 1: Housing Requirement 2009 to 2024	10
Assessing the adequacy of the effective land supply	10
Table 2: Housing land requirement for the next 5 years	11
Table 3: Five Year programme against requirement	12
Table 4: Five year effective supply and past completions	13
Table 5: Effective capacity against requirement	14
<b>3. Analysis of Housing Completions</b>	<b>15</b>
Table 6: Housing Completions	15
Graph 2: Completions against the remaining land requirement (annual Average)	16
Completions by tenure	16
Graph 3: Housing completions by tenure	16
Graph 4: Longer term completions by tenure	17
<b>4. Review of significant appeal decisions</b>	<b>18</b>
Summary of findings	18
Table 7: Summary of significant appeal decisions	19
<b>5. Summary and Conclusions</b>	<b>28</b>

# Executive Summary

At 31<sup>st</sup> March 2015

## Established Housing Land Supply:



## 5 year effective land supply:



## Housing Land Requirement

The number of housing units programmed for the next five years(\*\*\*) is insufficient to meet the five year requirement for SESplan as a whole and for each of the individual LDP areas:

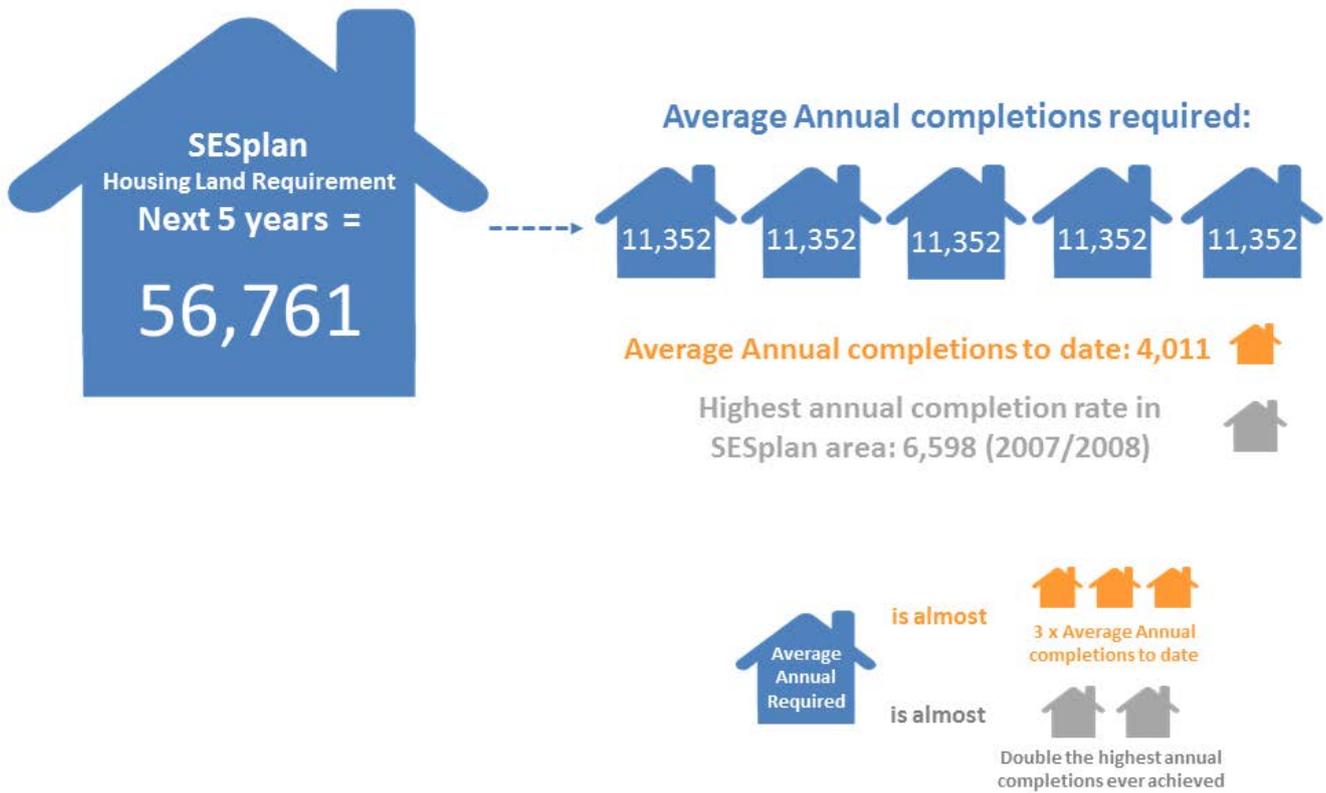
### Five year programme against requirement

	Requirement	Programmed	%
City of Edinburgh	14,474	9,753	67%
East Lothian	4,972	3,307	67%
Fife (SESPLAN)	14,221	6,821	48%
Midlothian*	5,918	5,205	88%
Scottish Borders	8,196	3,042	37%
West Lothian**	8,980	4,637	52%
<b>SESplan</b>	<b>56,761***</b>	<b>32,765</b>	<b>58%</b>

\* Draft HLA2015 data / \*\* HLA2014 data

\*\*\*Total 5 year requirement for SESplan is for the period 2015 to 2020 for all council areas apart from West Lothian which uses the period 2014 to 2019.

The SESplan housing requirements for the majority of the SESplan Local Authorities was set at a level higher than the completion levels achieved prior to the recession. The housing land requirement for the remainder of the first period of the SDP to 2019 is now at unachievable levels.



### Scottish Government's Draft Planning Delivery Advice: Housing and Infrastructure

Scottish Government's Draft Planning Delivery Advice on Housing and Infrastructure has removed marketability as a necessary criterion in assessing housing land as effective, and no longer defines the five year effective land supply in terms of the programme of expected future completions.

It defines the effective land supply as **'the part of the established housing land supply which is free of development constraints in the period under consideration and will therefore be available for the construction of housing'**.

Using this definition of the effective land supply there is more than enough effective land across the SESplan area to meet the 5 year requirement (see the table below). This is true for SESplan as a whole and each individual LDP area with the exception of Scottish Borders.



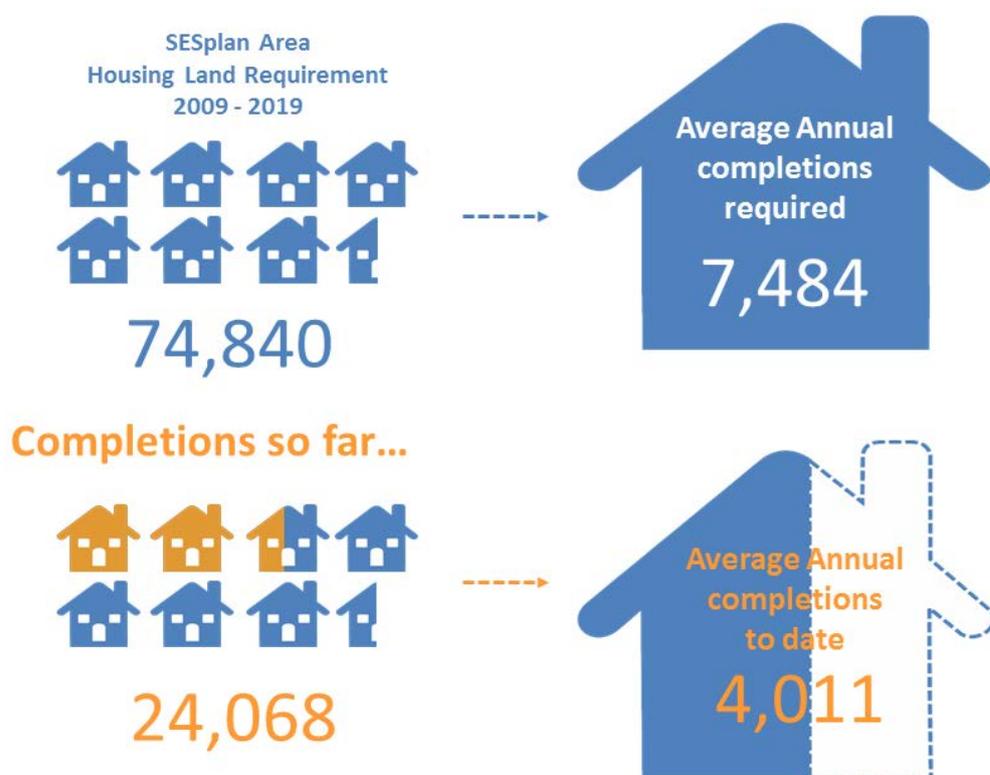
## Effective capacity against requirement

