Edinburgh and the Lothians Structure Plan 2015

First Biennial Monitoring Report 2005

City of Edinburgh Council

East Lothian Council

Midlothian Council

West Lothian Council

May 2006

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LIST OF ABBREVIATIONS USED IN MONITOR REPORT

AGLV	Area of Great Landscape Value
AHM	Annual Housing Monitor
BMR	Baseline Monitoring Report
CDA	Core Development Areas
CEC	City of Edinburgh Council
ELC	East Lothian Council
ELLP	Finalised East Lothian Local Plan
ELSP	Edinburgh and the Lothians Structure Plan
FETA	Forth Estuary Transport Authority
HLA	Housing Land Audit
HNA	Housing Needs Assessment
LHNA	Lothian Housing Needs Assessment
LNR	Local Nature Reserve
MC	Midlothian Council
NPPG	National Planning Guidelines
PAN	Planning Advice Note
PDS	Preferred Development Strategy
PLI	Public Local Inquiry
PPP	Public Private Partnership
RIGS	Regionally Important Geological and Geomorphological Sites
RSPB	Royal Society for the Protection of Birds
SAC	Special Area of Conservation
SEA	Strategic Environmental Assessment
SAM	Scheduled Ancient Monument
SE	Scottish Executive
SESTRAN	South East Scotland Transport Partnership
SPA	Special Protection Area
SPP	Scottish Planning Policy
SS	Supporting Statement
SSSI	Site of Special Scientific Interest
STAG	Scottish Transport Appraisal Guidance
SWT	Scottish Wildlife Trust
TELMoS	Transport Economic Land Use Model of Scotland
TmS	Transport Model for Scotland
WLC	West Lothian Council
WLLP	Finalised West Lothian Local Plan

1. INTRODUCTION

1.1 The Edinburgh and the Lothians Structure Plan 2015 (ELSP) was approved by Scottish Ministers in June 2004. The government's White Paper entitled 'Modernising the Planning System', reinforces the primacy of development plans. In recognising the importance of ensuring that the ELSP remains up-to-date and relevant, the four Lothian Councils made a commitment to publish a biennial Monitoring Statement on the progress of the plan (para. 8.13).

1.2 The main challenge for the ELSP 2015 was the allocation and distribution of housing land and the Councils' further commitment to monitoring the supply of housing on an annual basis to assess its adequacy to meet the plan requirement (para. 3.26). The first Annual Housing Monitor (AHM) is to be published 18 months after ELSP approval. This first full Monitoring Report also incorporates the first AHM.

1.3 A related aspect of development plan monitoring derives from Government advice in SPP1 'The Planning System' which requires that the action plan supporting a development plan should be updated every two years. The ELSP commitment is to review the Action Plan in parallel with the monitoring exercise (para. 8.8). Actions in this early ELSP approval phase have focused on advancing the key local plans across the Lothians towards ELSP compliance and adoption. The second formal Action Plan (AP2) updates progress in this process together with strategic infrastructure commitments.

1.4 The Supporting Statement (SS) and the Baseline Monitoring Report (BMR) which was prepared to update the SS at the time of ELSP approval form the basis of the plan monitoring process. This first full biennial Monitoring Report plays a dual role of

- reviewing the progress and effectiveness of the current policies then
- identifying recent demographic and development trends / policy areas which need to be addressed through the structure plan review towards an Alteration of ELSP 2015.

1.5 The format follows the established topic-based structure of the SS, BMR and the ELSP 2015 itself. It includes an assessment of progress on the environmental agenda which was omitted from the SS on the basis that national planning policy guidance on environmental issues provided a clear context for policy formulation. Sustainability issues are also addressed as playing a fundamental underlying approach to current development planning. A review of relevant national planning policy in each topic area is followed by an assessment of local plan progress in rolling forward structure plan policies into specific land allocations and policies to guide the development control process. Monitoring indicators are evaluated to assess the effectiveness and continued relevance of the structure plan strategy.

1.6 Key findings of the monitoring work are brought together in a summary chapter following this introduction. Issues which need to be addressed in the Structure Plan Review are highlighted in red. The main body of the report presents the latest strategic demographic and economic projections; updates development patterns and trends; assesses progress towards achieving the structure plan strategy and identifies outstanding and recently arising development planning issues.

2. SUMMARY OF MAIN FINDINGS

Points which require to be addressed in the SPR are italicised and highlighted in red.

Progress in Local Plan Compliance with ELSP 2015

1. Since the ELSP 2015 was prepared, a requirement for Strategic Environmental Assessment has been introduced to the development planning process. This has caused delay in the preparation of compliant local plans in Edinburgh and Midlothian.

Population and Household Projections

2. Projected population growth in the ELSP area between 2000-15 accounts for 95% of total Scottish growth, mostly in Edinburgh and West Lothian *(para 4.4)*

3. The latest population projections for Edinburgh and the Lothians show *a faster rate of growth over the structure plan period than previously expected (8% cf 6%)* (para. 4.3)

4. The *ageing profile of the population structure is accelerating*, with projected growth concentrated in the 45+ year age groups, notably faster in the retirement age groups than indicated in earlier projections. In the school-age groups, numbers are projected to decline. (Table 4.2; para.4.6)

5. The latest household projections for Edinburgh and the Lothians are *10,000 additional households lower than earlier projections suggested* over the structure plan period (Table 4.3; para 4.8)

Housing

1. *PAN74: Affordable Housing (2005) requires structure plans to indicate the scale and general location of any shortage of affordable housing. The SPR will require to address this issue* (para. 5.3*)*
2. Since the base date of ELSP 2015, there has been an average build rate in Edinburgh and the Lothians of 4,300 houses per annum (Table 5.3). Although this is below the target of 5,000 houses per annum, it was always expected that the build rate would be low during the early part of the plan period (para.5.16*)*
3. To take account of the shortfall, the average five year land supply target must be recalculated for each council area. The five year supply target for the structure plan area as a whole has now been revised from 25,100 to 26,600 (Table 5.6; para. 5.23*)*
4. The five year effective housing land supply for the structure plan area is above the re-calculated target. Midlothian is the only council area with a shortfall in effective land, but even though this shortfall is over 10%, *there is no requirement under HOU 10 to take action as the land supply for the ELSP2015 area as a whole is adequate* (Table 5.7; paras. 5.23 to 5.25*)*
5. 73% of the housing land in the base supply which was programmed for 2001 to 2005, has been developed (Table 5.8)
6. Completions to date on windfall sites have been above the assumed 1,000 dwellings per year. Due to the lead in time associated with new housing development, it was anticipated that the number of completions on windfall sites would be lower than the assumed average for the first few years of the plan. Over time, the average could reduce (Table 5.10; para. 5.35)
7. *The number of units approved on windfall sites since 2001 averages over 2,500 per year. This would suggest that the assumption of 1,000 units per annum of windfall development may have been a significant under-estimation.* The approvals out-with Edinburgh are already considerably above the total expected for the whole plan period (Table 5.12; paras. 5.38 to 5.39)
8. 13% of completions since 2001 have been affordable houses. This equates to around 550 dwellings per year but will increase as the affordable housing policies across the four Councils take effect. The effective land supply includes land for a similar number of affordable completions over the next 5 years (Table 5.18)

Economic Development

1. The Edinburgh & Lothians Structure Plan 2015 (ELSP) economic development policies comply with current Scottish Executive (SE) planning policy and guidance. However, the National Planning Framework for Scotland (2004) emphasises the importance of city-region scale planning to assure future economic competitiveness in a European and global context (paras. 6.6 to 6.12*)*

2. Economic success factors illustrate continued growth and highlight the importance of the Edinburgh and Lothians economy to Scotland and the UK. However, signs of local over-heating have become more evident including rapidly rising house and land prices, labour/skill shortages and traffic congestion. *The key challenge for Edinburgh is sustainable management of economic growth* (paras. 6.24 to 6.25*)*

3. Labour Market: analysis of the Lothians labour market reveals that *the existing mismatch of labour supply / demand in Edinburgh is set to grow significantly over the remaining ELSP period.* Potential options to address this include increasing the economically active element of the Lothians-resident workforce, reducing levels of out-commuting, higher levels of longer-distance in-commuting to Edinburgh and measures to attract greater in-migration of labour (paras. 6.27 to 6.45*)*

4. Employment Land Supply: readily available employment land is an essential element of economic competitiveness. The quantity of 'readily available' category land in the Lothians has fallen over the last three years, with 95% being located in Edinburgh and West Lothian. *Around half of all employment land requires servicing to become 'readily available' with a further quarter in the lowest category of long-term potential but with significant outstanding barriers to development* (paras. 6.46 to 6.52*)*

5. Strategic Business Centres: The spatial pattern of recent major office development in Edinburgh largely reflects the ELSP-supported strategic business locations (paras. 6.53 to 6.70*)*

6. Office Floorspace Capacity: There is sufficient new-build office space in the Edinburgh development pipeline to accommodate current rates of demand for the remaining ELSP period. The adequacy / spatial distribution of pipeline supply suggest that the ELSP *strategy of directing new development to strategic business centres does not need review* (paras. 6.78 to 6.84*)*

Retailing and Town Centres

1. The ELSP 2015 is fully compliant with recently published draft guidance from the Scottish Executive on 'Town Centres' (SPP8, August 2005) (paras. 7.2 to 7.7*)*
2. Recent appeal decisions and retail trends give no cause to change the underlying strategy (paras. 7.8 to 7.12*)*
3. Recent retail developments have helped to deliver one of the key retail objectives - providing for the needs of Lothian shoppers. The need to travel outside the Lothians for some types of shopping is now much reduced from the high levels in the late 1990s, with less than 3% of non-food spending now 'leaking' beyond the boundary of the ELSP area. (paras. 7.18 to 7.21*)*
4. *Edinburgh City Centre in particular is in need of a substantial upgrade to its retail provision to assure its long-term vitality and role as the regional shopping centre.* There is increasing evidence to show that the City Centre is lagging behind its competitors in terms of the range and quality of provision, which is contrary to the underlying strategy and objectives of the structure plan. Once again, work is already under way to address this, but public and private agencies now need to work together more closely than ever to ensure that the standard of retail provision in the City Centre adequately reflects its status as a major regional centre, capital city and international tourist destination (paras. 7.29 to 7.38*)*
5. *Policies to sustain and rejuvenate town centres have met with variable success* (paras. 7.39 to 7.42; Table 7.6)

6. *Town centres have largely missed out on recent additions to retail stock.* Little headway has been made over the last few years with the objective of promoting new retail development in or on the edge of town centres (through the 'sequential approach'). Other strategic shopping locations outwith town centres have been the main beneficiaries of such development. In some centres the groundwork has been laid to pave the way for future progress but efforts to upgrade the retail offer in town centres need to continue with renewed vigour (paras. 7.43 to 7.50; Figs. 7.5 to 7.-7*)*

7. *A significant proportion of the new development which will be required to service the growing retail spending over the structure plan period should be accommodated in the City Centre, and in other town centres* (paras. 7.33 and 7.48)

Transport

1. Revised national guidance on Planning for Transport (SPP17, August 2005) has been published. In general the ELSP 2015 remains consistent with this guidance. However, it emphasises *the importance of coordinating structure plans with emerging Regional Transport Strategies and the National Transport Strategy* (paras. 8.3 to 8.4*)*

2. In reponse to the Government's Air Transport White Paper, BAA Edinburgh are preparing a Finalised Airport Master Plan which will be taken into account in the review of the West Edinburgh Planning Framework. The *structure plan review will have to address the transport and planning implications arising from the reviewed WEPF* (para. 8.8*)*

3. There has been significant progress in bringing forward new transport schemes e.g. park and ride schemes, A68 Dalkeith Northern bypass, the Edinburgh Tram etc. despite the funding implications off congestion charging rejection. However, *implementation of some of the safeguarded schemes in the ELSP is in doubt (*para. 8.9*)*

4. Good progress has been made in carrying forward the ELSP transport policies into the finalised local plans (East Lothian, West Lothian and Rural West Edinburgh). The emerging Edinburgh City Local Plan and revised Midlothian Local Plan will address the ELSP transport policy requirements in full in due course (para. 8.10*)*

5. Work is underway on the land use / transportation exercise required by SE in approving the ELSP2105. Phase 1 on the current ELSP development strategy is due to be completed by end 2006 (paras. 8.11 to 8.12)

6. There is an opportunity through the use of new accessibility planning GIS software to assess and monitor the impact of key transport policies on the accessibility and density of development (paras. 8.11 to 8.19*)*

Sustainability

1. The implications of the Environmental Assessment of Plans and Programmes (Scotland) Regulations 2004 for the review of the ELSP are noted. The *structure plan review will require to be subject to a Strategic Environmental Assessment (*paras 10.8 to 10.9*)*

2. The adoption of affordable housing policies either as supplementary planning guidance or by inclusion in adopted local plans is beginning to deliver an increased supply of affordable housing (paras 10.10 to 10.12; Table 10.1*)*

3. The new local plans prepared to conform with the ELSP 2015 are beginning to deliver its employment land strategy, promoting a wider distribution and access to employment land *(*paras 10.23 to 10.25*).* *Much still requires to be done if there is to be any significant reduction in the proportion of employed residents, particularly in East and Midlothian, commuting outside their area for employment (*paras 10.27 to 10.28; Table 10.5)

4. The capacity of renewable energy generation is beginning to rise from a low base, almost exclusively attributable to wind turbines (paras 10.15 to 10.17*)*. The amount of vacant urban derelict land shows a generally consistent decline across all four authorities. Amounts of derelict land have fluctuated, with some recent increase in the Lothian total (paras 10.18 to 10.20; Tables 10.2 and 10.3*)*. The proportion of brownfield land used for housing shows wide variations between authorities. *Given the lack of brownfield opportunities in many of the landward areas, where the structure plan requires significant new growth, its proportion in relation to house completions on greenfield sites seems likely to fall unless compensated for by the significant brownfield opportunities in Edinburgh* *(*paras 10.21 to 10.22; Table 10.4)

5 Current retail location trends reveal that *town centre or edge of town centre locations, regarded as the most sustainable location for new retail floorspace, have not experienced the same increase in floorspace as in other strategic shopping centres.* While this may be the result of a lack of suitable sites, the reasons for this trend need to be examined and trends monitored *(*paras 10.13 to 10.14*)*

3. LOCAL PLAN COMPLIANCE WITH STRUCTURE PLAN - PROGRESS

3.1 The ELSP 2015 sets the strategic policy framework which is developed into more detailed and site-specific policies through local plans. Local plans are legally obliged to conform to the structure plan. At present, the only adopted local plan which complies with the ELSP 2015 is South East Edinburgh. All other adopted plans were prepared to comply with the 1994 Lothian Structure Plan and need to be reviewed and/or replaced. Policy IMP 1 requires the Councils to prioritise the preparation or alteration of local plans in accordance with the ELSP developmenet strategy towards achieving finalised status within eighteen months of ELSP approval.

3.2 In Edinburgh, the Edinburgh City Local Plan, now published in draft, will cover the whole of the city and some of the rural fringe to the south and east, replacing five adopted local plans. The Rural West Local Plan has been prepared in the context of ELSP 2015 and covers the remaining area to the west. This is on target to be adopted in summer 2006. East and West Lothian have reviewed their local plans to incorporate the ELSP 2015 requirements, while Midlothian has reviewed the adopted local plans for Midlothian and Shawfair, which are being replaced with a single plan.

3.3 Since ELSP 2015 was written, an additional stage has been introduced into the development planning process. All new and replacement structure and local plans started after 21 July 2004 must be subject to a Strategic Environment Assessment (SEA) SEA under The Environmental Assessment of Plans and Programmes (Scotland) Regulations 2004. This involves rigorous scrutiny of likely significant effects on the environment. Planning authorities are also required to undertake an SEA of plans started before July 2004, but not adopted (or in process of adoption) by July 2006. The Scottish Executive can grant exemption and both the Finalised Local Plans for East and West Lothian have been exempted from SEA.

3.4 Table 3.1 summarises current progress to date by each planning authority towards ELSP-compliant adopted local plan coverage.

3.5 **East Lothian**: The Finalised East Lothian Local Plan was placed on deposit for objections during August to September 2005. Pre-Inquiry modifications will be published in February 2006. It is anticipated that a Public Local Inquiry (PLI) will be required to resolve a number of objections received and this will take place in mid-2006. East Lothian Council was absolved of carrying out a Strategic Environmental Assessment of the contents of the Finalised Plan by the Scottish Executive in July 2005.

3.6 **City Of Edinburgh**: the Finalised Rural West Edinburgh Local Plan underwent a Public Local Inquiry between November 2004 and April 2005. Following receipt of the Reporters' Report in August 2005, post-inquiry modifications were placed on deposit for objections between November 2005 and January 2006. It is not anticipated that a PLI will be required to resolve the objections received and it is intended to adopt the plan in June 2006. City of Edinburgh Council is not required to carry out a Strategic Environmental Assessment of the contents of the Finalised Plan by the Scottish Executive provided it is adopted by late July 2006.

3.7 Work commenced on the preparation of the Edinburgh City Local Plan early in 2004. A Consultation Paper was published in June 2005. The Consultative Draft Local Plan is due to be approved for consultation purposes in March 2006. The initial timetable for the preparation of the local plan has been subject to delay, largely as a result of the introduction of the Strategic Environmental Assessment of Plans and Programmes (Scotland) Regulations 2004 and its implications in terms of the need to prepare a full Consultative Draft local plan. It is now anticipated that the local plan will be finalised by early 2007, ie just over a year after the date required in Structure Plan policy IMP1.