	Requirement	Effective Capacity	%
City of Edinburgh	14,474	21,183	146%
East Lothian	4,972	6,413	129%
Fife (SESPLAN)	14,221	26,491	186%
Midlothian*	5,918	9,883	167%
Scottish Borders***	8,196	6,177	75%
West Lothian**	8,980	12,621	141%
<b>SESplan</b>	<b>56,761</b>	<b>82,768</b>	<b>146%</b>

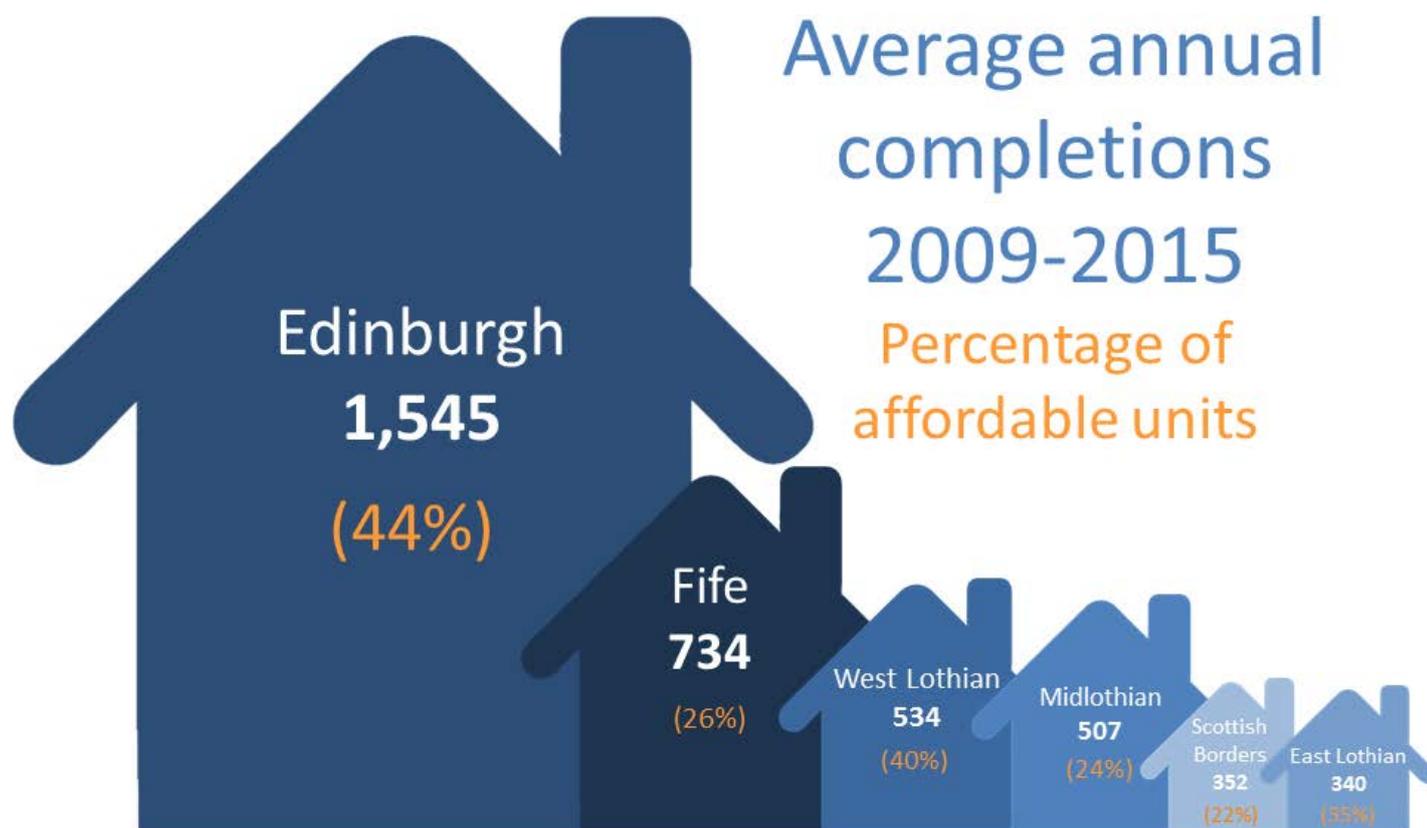
\* Draft HLA2015 data/ \*\* HLA 2014 used for West Lothian/\*\*\* Scottish Borders LDP Appendix 2 section B

## Housing Completions

Analysis of the housing completions in the SESplan area since 2009 shows that for every year, the number of units completed has been below the level needed for the housing land requirement to be met. This is the case for SESplan as whole and for each LDP area individually.



Consistently building below the average requirement has significantly increased the average number of completions required for the remainder of the plan period – to a level that is now unachievable.



### Completions by Tenure

24,068 houses built in SESplan area



8,418 affordable (35%)

### Key points:

- Calculating the five year effective land supply as programmed output over the next five years results in a shortfall against the five year requirement of 42%.

- On this basis, completions would need to be programmed at almost triple the current rate to meet the requirement (para 2.14).
- Scottish Government have published draft planning delivery advice that removes marketability as a necessary criterion in a site being classed as effective and bases the effective land supply on capacity of unconstrained land rather than programmed output (para 2.19-2.20).
- There is more than sufficient land with planning support for housing across the SESplan area that is free of constraints to meet the five year housing land requirement in full (para 2.22).
- Land supply policies in local plans were considered to be out of date under Scottish Planning Policy paragraph 125 where there was found to be a shortfall in the 5 year effective housing land supply (para 4.3).
- Although intended as a policy to be used in exceptional circumstances when a shortfall did occur, the levels of the SESplan requirement have meant that SESplan policy 7 has become the defacto policy used in many housing related applications and appeals, often being used to override other policies in the Local Plans and LDPs (para 4.3).
- SESplan policy 7 has therefore become the key policy for determining land supply issues in the area (para 4.3).
- Reporters are giving significant weight to the Scottish Planning Policy presumption in favour of development that contributes to sustainable development (para 4,3).
- There is not a consistent approach from reporters on the issue of prematurity (para 4.5).

## 1. Introduction

1.1 The Annual Housing Update has been prepared to assist in monitoring the development plan and inform the preparation of future Strategic and Local development Plans. The Update will also add to the context for the consideration of development proposals within the SESplan area.

1.2 On 18 May 2015, the SESplan Joint Committee approved non statutory guidance on maintaining a five year effective supply of housing land. The guidance set out a common approach to the measurement of the five year land supply for the six Local Development Plans across SESplan in the context of the Strategic Development Plan approved in 2013 and the Supplementary Guidance on Housing Land adopted in 2014.

1.3 The guidance indicates that an Annual Housing Update will be prepared for consideration by SESplan by no later than December each year. The updates are to consider the effective land supply and performance against the approved SDP including the progress of the Strategic Development Areas identified in the first Strategic Development Plan and comment on other factors such as completions and significant appeal decisions.

1.4 This update, which covers the period 1 April 2014 to 31 March 2015, is based on the 2015 Housing Land Audits prepared by the six SESplan member authorities, other information gathered by the authorities and on records of appeal decisions.

## 2. Established land supply

2.2 Scottish Government’s planning advice note 2/2010 (PAN2/2010) “Affordable Housing and Housing Land Audits” defines the established land supply as “The total housing land supply - including both unconstrained and constrained sites. This will include the effective housing land supply, plus the remaining capacity for sites under construction, sites with planning consent, sites in adopted local development plans and where appropriate other buildings and land with agreed potential for housing development.”