3.8 **Midlothian**: The requirements of the ELSP 2015 will be implemented through the replacement Midlothian Local Plan. A Preferred Development Strategy (PDF) was the subject of public consultation late 2005 with the Finalised Local Plan expected in late Spring 2006. An SEA of the replacement plan is underway with an Interim Environmental Assessment having been the subject of consultation alongside the PDF.

3.9 **West Lothian**: The Finalised West Lothian Local Plan 2005 has been placed on deposit and the period to make objections ended in July 2005. Subsequently, pre-inquiry changes have been made and the period to object to these has also ended. A significant number of objections have been received and those objections that cannot be resolved through negotiation will be considered at a PLI which is expected to take place during the summer of 2006. The Scottish Executive has confirmed that an SEA is not required.

Table 3.1 Local Plan Programme (January 2006)

LOCAL PLAN	STATUS	COMMENTS
CITY OF EDINBURGH		
Edinburgh City (ECLP)	Consultation Draft	Approved March 2006 Consultation May-June 2006 Subject to SEA*
Central Edinburgh	Adopted 1997	)
West Edinburgh	Draft 2001**	) to be incorporated in ECLP
North East Edinburgh Alter.	Adopted January 2004	)
Rural West Edinburgh	PLI*** report Aug 2005	Adoption expected mid 2006
South East Edinburgh	Adopted August 2005	Conforms with ELSP 2015
EAST LOTHIAN		
East Lothian	Adopted 2001	
Review Finalised 6/2005		PLI expected June 2006 SEA exempt
MIDLOTHIAN		
Midlothian	Adopted Dec 2003	) both plans under review, to be
Shawfair	Adopted Sept 2003	) replaced by single Midlothian) Plan. Subject to SEA. Finalised) Plan on deposit late Spring 2006
WEST LOTHIAN		
West Lothian	Finalised April 2005	PLI expected summer 2006 SEA exempt

* SEA = Strategic Environmental Assessment

** West Edinburgh Local Plan was prepared to replace the adopted North West and South West Edinburgh local plans.

*** PLI = Public Local Inquiry

3.10 Local plans translate structure plan policies into specific land allocations and policies to guide the development control process. Many of the ELSP policies refer to, or require to be implemented through, local plans. These policies and the required actions are summarised in Appendix 1. They have been examined on a topic by topic basis to assess how plans have taken account of structure plan requirements. There are outstanding issues which require resolution through the remaining stages of the local plan process, but a local plan can only be adopted by a Council when it conforms to the structure plan in force.

4. POPULATION AND HOUSEHOLD PROJECTIONS

4.1 The strategic projections which underpin the ELSP 2015 are subject to change and kept under review to inform the policy monitoring process. The latest projections of population and households are presented below.

Population projections

4.2 The General Register Office for Scotland (GRO(S)) produces regular projections of population for local authority and health board areas. The latest projections use 2004 as the base year and project forward to 2024. They are trend based and assume that factors influencing demographic change remain stable and do not reflect changes in the local and national economies or strategic and local planning policy. The projections for Edinburgh and the Lothians are summarised in Tables 4.1 and 4.2.

Table 4.1: Population Projections (2004-based) – Components of Change, 2000-2015

	Total Population			Change due to		*2000-based*
	2000	2015	Change	Migration	Natural	*change*
City Of Edinburgh	448,430	478,346	29,916	23,385	6,531	*16,100*
East Lothian	89,910	97,272	7,362	8,029	-667	*9,300*
Midlothian	81,110	78,745	-2,365	-3,455	1,090	*5,700*
West Lothian	157,050	181,363	24,313	15,891	8,422	*17,400*
Lothians	**776,500**	**835,726**	**59,226**	**43,850**	**15,376**	***48,500***

4.3 When the ELSP was prepared, GRO(S) had not produced population projections which took account of the 2001 Census results. The 2004-based composite population projection for Edinburgh and the Lothians in 2015 is within 1% of the 2000-based figure. However, due to pre-Census over-estimation of population, the latest projections indicate a faster rate of growth than previously expected (8% cf. 6%).

4.4 Projected population growth in the ELSP area between 2000-15 accounts for 95% of total Scottish growth. Edinburgh and West Lothian will accommodate over 90% of ELSP area growth. Net inward migration still accounts for most change (74%), but natural change (difference between births and deaths) is now projected to yield twice as many additional residents to 2015 compared to the 2000-base. The principal component of this trend reversal is a net gain of 6,500 in Edinburgh which contrasts with the previously forecast net loss.

4.5 The sub-Lothians composition of population change is significantly different from previous expectations. The 2000-base projected population growth in all Lothian authorities to 2015. The latest figures indicate that faster growth will focus more heavily on Edinburgh and West Lothian. Meanwhile, slower growth is projected in East Lothian and a projected population loss in Midlothian. It should, however, be emphasised that these new figures, derived from past trends, do not take account of housing sites in Midlothian and elsewhere now coming forward through the development plan process.

Table 4.2: Population Projections for Edinburgh & the Lothians by Lifestyle Age Groups

	Total	0-4	5-11	12-15	16-24	25-44	45-64	65-84	85+
2000	776,500	44,020	64,371	36,616	95,036	244,961	177,099	101,148	13,249
2005	794,229	40,910	60,727	37,308	102,613	243,601	191,119	104,245	13,706
2010	815,171	42,368	56,677	34,743	105,438	243,797	208,809	107,286	16,053
2015	835,726	44,211	57,693	31,370	102,057	244,822	217,778	119,604	18,191
2000-based proj for 2015	*832,115*	*43,196*	*57,443*	*32,228*	*102,640*	*243,545*	*224,315*	*113,179*	*15,569*
Change	**59,226**	**191**	**-6,678**	**-5,246**	**7,021**	**-139**	**40,679**	**18,456**	**4,942**
%	7.6	0.4	-10.4	-14.3	7.4	-0.1	23.0	18.2	37.3

Source: GRO(S) 2004-based population projections

4.6 The ageing structure of the ELSP area population is shown in Table 2. By 2015, the proportion of school-age children will fall by 11%, although the student age group increases by 7%. The working age population will increase, but this growth is entirely in the older working age group (45-64 years). Similarly, the retirement age population will grow by 20% overall, with the number of 85+ year olds increasing by 37%.

Household Projections

4.7 The Scottish Executive Development Department (SEDD) publishes household projections based on GRO(S) population projections, household formation rates and other factors. The 1998 based projections were used in assessing the housing land requirement for the ELSP 2015. Whilst this was not the latest set of projections (2000 based figures being available at the time), early results from the 2001 Census showed that population estimates and consequently population projections for the plan area had been significantly overestimated. As the household projections draw heavily on the population projections, the 1988 based figures were considered to be less affected by the problems identified by the Census.

4.8 The 2002 based projections are the first to take account of the 2001 Census results. The figures for Edinburgh and the Lothians are detailed in Table 4.3 below. The projection to 2015 is considerably lower than the 1998 based figures with over 10,000 fewer additional households being predicted over the period from 2000.

Table 4.3: Household Projections for Edinburgh & the Lothians - to 2015

	Number of Households					Change 1991 - 2015		Change 2000 - 2015	
	1991	**2000**	**2005**	**2010**	**2015**	Absolute	%	Absolute	%
City of Edinburgh	190,800	207,390	212,600	223,080	233,930	43,130	23	26,540	13
East Lothian	34,500	37,890	39,880	42,140	44,740	10,240	30	6,850	18
Midlothian	29,800	32,100	33,790	35,280	36,940	7,140	24	4,840	15
West Lothian	55,600	64,550	69,170	74,590	80,400	24,800	45	15,850	25
Lothians	**310,700**	**341,930**	**355,440**	**375,090**	**396,010**	**85,310**	**27**	**54,080**	**16**
1998 based figures	*311,900*	*340,400*	*361,400*	*383,400*	*406,100*	*94,200*	*30*	*65,700*	*19*

Source: SEDD 2002-based Household Projections

5. ANNUAL HOUSING MONITOR 2005

5.1 Structure plans must indicate how much housing land is required over the plan period and specify its general location. The main challenge for ELSP 2015 was the allocation and distribution of housing land and the Councils made a commitment to assess the adequacy of the effective land supply through an Annual Housing Monitor (AHM) (ELSP Policy HOU 10). This first AHM reviews the strategic housing land requirement.

National Policy Context

5.2 The Scottish Executive's planning policy on housing is set out in 'Scottish Planning Policy 3: Planning for Housing' (SPP3, February 2003) which replaced the previous housing policy document, National Planning Policy Guideline 3. SPP3 provides the planning framework on which the housing policies in ELSP2015 are based and any review of the Structure Plan should also be based upon SPP3. 'Planning Advice Note 38: Housing Land' (PAN38) supports SPP3 and was revised in February 2003. The advice it gives on good practice in the assessment of housing land requirements were followed in ELSP2015.

5.3 'Planning Advice Note 74: Affordable Housing' (March 2005) provides supplementary planning advice on the provision of affordable housing. It states that 'where a local housing strategy identifies a need for additional affordable housing, this should be taken into account in the housing land requirement, which should provide for the total anticipated land requirement for all forms of new housing. The structure plan should indicate the scale and general location of any shortage of affordable housing and indicate how local plans will be expected to deal with the shortage'. The ELSP2015 was prepared prior to this planning advice being issued and the Structure Plan Review will need to address this issue and make specific provision for affordable housing.

Local Plan Progress

5.4 **East Lothian**: it is considered that the Finalised East Lothian Local Plan complies with the general requirements set out in the policy framework of the ELSP 2015 in relation to housing. Sufficient land has been identified in Core Development Areas (CDA) to accommodate the 4,800 houses required in East Lothian through the Plan. In addition to this, the Local Plan highlights the possible future expansion of the proposed Blindwells New Settlement. The Plan also identifies a limited number of local housing opportunities to provide a degree of flexibility in the land supply and meet local needs. It also incorporates an affordable housing policy to meet needs identified in the East Lothian Council Local Housing Strategy and most up to date Housing Needs Assessment.

5.5 **City of Edinburgh**: It is considered that the Finalised Rural West Edinburgh Local Plan complies with the general requirements set out in the policy framework of the ELSP 2015. Sufficient land has been identified to accommodate the 1,000 houses required in the Local Plan's CDA. The Plan also incorporates an affordable housing policy to meet ongoing needs for such housing as confirmed in the most up to date Housing Needs Assessment (HNA).

5.6 The Edinburgh City Local Plan will identify sufficient housing land to meet the requirements for its area set out in Schedule 3.1 of the Structure Plan. In accordance with Policy IMP 1, the Council has already prepared supplementary planning guidance for two major sites in Edinburgh, at Leith Docks and Fountainbridge, to assist in implementing the development strategy. Development on these sites is likely to come forward in advance of local plan adoption (see ELSP Policy IMP2).

5.7 **Midlothian**: The strategic housing allocations required by HOU 3 were the subject of the public consultation on the Preferred Development Strategy (PDS), and the requirement will be met in full. The replacement local plan will continue to give commitment to the development of the existing housing land supply (ELSP Policy HOU1). It will also continue to support development of urban brownfield as a means to meet either the strategic allocations (where appropriate) and the windfall requirements of the Structure Plan.

5.8 Policy HOU 4c and d have been taken into account through site assessments that influenced the selection of the sites in the PDS. These assessments have been the subject of an Interim Environmental Assessment (to meet the requirements of SEA). It is considered that HOU 4e has been satisfied, and HOU 4a & b will be considered in the Finalised Local Plan.

5.9 Infrastructure capacity continues to be a concern to enabling progress on sites in Midlothian. Efforts are being undertaken to clarify the position and seek resolution of identified constraints. These actions, along with the proposed Local Plan implementation policies will accord with ELSP HOU 5 and HOU 6. The replacement local plan will include affordable housing policies, taking account of the recently published Lothians Housing Needs Assessment (ELSP HOU 7), and the PDS consulted on village housing allocations (ELSP HOU 8) and low density rural housing (ELSP HOU 8 and ENV 3).

5.10 Once the replacement Midlothian Local Plan is placed on deposit and taking account of the conclusions in Table 5.7, Midlothian will have satisfied the requirements of the ELSP HOU 10.

5.11 **West Lothian**: The Finalised West Lothian Local Plan 2005 complies with the housing requirements of the ELSP 2015.

The Plan Requirement

5.12 The forecast of housing need in the ELSP2015 is based upon Scottish Executive projections of the increase in the number of households in the area. Account was taken of expected changes to the non effective stock (second and vacant homes) and changes to actual stock in terms of demolitions and conversions. Table 5.1 shows how the total housing need for the structure plan period was calculated.

Table 5.1 Housing Needs Assessment 1991 - 2015

	1991	**2015**	Net change
Projected households	311,900	406,100	94,200
Add allowance for vacancies	16,600	21,600	5,000
Add allowance for second homes, business & holiday homes	1,100	1,100	0
Add allowance for demolitions		6,400	6,400
Additional housing need 1991-2015			105,600
Add allowance for Scottish Borders mobile demand			300
Less completions 1991-2001			35,700
Additional housing need 2001-2015			70,200
Housing need per annum 2001-2015			5,000

Source: ELSP2015 supporting statement Table 2.4

Meeting the Plan Requirement

5.13 The ELSP2015 set out a number of sources of housing land to meet the requirement of 70,200 new dwellings, the majority of which would come from land already identified through the planning system:

- The effective base land supply from Housing Land Audit 2001
- Output from constrained sites in Audit 2001 that become effective;
- Sites already identified through local plans but not yet audited as effective;
- Windfall sites;

- New allocations in the plan.

5.14 In addition to the above sources of housing land, the plan acknowledged that there were several major brown field opportunities known to the planning authorities but which did not yet have planning consent and did not appear in a local plan. These proposals, which include Edinburgh Waterfront sites and sites emerging from the Education Public-Private Partnership (PPP) programme in Edinburgh, have been known to planning authorities for some time and are not considered as windfall sites, though they are considered as contributing to meeting the overall housing requirement.

5.15 The combined output from existing housing sites and windfall development over the plan period was anticipated to be 57,800 dwellings, leaving a requirement to allocate an additional 12,400 units. Table 5.2 details the anticipated source of housing land by council area. Because of the possibility that the new allocations and other sources of housing land identified in the plan may not be fully developed by 2015, it was considered necessary to provide some flexibility. The plan proposed that land be allocated for 18,200 houses. In relation to the total plan requirement, this represents an additional margin of 8%.

Table 5.2 Sources of Housing Land by Council Area (excluding new allocations)

	Base Supply	Constrained Sites	Emerging Local Plans	Windfall	Total
City of Edinburgh	7,200	1,000	10,800	12,000	31,000
East Lothian	4,900	100	0	700	5,700
Midlothian	7,600	100	1,800	300	9,800
West Lothian	9,400	900	0	1,000	11,300
Ed. & Lothians	**29,100**	**2,100**	**12,600**	**14,000**	**57,800**

Source: ELSP2015 Table 3.2

5.16 **Housing Completions 2001 – 2005:** The ELSP requires an average completion rate of 5,000 units per annum to 2015. Between 2001 and 2005, the average completion rate has been 4,300 dwellings. It was always anticipated that completions in the early part of the plan period would be below the required average as it would take time for local plans allocating new housing sites to be prepared and adopted. Table 5.3 details housing completions by council area.

Table 5.3: Housing completions 2001 - 2005

	Total comps. over the plan period	Actual completions					
		2001/02	2002/03	2003/04	2004/05	Total	Average per annum
Edinburgh	33,900	2,535	2,561	2,415	2,597	10,108	2,527
East Lothian	9,000	576	511	225	435	1,747	437
Midlothian	11,200	111	150	165	137	563	141
West Lothian	16,100	1,281	925	1,158	1,288	4,652	1,163
Edin. & Lothians	**70,200**	**4,503**	**4,147**	**3,963**	**4,457**	**17,070**	**4,268**

Source: Edinburgh and the Lothians Housing Land Audits 2001 - 2005

5.17 The average completion rates in Edinburgh and West Lothian have been slightly above the rate required to achieve all of the required completions by 2015, despite there being no output from the large strategic housing allocations. The rate of completions in Midlothian has been low during the early part of the plan period. A significant proportion of the Midlothian supply is dependent on strategic allocations identified through the local plans. Both of Midlothian's local plans only became effective upon adoption in late 2003, triggering site release and the preparation of development briefs followed. Housing development in Midlothian is currently constrained by water/sewerage capacity problems and the completion rate is expected to increase significantly in the near future. Drainage capacity is currently a constraint in Dunbar, East Lothian. Planning permission was granted in 2005 for a new wastewater treatment works to serve the town. Drainage capacity is also a concern in the west sector of East Lothian, Midlothian and Eastern Edinburgh with a study underway to establish the extent of any problem.

5.18 Policy HOU 10 of the ELSP 2015 says that 'the Lothian Councils will maintain an effective five year land supply for Edinburgh and the Lothians as a whole by supporting the development of housing land consistent with the strategy, including its requirements for essential infrastructure'. Table 3.2 of the ELSP sets out the average 5 year land supply expected of each council. For the whole structure plan area, the average five year land supply to meet the plan requirement is 25,100 units. At 31 March 2005, the effective five year housing land supply for the structure plan area was 23,100 units - an average of 4,600 units per year. The land supply is highest for year 3 of the five year period with expected completions of around 5,500 units. New windfall sites, however, will increase the actual number of completions in later years. Table 5.4 shows the breakdown of the effective land supply by council area.