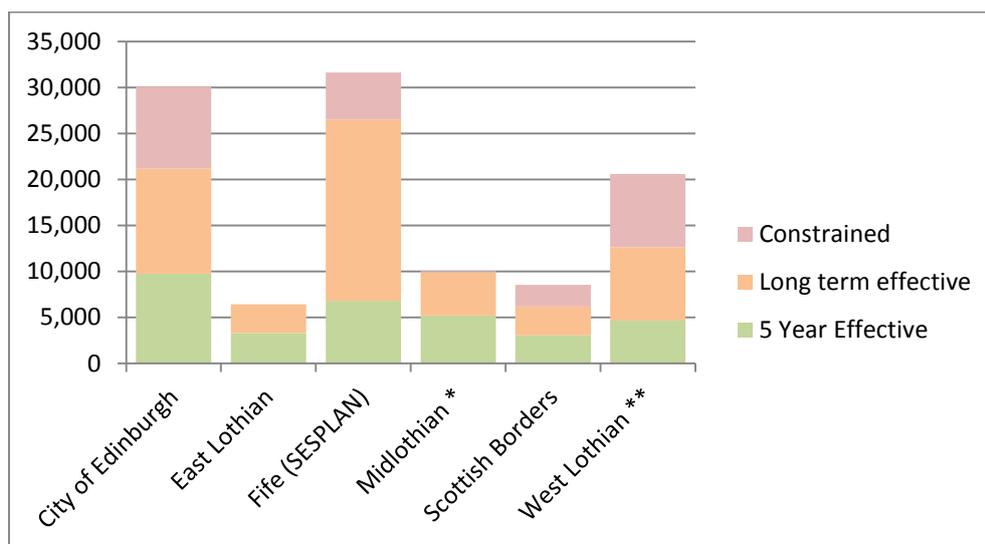
2.3 In order for a housing site to be considered **effective**, it must be free of all constraints that would prevent development. Sites are considered against a range of criteria set out in PAN 2/2010. These criteria include ownership, physical (e.g. slope, aspect, stability, flood risk, access), contamination, deficit funding, marketability, infrastructure and land use.

2.4 The **five-year effective land supply** is that portion of the overall effective land supply, measured in number of housing units, that is programmed for development over the following five-year period.

2.5 The established land supply in the SESplan strategic development plan (SDP) area at 31 March 2015 <sup>(\*)</sup> was 107,168 units. Land for 82,668 units, or 77% of the established land supply, was agreed as free of constraints and available for development. The five year effective land supply, i.e. the amount of units programmed for development over the period 2015 to 2020, accounted for 32,051 units – 39% of the total effective land supply and 30% of the established land supply.

2.6 The breakdown of the established land supply by local development plan (LDP) area is displayed in graph 1 below.

**Graph 1: Established land supply**



\* Midlothian data is from the draft audit 2015

\*\* Housing land audit 2015 information is not yet available for West Lothian. The established land supply for WLC is taken from the 2014 HLA, adjusted to take account of completions that occurred over the period to 2015 (Taken from Scottish Government returns).

The Five-year effective land supply is estimated as the programmed output for the period 2015 to 2020 from the 2014 HLA.

2.7 Overall, land in Fife accounted for 30% of the SESplan established land supply with Edinburgh accounting for 28%, West Lothian 19%, Midlothian 9%, Scottish Borders 8% and East Lothian 6%. In terms of the five year effective land supply, Edinburgh accounted for 30%, Fife 21%, Midlothian 16%, West Lothian 14%, East Lothian 10% and Scottish Borders 9%.

### Housing requirement

2.8 The housing requirement for SESplan and its LDP areas is set out in table 3.1 of the SESplan supplementary guidance on housing land (November 2014). The table is reproduced in table 1 below.

**Table 1. Housing requirement 2009 to 2024**

	<b>2009 - 2019</b>	<b>2019 - 2024</b>
City of Edinburgh	22,300	7,210
East Lothian	6,250	3,800
Fife (SESPLAN)	17,140	7,430
Midlothian	8,080	4,410
Scottish Borders	9,650	3,280
West Lothian	11,420	6,590
<b>SESplan</b>	<b>74,840</b>	<b>32,720</b>

### Assessing the adequacy of the effective land supply

2.9 Paragraph 110 of Scottish Planning Policy (SPP) states that the planning system should “identify a generous supply of land for each housing market area within the plan area to support the achievement of the housing land requirement across all tenures, maintaining at least a 5 year supply of effective housing land at all times.”

2.10 The five year period for which the land supply is being assessed is 2015 to 2020. However, for West Lothian LDP area, the period is 2014 to 2019 as the 2015 housing land audit has not been finalised. By deducting completions that have occurred since 2009, the remaining housing land requirement(s) for the periods to 2019 and beyond to 2024 can be calculated. The outstanding housing land requirement for each LDP area is set out in table 2 below.

2.11 The 5 year requirement is calculated as the remaining requirement for 2015 to 2019 added to the one year average for the period 2019 to 2024. For West Lothian LDP area, the 5 year requirement is the remaining requirement for 2014 to 2019.

**Table 2. Housing land requirement for the next five years**

	Requirement	Completions	Remaining Requirement		5 Year Requirement
	09 - 19	09 - 15	15 -19	19 - 24	15 - 20
City of Edinburgh	22,300	9,268	13,032	7,210	14,474
East Lothian	6,250	2,038	4,212	3,800	4,972
Fife (SESPLAN)	17,140	4,405	12,735	7,430	14,221
Midlothian*	8,080	3,044	5,036	4,410	5,918
Scottish Borders	9,650	2,110	7,540	3,280	8,196
		<b>09 - 14</b>	<b>14 - 19</b>	<b>19 - 24</b>	<b>14 - 19</b>
West Lothian**	11,420	2,440	8,980	6,590	8,980
<b>SESplan</b>	<b>74,840</b>	<b>23,305</b>	<b>51,535</b>	<b>32,720</b>	<b>56,761***</b>

\* Draft HLA2015 data

\*\* HLA 2014 used for West Lothian

\*\*\* Total for SESplan is for the period 2015 to 2020 for all council areas apart from West Lothian which uses the period 2014 to 2019.

2.12 Paragraph 56 of the PAN advises that the contribution of any site to the effective land supply is that portion of the expected output which can be completed within the five year period.

2.13 Table 3 below compares the number of units programmed over the next 5 years to the 5 year requirement calculated in table 2.

**Table 3. Five year programme against requirement**

	<b>Requirement 2015 to 2020</b>	<b>Programmed 2015 to 2020</b>	<b>%</b>
City of Edinburgh	14,474	9,753	67%
East Lothian	4,972	3,307	67%
Fife (SESPLAN)	14,221	6,821	48%
Midlothian*	5,918	5,205	88%
Scottish Borders	8,196	3,042	37%
West Lothian**	8,980	4,637	52%
<b>SESplan ***</b>	<b>56,761</b>	<b>32,765</b>	<b>58%</b>

\* Draft HLA2015 data / \*\* HLA2014 data

\*\*\* Total for SESplan is for the period 2015 to 2020 for all council areas apart from West Lothian which uses the period 2014 to 2019.

2.14 The table shows that the programmed output for the next five years is insufficient to meet the five year requirement for SESplan as a whole and for each of the individual LDP areas. Following the credit crunch in 2007 and subsequent recession, completion rates across the whole country reduced significantly. This has led to the housing land requirement for the remainder of the first period of the SDP being pushed up to unachievable levels. To meet the requirement over the next 5 years, completions across the region would need to be an average of over 11,300 units per year – almost three times the average achieved over the last 6 years and almost double the highest rates ever achieved.

2.15 A report to SESplan joint committee on 18 May 2015 recognised the difficulties in basing the assessment of the effective land supply on only the five year programme from the housing land audit. It stated:

*“Whilst undertaking the calculation on this basis in times of economic stability is entirely sensible, in times of recession, the calculation is not sufficiently robust to reflect lower levels of demand or that there will be a higher level of constrained land on the basis of financial or marketability criteria only. It also does not reflect that infrastructure delivery may not have moved forward as quickly as anticipated. In turn, this means that despite there being a sufficient supply of land in any given area which, in a strict application of ownership, physical or other such planning criteria, is effective and able to be developed, additional land has to be brought forward to meet the artificial shortfall created by an increase in land classed as constrained on a demand or financial / market basis. Bringing forward additional land when there is already a more than adequate supply of land risks undermining the overarching strategy of the SDP. It may also lead to uncertainty compromising the delivery of necessary infrastructure.”*

2.16 Appendix 2, section B of the Scottish Borders adopted Local Development Plan is concerned with monitoring the effective land supply. It states that likely actual demand is illustrated by the performance of the development industry over the previous 5 year period. This is measured by actual completions and is the most appropriate measure of market performance. Therefore, there is a clear distinction between providing land to meet the theoretical requirement and ensuring the presence of a five year effective supply to meet prospective market demand.