Table 5.4: Effective Housing Land Supply at March 2005

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Edinburgh	2,386	2,396	2,969	2,439	2,076	12,266
East Lothian	410	745	638	504	371	2,668
Midlothian	214	429	754	997	1,016	3,410
West Lothian	972	1,155	1,145	811	687	4,770
Edin. & Lothians	**3,982**	**4,725**	**5,506**	**4,751**	**4,150**	**23,114**

Source: Housing Land Audit 2005

5.19 The Finalised East Lothian Local Plan allocates sufficient housing land to meet the strategic requirements set out in the ELSP 2015 in addition to a limited number of local sites in and adjacent to towns and villages in the Council area. Neither of these sources has been included in the East Lothian portion of the Lothian Housing Land Audit (HLA) 2005. Output from strategic sites together with consents since April 2005 are expected to contribute approximately 1800 units in the 5 year period, and are included in Table 5.5.

5.20 In addition to the HLA sites (to March 2005), the land supply in Midlothian comprises consents granted up to December 2005 - 346 units (not included in Table 5.1), supplemented by expected completions resulting from the social housing programme and implementation of the ELSP2015 requirements in Midlothian. The latter of these involves new strategic housing allocations across the two Core Development Areas amounting to 2,270 houses identified in the Preferred Development Strategy recently subject to consultation. The Finalised Midlothian Local Plan is likely to go on deposit in spring 2006 and will supplement the effective land supply with yields from 2009/10 (185 units). These combined sources are programmed in Table 5.5.

5.21 The Finalised West Lothian Local Plan 2005, post Structure Plan approval, proposes new local plan sites, including those identified as a consequence of the Council's Open Space Strategy and sites identified within the west of West Lothian, which together with sites granted consent since April 2005 have a total capacity for around 2,000 units. The programme for these sites will yield around 150 units per annum from year 06/07 onwards. Furthermore, West Lothian's new strategic housing allocations within the CDAs, accounting for an anticipated 12,000 units, have not yet been included in the HLA 2005. Once taken into account, these sources will have a significant bearing on the housing land supply for West Lothian.

5.22 Table 5.5 summarises housing land brought forward into the effective housing land supply since the audit date of March 2005. This includes consents granted since 31 March 2001 and expected completions on strategic allocations and other sites subject to a council programme of release.

Table 5.5: Additions to the effective housing land supply

	2005/06	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**2005 - 2010**
Edinburgh	0	0	0	0	0	0
East Lothian	0	104	395	632	685	1816
Midlothian	0	86	286	286	473	1,131
West Lothian	0	0	150	560	804	1,514
Edin. & the Lothians	0	190	831	1,478	1,962	4,461

Assessment of the future 5 year land supply target

5.23 The plan acknowledges that the actual number of completions (Table 5.3) is unlikely to exactly match the anticipated annual target and requires that as part of the monitoring process, the future five-year land supply target be recalculated for each council area. It is not necessary to re-evaluate the plan period housing needs assessment, as set out in Table 5.1, but as the completion rate over the early part of plan period has been slightly lower than the required average, a new target is required which takes into account this shortfall.

Table 5.6: Meeting the plan requirement by council area

	Total comps. Over plan period	% of plan total	Completions 2001 - 2005	Completions Required 2005 - 2015	Average 5 year land supply
City of Edinburgh	33,900	48	10,108	23,792	11,896
East Lothian	9,000	13	1,747	7,253	3,627
Midlothian	11,200	16	563	10,637	5,319
West Lothian	16,100	23	4,652	11,448	5,724
Edinburgh and the Lothians	70,200		17,070	53,130	26,565

Source: Housing Land Audits 2001 - 2005

5.24 Under policy HOU 10, should a council's contribution to the effective five-year supply fall below 90% of its expected contribution AND the shortfall in the Lothian-wide housing land supply also be more than 10%, that council must bring forward additional land. The expected contribution of each council should now be considered as the recalculated targets as set out in Table 5.6, rather than the original targets in table 3.2 of the Structure Plan. Table 5.7 compares each councils effective land supply to the updated land supply targets.

Table 5.7 : Five year land supply

	Land supply target	Five Year land supply*	% of target
City of Edinburgh	11,896	12,266	103
East Lothian	3,627	4,484	124
Midlothian	5,319	4,541	85
West Lothian	5,724	6,284	110
Edinburgh and the Lothians	**26,565**	**27,575**	**104**

Source: Tables 5.4, 5.5 & 5.6

5.25 Taking into account the effective land supply from HLA 2005 and additions to the effective land supply identified in Table 5.5, Table 5.7 demonstrates that the total effective land supply for the structure plan area is more than sufficient to meet the re-calculated land supply target in full. Although the effective land supply target for Midlothian is below 90% of its expected contribution, there is no requirement under HOU10 to take action at this stage as the supply for the plan area as a whole is adequate.

5.26 As the effective land supply fully meets the 5 year land supply target, there is no need to take account of the contribution that will be made by future windfall sites. However paragraph 3.26 of the ELSP2015 and policy HOU 10 specifies that annual monitoring will include an assessment of likely windfall contributions. As detailed in para 5.35, windfall development across the whole of the structure plan area has been well above the 1,000 units per annum anticipated in the plan. However, as the strategic allocations move into the effective supply, the level of windfall development may diminish as a proportion of the total land supply. As development over the next 2 years will mainly occur on sites within the current effective supply, it is assumed that new windfall development on sites not yet consented may be restricted to 60% of the anticipated five year average of 5,000 units, yielding a total of 3,000 units over the 5 year period. This will supplement the five year land supply identified in Table 5.7, demonstrating that the target will be further exceeded.

Summary of the Land Supply Components

5.27 **The 'base-supply':** The base housing land supply for the plan is comprised of the sites within HLA 2001, excluding the schedule of constrained sites. Whilst the majority of these sites were programmed for the first 5 years, some anticipated development in the longer term. In total, the base land supply was expected to account for 29,100 of the 70,200 units required, 15,500 being programmed for completion by 2005. To date, across the whole plan area, 11,372 units from the base land supply have been completed. This represents 39% of the total base land supply and 73% of the land supply programmed for development by 2005. Table 5.8 shows completions on land from the 2001 base land supply by council area.

Table 5.8 : Housing completions on sites making up the base supply

			Actual Completions					
	base land supply	Prog. to 2005	2001/02	2002/03	2003/04	2004/05	Total	% prog
Edinburgh	7,191	6,455	2,353	1,912	1,125	772	6,162	95
East Lothian	4,964	3,450	524	335	66	290	1,215	35
Midlothian	7,583	1,353	85	98	125	70	378	28
West Lothian	9,389	4,283	1,281	817	618	901	3,617	84
Edin. & Lothians	29,127	15,541	4,243	3,162	1,934	2,033	11,372	73

Source: Housing Land Audits 2001 - 2005

5.28 The allocation and distribution of housing land Development in Edinburgh has been closest to the 2001 programme with 95% of the anticipated completions taking place. The number of completions in West Lothian was also very close to the amount programmed at 85% but East Lothian and Midlothian have experience far fewer completions on base supply sites than expected.

5.29 Of the 27,300 units in the effective 5 year land supply, over a third are sites which formed part of the base land supply. For Edinburgh, where a large proportion of the base supply sites have already been completed, the proportion is much lower at 8%. Around half of the effective land supply in East, Mid and West Lothian comes from the base land supply. The base land supply in East and Midlothian is made up to a large extent by the large strategic housing allocations (H7 sites in the Lothian Structure Plan 1994) so completion rates are being suppressed until these sites fully come on stream.

5.30 **Constrained in the Base Supply:** In calculating the housing requirement for the structure plan, an assumption was made that 30% of sites that were agreed as constrained as at 31 March 2001 would be developed over the plan period. In total, the anticipated number of completions on such sites was 2,100 units. Between 2001 and 2005 there has actually been 286 completions or 14% of the expected total. In considering the sites as constrained, early development was obviously not anticipated. Table 5.9 shows the breakdown by council area of completions on sites which were considered constrained in 2001.

Table 5.9: Completions on sites which were constrained in the base land supply

	Anticipated comps to 2015	Actual Completions					
		2001/02	2002/03	2003/04	2004/05	Total	% prog
Edinburgh	1,000	8	62	25	113	208	20.8
East Lothian	100	0	0	0	3	3	3.0
Midlothian	100	0	0	0	0	0	0
West Lothian	900	0	0	61	14	75	8.3
Edin. & Lothians	**2,100**	**8**	**62**	**86**	**130**	**286**	**13.6**

Source: Housing Land Audits 2001 - 2005

5.31 Edinburgh is the council area where the highest proportion of constrained units have been brought forward and developed, with over 20% of the expected completions having already taken place. Proportionally, the figures are much lower for the other council areas.

5.32 Whilst 286 completions have already occurred on previously constrained sites (Table 5.9), others have also now become effective and are programmed for development over the next 5 years. Over the whole of the structure plan area, 1,204 units from sites which were classified as constrained in 2001 are programmed for completion by 2010 (Table 5.15). 834 of these dwellings are in Edinburgh, 349 in West Lothian and 21 are in Midlothian.

5.33 **Emerging Local Plan Sites:** The ELSP2015 planned for 12,600 dwellings to be built on emerging local plan sites derived from the previous structure plan but which were not included in the 2001 housing land audit. 10,800 of these completions would be in Edinburgh with the remaining 1,800 in Midlothian. To date, none of the Midlothian sites have yielded completions and there has been 584 completions on the Edinburgh sites. At the time of the 2001 audit, these sites had not gained planning consent, so were not expected to be developed over the early part of the plan period.

5.34 Emerging local plan sites account for 24% of the effective land supply across the plan area with 4,680 units programmed in Edinburgh and 860 in Midlothian. Of the 12,600 units to be completed on emerging local plan sites, nearly half are now complete or are in the effective 5 year housing land supply.

5.35 **Windfall sites:** In calculating the amount of new housing land to be allocated in order to meet the plan requirement, the ELSP 2015 assumed that windfall development would account for 14,000 dwellings over the plan period - an average of 1,000 units per year. Windfall is the unplanned element of the housing land supply, i.e. sites which are not allocated in local plans and do not form part of the base land supply. Windfall sites are those sites, therefore, that come naturally through the planning system, and in this case will have been granted planning consent after 31 March 2001. There is obviously some lead in time between a site gaining planning consent and the delivery of the first completions. Consequently, it was expected that the amount of windfall development in the first few years of the plan would be well below the 1,000 per year average. However, the total number of windfall units built over the four years since 2001 has been over 4,000 units, with over 1,500 per year since 2003. Table 5.10 details the windfall development by council area.

5.36 The plan anticipated that the vast majority of windfall developments would occur within the City of Edinburgh. The table below demonstrates that windfall development outwith Edinburgh has been much higher than expected with over 75% of the planned total occurring within the first 4 years.

Table 5.10: Housing Completions on 'Windfall Sites'

	Anticipated comps.	Actual Completions				
		2001/02	2002/03	2003/04	2004/05	Total
Edinburgh	12,000	68	420	976	1,025	2,489
East Lothian	700	52	176	159	142	529
Midlothian	300	22	34	33	31	120
West Lothian	1,000	0	108	479	373	960
Edin. & Lothians	**14,000**	**120**	**704**	**1,635**	**1,571**	**4,098**

Source: Housing Land Audits 2001 - 2005

5.37 There are currently a further 5,100 units on windfall sites, programmed for development over the next five years. 3,650 of these units are in Edinburgh, 1,100 in West Lothian, 160 in Midlothian and 160 in East Lothian. Windfall sites account for nearly 20% of the effective land supply. The programmed development of windfall sites over the next three years is well above the target of 1,000 units per annum. The programming of windfall sites for years 4 and 5 is much lower, as the sites that are already part of the land supply would by then be complete. New sites will come through the planning system raising the actual number of completions above that programmed in the 2005 housing land audit. Table 5.11 shows the programming of windfall sites which form part of the current effective housing land supply.

Table 5.11: Windfall sites in the effective housing land supply

	2005/06	2006/07	2007/08	2008/09	2009/10	Total	Total effective land supply	% Total supply
Edinburgh	1,091	1,281	859	304	116	3,651	12,266	30
East Lothian	41	69	54	0	0	164	2,668	6
Midlothian	57	39	31	30	0	157	3,410	5
West Lothian	270	390	238	105	97	1,100	4,770	23
Edin. & Lothians	**1,459**	**1,779**	**1,182**	**439**	**213**	**5,072**	**23,114**	**22**

Source: Housing Land Audit 2005

5.38 Over the four years between 1 April 2001 and 31 March 2005, planning consent has been granted for a further 10,400 houses on windfall sites. This is an average of 2,600 units per year but the yearly figures ranged from 1,900 units in 2001/02 to 3,200 in 2002/03. Over the remaining ELSP timeframe, the average could fall. Table 5.12 shows the distribution of these consents across the structure plan area.

5.39 Edinburgh accounted for 65% of new windfall sites with the remainder being split between West Lothian, East Lothian and Midlothian as 27%, 5% and 3% respectively. The ELSP anticipated that 85% of windfall sites would be in Edinburgh, but in terms of planning consents granted, the other council areas have accounted for much more than expected. Midlothian and West Lothian have, over the first 4 years of the plan, granted consent for more houses on windfall sites than was expected over the entire plan period. Whilst some of the sites that have been given consent may not eventually be developed for housing, the completions to date and the number of consents granted, are strong indicators that windfall development in Edinburgh and the Lothians is occurring at a much greater rate than anticipated by the plan.

Table 5.12: Planning consents on windfall sites

	2001/02	2002/03	2003/04	2004/05	2001 - 2005	% Total
Edinburgh	1225	2518	1589	1397	6729	65
East Lothian	114	95	202	129	540	5
Midlothian	87	52	20	124	283	3
West Lothian	525	550	1241	516	2832	27
Edin. & Lothians	**1891**	**3233**	**3101**	**2232**	**10384**	

Source: Housing Land Audits 2001 - 2005

Strategic HousingAllocations

5.40 Having considered the sources of housing land already identified through the planning system and making an allowance for expected development on windfall sites, the ELSP 2015 arrived at a need for an additional 12,400 units. In acknowledgement that some of the land already identified may not be fully developed by 2015, it was considered necessary to provide some flexibility. The structure plan therefore required the allocation of additional land for 18,200 houses. The locations of these allocations is set out in Schedule 3.1 of the ELSP 2015. As these allocations would require the adoption of new local plans, it was expected that completions would occur much later in the plan period. To date there have been no completions from this source of housing land, though the current established housing land supply does include the 1,000 units allocated in the Rural West Edinburgh Local Plan for Newbridge/Kirkliston/Ratho. Only 240 of these units are classified as effective and programmed within the 5 year period. Progress on strategic housing allocations in East Lothian, Midlothian and West Lothian is set out in paras 5.19 to 5.21.

5.41 **Other housing land:** The housing requirement calculation is based upon the sources of housing land set out above. There are however, other sources of housing land which do not fall into these categories. Paragraph 3.13 of the ELSP 2015 acknowledges that there are several major brown field development opportunities which are known to planning authorities but which do not have consent and do not appear in adopted local plans. These sites include Edinburgh Waterfront and the Education PPP sites in Edinburgh. In addition, there have been completions on land which is identified in earlier adopted local plans but which is not included as part of the base land supply. These other sources of housing land, mainly within City of Edinburgh, have accounted for 746 completions between 2001 and 2005 (see Table 5.14). Development of these sites is likely to accelerate and there are over 1,500 units programmed within the effective land supply over the next 5 years in Edinburgh and 170 in East Lothian. These additional sites account for 13% of the effective land supply in Edinburgh and 6% of the structure plan area total (see Table 5.15). Table 5.13 details the effective land supply made up by these other sources of housing land.

Table 5.13: Effective land supply: other sources of housing land

	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Edinburgh	254	206	266	390	428	1,544
East Lothian	22	35	32	55	29	173
Midlothian	0	0	0	0	0	0
West Lothian	0	0	0	0	0	0
Edin. & Lothians	**276**	**241**	**298**	**445**	**457**	**1,717**

Housing Contribution by Structure Plan Source

5.42 Table 5.14 summarises all completions according to the source of housing land as defined in ELSP 2015 and Table 5.15 details the effective land supply in a similar manner, but including the additional housing land contribution from Table 5.5.

Table 5.14: Housing completions by structure plan source

	2001/02	2002/03	2003/04	2004/05	Total
Total	4503	4147	3963	4457	17070
Base supply	4257	3195	1939	2033	11424
Constrained in base supply	8	62	86	130	286
Emerging LP sites	0	0	193	391	584
Strategic Housing Allocations	0	0	0	0	0
Windfall	120	704	1635	1571	4030
Other sources of housing land	118	186	110	332	746

Source: Housing Land Audits 2001 - 2005

Table 5.15: The 5 year effective housing land supply by structure plan source, 2005

	2005/06	**2006/07**	**2007/08**	**2008/09**	**2009/10**	**Total**	**% total**
Total	3,982	4,915	6,337	6,229	6,112	27,575	
Base supply	1,501	1,828	1,989	1,808	1,527	8,653	31
Constrained in base supply	78	157	308	325	336	1,204	4
Emerging LP site	515	555	1,482	1,533	1,487	5,572	20
Strategic Housing Allocations	20	30	118	70	0	238	1
Windfall	1,459	1,779	1,182	439	213	5,072	18
Other sources of housing land	276	241	298	445	457	1,717	6
Small Sites	*133*	*135*	*129*	*131*	*130*	*658*	2
Additions to the land supply since 31/03/05	0	190	831	1,478	1,962	4,461	16

Source: Housing Land Audit 2005 & Table5.5

5.43 Small sites are sites with 4 or less units and are audited differently to larger sites. To speed up the consultation process, small sites are not considered individually. Rather, all small sites with planning consent are aggregated and it is assumed that 75% of them will be developed. As the sites are not considered individually, it is not possible to assess their structure plan land supply source.

Completions by land use

5.44 Policy HOU 2 of the ELSP 2015 states that 'The Lothian Councils support the development of suitable urban brown field sites for housing through re-use, redevelopment or conversion.' Policy HOU 8 states 'There will be a presumption against new housing development on green field sites other than to meet policy HOU 1 and HOU 3 requirements.'

5.45 Between 2001 and 2004, 72% of housing completions occurred on brown field sites, although some of these will be out with settlement envelopes. Table 5.16 shows the year by year assessment of brown field development by council area.

Table 5.16: Housing completions on brown field sites.

	2001/02		2002/03		2003/04		2004/05		Total	
	All Comps	% BF	All Comps	% BF	All Comps	% BF	All Comps	% BF	All Comps	% BF
Edinburgh	2,535	94	2,561	89	2,415	93	2,597	94	10,108	93
East Lothian	576	45	511	64	225	40	435	31	1,747	47
Midlothian	111	87	150	61	165	66	137	41	563	63
West Lothian	1,281	21	925	29	1,158	43	1,288	54	4,652	37
Edin. & Lothians	4,503	67	4,147	72	3,963	75	4,457	75	17,070	72

Source: Housing Land Audits 2001 - 2005

5.46 As may be expected, Edinburgh has the highest proportion of development on brown field sites at 93%. West Lothian has the lowest level of brown field development at 37% of the total followed by East Lothian at 47%.

5.47 The effective housing land supply in Edinburgh is also made up of mainly brown field sites accounting for 88% of the total. The pattern of programmed development, is however, different to past completions for the other council areas. 47% of completions in East Lothian since 2001 have been on brown field sites, though such sites only account for 15% of the effective land supply. In West Lothian, 60% of programmed development is on brown field sites. For Midlothian, 20% of the effective land supply is on brownfield sites compared to over 60% of recent completions. Table 5.17 details the effective land supply by land use for the structure plan area.

Table 5.17 : Effective land supply by land use 2005

	Total	Greenfield	%	Brownfield	%	Small sites	%
Edinburgh	12,266	1,112	9	10,782	88	372	3
East Lothian	2,668	2,196	82	395	15	77	3
Midlothian	3,410	2,632	77	699	21	79	2
West Lothian	4,770	1,761	37	2,879	60	130	3
Edin. & Lothians	**23,114**	**7,701**	**33**	**14,755**	**64**	**658**	**3**

Source: Housing Land Audit 2005

Affordable Housing

5.48 Government policy requires structure plans to identify any shortfall in the provision of affordable housing. Prior to adoption of the ELSP 2015, the individual Lothian authorities carried out housing needs assessments for their areas and identified affordable housing requirements and delivery mechanisms. The ELSP 2015 stated that due to the changing nature of local needs, affordable housing provision would be dealt with through local plans an/or supplementary guidance.

5.49 City of Edinburgh Council adopted an affordable housing policy in October 2002. According to this policy, in allocating sites or considering other housing proposals for a number of dwellings equal to or in excess of the set thresholds, the Council would seek the provision of a proportion of affordable units. This proportion varies across the city according to local housing need.

5.50 East Lothian Council adopted an affordable housing policy as supplementary planning guidance in December 2003. This sets varying percentage requirements (10-22%) based on the six sub areas identified in the Council 2001 Housing Needs Assessment (HNA) with Blindwells at 30% contribution and applies to sites of five or more units that meet criteria set out in the policy. The policy was amended in June 2005 to take account of advice contained in PAN 74. The policy is currently under review in light of the new Lothian HNA 2005 and a commitment in the original policy to review within two years of its adoption. The Finalised East Lothian Local Plan 2005 incorporates an affordable housing policy (Policy H5) that applies to all sites of five or more housing units and an additional policy (Policy H6) that applies to additional affordable housing provision on strategic sites.

5.51 Midlothian Council adopted affordable housing policies in the context of the Shawfair and Midlothian Local Plans, in September and December 2003 respectively. The former requires the provision of approximately 20% social housing within the allocated housing areas; the latter requires provision in the range 5-10% affordable and special needs housing on allocated sites and also on non-allocated sites of 50 units or more. The Council has completed consultation on a new affordable housing policy to be incorporated into the replacement Midlothian Local Plan (whole of Midlothian) which seeks to increase the requirement to 25% of total site capacity for all allocated and windfall sites.

5.52 West Lothian Council's Affordable Housing Policy was approved as supplementary planning guidance in March 2005. The policy requires land capable of delivering 15% of the capacity of a site to be transferred to a Registered Social Landlord or other social housing provider, for the provision of affordable housing. The 15% requirement is fixed across the whole district with the exception of developments within CDAs, where an additional 10% requirement is applied.

5.53 In 2005, a Housing Needs Assessment was carried out which covered the whole of the structure plan area on a consistent basis. The aim of the study 'was to provide a greater understanding of the wider Edinburgh housing market and to inform the further development of the Lothian authorities' local housing strategies, and the development of affordable housing and local planning policies. In particular, the study was intended to provide:

- an assessment of present and future housing needs and demand for the Lothian area.

- an assessment of house type, size and tenure imbalances Lothian and the sub-areas.

5.54 The study revealed that:

- 31% of Lothian households have at least one of the eight housing need indicators used in the study, the key driver of need being affordability - almost one in ten households live in a property that is not currently affordable.
- 16% of households have a need which would require them to move home (or 3 separate needs which would not individually require a move).
- There is currently a backlog of households in need, including concealed households of 12,900.
- Including the backlog, there will be between 46,200 and 47,800 households in need over the next 5 years. Just over 30,700 lets will become available over that period (excluding new build) leaving a shortfall in the region of 15,500 to 17,100 affordable houses.

5.55 When the structure plan is reviewed and a new housing requirement target is calculated, the backlog of households in need should be considered as additional dwellings to the demographic need obtained from household forecasts. The means of delivering the affordable housing should be addressed through the local plan process or through supplementary planning guidance.

5.56 Since 2001, there have been 2,200 affordable houses built in the structure plan area. This represents 13% of all housing completions but is expected to increase as affordable housing policies in all four councils take effect. 77% of all affordable houses were built in Edinburgh with East Lothian accounting for 14% of the total, 8% in West Lothian and 1% in Midlothian. Table 5.18 below shows the number of affordable housing completions by local authority.

Table 5.18: Affordable housing completions

	2001/02	2002/03	2003/04	2004/05	Total	% All completions
Edinburgh	670	413	290	326	1,699	17
East Lothian	92	40	48	124	304	17
Midlothian	0	12	14	0	26	5
West Lothian	61	0	18	103	182	4
Edin. & Lothians	**823**	**465**	**370**	**553**	**2211**	**13**

Source: Housing Land Audits 2001 - 2005

5.57 The effective housing land supply in the Lothians includes land for 2,000 affordable units. Again, nearly 64% of these units are within Edinburgh. There are a further 4,100 affordable dwellings within the established land supply but, programmed for completion beyond 2010. Many of these units are on the large strategic sites which are being developed in the longer term, including the Waterfront area of Edinburgh and the South East Wedge. Table 5.19 details the amount of affordable housing within the effective and established housing land supply.

5.58 The adoption of the affordable housing policy in Edinburgh requires that housing developments of over a certain threshold, depending on where they are within the city, must include a proportion of affordable units. The actual number of affordable houses built should therefore be above the number in the effective land supply as windfall development will include a proportion of affordable units.

Table 5.19: Affordable housing in the effective land supply

	2005/06	2006/07	2007/08	2008/09	2009/10	2005 - 2010	Post 2010
Edinburgh	209	177	322	303	278	1,289	2,585
East Lothian	12	139	123	63	19	356	649
Midlothian	17	27	59	111	90	304	869
West Lothian	24	35	15	0	0	74	0
Edin. & Lothians	262	378	519	477	387	2,023	4,103

Source: Housing Land Audit 2005

6. ECONOMIC DEVELOPMENT

6.1 This chapter examines progress towards achieving the key economic objectives set out in the ELSP 2015. Analysis has been carried out under the following headings:

- Economic overview
- National policy context
- Local Plan progress
- Maintaining and supporting the role of Edinburgh and the Lothians as a key asset in the Scottish economy:
    - Economic success factors
- Maintaining the economic competitiveness of the Edinburgh and Lothians economy:
    - Lothians labour market
    - Offices

Economic Overview

6.2 Since 2001, the Scottish economy has experienced steady growth, although consistently lagging behind UK performance. Underlying this trend, the service sector has performed strongly, maintaining its role as the main driver of economic expansion. In contrast, continued decline in the traditional manufacturing industries and the recession in the Scottish electronics industry have hampered economic growth.

6.3 A recently improving global economy has been reflected in forecasts of more rapid growth at the Scottish level, with financial, public and other business services mooted as key drivers. The Lothians economy is well-placed to benefit from strong service sector growth due to the dominance of this sector in the local employment structure. As in previous periods of global and national economic uncertainty and slow-down, Edinburgh and the Lothians have bucked the trend and continued to experience sustained economic growth through the first years of the 21st Century. The indicators of economic success listed below illustrate this position.

6.4 The rate of economic growth in the Lothians has, however, given rise to a number of issues symptomatic of over-heating including labour / skill shortages in the local labour market, steeply rising land values, high housing costs that may deter the attraction of key workers, and transport infrastructure capacity constraints. The SE's National Planning Framework for Scotland (NPF) also noted these constraints to future growth and identified the key challenge for Edinburgh as managing its growth sustainably. The recently established Edinburgh Business Assembly will play a key role in engaging public agencies and the business community.

6.5 The importance of city-region scale performance is highlighted in the latest European regional forecasts prepared by Cambridge Econometrics. Edinburgh is ranked second top UK city-region (after Cardiff) in terms of forecast output growth over 2004-09. In the face of competition from similar European city-regions, the Edinburgh city region, the wider Edinburgh Metropolitan region and the Edinburgh-Glasgow central belt of Scotland are emerging as the future geography of strategic planning practice.

National Policy Context

6.6 The Scottish economic policy context crosses a number of bodies which are actively intent on cooperating to secure sustainable economic growth for Edinburgh and the Lothians in Scotland. Scottish Executive policy 'Framework for Economic Development in Scotland, (FEDS) sets out the government strategy for securing a successful national economy. 'Smart Successful Scotland' (SSS) develops the key themes of FEDS, giving strategic direction to the Enterprise Networks.

6.7 A review of both policies in 2004 reaffirms the continued validity of the original visions and strategic direction, while adjusting priorities to reflect evolving issues of importance to Scotland, including the role of the planning system. Sustainable economic growth is a national priority and the SE identifies four outcomes as central to achieving the vision: economic growth (increased productivity), regional development, closing the opportunity gap and sustainable development.

6.8 Working within the framework of SSS, the ELSP 2015 and other local strategies, the Local Economic Forum for Edinburgh and Lothian (of which all Lothian councils are members) has devised an economic strategy for the area entitled 'Delivering our Potential' (2004). This aims to secure effective partnership between the relevant agencies and stakeholders, ensuring that all play their part in achieving sustainable economic growth.

6.9 The NPF (2004) guides the spatial development of Scotland to 2025. Drawing on the Cities Review agenda to support Scotland's cities as the main drivers of the economy, it highlight the importance of city-region planning in assuring future economic competitiveness in a European and global context. This wider focus in strategic planning is central to the Structure Plan review.

6.10 Complementing the FEDS strategy, the NPF identifies strategic infrastructure investment priorities to facilitate long-term sustainable economic growth across Scotland. Emphasis falls on the importance of viewing Edinburgh and Glasgow as complementary economic anchors in the central belt and Scottish economy as a whole. The West Edinburgh Planning Framework 2003 (WEPF) guides economic, transport and environmental development in an area of acknowledged national importance. The wider West Edinburgh / South Fife area is identified as a key economic development zone in the NPF.

6.11 Specific national planning advice is contained in SPP2 Economic Development which charges the planning authority with a range of actions which were taken on board in preparing the ELSP. SPP15 'Planning for Rural Development' (2005) advises that planning authorities should support a wide range of economic activity in rural areas. ELSP policy ECON 7 supports small-scale business development on appropriate sites, and local plans develop this theme as appropriate to local circumstances. Policy ECON 6 supports office development on suitable employment land identified in Newbridge which lies in Rural-West Edinburgh Local Plan.

6.12 It is concluded that no major changes to national planning policy direction have been introduced since the ELSP was prepared, although future development planning will be more focussed on the city-region scale. A central theme of all national and local economic policy guidance is the importance of ensuring that sustainability is high on the agenda.

Local Plan Progress

6.13 All the economic development policies of the ELSP contain strategic directives for local plans to address, reflecting their crucial role in implementing the economic strategy (see Appendix 1).

6.14 **East Lothian**: the finalised East Lothian Local Plan 2005 (ELLP) is considered fully compliant with the relevant actions of the ELSP economic strategy. All new strategic and local employment land allocations comply with the ELSP framework. Specific direction for East Lothian is embodied in ELSP policies ECON 2 and 6. ECON 2 requires that 40 hectares of strategic development land be identified and the ELLP makes this allocation in two of the core development areas (CDAs) identified in the ELSP. Land at Musselburgh and the Blindwells New Settlement will be the subject of development frameworks, while support for Class 4 Business in the Musselburgh area complies with ECON 6 which supports office development in the East Lothian West Sector.

6.15 **City of Edinburgh**: the rural area is covered by the finalised Rural West Edinburgh Local Plan (RWELP) which conforms to the ELSP economic strategy. Actions regarding established green belt uses are addressed in RWELP policies ED5, 6 and 7 respectively. The local plan also acknowledges the recommendation of the West Edinburgh Planning Framework that there is no need to release Green Belt land before 2020, which satisfies ELSP policy ECON 5.

6.16 The ELSP identifies Newbridge/Kirkliston/Ratho as a CDA in recognition of the potential for further economic development. More specifically, policy ECON 6 supports office development on suitable land at Newbridge and RWELP identifies land to be safeguarded for Class 4 use.

6.17 The new Edinburgh City Local Plan (ECLP) will cover urban City of Edinburgh and will conform to the ELSP when published for public consultation in 2006. The only existing adopted local plan which has been prepared in the context of the current ELSP is South East Edinburgh Local Plan (SEELP). ELSP policy ECON 3 concerns economic clusters of national importance and requires a local plan allocation for a biomedical research park in the South- East Wedge. SEELP provides for a 'biomedipark' at Little France.

6.18 The strategic business centres identified in ELSP policy ECON 6 all fall within the ECLP area (except Livingston), and are established employment centres which are strongly supported in the relevant adopted local plans. Support will be carried forward into ECLP which will define boundaries as required. ELSP policy IMP 1 provides for the use of supplementary planning guidance to assist in implementing the development strategy prior to the production of finalised replacement local plans. Accordingly, the Council has prepared such guidance proposing office development as part of mixed use regeneration at Leith Docks and Fountainbridge (City Centre) which will assist in meeting the requirements of policy ECON 6.

6.19 ELSP policy ECON 7 concerns provision for small-scale business development. A study by consultants to inform the ECLP found a gap between demand for small industrial units and future market provision which will be addressed in the local plan.

6.20 **Midlothian:** The development strategy of the emerging Midlothian Local Plan achieves a spread of economic development land across the two corridors - 35 hectares in the A7/A68 Waverley Line corridor and 15 hectares in the A701 corridor (Econ 2). The A701 has a smaller allocation because it is also accommodating 25 hectares of new land for biotechnology and knowledge based industries at the Bush, Gowkley Moss and New Milton (ECON 3). In identifying the preferred sites, some Green Belt release is proposed. In the A7/A68 Waverley Line corridor a 5 hectare extension to the Todhills area at Shawfair and 15 hectares south of Sherrifhall at Dobbies have been identified. These allocations comply with ELSP policy ECON 2. In the A701 corridor it would be difficult to achieve the ELSP target without Green Belt release, therefore a 10 hectare extension of Edgefield Industrial Estate at Loanhead and a 5 hectare site adjacent to Gowkley Moss roundabout are proposed.

6.21 In line with the SEA regulations, the Council is required to identify and assess reasonable alternative sites. The Council has identified three sites at Shawfair, Loanhead and Auchendinny. While it is considered that the proposed development strategy satisfies the objectives and requirements of the ELSP 2015, the plan has still to be subject of a PLI.

6.22 **West Lothian**: the finalised West Lothian Local Plan 2005 (WLLP) complies with the ELSP economic strategy requirement to review employment land supply and addresses the challenge of bringing forward new employment opportunities within the CDAs. ELSP policy ECON 6 supports major office development only in Livingston as a strategic business centre, and the WLLP defines the boundary as required. However, Policy EM 7 of the WLLP also directs major office developments to Bathgate Town Centre which conflicts with the ELSP directive against such development outwith strategic business centres or allocated business/industrial land.

Policy Effectiveness towards ELSP strategic aim:

6.23 The effectiveness of the economic policies in achieving the ELSP strategy has been assessed in terms of the following strategic aims of:

- maintaining and supporting the role of Edinburgh and the Lothians as a key asset in the Scottish economy
- maintaining economic competitiveness and supporting the requirements of rapid expansion in the Edinburgh and Lothians economy.

Maintaining and supporting the role of Edinburgh and the Lothians as a key asset in the Scottish Economy:

6.24 From a wide range of possible indicators, the following illustrate that the Edinburgh and Lothians economy continues to out-perform the rest of Scotland. However, signs of over-heating in the local economy are becoming more evident, with potentially negative implications for future economic competitiveness. The main economic challenge is to facilitate and support continued economic growth in a sustainable context, embracing the potential of city-regional planning to secure success in the European and global markets.