2.17 Table 4 below compares completions over the last 5 years to programmed output over the next 5 years for SESplan and each of its LDP areas.

**Table 4. Five year effective supply and past completions**

	Completions 2010 - 2015	Programmed 2015 - 2020	Programme as % of Historic Completion rate
City of Edinburgh	7,458	9,753	131
East Lothian	1,845	3,307	179
Fife (SESPLAN)	3,488	6,821	196
Midlothian	2,627	5,205	198
Scottish Borders	1,623	3,042	187
West Lothian *	2,440	4,637	190
SESPLAN **	19,481	32,765	168

\* Periods for West Lothian are 2009 to 2014 and 2014 to 2019

\*\* Totals for SESPlan combine the periods used for West Lothian and the other LDP areas

2.18 Comparing programmed output over the next 5 years to actual completions over the last 5 years shows that under this measure of land supply, there is sufficient effective land in all of the SESplan LDP areas to meet prospective market demand.

2.19 Scottish Government recently published **draft planning delivery advice on housing and infrastructure**. This advice, once finalised, will replace PAN 2/2010 in terms of assessing the effective land supply. The advice, whilst still under consultation “may be a material consideration in the determination of planning applications and appeals.”

2.20 The draft advice has removed marketability as a necessary criterion in assessing housing land as effective, and the five year effective land supply is no longer defined in terms of the programme of expected future completions. The effective land supply is defined as ‘the part of the established housing land supply which is free of development constraints in the period under consideration and will therefore be available for the construction of housing’.

2.21 Table 5 below compares the total capacity of effective land across the SDP area to the five year requirement calculated in table 2.

**Table 5. Effective capacity against requirement**

	<b>Requirement</b>	<b>Effective Capacity</b>	<b>%</b>
City of Edinburgh	14,474	21,183	146%
East Lothian	4,972	6,413	129%
Fife (SESPLAN)	14,221	26,491	186%
Midlothian*	5,918	9,883	167%
Scottish Borders	8,196	6,177	75%
West Lothian**	8,980	12,621	141%
<b>SESplan</b>	<b>56,761</b>	<b>82,768</b>	<b>146%</b>

\* Draft HLA2015 data

\*\* HLA 2014 used for West Lothian

2.22 Table 5 demonstrates that there is more than enough effective land across the SESplan area to meet the 5 year requirement. This is true for SESplan as a whole and each individual LDP area with the exception of Scottish Borders.

### 3. Analysis of Housing Completions

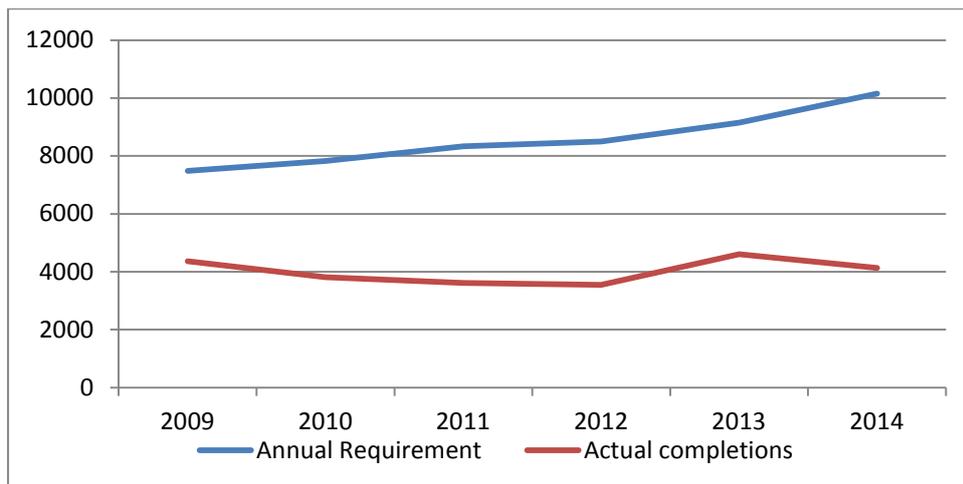
3.1 Table 6 details total housing completions that have taken place in SESplan since the base date of the plan (2009). The table shows that for every year, the number of units completed has been below the level needed for the housing land requirement to be met. This is the case for SESplan as whole and for each LDP area individually. The housing land requirement for the SDP area for the period 2009 to 2019 is 74,840 – an annual average of 7,484. To date, 24,068 houses have been completed – an annual average of 4,011. This is only just above half the rate of completion needed. In order to meet the housing requirement over the period 2009 and 2019, a completion rate higher than has ever been achieved across the SESplan area (6,598 in 2007/08) would have needed to have been maintained.

**Table 6: Housing Completions**

	City of Edinburgh	East Lothian	Fife (SESPLAN)	Midlothian	Scottish Borders	West Lothian	SESPLAN
Requirement 2009 to 2019	22,300	6,250	17,140	8,080	9,650	11,420	74,840
Annual Average	2,230	625	1,714	808	965	1,142	7,484
<b>Actual Completions</b>							
2009 / 2010	1,810	193	917	417	487	543	4,367
2010 / 2011	1,039	481	816	459	490	530	3,815
2011 / 2012	1,624	433	641	418	266	229	3,611
2012 / 2013	1,191	214	754	558	306	523	3,546
2013 / 2014	2,079	383	635	603	288	615	4,603
2014 / 2015	1,525	334	642	589	273	763	4,126
Average	1,545	340	734	507	352	534	4,011

3.2 Consistently building below the average requirement has had the effect of significantly increasing the average requirement for the remainder of the plan period – to a level that is now unachievable. This is illustrated in graph 2 below which shows the increasing annual average of housing land requirement against the number of completions that actually took place.

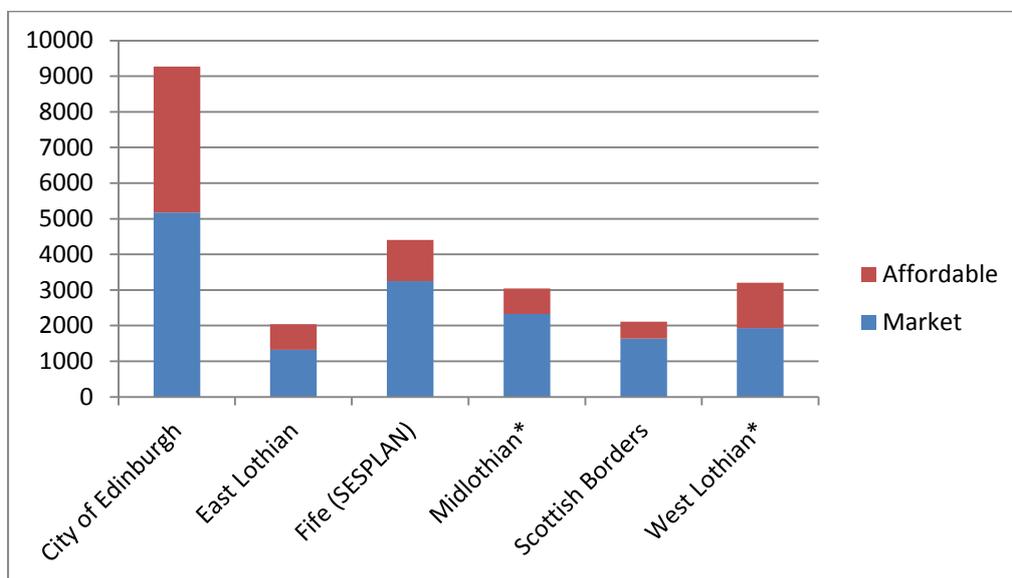
**Graph 2: Completions against the remaining land requirement (annual average)**



**Completions by tenure**

3.3 Graph 3 shows completions by tenure for each of the SESplan LDP areas. Of the 24,068 completions that have taken place in the SESplan area since 2009, 15,650 have been market completions and 8,418 have been affordable tenures. The affordable completions represent 35% of the total.