6.25 **Economic Success factors (and signs of over-heating)**

- Population in the Lothians is forecast to grow by 11% by 2024 cf 1% Scotland-wide growth (GRO(S))
- The Edinburgh and Lothians employment structure is predominantly based on the service sector which accounts for 88% of all jobs (ABI 2003); strong employment growth is expected in this sector over the ELSP period (Experian 2005)
- Cambridge Econometrics ranks the Edinburgh city-region as second top in UK (after Cardiff) in terms of forecast output growth over 2004-09
- Unemployment in Edinburgh is low at 2.2% cf. Scotland at 2.6% (December 2005)
- The number of employee jobs in Edinburgh and the Lothians exceeds the number of economically active individuals; labour supply mismatch is forecast to grow
- Lothians' workforce is one of the most highly qualified in the UK with 24% of the population holding a degree level qualification; in Edinburgh this rises to 34% (Scottish Household Survey (SHS) 2004);
- Mean average earnings in Edinburgh are among the highest in Scotland and above the UK average
- Home ownership in the Lothians (71%) is well above the Scottish average (65%) (SHS 2004)
- Edinburgh house prices up 125% between 1996-2004 cf. 61% average across Scotland (HBOS)
- Rising house prices reflect the city's successful economy but housing is less affordable in Edinburgh than most UK /SE England. This has implications for attraction of key workers and commuting.
- Edinburgh is the most prosperous UK city outside London. Edinburgh generates £24,063 GDP[1] per person, only slightly lower than London. (Scottish Enterprise (SE), 2005)
- 17% of Scottish GDP is generated in Edinburgh and the Lothians (Mackay Consultants, 2004)
- Edinburgh GVA[2]/head well above Scottish and UK averages (SE 2005)
- Edinburgh is the UK's second and Europe's sixth largest financial centre (SE 2005)
- Edinburgh and Lothians are home to 22 of Scotland's top 100 companies (Scott. Business Insider 2004)
- Edinburgh is a driver of the knowledge economy in Scotland (Local Futures)
- 54% of total Scottish research and development spending (a key factor in future growth potential) occurs in Edinburgh and the Lothians (SE 2003)
- Passenger numbers using Edinburgh airport continue to grow (32% increase since 2001 cf 25% growth across Scotland); Edinburgh passenger growth 2001-04 accounted for 44% of Scottish total (SE Scottish Transport Statistics)
- Edinburgh is ranked number one by the Telegraph and Observer as a visitor destination
- The business/conference market in Edinburgh and the Lothians has an estimated value of £170 million per annum (Visit Scotland)

- Hotel occupancy in 2003 was 73% cf. Scottish average of 61% (Visit Scotland)
- Edinburgh and the Lothians captures 24% of tourism expenditure in Scotland (Tourism in Edinburgh and Lothians 2003)
- Visitors to the Edinburgh have given the city an 8.7 rating out of a possible 10 – its highest score since the survey began in 1991 (2004/05 Edinburgh Visitor Survey)

Notes: 1: Gross domestic product (GDP) and 2: Gross value added (GVA) are measures of business contribution to the economy.

Maintaining economic competitiveness and supporting the requirements of rapid expansion in the Edinburgh and Lothians economy:

6.26 Two principal requisites of economic competitiveness are examined, namely the local labour market in terms of balancing demand / supply over the remaining ELSP period, and availability of land for employment-generating uses. This identifies recent trends in the overall employment land supply in the Lothians, and focuses on the office-based sector to assess capacity of development currently in the pipeline.

Lothians Labour Market

6.27 When the ELSP was prepared, economic projections showed that the Lothians have an overall surplus of jobs over resident labour force, reflecting the role of Edinburgh as regional employment centre in south-east Scotland. The Lothians' labour supply deficit is augmented by net in-commuting from a wider labour catchment area (see Tables 3.3 and 3.4 re Journey to work). Over 70% of jobs in the Lothians are located in Edinburgh where the scale of labour demand / supply mismatch is greatest. Traditionally, the number of economically-active residents in East, West and Midlothian has exceeded local job availability, with the surplus labour mostly finding employment nearby in Edinburgh. The 2001 Census showed that 95% of working Lothian residents hold a job in the Lothians.

6.28 **Revised Employment Estimates and Projections:** Latest economic projections indicate that the scale of labour demand / supply mismatch is set to increase over the ELSP period, to 2015. The new figures give an insight into changing trends since the ESLP was prepared.

****Notes on Employment projections – health warning****
ELSP 2015 was informed by an economic model run by Business Strategies Limited (BSL) to generate estimates and projections of local employment, based on data and inputs available in 2001. To inform the first monitoring report of the ELSP, the model was re-run by Experian (formerly BSL) using input data at 2005. Revised employment estimates and projections reveal some significant differences in structural trends and growth rates from those underlying the ELSP. The 2005 model founds on the Annual Business Inquiry (ABI) while the 2001 run relied on Annual Employment Survey (AES) results. The ABI is generally agreed to be more accurate than the AES. The reliability of economic forecasting falls away statistically as the timeframe extends and the geography becomes more specific. While economic trends identified are presented as valid and reliable for plan monitoring purposes, the detailed statistics should be treated with caution, especially beyond 2012 and at sub-Lothians geography.

6.29 Employment Structure 1990–2000: Table 6.1 summarises changes between 1990-2000 (2005 model). The overall growth rate over the decade has been consistent at 9% in both models. However, the new model shows that service sector employment has grown more rapid than previously thought, mirrored by a sharper decline in the manufacturing sector.

Table 6.1: Lothians Employment Structure – Change 1990 – 2000

	1990	2000	Change 1990-2000 Number	%
Primary	11,000	8,100	-2,900	-26
Manufacturing	58,300	46,600	-11,700	-20
Construction	31,000	27,000	-4,000	-13
Services (total)	298,600	351,200	52,600	18
Wholesale/Retail/hotels/restaurants	80,800	89,700	8,900	11
Transport/telecommunications	20,300	23,000	2,700	13
Finance/Insurance/Business	79,300	104,800	25,500	32
Publ.Admin/Education/Health/Other	118,200	133,700	15,500	13
Total Employment	**398,900**	**432,900**	**34,000**	**9**

Note: Figures rounded; includes employees and self-employed. Source: Experian 2005.

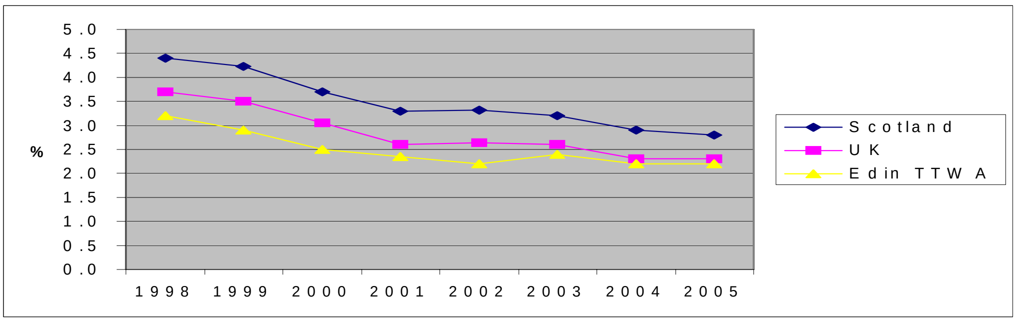
6.30 The composite Lothians employment structure conceals variations in trends and profile between the constituent authority areas (Appendix 2 , Table 1). While the 2001 model apportions 45% of Lothians jobs growth to West Lothian and 50% to Edinburgh, the 2005 model alters these contributions to 26% and 68% respectively. East and Midlothian remain consistent over the two calculations at 4% and 2% gains.

6.31 It is concluded that the revised projections largely support the conclusions drawn in the Supporting Statement except that

- the service sector expanded more rapidly during the 1990s than previously thought
- consequently new job generation was more concentrated on Edinburgh during the 1990s, reflecting the numerical and structural strength of the city's service sector, while West Lothian's traditional industries took the brunt of contraction in the manufacturing sector.

6.32 **Unemployment Trends**: Trends from 1998 to 2005 are shown in Fig. 6.1. The unemployment rate in the Edinburgh TTWA (which equates broadly with the Lothians) has been consistently below the national and UK rates. All geographies have levelled out at below 3% in recent years.

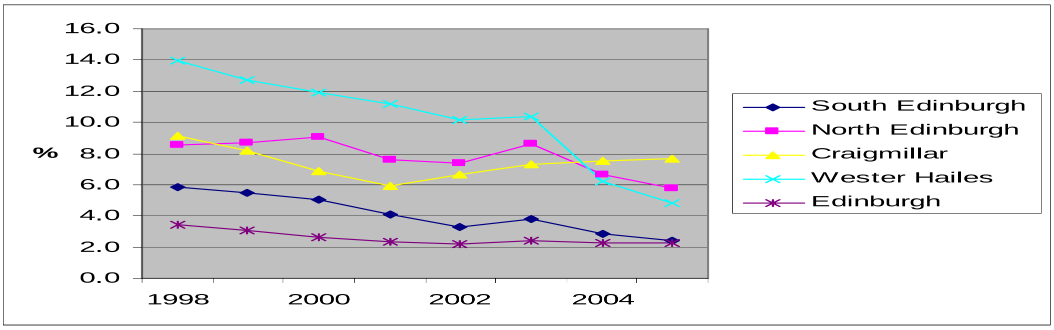
Figure 6.1: Unemployment Rates 1998 – 2005 *Note: Edin TTWA = Edinburgh travel to work area.*



Source: NOMIS.

6.33 In Edinburgh, unemployment is unevenly distributed, with persistently higher rates occurring in localities characterised by profiles of social exclusion. However, from 1998 to 2005 unemployment rates in the Priority Areas* of the city have been falling (Fig 6.2).

Figure 6.2: Unemployment Rates in Priority Areas 1998 – 2005



Source: The City of Edinburgh Council.
Notes: Unemployment rates are annual averages.

* **Priority Areas**: ward composition -
South Edinburgh comprises Kaimes, Moredun, Gilmerton and Prestonfield wards
North Edinburgh comprises Muirhouse / Drylaw, Pilton and Granton wards
Craigmillar comprises Craigmillar ward
Wester Hailes comprises Parkhead amd Murray Burn wards

6.34 **Employment Demand 2000-2015:** The revised employment projections for 2000 to 2015 (Table 6.2) show an appreciably faster rate of growth throughout the Lothians than reported in the Supporting Statement. Projected job growth of 18% is double the rate experienced over the previous decade. Appendix 2 Table 2 presents a more detailed profile by employment sector and authority. The overall distribution of jobs remains constant across the four authorities up to 2015, with 70% of Lothians labour demand generated in Edinburgh.

Table 6.2: Lothians Employment Structure – Change 2000 – 2015

			Change 2000-2015	
	2000	**2015**	**Number**	**%**
Primary	8,100	5,600	-2,500	-31
Manufacturing	46,600	31,600	-15,000	-32
Construction	27,000	33,200	6,200	23
Services (total)	351,200	440,100	88,900	25
Wholesale/Retail/hotels/restaurants	*89,700*	*104,600*	*14,900*	*17*
Transport/telecommunications	*23,000*	*23,700*	*700*	*3*
Finance/Insurance/Business	*104,800*	*147,300*	*42,500*	*41*
Publ.Admin/Education/Health/Other	*133,700*	*164,500*	*30,800*	*23*
Total Employment	**432,900**	**510,500**	**77,600**	**18**

Note: Figures rounded; includes employees and self-employed.
Source: Experian 2005

6.35 Although the established trend of contraction in primary and manufacturing is expected to continue and accelerate, previous decline in construction is now projected to reverse up to 2015. Most of this recovery is expected to occur in West and Midlothian. Greatest job growth will occur in the service sector which is now predicted to expand by a quarter between 2000 and 2015. Two-thirds of these new jobs will be in Edinburgh, with a further 23% in West Lothian. Financial /business services will yield almost half of service sector growth, with a further 35% in the public sector.

6.36 Employment growth rates are projected to accelerate in all four authority areas to 2015. Midlothian jobs base could expand by 36%, West Lothian by 28%, Edinburgh by 15% and East Lothian by 8% (1990-2000: 3%, 16%, 8% and 4% respectively). Reflecting the size of employment base in each area, around 60% of new jobs are expected in Edinburgh.

6.37 In summary:

- ➢ Lothians-wide, the revised employment projections show a significantly greater rate of growth up to 2015 than previously addressed in the Supporting Statement (18% cf. 11%)

- All four authorities will experience a much faster rate of job generation than previously expected
- Service sector growth is more rapid and substantial than previously projected (25% cf 16%)
- Of service sector growth around 90% is expected in Edinburgh and West Lothian
- Within service sector, finance/business will yield half of new jobs, with a further third in the public sector
- The gain in service sector will be partially offset by higher losses in manufacturing
- The long-established trend of decline in the construction sector is now predicted to reverse to 2015.

6.38 **Supply 2000-2015:** The Lothians' workforce catchment extends beyond the Lothians boundary. The Supporting Statement examined commuting patterns of Lothians' workers and residents using data from the 1991 Census of Population. This analysis has been updated with 2001 Census data (Tables 6.3 and 6.4). Between 1991–2001, the proportion of Lothians' workforce who also live in the Lothians has fallen from 91% to 87%. The dependence of all the Lothian authorities on longer-distance in-commuting has increased. East and West Lothian have the highest level of labour containment, ie the proportion of people who both live and work within the same authority area. Edinburgh and West Lothian have the heaviest reliance on in-commuting.

Table 6.3 : Source of Lothians' Workforce (% of total 2001, % change since 1991)

	Work									
	Edinburgh		East Lothian		Midlothian		West Lothian		Lothians	
Home	%	Chge	%	Chge	%	Chge	%	Chge	%	Chge
Edinburgh	68.3	-2.4	9.0	1.6	16.4	2.5	8.2	0.5	49.9	-3.2
East Lothian	6.1	0.4	82.5	-3.5	6.0	0.5	0.7	0.3	10.1	-0.4
Midlothian	6.6	-0.5	4.1	1.2	69.0	-6.8	1.0	0.2	9.4	-0.7
West Lothian	6.9	-0.7	0.6	0.1	1.9	1.0	68.6	-10.6	17.6	-0.1
Lothians	***87.9***	***-3.2***	***96.2***	***-0.6***	***93.3***	***-2.8***	***78.5***	***-9.6***	***87.0***	***-4.4***
Borders	1.3	0.4	2.1	0.5	3.2	1.4	0.3	0.1	1.3	0.4
S'clyde+Glasgow	2.5	0.6	0.5	0.1	1.0	0.3	11.7	5.7	3.9	1.6
Falkirk, Stirling	2.5	0.8	0.2	0.1	0.6	0.2	5.9	2.3	2.8	1.0
Fife	4.2	1.1	0.3	-0.1	1.0	0.5	2.6	1.1	3.5	1.0
TOTAL	**98.4**	**-0.3**	**99.3**	**0.0**	**99.1**	**-0.4**	**99.0**	**-0.4**	**98.5**	**-0.4**

Source: Census of Population 2001 and 1991

6.39 The pattern of travel to work by Lothians' residents is summarised in Table 6.4. The proportion of working residents with jobs in the Lothians has remained stable over the inter-censal period at 95%. West Lothian exports the highest proportion of its resident workforce (10%) due to the proximity and ease of access to employment opportunities in Glasgow, Falkirk and Stirling.

Table 6. 4 : Workplace of Lothians' Working Residents (% of total 2001, % change since 1991)

	Home									
	Edinburgh		East Lothian		Midlothian		West Lothian		Lothians	
Work	%	Chge	%	Chge	%	Chge	%	Chge	%	Chge
Edinburgh	89.1	-1.8	39.9	2.2	46.7	-2.2	24.5	-3.4	65.4	-2.2
East Lothian	1.1	0.2	52.3	-3.2	2.8	0.9	0.2	0	6.9	-0.1
Midlothian	2.0	0.5	3.7	0.6	45.5	0.4	0.6	0.3	6.5	0.4
West Lothian	2.9	0.8	1.2	0.6	2.0	0.8	65.3	3.4	15.7	1.7
Lothians	***95.1***	***-0.3***	***97.1***	***0.2***	***97.0***	***-0.1***	***90.6***	***0.3***	***94.5***	***-0.2***
S'clyde+Glasgow	1.5	0.1	0.8	-0.2	0.8	-0.3	4.4	-0.5	1.9	0
Falkirk, Stirling	0.8	0.1	0.3	0.1	0.4	0.1	2.8	-0.1	1.1	0
Fife	1.3	0.2	0.4	0.1	0.6	0.3	1.0	0.2	1.1	0.3
TOTAL	**98.7**	**0.1**	**98.6**	**0.2**	**98.8**	**0**	**98.8**	**-0.1**	**98.6**	**0.1**

Source: Census of Population 2001 and 1991

6.40 The revised labour supply projection for 2000-2015 (Table 6.5) show a Lothians-wide increase of 11.6%, compared to the 2001 prediction of 8.8%. Numerically, growth will occur predominantly in West and East Lothian and Edinburgh, with the fastest growth rate expected in East Lothian.