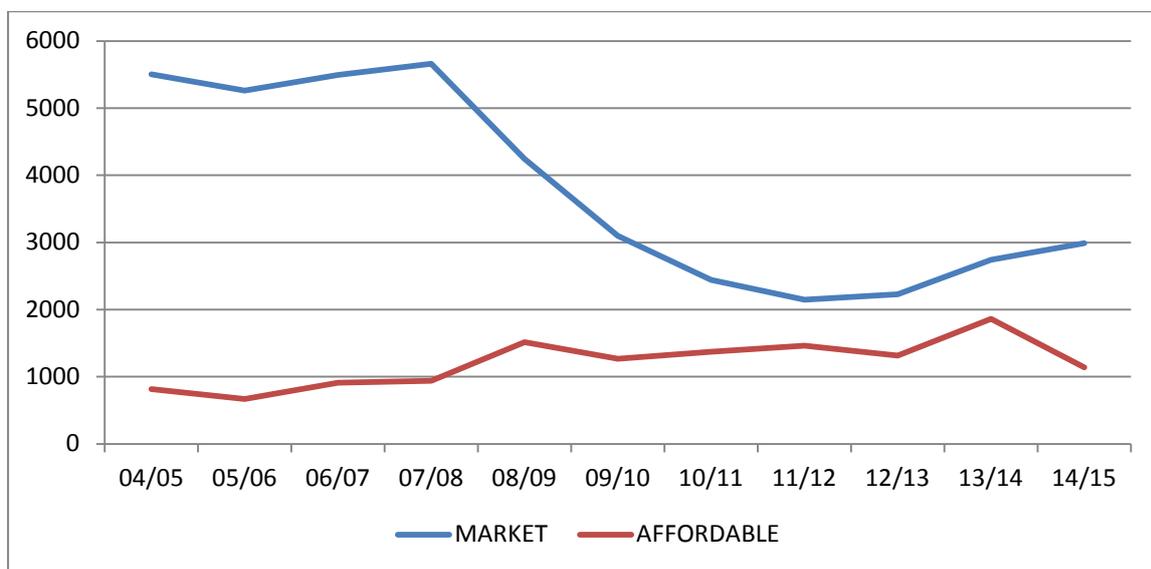
**Graph 3: Housing completions by tenure**



3.4 The graph shows that affordable housing accounts for greater share of the total in Edinburgh than for any other LDP area where 44% of all completions have been affordable tenures since 2009. West Lothian has the second highest share of affordable completions (40%) followed by East Lothian (35%), Fife (26%), Midlothian (24%) and Scottish Borders (22%).

3.5 The credit crunch and recession had a much greater effect on market completions than on affordable housing completions. The reduction of readily available credit for house purchasers increased demand for affordable housing and affordable housing providers were able to take advantage of increased land availability with many private developers turning to affordable tenures on land and developments already underway. There has also been increased local authority affordable housing build programmes. Consequently, affordable completion levels actually increased in opposition to a sharp fall in market completions. Longer term completions by tenure are shown in graph 4 below.

**Graph 4: Longer term completions by tenure**



*Note: Data is not available on the breakdowns of development in each SESplan SDP1 Strategic Development Areas*

## 4. Review of significant appeal decisions

4.1 A review has been carried out of the most significant appeal decisions for the housing land supply in the SESplan area in the period from 1st January 2015 to the present day.

4.2 There were no relevant appeals found in the Scottish Borders area.

### Summary of findings:

4.3 Fife, Edinburgh, East Lothian, West Lothian and Midlothian were all found to have a shortfall in their 5 year effective housing land supply. Under Scottish Planning Policy the housing land supply policies in their adopted local plans were therefore considered to be out of date. As a consequence reporters are giving significant weight to the SPP presumption in favour of development that contributes to sustainable development. And SESplan Policy 7 becomes the key policy for housing land supply considerations - often outweighing conflicts with local plan policies.

4.4 It has been noted that while new LDPs will identify enough housing land to meet the SESplan requirements in full, a delivery shortfall may exist due to a lack of demand, lack of development finance and an lack of capacity in the market to deliver housing at such a high level.

#### *Scottish Planning Policy (2014)*

*125. Planning authorities, developers, service providers and other partners in housing provision should work together to ensure a continuing supply of effective land and to deliver housing, taking a flexible and realistic approach. Where a shortfall in the 5-year effective housing land supply emerges, development plan policies for the supply of housing land will not be considered up-to-date, and paragraphs 32-35 will be relevant.*

*33. Where relevant policies in a development plan are out-of-date or the plan does not contain policies relevant to the proposal, then the presumption in favour of development that contributes to sustainable development will be a significant material consideration. Decision-makers should also take into account any adverse impacts which would significantly and demonstrably outweigh the benefits when assessed against the wider policies in this SPP. The same principle should be applied where a development plan is more than five years old.*

4.5 There were differing approaches taken by reporters to the issue of prematurity. One reporter considered that granting permission for a small part of a site that may be allocated in the Local Development Plan was premature and undermined the plan-making process. Another reporter concluded that need to maintain an effective 5 year housing land supply outweighed the LDP process; however, this finding on the prematurity issue was not accepted by Scottish Ministers. Other reporters concluded that the proposals would contribute to the supply of housing land and would not undermine the strategy of the emerging plan or the plan making process based on SPP paragraph 34.

4.6 East Lothian has developed Interim Planning Guidance on Housing Land Supply, which sets criteria for when housing development on greenfield sites would be acceptable. This guidance includes additional criteria beyond those set out in SESplan policy 7. The weight given to this guidance by the reporters varied. One reporter concluded that the interim guidance is a useful material consideration insofar as it builds on the criteria set out in Policy 7 but carried little weight where new matters are introduced; whilst another felt that the guidance was a potentially relevant material consideration where there would be a departure from the development plan and tested the proposal against the criteria in the guidance.

4.7 In West Lothian the requirement to maintain an effective 5 year housing land supply was outweighed by severe constraints on high school provision in the Linlithgow area in one decision but another reporter did not believe that the current educational infrastructure constraints in West Lothian warrant an effective ban on all windfall housing developments.

Details of the appeals reviewed are set out below.

**Table 7: Summary of significant appeal decisions**

Details of Proposal	DPEA reference	Appeal Decision
<b>Woodend Business Centre, Cowdenbeath, Fife</b>		
Planning Permission In Principle For A Residential And Employment Related (Class 4, 5, 6) Development	PPA-250-2236	Appeal Dismissed 7 <sup>th</sup> April 2016
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>In broad terms, the appeal proposal is supported by SESplan aims and policies in relation to the redevelopment of brownfield land and increased housing land output in a priority SDA area.</p> <p>The proposal's failure to comply with local plan masterplan requirements and the residential amenity issues related to noise and land use separation outweigh the modest contribution it could make towards meeting SESplan brownfield redevelopment and housing land supply objectives.</p>		<p><b>Relationship to SESplan:</b></p> <p>The proposal would be supported by SESplan policies but other issues outweigh that consideration.</p>
<b>Spencerfield, Inverkeithing, Fife</b>		
Planning permission in principle for erection of residential development with associated access road and infrastructure	PPA-250-2232	Notice of Intention 2 <sup>nd</sup> December 2015
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>The reporter found that the requirement in SESplan Policy 6 for the council to maintain a five years' effective housing land supply at all times is not being met. SESplan Policy 7 therefore applies. This supports the granting of planning permission for greenfield housing development proposals, subject to satisfying each of the criteria listed in SESplan policy 7. Criterion (b) does not apply in this case, since the site is not within an existing or proposed green belt. Considers that criteria (a) and (c) can be satisfied. Policy 7 therefore supports the proposed development.</p> <p>Reporter considers that the proposal would be broadly compatible with FIFEplan's spatial strategy and that it meets the terms of FIFEplan Policy 2 where a shortfall in the 5-year effective housing land supply is shown to exist and the proposal meets the terms of the sequential test. Reporter concludes that, despite the appeal site being excluded from FIFEplan, it would generally accord with the plan's strategy and policies.</p>		<p><b>Relationship to SESplan:</b></p> <p>Proposal is supported by SESplan Policy 7 and is compatible with FIFEplan strategy and policies.</p>