Table 6.5: Labour Supply Projection 2000 – 2015

	2000	2015	Change	Change %
City of Edinburgh	227,000	250,400	23,400	10.3
East Lothian	41,550	51,300	9,750	23.4
Midlothian	42,250	44,200	1,950	4.6
West Lothian	86,000	97,000	11,000	12.8
Lothians	**396,800**	**442,900**	**46,100**	**11.6**
Fife	171,600	174,400	2,800	1.6
Scottish Borders	54,500	52,300	-2,200	-4.0
Rest of SE Scotland	226,100	226,700	600	0.2
Total SE Scotland	**622,900**	**669,580**	**46,700**	**7.5**

Source: The City of Edinburgh Council
Notes: The labour force has been calculated by amending the local economic activity rates in line with changes in the national economic activity rate projections and using the Registrar General's 2002-based population forecasts. Labour supply defined as adults of working age (16-64/59 years). Figures rounded.

6.41 In the wider city-region, one-third of labour supply in south-east Scotland will still derive from Fife and the Scottish Borders. The overall number of workers is projected to remain constant in these neighbouring areas with a small increase in Fife counter-balanced by a similar loss in Borders.

6.42 In summary:

- Of the total Lothians' workforce (16-64/59 years), 87% also live in the Lothians; in-commuting has increased since 1991
- Of Lothians' resident labour supply (16-64/59 years), 95% work in the Lothians – constant since 1991
- Over period 2000-2015, labour supply in Lothians is projected to expand by around 46,000 or 11%
- In the remainder of south-east Scotland, no net increase in labour supply is expected to 2015
- Two out of three workers in Edinburgh also live within CEC boundary (2001)
- Edinburgh relies on East, West and Midlothian labour supply for 20% of its workforce, with a further 12% from beyond the Lothians.

6.43 **Labour Supply v. Demand 2000-2015:** When the 2005 employment projections are compared with the revised labour supply projections (Table 6.6), the mismatch across the Lothians is shown to accelerate over the remaining ELSP period. The resulting labour shortage is considerably greater than previously projected.

Table 6.6: Labour Demand and Supply 2000-2015

	Supply		Demand		Mismatch	
	2000	**2015**	**2000**	**2015**	**2000**	**2015**
City of Edinburgh	227,000	250,400	311,400	359,000	84,400	108,600
East Lothian	41,550	51,300	29,800	32,300	-11,750	-19,000
Midlothian	42,250	44,200	25,400	34,600	-16,850	-9,600
West Lothian	86,000	97,000	66,300	84,700	-19,700	-12,300
Rest of Lothians	***169,800***	***192,500***	***121,500***	***151,600***	***-48,300***	***-40,900***
Lothians	**396,800**	**442,900**	**432,900**	**510,600**	**36,100**	**67,700**

Source: City of Edinburgh Council and Experian 2005

6.44 The principal reason is that while the revised supply projections suggest a 12% growth rate between 2000-2015, the revised rate of employment demand is projected to grow at 18%. Faster employment growth is now expected in all four authority areas than the previous model suggested. The scale of unmet demand within Edinburgh alone could exceed 100,000 by 2015 although mitigated by ‘double-jobbing’ ie one person having more than one job. Meanwhile, surplus labour in East, West and Midlothian is expected to fall in response to more rapid labour demand growth within each area. This surplus has traditionally serviced Edinburgh’s labour requirement as the major employment centre in south-east Scotland. Edinburgh’s labour market catchment area may expand, with increased numbers of workers travelling over greater distances. Capacity to achieve this in neighbouring south-east Scotland is limited, as the small increase in labour supply predicted for Fife is negated by a comparable contraction in the Scottish Borders, resulting in no net increase in overall supply over the ELSP period. Labour demand trends outwith the Lothians require further investigation to assess potential surplus capacity and the sustainability implications of different commuting patterns need to be evaluated.

6.45 In summary:

- The revised economic projections to 2015 indicate a significantly faster growing deficit in Edinburgh than previously expected
- The composite labour surplus of East, West and Midlothian (which has historically offset the shortfall in Edinburgh) shows a projected decline as local employment growth accelerates throughout the Lothians
- Edinburgh’s widening labour mismatch could be addressed in a number of options, including
  - increase economic activity rates in Lothians’ resident population
  - attract a significant influx of migrant labour to the Lothians
  - expand Lothians’ labour force catchment area.

Employment Land

~~5~~.46 Readily available employment land is an essential element of economic competitiveness. Land is required for Class 4 (Business), Class 5 (General Industrial) and Class 6 (Storage & Distribution) in terms of the Use Classes Order. Three categories of availability were defined in the BMR:

Category 1: Land with planning consent and/or allocated in an adopted local plan*; readily available **a**nd serviced; marketable.

Category 2: Land with planning consent and/or allocated in an adopted local plan* and considered suitable for development, but restricted or requiring full servicing /completion of servicing.

Category 3: Potential land (i.e. land with planning support) allocated in draft or finalised* local plans with planning issues still to be resolved, or with significant restrictions / constraints / ownership issues outstanding

* Sites in finalised local plans can move to Categories 1 or 2 if not the subject of any unresolved objections.

Table 6.7: Employment Land Supply (2005)

	Category 1		**Category 2**		**Category 3**		**Total**	
	Ha	%	Ha	%	Ha	%	Ha	%
City of Edinburgh	219.5	61.0	24.3	3.9	0	0.0	243.8	18.8
East Lothian	4.6	1.3	65.7	10.5	49.0	15.8	119.3	9.2
Midlothian	15.3	4.2	69.5	11.1	73.0	23.5	157.8	12.2
West Lothian	120.7	33.5	467.1	74.5	188.0	60.6	775.8	59.8
Lothians	**360.1**	**100**	**626.6**	**100**	**310.0**	**100**	**1,296.7**	**100**

Source: Lothians Councils

6.47 Land supply in 2005 is shown in Table 6.7. The total of 1,296 hectares (ha) has remained constant since 2002. However, the proportion in categories 1 and 2 has fallen from 86% in 2002 and 93% in 2003 to 76% in 2005. The category 1 ‘readily-available’ supply has fallen by around 45 ha in absolute terms, category 2 is down 90ha, while category 3 land has increased by over 200 ha., compared to the 2003 supply.

6.48 Most category 1 land presently lies in Edinburgh (61%) and West Lothian (33%). Around 90% of total supply in Edinburgh is category 1. The BMR noted that the East and Midlothian combined supply was low at 11% of Lothians' total but this proportion is now around 5.5%. With only 20 ha of readily available employment land, East and Midlothian supply is now less than half that available in 2003 and accounts for only 7% of total supply in those two areas.

6.49 Three-quarters of category 2 land lies in West Lothian, and accounts for 60% total supply in that area. Most of the remaining Lothians category 2 is currently in East and Midlothian. Land with recognised employment potential but with no formal planning status (category 3) makes up a quarter of total Lothians-wide supply, and accounts for almost half the land supply in both East and Midlothian. Edinburgh currently has no category 3 land.

6.50 Employment land take-up over 2003-2005 (Table 6.8) has been exceptionally high in Edinburgh, primarily due to the Royal Bank of Scotland HQ development (Class 4). In West Lothian, recent rates of take-up considerably exceeded the 1993-2003 annual average due to major new storage/distribution centres for Aldi and Scottish Courage at Junction 4 of the M8. Take-up in Midlothian fell between 2003-05, particularly in 2004, due largely to key industrial sites being at or near capacity, together with infrastructure constraints and time taken to receive planning consent and develop sites. However, a number of consented sites in Midlothian are likely to be developed in the near future which could see take-up of a further 10 ha of employment land.

6.51 A further 13 ha in Midlothian is subject to current planning applications. A substantial amount of land (approximately 54 ha) at Salters Road, Todhills and Millerhill may be developed in the short term with the A68 Dalkeith bypass and anticipated progress with Shawfair. Local plan preparation in East, West and Midlothian has brought forward significant new allocations of employment land into audit category 3, securing the continuity of overall supply. Most will be re-allocated to category 2 as plans are adopted, but infrastructure constraints could block progression to category 1 status.

Table 6.8: Take-up of Employment Land 2003 - 2005

	Aver Annual Take-up 1992-03 (ha)	% of Lothians Take-up 1992-03	ha. 2003-04	%	ha. 2004-05	**%**
City of Edinburgh	7.8	27	29.7	41	12.1	28
East Lothian	2.7	9	3.2	4	3.2	7
Midlothian	6.8	24	5.3	7	2.1	5
West Lothian	11.4	40	34.0	47	25.4	59
Lothians	**28.7**	**100**	**72.2**	**100**	**42.8**	**100**

S*ource: Lothians Councils*

6.52 In summary:

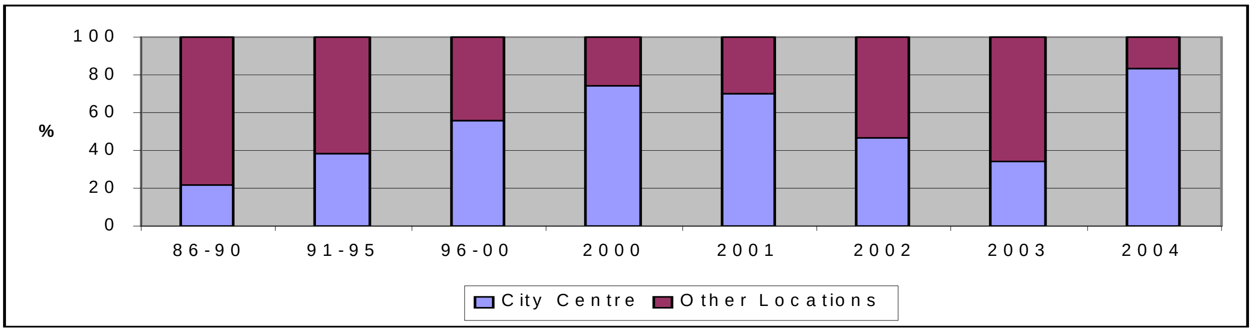
- total Lothian land supply has remained constant over the last 3 years
- categories 1 and 2 supply has fallen since 2003; conversely, 24% of total supply now falls into category 3 cf 7% in 2003
- recent take-up rates in Edinburgh and West Lothian have notably exceeded the annual average over the previous decade
- only 6% of readily available employment land is currently in East and Midlothian,
- in West Lothian, only 16% of total supply is category 1; in Edinburgh, 90% of total is category 1
- a substantial area in Midlothian may be developed in the short term with the A68 Dalkeith bypass and progress with Shawfair
- site allocation through the development plan process has boosted category 3 land.

Offices

6.53 Reflecting the dominance of office-based jobs in the Lothians economy, the ELSP Supporting Statement reviewed the Lothians office market in detail. This analysis has been updated, to assess continued policy relevance and the adequacy of planned floorspace in the development pipeline to meet projected demand.

6.54 **Locational Trends:**
Edinburgh: Office development has followed a cyclical pattern between Edinburgh city centre and off-centre locations (Fig. 6.3). From 1996 to 2003 the focus fell on central Edinburgh, particularly the new Exchange area which extended the traditional office core westwards. As development potential of the Exchange has been exhausted, development attention has again moved to peripheral areas, principally the Waterfront in north Edinburgh and Edinburgh Park in the west. The apparent dominance of city centre development in 2004 belies an uncertain transitional office market, characterised by exceptionally low completions citywide. City centre floorspace completed was well below any year in the last decade.

Figure 6.3 Proportion of Completed Floorspace in Central Edinburgh 1986-2004
Source: City of Edinburgh Council



6.55 ELSP strategy is based on 15 core development areas (CDAs) identified throughout the Lothians where a mix of business, retail and housing development is supported. In Edinburgh, reflecting the desired CDA pattern, ELSP supports office development in the strategic business centres of Edinburgh City Centre, Edinburgh Park/South Gyle, Granton Waterfront, Leith. Recent large-scale additions in the city centre have focussed on the New Town, Exchange, Greenside and Holyrood areas. The expanded Exchange area of Haymarket, Fountainbridge and Lauriston is now largely complete. Other significant central Edinburgh sites in the development pipeline include New Street (Waverley Valley), the former Edinburgh Royal Infirmary and Morrison Street.

6.56 In west Edinburgh, development at Edinburgh Park and South Gyle has slowed with a significant amount of new stock available to let. The new Edinburgh Park rail halt together with the West Edinburgh Busways System (WEBS) have improved accessibility by public transport. In the north Edinburgh/Waterfront/Leith area, a major shift of development focus has seen significant new office stock completions and proposals coming forward. North Edinburgh and Edinburgh Park (Phase 2) will be major sources of future supply in the development pipeline.

6.57 East Lothian: Historically, East Lothian has not been a destination for major office development or growth partly due to the proximity and locational dominance of Edinburgh. However, the relocation of Queen Margaret University College campus to Old Craighall as part of a wider proposed high quality business land allocation may signal a change in this trend. As well as a limited number of Class 4 business allocations identified in East Lothian in 2005, new strategic and local business allocations brought forward to meet Structure Plan requirements and as a result of Local Plan review will incorporate further Class 4 opportunities in high quality and accessible locations, building on recent successes.

6.58 Midlothian: Midlothian has not traditionally been a strategic office location, for similar reasons to East Lothian. Development has been small scale and ancillary to other economic development. However, the development of the A68 Bypass together with the proposed allocations at Shawfair and south of Sherrifhall will yield high quality locations with good access to transport links and enhance the attractiveness to development in this sector.

6.59 West Lothian: Office development in West Lothian has largely been attributable to three sources – national/migrant businesses seeking a presence in Scotland in an accessible and central location; overspill from Edinburgh, often for back office functions; and the local base of small and medium enterprises. The establishment of the Alba Campus in the late 1990s sought to further diversify the office base by attracting multi-internationals involved in system-on-chip development. Initial development saw 13,000 sq.m of accommodation for Cadence and the Alba Centre, with expectations of further large-scale office development taking the Campus to a 100,000 sq.m capacity. The global downturn in the electronics sector in the early 2000s halted this activity, and the market for office buildings larger than 3,000 sq.m has yet to show strong signs of recovery. The largest recent lettings have generally been to public sector agencies, as a consequence of the government's and Scottish Executive's relocation policies, or to utility companies (British Energy, Scottish Water). There remains, however, a strong local demand for smaller space (under 1,000 sq.m), frequently for owner occupation.

6.60 In summary:

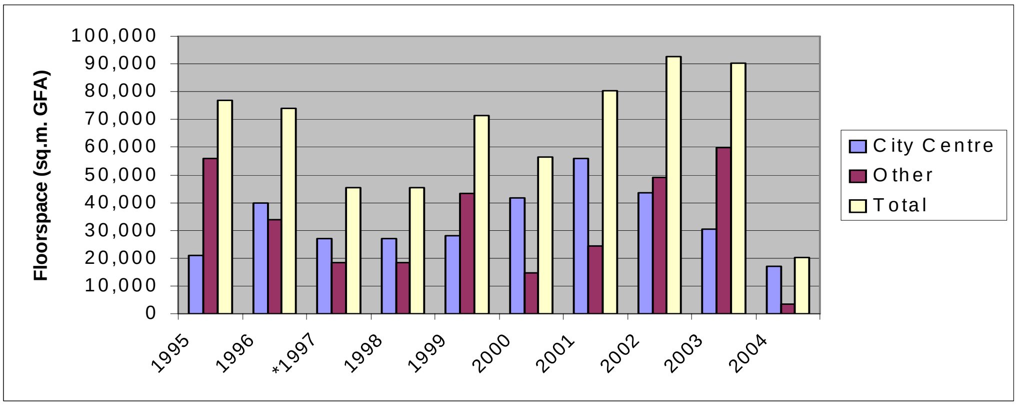
- the spatial pattern of recent new office development in Edinburgh and the Lothians has been in compliance with the strategic business locations supported in the ELSP strategy
- office development has historically focussed on Edinburgh and West Lothian
- recent development activity in East and Midlothian, together with infrastructure investment, afford optimism that future Class 4 interest will accelerate in areas offering accessibility advantages and supported by ELSP policy ECON 6.

6.61 **Completion Trends:** Between 1995–2001, office completion rates in Edinburgh fluctuated in a cyclical pattern averaging 64,000 sq m per year. In 2002, 92,000 sq.m was achieved as a massive building programme took place in central and west Edinburgh. Much of this development was speculative in response to the shortage of premium office floorspace during the late 1990s. The trend continued during 2003 when completions again exceeded 90,000 sq.m., reflecting the lengthy nature of major projects.

6.62 Meanwhile, from 2000-02, global economic factors eroded demand for new and refurbished office space in Edinburgh, as in most other business centres throughout the UK, with expansion and relocation plans put on hold. The growing disparity between availability and demand resulted in rising vacancy rates, extensive marketing campaigns for speculative buildings and a fall in headline rental values (especially in out-of-centre locations).

6.63 In response to the supply/demand mismatch, Edinburgh completions fell dramatically in 2004 to 20,291 sq.m., the lowest level in 16 years. By comparison, the annual average for office completions over the period 2000-04 is 68,000 sq m (see Figure 6.4). The City's economic structure places it favourably to take advantage of the next upturn. Indeed Edinburgh office market take-up improved markedly in 2004 suggesting that the demand cycle is already moving into its next positive phase.

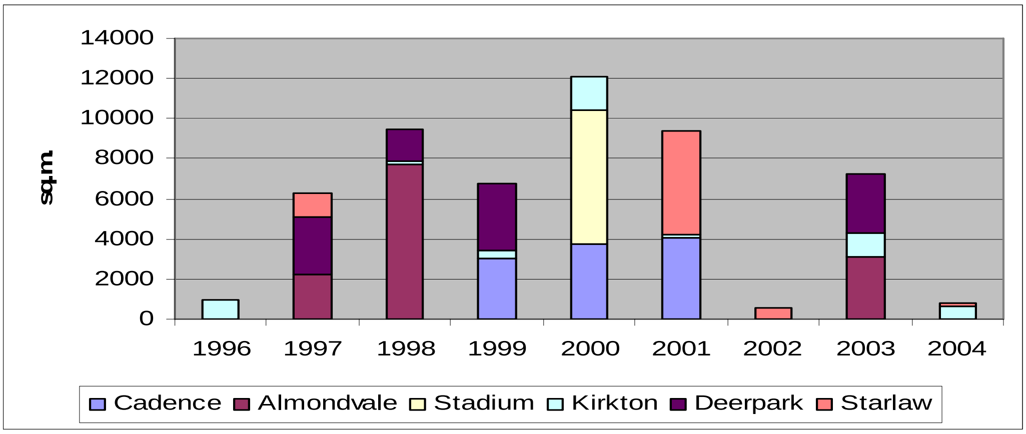
Figure 6.4: Office Floorspace Completed in Edinburgh 1995 – 2004



Source: City of Edinburgh Council
Note: floorspace completions for 1997 and 1998 are not available separately. Figures for 1997-98 have been divided equally to yield a figure for each year.

6.64 In West Lothian, office completions have tailed off since 2002, following the downturn in the global economy. The largest completion between 2002-04 was a bespoke development for Scottish Courage. Confidence is gradually returning, with a number of developers known to be at the early stages of planning speculative office provision.

Figure 6.5: Livingston Office Completions 1996-2004



Source: West Lothian Council

6.65 In summary:

- ➢ the cyclical pattern of office development which fluctuates between the dominance of central and off-centre completions has been dominated by activity in the new Exchange area of central Edinburgh. This phase has now peaked, with pipeline supply dominated by the Waterfront and west Edinburgh
- ➢ mismatch in the supply-demand cycles has seen a glut of speculative city floorspace but recent take-up trends suggest that the demand is now taking off as economic confidence grows.
- ➢ Recent additions to office stock in Livingston have fallen below previous years.

6.66 **Future Office Supply:** Development classified as 'in the pipeline' is restricted to 'under construction' and 'with planning permission'. Current proposals give an insight into future development trends / pressures, but do not contribute to pipeline supply until planning consent has been secured. In the ELSP Supporting Statement, the pipeline supply figure (2001) was 633,962 sq.m. (20% under construction ie short-term supply; 80% with consent). Of this total floorspace, one-fifth was located in central Edinburgh.

6.67 The 2004 audit of future office supply is summarised in Table 6.9. The total of 1,228,127 sq.m. is almost double the 2001 pipeline supply, although only 8% had reached construction stage. Central Edinburgh accommodates 59% of this short-term development, with the remainder located predominantly in rural-west Edinburgh.

Table 6.9 Edinburgh Office Floorspace in the Pipeline – Dec 2004

	Central sq.m.	Other sq.m.	Total sq.m.	Central %	Other %
Under construction	55,943	39,353	95,296	59	41
Planning Permission	187,913	944,918	1,132,831	17	83
Total	**243,856**	**984,271**	**1,228,127**	**20**	**80**

Source: City of Edinburgh Council

6.68 Floorspace with planning permission is located largely in the strategic business centres supported for office development in the ELSP. The primary focus is still on outlying Edinburgh where over 80% of currently approved office floorspace is located. In west Edinburgh, the combined pipeline floorspace of Edinburgh Park and South Gyle represents 32% of the city total. Approved proposals at Waterfront could yield a further 165,000 sq.m. of future supply (15% of total). Newbridge continues to attract developer interest, largely on redundant industrial sites, capitalising on the excellent transport links and proximity to Edinburgh Airport. Almost 150,000 sq.m. of office floorspace currently has planning consent in rural-west Edinburgh. A further 188,000 sq.m. is planned for central Edinburgh (17% of total), predominantly in the extended Exchange area. Waverley Valley is yielding significant future office supply potential buoyed by the neighbouring catalyst of the Scottish Parliament complex.

6.69 In West Lothian, there is currently no speculative office development under construction. Confidence is gradually returning, with a number of developers known to be planning speculative office provision.

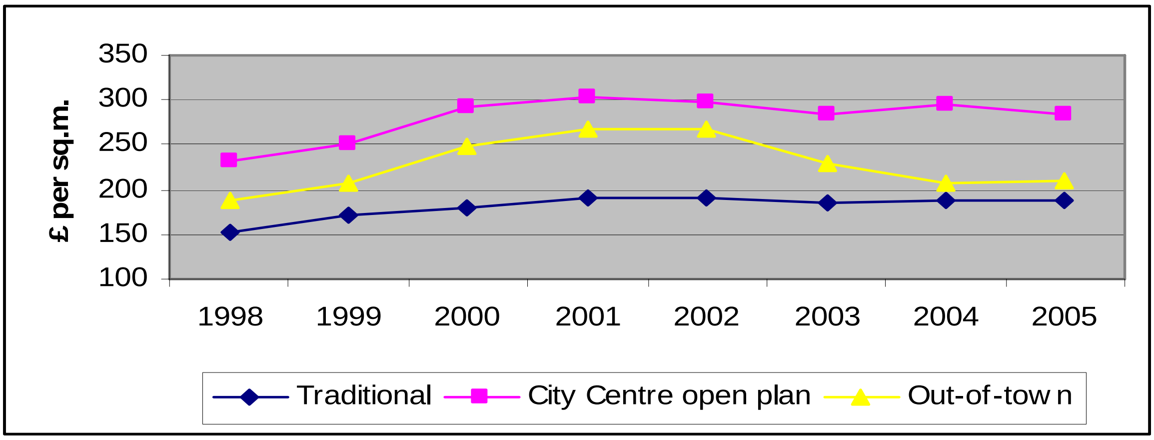
6.70 In summary:

- Office floorspace in the development pipeline is largely located in the strategic business centres supported in the ELSP, predominantly in the outlying areas of west Edinburgh and Waterfront.
- Central Edinburgh currently accounts for only 20% of approved office floorspace
- The ELSP supported area of Newbridge is continuing to attract development interest.
- There is currently no speculative office development under construction in West Lothian, although there are signs of future development interest picking up.

6.71 **Office Demand:** Office rents are an indicator of market demand. Current office rents in Edinburgh are lower than those reported in the ELSP. The BMR noted a trend of decline during 2002-03, and the market has not yet fully recovered. This is mainly due to a glut of vacant new office development caused by the collapse of take-up rates. This trend has been most pronounced in the peripheral open-space sector, although all three categories of headline rents are rising slowly.

6.72 The rental gap between period and new open-space floorspace in the city centre has been closing, although the former is currently achieving only two-thirds of the latter. Similarly, out-of-town open plan rents are presently running at around 74% of open-plan floorspace in the city centre.

Figure 6.6: Average Office Rental Values in the City of Edinburgh



Source: GVA Grimley

6.73 Supply/take-up of office floorspace as an indicator of market health is monitored by Ryden. Trends over the last decade are shown in Figure 6.7 (note: figures relate only to floorspace which is available to let, excluding purpose-built offices for owner-occupation). Average annual take-up has increased between 1996-2005 to 81,600 sq.m. from 71,000 sq.m. during 1992-2002. Take-up fluctuates considerably from year to year, with some years achieving almost double the rate of others. This cyclical pattern necessitates a long-term view in assessing future demand for office floorspace.

6.74 Following the boom years of 1998-2000, the Edinburgh office market slowed down with take-up in the year to March 2002 achieving only 74% of the annual average over the last 10 years. This coincided with the record high levels of speculative office completions in the city.

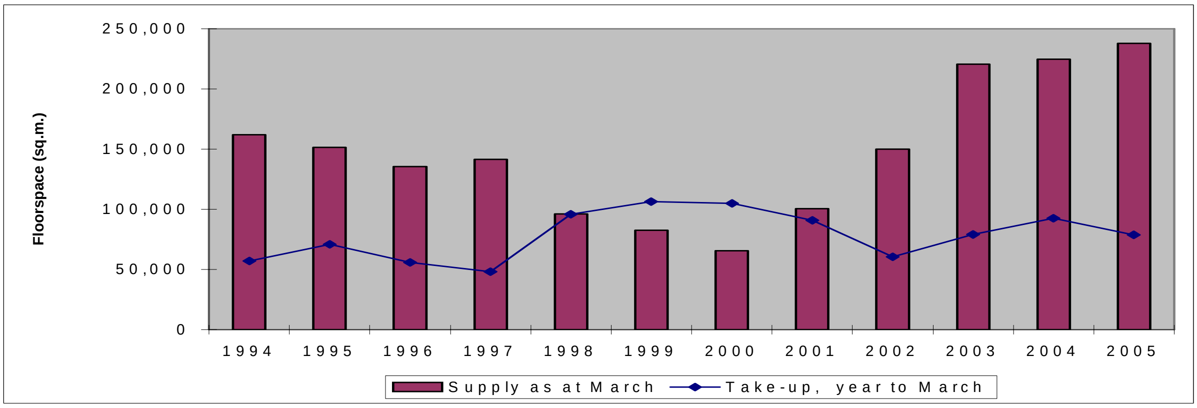


Figure 6.7: Take-up and Availability of Office Space in Edinburgh 1994 – 2005

Source: Ryden

6.75 In the year to March 2005, office take-up in Edinburgh rose to a level equal to the annual average over the last 10 years. Most recent transactions have been in the smaller size bands, dominated by organisations already based in Edinburgh which are relocating for growth or to improve working conditions. Most of the letting activity has taken place in central and west Edinburgh.

6.76 The Scottish Executive's relocation programme has also resulted in moves within Edinburgh and from the city to Livingston. Although there has been little significant recent inward relocation of businesses to Edinburgh, there are known to be organisations considering an Edinburgh move.

6.77 To reach a full assessment of office demand, the Council's record of purpose-built offices built over the last 10 years was added to the Ryden take-up statistics. (*Note: the Council's office monitor records gross floorspace, while the Ryden figures are net. Annual take-ups were converted to gross floorspace*.) Average annual demand for offices in Edinburgh between 1996-2005 was 123,800 sq.m. gross floor area which is 16% higher than the requirement of 106,500 sq.m. identified in the Supporting Statement.

6.78 **Supply of New Floorspace:** To allow movement in the office market, a surplus supply is required in excess of the calculated level of demand. The ELSP allows one-third which generates a requirement for gross office floorspace supply to 165,000 sq.m. per annum.

6.79 Supply includes all office floorspace i.e. new build stock, conversions to offices and re-lets of existing stock. ELSP strategy aims to ensure that the supply of new stock is adequate to accommodate market demand over the plan period. To quantify the new-build requirement, an average ratio of new build to total supply in Edinburgh was calculated over 1996-03 at 0.37:1. (*Note: 2004 new-build completions were exceptionally low, and excluded to avoid distorting the calculation; new build floorspace under construction at end 2004 suggests that previous levels of new stock additions will be back on track for 2005).*

6.80 The final estimate of annual new-build requirement is 61,000 sq.m. gross floorspace (cf 51,000 sq.m. in 2002). Up to 2015, the new total figure for the supply of new office floorspace is 671,000 sq.m., subject to the provisos of new build fluctuation, and the proportion of purpose-built to speculative development varies over time. However, the calculation yields a broad supply target against which completions can be monitored.

6.81 **Office Employment Forecasts:** The 2005 Experian employment projections show that from 2005 to 2015, around half of all new jobs in the Lothians will be office-based (Table 6.10), amounting to 17,000 in total. Edinburgh is expected to generate 70% of these new opportunities, with a further 21% in West Lothian.

Table 6.10 Office Employment Projections

Office Employment	2005	2015	Change	% change	% of total Lothians
(thousands)					
Edinburgh	168.94	180.95	12.01	7.1	70.4
West Lothian	29.43	32.99	3.56	12.1	20.9
East Lothian	11.12	11.30	0.18	1.6	1.1
Midlothian	11.62	12.93	1.31	11.3	7.7
Total Office Employment	**221.10**	**238.17**	**17.07**	**7.7**	**100.0**

Source: Experian 2005/CEC

6.82 ELSP uses an average occupancy rate of 25 sq.m. per employee to calculate an office floorspace requirement. Research and modern working practices suggest that a figure of 20 sq.m. is now more appropriate and this will reduce further as teleworking, homeworking, 24-hour office opening etc become more widespread. The 20 sq.m. per employee rate would create a requirement for an additional 240,000 sq.m. of gross office space in Edinburgh, and a further 100,000 sq.m. across the rest of the Lothians, including 70,000 in West Lothian (if all authorities aspire to accommodate their share of projected office employment growth within their boundaries).

6.83 At December 2004, Edinburgh had a total development pipeline supply of 1,228,127 sq.m. gross office floorspace, well in excess of the requirements indicated by the office employment forecasts. While some proposals will not reach fruition, the supply calculation incorporated an element of excess for market flexibility. With a new-build requirement of 61,000 sq.m. gross floorspace per annum, the pipeline development should accommodate demand over the remaining ELSP period, based on recent trends and current projections. In addition, proposals totalling over 90,000 sq.m. office floorspace were awaiting determination by the planning authority.

6.84 In summary:

- a large amount of office floorspace was completed in the period 2000-03; take-up slumped but has now recovered to the 10-year average annual average for the previous decade
- Office jobs account for half projected service sector growth across Edinburgh and the Lothians to 2015
- Around 70% of office job expansion is expected to occur in Edinburgh, and 21% in West Lothian
- In Edinburgh, future office demand has increased from the ELSP estimate of 51,000 sq.m. per annum to 61,000 sq.m. gross;on this basis, there is sufficient new-build City office space in the development pipeline for the remaining structure plan period
- The capacity and geography of pipeline supply suggests that the ELSP strategy of focussing office development in strategic business centres is supporting sustained economic growth across the Lothians and there is no need to review strategic office policy.

7. RETAILING AND TOWN CENTRES

7.1 This chapter examines progress towards achieving the key retail objectives set out in the ELSP 2015. Given that the plan was only approved in June 2004, other factors including the previous structure plan will inevitably have influenced the observed trends. The analysis has been carried out under the following major headings :

- National policy context
- Progress with local plan implementation
- Providing for the needs of Lothian shoppers
- Promoting the vitality and viability of town centres
- Focusing new retail development in town centres - the 'sequential approach'

Changes in Policy Context

7.2 ELSP para. 6.4 and Supporting Statement paras. 5.12 to 5.23 refer.
The update to national planning policy on town centres and retailing has been issued by the Scottish Executive as a consultative draft (SPP8, 'Town Centres' August 2005). The title drops the reference to 'retailing' and the focus has shifted to the wider mix of activities which characterise town centres.

7.3 Compared with its predecessor, the latest publication is slimline and strategic, and steers clear of detailed issues. For example it no longer gives guidance on specific retail formats – perhaps an acknowledgement that these are evolving all the time. This approach is very much in keeping with the style of other recent SPPs (Scottish Planning Policies). The strategic focus and simplification is likely to be broadly welcomed, although there may be an issue that retailing has lost some of the prominence that it had in previous policy guidance. The important role of retailing in sustaining town centres is acknowledged, but there are no longer references to the significance of local retailing, outwith town centres. This could undermine local initiatives to rejuvenate neighbourhood shopping.

7.4 There are no major changes to underlying policy, and it is still a fundamental aim to encourage investment and development which will secure the long-term vitality of town centres. However there are some changes of emphasis, most notably the recognition that town centres exist as part of a 'network' of centres, some of which have a specialist and complementary role to town centres (e.g. major leisure and retail destinations). The role of these centres needs to be spelled out. There is also a strong emphasis on positive intervention by planning authorities to promote town centre improvements and identify development opportunities. The need for regular 'health checks', assessment of future capacity, and monitoring of policy implementation is also highlighted more forcefully than before. The ELSP 2015 has already anticipated these issues, and is considered to be fully in line with the latest policy guidance. It is proposed that no changes are needed at present, although it will be necessary to review this again when the SPP is published in its final form.

7.5 The 'sequential approach' to the location of retail development remains a core plank of the government's strategy. In fact the indications are that this should now be applied more widely across the whole spectrum of activities which are suitable for location in town centres, including commercial leisure, hotels, offices, community and cultural uses etc. as well as retailing.

7.6 One other aspect of note relates to retail competition. SPP8 repeats the fundamental doctrine that the planning system can protect and promote centres but "not the competitive interests of individual retailers or other businesses". In this respect it clarifies previous guidance by stating categorically that it will not be necessary to examine the 'internal' impacts of a development within a town centre on other similar uses already present within that centre. However, this exemption does not apply to proposals for edge-of-centre developments.

7.7 It is concluded that the ELSP 2015 is fully compliant with SPP8 Town Centres.

7.8 **Recent appeal decisions:** Two significant retail appeals / inquiries have been progressed within the Lothians since the approval of the ELSP. These relate to an outline application for a large supermarket close to the edge of Portobello town centre, and a Ministerial call-in for a medium sized supermarket at Spott Road on the edge of Dunbar (which was approved against officer recommendations). The first of these was rejected following a public inquiry, and the latter is still awaiting a decision from Ministers.

7.9 In the Portobello case, the reporter concluded that the proposed store was, in structure plan terms, 'sufficiently close [to the town centre] to form an effective extension to the centre'. The appeal site was agreed to be highly accessible from the expected catchment area. Fears about impacts on local independent traders were considered to be understandable, but the reporter emphasised that "It is not the role of the planning system to protect individual retailers and NPPG8 promotes an efficient, competitive and innovative retail sector offering consumer choice, consistent with the overall commitment to town centres". A store which effectively acted as an extension to Portobello town centre and which helped to retain expenditure currently attracted to out-of-centre locations was considered to complement Portobello in its role as a District Centre.