Details of Proposal	DPEA reference	Appeal Decision
<b>Spencerfield, Inverkeithing, Fife (2<sup>nd</sup> application)</b>		
Erection of 39 dwellinghouses and associated infrastructure and landscaping	PPA-250-2233	Appeal Dismissed 2 <sup>nd</sup> December 2015
<p><b>Summary of reporters reasoning on land supply:</b> For the reasons outlined above (appeal ref PPA-250-2232) the reporter found that Policy 7 supports the proposed development.</p> <p>While the local plan is only 3 years old, it predates SESplan and does not take account of the housing requirements set out in SESplan and its supplementary guidance. I therefore consider that only limited weight can be given to it, and that SESplan should take precedence. I therefore conclude that the proposal would be in overall accord with the development plan as it stands today. The proposal would generally accord with the FIFEplan’s strategy and policies.</p> <p>SPP Where the relevant policies in the development plan are out of date, the presumption in favour of development that contributes to sustainable development will be a significant material consideration. Where a shortfall in the 5 year effective housing land supply emerges, then development plan policies for the supply of housing land will not be considered up-to-date. While the adopted local plan is only 3 years old, there is a substantial shortfall in the supply of housing land. An up-to-date proposed LDP exists, but does not fully address the shortfall. The proposal derives support from SPP.</p> <p>Concluded that while the proposed development accords overall with the relevant provisions of the development plan (SESplan outweighing the adopted local plan), refusing to grant planning permission is still justified by the proposal’s lack of provision of open space.</p>		<p><b>Relationship to SESplan:</b></p> <p>Proposal is supported by SESplan Policy 7 but other issues outweigh that consideration.</p> <p>Concludes that because the adopted Local Plan does not address the shortfall in the supply in housing land it is not considered to be up-to-date (based on SPP).The proposed LDP also does not fully address the shortfall.</p> <p>Proposal derives support from SPP</p>
<b>Land Northeast of Old Dalkeith Road, Edinburgh</b>		
Residential Development (173-368 houses)	PPA-230-2131	Appeal Allowed 3 <sup>rd</sup> July 2015
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>The Reporter determined that the council’s approach to calculating the 5 year housing land supply any the scale of any shortfall is not consistent with the intentions of SESplan Policy 5 which states that the requirement for each council area should be met for each of two periods, 2009 to 2019 and 2019 to 2024 and found that there would be a significant land supply deficit.</p> <p>The proposed ELDP cannot be relied upon to provide a 5 year effective housing land supply to be available at all times, as required by SPP (paragraph 123).</p> <p>Additional sites to be brought forward by the new plan will take some time before they become effective and deliver output. Given these conclusions, the development plan must be considered to be out of date in terms of SPP (paragraphs 33 and 125) and so the SPP policy presumption in favour of development that contributes to sustainable development is a significant material consideration.</p> <p>SESplan Policy 7 provisions apply in this case in light of the conclusions on the 5 year effective land supply shortfall. Therefore, concludes that the proposal is capable of satisfying criteria (a), (b), (c) and (d) of SESplan Policy 12 as it would not adversely impact on the identity, character or landscape setting of this part of Edinburgh and it would afford access to open space and the green network for recreation. There is further SESplan policy support for the development as it is located within South East Edinburgh SDA, an identified growth area as part of the plan’s Spatial Strategy (Policy 1A). SESplan Housing Land Supplementary Guidance (paragraph 3.19) provides further support by advising that where additional land is required it should first be sought within identified SDAs.</p>		<p><b>Relationship to SESplan:</b></p> <p>The proposal is supported by SESplan Policies 1A, 7 and 12.</p> <p>Concludes that the development plan must be considered to be out of date as a 5 year effective housing land supply is not adequately provided (based on SPP).</p>

Details of Proposal	DPEA reference	Appeal Decision
<b>Land West Of Maybury Road (A902), Edinburgh</b>		
Residential Development For Up To 670 Residential Units	PPA-230-2134	Appeal dismissed - Decision appealed to Court of Session
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>The proposal is supported in principle by SESplan, as the appeal site is situated within the West Edinburgh SDA.</p> <p>There is a demonstrated significant shortfall in the housing land supply, both over the next five years and in the longer term. There is no evidence to suggest that SESplan’s challenging housing targets could be met without the allocation of this site or some other (as yet unidentified) large site within the green belt. It is relevant to note that the appeal site is proposed to be allocated for residential development in the emerging LDP, although this issue should not be given significant weight, as there are objections to this allocation which have yet to be examined.</p> <p>A decision to grant planning permission would have a prejudicial effect on one aspect of the emerging LDP – namely the consideration of whether the appeal site should be allocated for housing development. Due to the size of the site and the importance of the houses it would deliver, this is a relatively significant and contentious aspect of the emerging LDP that should ordinarily have been considered at the LDP examination. However, any disadvantage to the LDP process is clearly outweighed by the pressing need to find significant reserves of effective housing land, which a decision to allow this appeal would significantly assist. Significant weight should be given to the requirement in SPP always to maintain a five year supply of effective housing land and to the appellants’ evidence, which was not refuted with any data of comparable quality, that there is a shortfall of such land in Edinburgh of significant proportions.</p> <p>I conclude that the proposal would satisfy the expectations of SPP for sustainable development, would make a valuable contribution to addressing the significant housing supply shortfall and represents an appropriate form of development for the site.</p>		<p><b>Relationship to SESplan:</b></p> <p>Development is supported by SESplan as site is within an SDA.</p> <p>There is a significant shortfall of housing land supply and the need to find effective housing land outweighs the LDP process.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land.</p> <p><b>However – Scottish Ministers did not accept the reporters findings on the issue of prematurity and dismissed the appeal.</b></p> <p><b>Appellant has appealed to the court of session.</b></p>
<b>Land West Of 10 Gilmerton Station Road, Edinburgh</b>		
Residentially-Led Mixed-Use Development	PPA-230-2137	Appeal Allowed
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>There is a substantial shortfall in the housing land supply and that the 5 year supply required by SESplan Policy 6 and by national policy is not being delivered.</p> <p>SESplan Policy 7 supports the granting of planning permission for greenfield housing development proposals to maintain a five years’ effective housing land supply, subject to three tests. These were considered in turn and the reporter concluded that the proposed development would comply. The reporter therefore considered that granting planning permission in principle would be in accordance with Policy 7 and with the SDP as a whole.</p> <p>The proposal does not conform to certain aspects of the adopted local plan. However, the local plan is now more than 5 years old and in terms of SPP, given that there is a shortfall in the five year effective housing land supply, the local plan policies for the supply of housing land cannot be considered up-to-date. More weight was attached to SESplan because it is the more recently approved plan and because, unlike the local plan, it provides a policy framework for dealing with a shortfall in the five year housing land supply. I therefore conclude, on balance, that the proposal is in accordance with the relevant provisions of the development plan.</p>		<p><b>Relationship to SESplan:</b></p> <p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply.</p> <p>Local plan policies are not up-to-date for the site (they are over 5 years old).</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land.</p>

Details of Proposal	DPEA reference	Appeal Decision
<p>In terms of SPP, given the shortfall in the 5 year effective housing land supply, development plan policies for the supply of housing land cannot be considered up-to-date. The presumption in favour of development that contributes to sustainable development is therefore a significant material consideration and supports the appeal proposals.</p>		
<p>Land East Of Frogston Road, West, Edinburgh</p>		
<p>Proposed Development Of 18 Houses</p>	<p>PPA-230-2150</p>	<p>Appeal Dismissed 9<sup>th</sup> November 2015</p>
<p><b>Summary of reporters reasoning on land supply:</b></p>		<p><b>Relationship to SESplan:</b></p>
<p>The council has conceded that there is a shortfall in the 5 year effective housing land supply. Policy 7 of SESplan allows for green field housing development proposals to be granted planning permission either within or outwith the identified Strategic Development Areas in order to maintain a 5 year effective housing land supply, subject to satisfying 3 criteria. The reporter found that the proposed development would not be consistent with criterion a or b. Although any additional infrastructure required could be funded by the developer (consistent with criterion c), the appeal proposal would, therefore, be contrary to policy 7.</p> <p>Paragraph 125 of Scottish Planning Policy 2014 (SPP) states that where a shortfall in the 5 year effective housing land supply emerges, the relevant development plan policies for the supply of housing land will not be considered up-to-date. Where relevant policies in the development plan are out-of-date then the presumption in favour of development that contributes to sustainable development will be a significant material consideration. Paragraph 33 says that decision-makers should also take into account any adverse impacts which would significantly and demonstrably outweigh the benefits when assessed against the wider policies in the SPP.</p> <p>The reporter did not consider that the provision of an additional 18 houses would make a significant enough contribution to the shortfall in 5 year effective housing land supply to outweigh the resultant adverse impacts on the category A listed building, its setting, the conservation area and the green belt</p>		<p>The proposal was found not to comply with SESplan Policy 7.</p> <p>Reporter concluded that the provision of 18 houses did not make a significant enough contribution on the shortfall to outweigh the adverse impacts of the proposal.</p>
<p>Land to the south of West Craigs Cottage, 85 Craigs Road, Edinburgh</p>		
<p>Residential Development</p>	<p>PPA-230-2153</p>	<p>Appeal dismissed 4<sup>th</sup> December 2015 Decision appealed to Court of Session</p>
<p>There is no dispute that there is a substantial shortfall in the effective housing land supply, albeit the council considers that the response to this shortfall should be remedied through the sites allocated in the proposed local development plan. The reporter concluded that if the appeal site were effective and could contribute to the land supply; this would be a strong argument in favour of the proposed development.</p> <p>There is conflict with local plan policies but the proposal is supported by SESplan policy 7, which is a more up to date component of the development plan. The reporter concluded overall that the appeal proposal complies with the development plan.</p> <p>Scottish Planning Policy presumption in favour of development that contributes to sustainable development is an important material consideration as the adopted local plan is over 5 years old and there is a substantial shortfall in the effective housing land supply. Less weight is given to the local plan policies for the supply of housing land.</p> <p>However, in relation to prematurity, SPP states that where a plan is under review it may be appropriate to consider whether granting planning permission would prejudice the emerging</p>		<p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply.</p> <p>Local plan policies are not up-to-date for the site (they are over 5 years old).</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land. Site refused on the grounds</p>

Details of Proposal	DPEA reference	Appeal Decision
<p>plan. The reporter concluded that in this case granting planning permission in principle for a small part of one of the sites which may be allocated in the plan would be premature and undermine the planning process.</p>		<p>of prematurity.</p>
<p>West Of 6 Ravelrig Road, Balerno</p>		
<p>Planning Permission In Principle For Proposed Residential Development</p>	<p>PPA-230-2140</p>	<p>Appeal Allowed 18<sup>th</sup> December 2015</p>
<p>The council did not contest that there is a shortfall in the effective land supply. The proposed development was therefore assessed against policy 7. Reporter concluded that development would be in keeping with character of settlement and would not undermine greenbelt objectives and would comply with policy 7.</p> <p>Given the accepted shortfall in the 5 year effective housing land supply SPP is a significant material consideration, which lends support to the proposed development. Prematurity will be more relevant as a consideration the closer the plan is to adoption or approval. The proposed housing site has not been included in the proposed local development plan, and the site remains designated as green belt. The local development plan is unlikely to be adopted until sometime in 2016. The housing sites in the proposed local development plan do not therefore at this stage sufficiently compensate for the shortfall in the housing land supply identified above, or meet the requirement of Scottish Planning Policy to maintain a 5 year effective housing land supply. The reporter therefore finds that the proposed development would not undermine the plan-making process in the context of the significant shortfall in the housing land supply.</p> <p>The reporter concludes that the conflict with the local plan policies is outweighed by the policy support from the strategic development plan.</p>		<p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land.</p> <p>Concludes that policy support from the SDP outweighs conflict with Local plan policies.</p>
<p>164 Woodhall Road, Edinburgh</p>		
<p>New Build Residential Apartments/Houses</p>	<p>PPA-230-2165</p>	<p>Appeal Dismissed 1<sup>st</sup> April 2016</p>
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>There is an understanding that there is a substantial shortfall in the 5 year housing land supply the relevant development plan policies for the supply of housing land are not considered to be up-to-date. SPP presumption in favour of development that contributes to sustainable development will therefore be a significant material consideration.</p> <p>Appeal dismissed on grounds that development would be contrary to the development plan and would not represent a development that contributes to sustainable development that would enable it to attract substantial support from SPP.</p>		<p><b>Relationship to SESplan:</b></p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land. But development not found to represent a contribution to sustainable development.</p> <p>SESplan Policy 7 not referred to.</p>
<p>Land At Tynemount Road, Ormiston, Tranent, East Lothian</p>		
<p>Erection Of 59 Houses</p>	<p>PPA-210-2050</p>	<p>Appeal Allowed 28<sup>th</sup> April 2016</p>
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>Most of the site lies in the countryside as defined in the adopted local plan. As such, the proposal is contrary to local plan policy DC1 (Development in the Countryside and Undeveloped Coast).</p>		<p><b>Relationship to SESplan:</b></p> <p>SESplan Policy 7 applies as there is a significant shortfall in the effective</p>

Details of Proposal	DPEA reference	Appeal Decision
<p>SESplan policy 7 provides for the principle of granting planning permission for housing development on greenfield land in appropriate circumstances in order to maintain a five year effective housing land supply. The council acknowledges that it has a shortfall in its effective housing land supply. Allowing this appeal would increase the effective housing land supply in the area.</p> <p>The support in principle provided by SESplan policy 7 is subject to three criteria - the reporter concluded that the proposal satisfies these criteria, and that policy 7 lends support to the granting of planning permission in this case.</p> <p>The reporter concluded that if the appeal was determined in accordance with policy DC1 they planning permission would have to be refused, which would restrict the supply of housing land. However, in so far as it bears on this determining issue, the reporter concluded that policy DC1 is not up to date, and as a consequence the weight attached to it is reduced. Therefore the support given by SESplan policy 7 overrides the lack of support from local plan policy DC1.</p> <p>The reporter also found that the SPP presumption in favour of development that contributes to sustainable development was a significant material consideration.</p> <p>The council is in the process of producing the East Lothian Local Development Plan. In October 2014 the main issues report identified the appeal site, together with the proposed affordable housing site to the west, as a preferred new housing opportunity – PREF-T11 Tynemount West (Ormiston).</p> <p>The principle of residential development on the appeal site is supported by the approved strategic development plan, by SPP and by the emerging local development plan. The reporter concluded that the proposal could make an early contribution to the delivery of housing in this area.</p>		<p>housing land supply. This outweighs the lack of support from the Local Plan.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land.</p> <p>Emerging LDP identified the site as appropriate for housing.</p>
<p>Land At Lempockwells Road, Pencaitland, Tranent, East Lothian</p>		
<p>Planning Permission In Principle For Residential Development</p>	<p>PPA-210-2049</p>	<p>Appeal Allowed 16<sup>th</sup> Sep 2015</p>
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>The council has accepted that there is a shortfall in the 5 year supply of effective housing land.</p> <p>The proposal is contrary to the local plan policy to safeguard the countryside and prime agricultural land from unnecessary development. However SESplan, which has been approved since the adoption of the local plan, contains provisions to address recognised shortfalls in the supply of effective housing land. The council has adopted Interim Planning Guidance on Housing Land Supply to address this matter. Both support development on greenfield sites where various criteria would be met.</p> <p>The reporter concluded that the breach of local plan policy DC1 (Development in the Countryside) is justified by the requirements of SPP and SESplan policy 7, and further supported by compliance with the criteria set out in the council’s interim guidance on augmenting the effective housing land supply.</p> <p>The reporter was satisfied that the interim guidance provides potentially relevant criteria for the selection of additional housing sites where additions to the effective supply are required, and that these criteria are well met by the proposal at appeal.</p>		<p><b>Relationship to SESplan:</b></p> <p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply.</p> <p>Council has developed Interim Planning Guidance on Housing Land Supply.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land.</p>

Details of Proposal	DPEA reference	Appeal Decision
Ferrygate Farm, Dirleton Road, North Berwick, East Lothian		
Residential Development	PPA-210-2047	Appeal Allowed 13 <sup>th</sup> Nov 2015
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>Residential development of the appeal site is contrary to local plan Policy DC1 (Development in the Countryside and Undeveloped Coast). However, the terms of SESplan Policies 5, 6 and 7, the subsequently approved supplementary guidance and the guidance contained in Scottish Planning Policy render Policy DC1 out-of-date insofar as housing land provision is concerned. I have therefore regarded Policy DC1 as being of very limited weight in terms of providing land to meet the strategic housing requirement.</p> <p>In the context of the acknowledged shortfall in the five year effective housing land supply, and the presumption in favour of sustainable development, the provisions of Scottish Planning Policy must be afforded very considerable weight.</p> <p>The council believes that the interim planning guidance on Housing Land Supply to be a material consideration. Indeed, both reasons for refusing planning permission in principle relate to the interim planning guidance. Reporter concludes that the interim guidance is a useful material consideration insofar as it builds on the criteria set out in Policy 7 but carries little weight where new matters are introduced.</p>		<p><b>Relationship to SESplan:</b></p> <p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply.</p> <p>Council has developed Interim Planning Guidance on Housing Land Supply, but this given limited weight.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land.</p>
Land At Blackness Road, Linlithgow, West Lothian		
Erection Of 49 Houses	PPA-400-2058	Appeal Dismissed 25 <sup>th</sup> January 2016
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>The site is within a Strategic Development Area (SDA) identified by SESplan. Reporter concludes that the SDP requirement in Policy 6 to maintain a five years' effective housing land supply at all times is not being met in West Lothian. The council does not dispute the shortfall, and seeks to address it through the Proposed West Lothian Local Development Plan (LDP). SESplan Policy 7 therefore applies in the meantime.</p> <p>Proposal complies with criterion a of policy 7; criterion b does not apply; and the proposal does not comply with criterion c based on the severe constraint on secondary school capacity in the area. Therefore an additional release of land in Linlithgow on the scale of the appeal proposal, to contribute to the effective housing land supply requirement (from SESplan policy 6), cannot be supported at the present time.</p> <p>SPP presumption in favour of development that contributes to sustainable development carries significant weight as the adopted local plan is more than 5 years old and there is a shortfall in the 5 year supply of effective housing land. However, the appeal site cannot be considered effective at the present time, as there is no immediate solution to the problem of education capacity. It would not therefore contribute to the housing land supply in the short term and would not, in view of those constraints, make a contribution to sustainable development.</p>		<p><b>Relationship to SESplan:</b></p> <p>Site is within west Lothian SDA area identified in Policy 1A.</p> <p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply. But, the proposal was found not to comply with SESplan Policy 7.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land.</p> <p>Infrastructure constraint relating to local high school provision outweighs housing land supply consideration.</p>

Details of Proposal	DPEA reference	Appeal Decision
Brotherton Farm, Bellsquarry, Livingston, West Lothian		
Residential Development	PPA-400-2057	Notice of Intention (Appeal Allowed – Hold Expired) 25 <sup>th</sup> March 2015
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>The appeal site is within the West Lothian SDA. Whilst it is clearly not the case that all sites within the SDA are suitable for development, the location of this site is such that its development would not be in conflict with SESplan’s spatial strategy and policy 1A.</p> <p>Reporter concluded that there is currently a significant shortfall in the five-year supply in West Lothian, therefore SESplan policy 7 applies. The proposed development complies with SESplan, which contains the most up-to-date policies with regards to the housing land supply position. Although the proposal would be contrary to the policies in the local plan in relation to the supply and location of housing land the reporter considered that they are out of date, and should carry little weight in the determination of this appeal. Insofar as the other local policies remain relevant, the proposal would not conflict with them. Overall, therefore the conclusion was that it accords with the development plan.</p> <p>SPP presumption in favour of development that contributes to sustainable development will be a significant material consideration. These all provide support for the current proposal. Reporter concluded that the development of the appeal site would contribute to meeting the current shortfall. It is not of such a scale that it would have any significant impact on the spatial strategy of the WLLDP. Concluded that, taking into account the advice in paragraph 34 of Scottish Planning Policy, it would not be premature to grant permission for the proposed development at this time.</p> <p>Reporter did not believe that the current educational infrastructure constraints warrant an effective ban on all windfall housing developments, of which this would be one if permission is granted. Indeed, the council’s SPG on denominational secondary education infrastructure assumes that potential windfall sites will make a contribution towards secondary school provision.</p>		<p><b>Relationship to SESplan:</b></p> <p>Site is within west Lothian SDA area identified in Policy 1A.</p> <p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply. This outweighs the lack of support from the Local Plan.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land. Under advice in para 34 considers the proposal is not premature to grant permission at this time.</p>
Land To North And South Of Lasswade Road , Dalkeith, Midlothian		
Planning Permission In Principle For Residential Development	PPA-290-2030	Notice of Intention (Appeal Allowed – Hold Expired) 15th December 2015
<p><b>Summary of reporters reasoning on land supply:</b></p> <p>SESplan Policy 6 requires the council to maintain a five years’ effective housing land supply at all times. Planning Advice Note 2/2010, paragraph 45, states that housing land audits are the established means for monitoring housing land. Having regard to the most recent audit, the reporter found that at the present time this requirement is not being met in Midlothian. SESplan Policy 7 therefore applies. Reporter considered that the proposal meets the requirements of SESplan Policy 7 and is consistent with the strategic development plan.</p> <p>While the proposal would not conform with the adopted local plan, this plan is over seven years old, was prepared in the strategic context of the superseded structure plan, and cannot be considered up to date. I have found that the proposal would be consistent with SESplan, and take the view that the latter should outweigh the local plan. The proposal would therefore accord overall with the relevant provisions of the development plan. SPP sets out that where the relevant policies in the development plan are out of date, the presumption in favour of development that contributes to sustainable development will be a significant material consideration. The adopted local plan is over 7 years old, and there is a</p>		<p><b>Relationship to SESplan:</b></p> <p>SESplan Policy 7 applies as there is a significant shortfall in the effective housing land supply.</p> <p>Significant weight given to the SPP requirement to maintain an effective 5 year supply of effective housing land. Under advice in para 34 considers the proposal is not premature to grant permission at this time.</p>

Details of Proposal	DPEA reference	Appeal Decision
<p>substantial shortfall in the supply of housing land. The proposal would be broadly consistent with the principles of sustainable development. It therefore derives support from SPP.</p> <p>In terms of SPP, the reporter did not therefore consider the granting of planning permission in principle in this case to be premature as it would be a useful addition to supply, but not one that would undermine the plan's strategy (with which it is consistent) or preclude other housing sites. Nor would it undermine the plan-making process by predetermining decisions about the scale, location or phasing of new developments that are central to the emerging plan.</p>		

## 5. Summary and Conclusions

- Completions need to be programmed at almost triple the current rate to meet the next 5 year requirement (para 2.14).
- Scottish Government have published draft planning delivery advice that removes marketability as a necessary criterion in a site being classed as effective and bases the effective land supply on capacity of unconstrained land rather than programmed output (para 2.19-2.20).
- There is more than sufficient land with planning support for housing across the SESplan area that is free of constraints to meet the five year housing land requirement in full (para 2.22).
- Through the appeal process, all SESplan Local Authorities were found to have shortfalls in their 5 year effective housing land supply. Under Scottish Planning Policy paragraph 125 this renders the land supply policies in their local plans out of date. (There was no appeal information for Scottish Borders re any potential shortfall in the area) (para 4.3).
- Although intended as a policy to be used in exceptional circumstances when a shortfall did occur, the levels of the SESplan requirement have meant that policy 7 has become the defacto policy used in many housing related applications and appeals, often being used to override other policies in the Local Plans and LDPs (para 4.3).
- Reporters are giving significant weight to the Scottish Planning Policy presumption in favour of development that contributes to sustainable development (para 4.3).
- There is not a consistent approach from reporters on the issue of prematurity (para 4.5).