7.10 In summary, the reporter concluded that a superstore development at this location "would accord in locational terms with the thrust of structure plan retail and transport policy". Notwithstanding this, the appeal (against non-determination) was refused essentially because the proposals did not adequately demonstrate that the development would integrate with its surroundings in urban design and functional terms. There was particular concern that the likely increase in traffic would potentially make the High Street a less attractive shopping environment, although it was acknowledged that some congestion would be difficult to avoid in the context of national and development plan policies which encourage development in or adjacent to town centres.

7.11 The appeal did not bring into question the logic or validity of the ELSP policies, and the main lessons relate to interpretation of issues such as 'edge-of-centre' location and internal retail impacts within a centre. The conclusions underline that even if proposals conform to strategic retail policy, they may be rejected if they do not adequately address urban design issues. A similar outcome has resulted from other earlier appeals.

7.12 It is concluded that recent appeal decisions give no cause to change the underlying strategy.

Local Plan Progress

7.13 ELSP policies RET 5 (a) to (f) and Supporting Statement paras. 5.23 & 5.41 refer to the important role of local plans in implementing the structure plan strategy for retailing and town centres. In particular they are expected to define the boundaries of centres, keep their vitality and viability under review, and identify the scope for improvements and new development. Another key task, made all the more important in the light of the new draft SPP8 (see below) is to set out the role of the strategic shopping centres ('schedule 6.2 centres') which are not designated town centres.

7.14 The adopted East Lothian Local Plan 2000 identifies six town centres, each with a defined boundary. Only four of these are recognised as town centres in ELSP terms : Musselburgh, Haddington, Dunbar and North Berwick. The other two are the smaller centres of Prestonpans and Tranent. The local plan is currently being reviewed, and the finalised plan retains the same six centres with the same boundaries. It puts forward specific development opportunities in Musselburgh and Dunbar, for small scale housing development and environmental improvements. The finalised plan also states that Town Centre Strategies will be prepared for each centre, in the form of supplementary planning guidance.

7.15 The City of Edinburgh adopted local plans define town centres in terms of primary and secondary frontages, rather than boundaries. All the local plans in the urban area are being consolidated into the Edinburgh City Local Plan (ECLP), which is scheduled to go out for consultation early in 2006.

All ten of Edinburgh's town centres fall within the new plan area, and as required by the ELSP, the local plan will designate boundaries for these centres and assess the scope for new development. Particular effort will be focussed on promoting potential retail development opportunities in Edinburgh City Centre. Also, as required by the structure plan and emerging government policy, the ECLP will set out specific roles for the strategic shopping centres listed in schedule 6.2. Eight out of the nine such centres lie within Edinburgh.

7.16 The current adopted Midlothian Local Plan defines the boundaries for the three town centres in Midlothian, i.e. Dalkeith, Penicuik and Bonnyrigg. In addition, a proposal for a new town centre in the development area of the 'South East Wedge' is advanced in the adopted Shawfair Local Plan, which covers the area of Midlothian to the north of the Edinburgh City By-pass. The extent and composition of this centre are to be defined through the masterplan for the new settlement. Both adopted local plans are currently the subject of a combined review and a Preferred Development Strategy has been issued for consultation. No changes are proposed to the boundaries of existing town centres, and a package of regeneration proposals is put forward to revitalise Dalkeith town centre ('Developing Dalkeith'). A small adjustment is proposed to the boundaries of Straiton retail park, extending it to the south. It is intended that the replacement local plan will contain a statement defining the role of Straiton, this being the only 'Schedule 6.2' strategic centre outwith Edinburgh.

7.17 The finalised West Lothian Local Plan confirms and defines boundaries for the six town centres identified in the structure plan, i.e. Almondvale (Livingston), Bathgate, Linlithgow, Armadale, Whitburn and Broxburn / Uphall. A boundary extension is proposed in the case of Bathgate town centre. Opportunities for new development and environmental improvements are identified in Almondvale and Bathgate. The plan signals that action plans are to be prepared for the main town centres, complementing that already produced for Bathgate in 2005. A new town centre is proposed to serve the core development area at Winchburgh. The local plan text also refers to West Calder and Blackburn as 'town centres', although these are not identified as town centres in the structure plan.

Providing for the Needs of Lothian shoppers

7.18 ELSP 2015 objective :

- *To ensure that the population of Edinburgh and the Lothians has access to a full range of high quality shopping facilities, minimising the need to travel, and maximising the benefits to the local economy.*

(implemented through policies RET 1 to RET 5)

7.19 **Self-containment / leakage:** New retail developments over the last 5-6 years appear to have been very successful in reducing the outflow (or 'leakage') of retail expenditure from the Lothians. The evidence from household shopping surveys indicates that 'leakage' of non-food spending to Glasgow and other major centres was particularly high in 1999, but this has now been reduced to sustainable levels (see Table 7.1), which mean that Lothian residents can meet the vast majority of their needs without having to travel further afield.

7.20 Developments which are likely to have played a major role in attracting back and retaining local expenditure include : Harvey Nichols / Multrees Walk, George Street, Almondvale (Designer Outlet Centre), Fort Kinnaird, Straiton, IKEA, Ocean Terminal etc.

Table 7.1 : % of non-food spending destined for centres outwith the Lothians

1999 Retail Surveys	2004 Retail Surveys
17.8%	2.5%

Source: Retail studies carried out by Halcrow

7.21 Whilst there will inevitably be some uncertainty attached to 'leakage' figures, because of sampling error and slight variations in survey methodology, the scale of the reduction since 1999 does appear to be very significant. One implication of this finding is that there is now less urgency to provide further new development to remedy spending outflows. However, as shown below (para. 7.24), there is still expected to be substantial growth in local consumer spending which will create demand for new retail development.

7.22 The adequacy of provision at a more local level is a matter of concern to some authorities, in relation to comparison as well as food retailing. There is a desire to minimise the distance which people need to travel for general shopping. However, evidence on local shopping patterns is out-of-date and not sufficiently reliable to identify local shortages with any certainty.

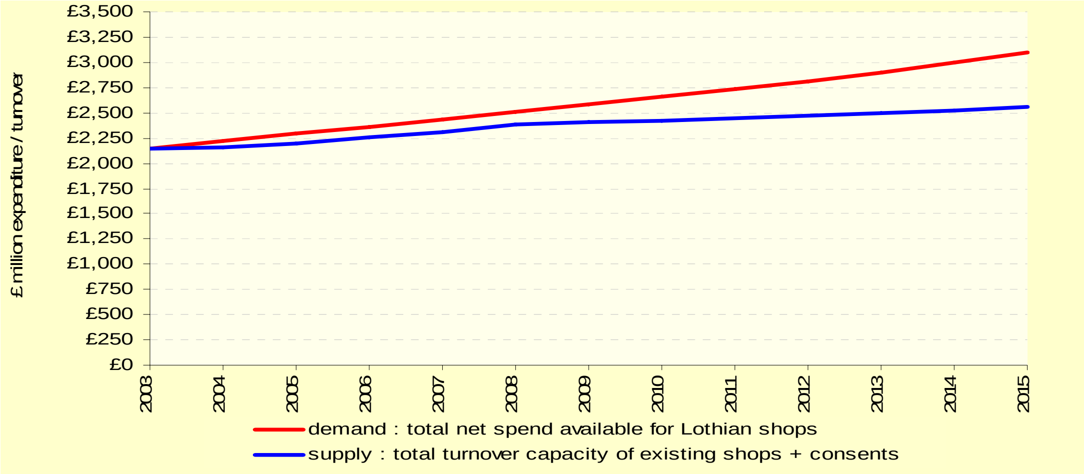
7.23 In future there could be a case for instigating regular annual or biennial surveys to monitor key aspects of retail expenditure flows, including leakage and market shares for the main centres. These could be structured so as to yield information on leakage at the local authority level, as well as the Lothians as a whole. This would provide further evidence on the sustainability of shopping patterns. However, it is recognised that longer trips are not necessarily incompatible with sustainability objectives, where these are for occasional, specialised shopping, and focused on the regional or sub-regional centre which have high accessibility by public transport. (Para. 7.30 onwards discusses the regional and sub-regional centre in more detail).

7.24 **Retail capacity:** The latest evidence on the balance between supply and demand for shopping facilities comes from the Edinburgh Area Retail Needs Study (EARNS) (Halcrow, June 2005). This updates previous studies, carried out in 1997 and 1999, taking account of recent changes in consumer and retail trends. It compares the likely spending available for Lothian shops, on a year-by-year basis upto 2015, with the projected turnover 'capacity' of existing shops and those with planning permission. The analysis confines itself to non-food retailing.

7.25 The main finding is that by 2010 there will be an estimated surplus of some £182 million non-food retail spending over and above that which could be catered for by existing shops in the Lothians. By 2015 this will have grown to £544 million. Fig 7.1 illustrates the growing gap between demand and supply. The findings take account of trends such as :

- increasing per capita spending, after allowing for inflation (albeit the rate of growth is likely to slow down as the housing market cools and borrowing levels reduce);
- increasing take-up of the internet as an alternative to 'bricks and mortar' shopping, with higher expenditure on a wider range of goods;
- inflows and outflows of spending across the regional boundary, with higher retention of local spending (see above) offset by fewer shoppers from elsewhere in Scotland, but still an important contribution from tourists;
- the expanding role of large supermarkets in catering for non-food shopping;
- the ability of existing shops to cope with higher throughput (i.e. higher sales densities), through more efficient organisation and a shift to higher value products

Fig 7.1: Non-food Retail Capacity Projections



Source: Edinburgh Area Retail Needs Study, 2005

7.26 The capacity estimate of £544M is based on developments which were known about at the time of the study in early 2005. This figure will already have been reduced by more recent planning permissions, and there are other proposals which, if approved, would reduce it further. The amount of new retail floorspace implied by this figure depends very much on the type and location of development proposed. Table 7.2 gives a very broad illustration, based on simplistic assumptions that the entire capacity will be built in one particular form or another.

Table 7.2 :Illustrative non-food retail floorspace requirements to 2015 (based on an estimated 'unserviced' turnover capacity of £544 million)

Floorspace format / location	Sales density (£ / sq.m.) at 2015	Floorspace requirement (sq.m.)
City centre	£6,600 / sq.m. (approx.)	82,400 sq.m. (approx.)
Shopping mall	£4,300 / sq.m. (approx.)	126,500 sq.m. (approx.)
Retail park	£3,600 / sq.m. (approx.)	151,000 sq.m. (approx.)
Suburban high street	£2,150 / sq.m. (approx.)	253,000 sq.m. (approx.)
To give an idea of scale, Edinburgh City Centre has a total retail floorspace of about 250,000 sq.m.; the St. James Centre (within the City Centre) 42,000 sq.m.; Livingston Almondvale (excluding retail warehouses) 63,000 sq.m.; Fort Kinnaird retail park 54,000 sq.m.; Gyle Shopping Centre 31,000 sq.m. (note : all turnover figures are at 2003 values of the £)		

7.27 **Retail employment:** The ELSP recognises the potential which retailing has to generate local economic and employment benefits. Table 3 shows that recent retail developments have indeed helped to support local employment. Although new developments sometimes have an impact on existing shops, the net effect has been an increase in jobs in the retail sector, both in absolute terms and as a percentage of total employment. Proportionately, retail employment has grown most rapidly in Midlothian and West Lothian. In 1998 Edinburgh accounted for 71.6% of retail jobs in the Lothians, but by 2003 this had fallen to 68.1%.

7.28 Growth has occurred both in full-time and part-time retail employment, although the latter has particularly benefited. Across the Lothians as a whole, full-time jobs grew by 19% while part-time jobs grew by 25% between 1998 and 2003.

Table 7.3(a) : Retail employment trends (full-time + part-time employees) : numbers

	Lothians total	Edinburgh	East Lothian	Midlothian	West Lothian
1998	37,811	27,078	2,755	1,972	6,006
1999	38,637	28,286	2,614	1,997	5,740
2000	41,526	29,950	2,691	2,176	6,709
2001	40,206	28,719	2,559	1,838	7,090
2002	43,380	30,966	2,678	2,103	7,633
2003	46,224	31,485	2,984	3,334	8,421

Source : Annual Business Inquiry

Table 7.3(b) : Retail employment trends (full-time + part-time employees) : % of total employment

	Lothians total	Edinburgh	East Lothian	Midlothian	West Lothian
1998	9.7%	9.7%	11.3%	9.0%	9.4%
1999	10.3%	10.5%	11.2%	9.0%	9.5%
2000	10.2%	10.3%	11.0%	9.7%	10.0%
2001	9.7%	9.7%	10.6%	7.6%	10.5%
2002	10.2%	10.0%	10.7%	8.6%	11.3%
2003	10.7%	10.1%	12.3%	12.9%	11.8%

Source : Annual Business Inquiry

Promoting the Vitality and Viability of Town Centres

7.29 ELSP objectives :

- *To promote investment that will increase the vitality and viability of town centres, through improvements to environmental quality, amenity, accessibility, marketing, and the range and quality of retailing and other facilities.*
- *To consolidate and strengthen the role of Edinburgh City Centre as a prime leisure shopping destination of national importance, and as the principal destination for comparison shopping in the east of Scotland*

(implemented through policies RET 1 to RET 5.)

Edinburgh City Centre and Almondvale, Livingston

7.30 Only rudimentary 'health check' information is available for smaller town centres in Edinburgh and the Lothians, although steps are being taken by some authorities to address this (e.g. West Lothian has commissioned consultants to assess its older town centres). More detailed performance information is available for Edinburgh City Centre and Almondvale (Livingston), which are respectively the regional and sub-regional centre and are the subject of special policies in the Structure Plan (RET 3 and RET 4). Because of the scale of these centres, evidence relating to rentals, property yields etc. is more abundant and more reliable. Key indicators of retail performance and vitality are summarised in Table 7.4 below. This includes comparative historic information for the City Centre, although equivalent information is not available for Almondvale.

Table 7. 4 : Key performance / vitality indicators for Edinburgh City Centre and Almondvale

	Edinburgh City Centre, 1996	**Edinburgh City Centre, 2004**	**Almondvale, 2004**
Total no. of shop units	1,392	1,432	235
No. of units in class 1 retail use	723	711	176
No. of vacant units	100	85	9
No. of non-retail units	569	636	50
Vacancy rate (% of units)	7%	6%	4%
Total gross floorspace	337,147 sq.m.	369,410 sq.m.	108,825 sq.m.
Floorspace in class 1 retail use	233,307 sq.m.	248,591 sq.m.	97,113 sq.m.
Convenience goods floorspace	18,149 sq.m.	14,517 sq.m.	16,759 sq.m.
Comparison goods floorspace (*1)	215,158 sq.m.	234,074 sq.m.	80,354 sq.m.
% of Lothian comparison fl'space (*1)	36.2%	28.2%	9.7%
Estimated comparison goods t'over	£484.9M	£754.6M	£301.2M
% of Lothian comparison turnover	50.8%	35.5%	14.2%
Prime retail rentals	£170 / sq.ft.	£210 / sq.ft.	£85 / sq.ft.
Prime retail property yields	4.25%	5.25%	8.0%
Weekly footfall	n/a	n/a	207,000 (2003)
Peak pedestrian flows	n/a	n/a	n/a

Sources : retail surveys, 1997 and 2004 retail capacity studies, Colliers CRE (rentals), Government Valuation Office (yields)

7.31 In Edinburgh City Centre there has been some modest growth in retail floorspace, as a result of the Multrees Walk / Harvey Nichols development and conversions from offices on George Street. Vacancy rates are about average, and have fallen slightly over the last decade, suggesting that there remains a demand for space.

7.32 However, the total number of shops in retail use has fallen, which could be indicative of a reduced range of choice for shoppers. Space devoted to food sales has fallen since 1996, and is now a very small proportion of the total. Meanwhile, in common with many other centres, there has been a growing representation of ancillary service uses (e.g. food & drink, leisure, health, repairs, financial services).

7.33 It is perhaps not surprising that the City Centre's market share has fallen in recent years. In the mid 1990s it is estimated that the Centre accounted for about half of the non-food turnover of shops in the Lothians. However, this has now fallen to just over one-third, as an increasing proportion of trade has been channelled through suburban shopping malls, retail parks, retail warehouses and large supermarkets. Although the market share has fallen, the actual volume of sales has increased, because the 'pot' of spending from residents and tourists has grown, and is expected to continue growing, albeit at a slower rate. Nevertheless, loss of market share, especially on this scale, is potentially a warning sign that the City Centre's status as the regional shopping centre is under threat. Edinburgh City Centre is in need of a substantial upgrade to its retail provision to assure its long-term vitality and role as the regional shopping centre. A significant proportion of the new development which will be required to service the growing retail spending over the structure plan period should be accommodated in the City Centre.

7.34 Almondvale has grown substantially over the last decade, and has now reached nearly 100,000 sq.m. of retail floorspace, which is about 39% of the size of the City Centre. However this includes a significant element of food retailing. Vacancy rates in Almondvale are below average, at 4%. An extension incorporating an additional 32,000 sq.m. of retail space was granted planning permission in November 2005.

7.35 Rental growth and commercial yields are widely accepted barometers of retail vitality, as they reflect the current and future demand for space, relative to supply. Historically, retail rentals in Edinburgh City Centre (Princes Street) have been the highest in Scotland. However, parts of Glasgow City Centre have caught up or overtaken, and Edinburgh rentals are now well behind those in many English cities. Table 7.5 shows that rental growth in Edinburgh has lagged behind that in most other Scottish centres, and has stagnated or even fallen slightly over the last few years. In contrast, rentals in Livingston have surged ahead, and are amongst the fastest growing in Scotland, although they are still below half of those in the City Centre.

Table 7.5 : Comparative Rental Growth - selected centres

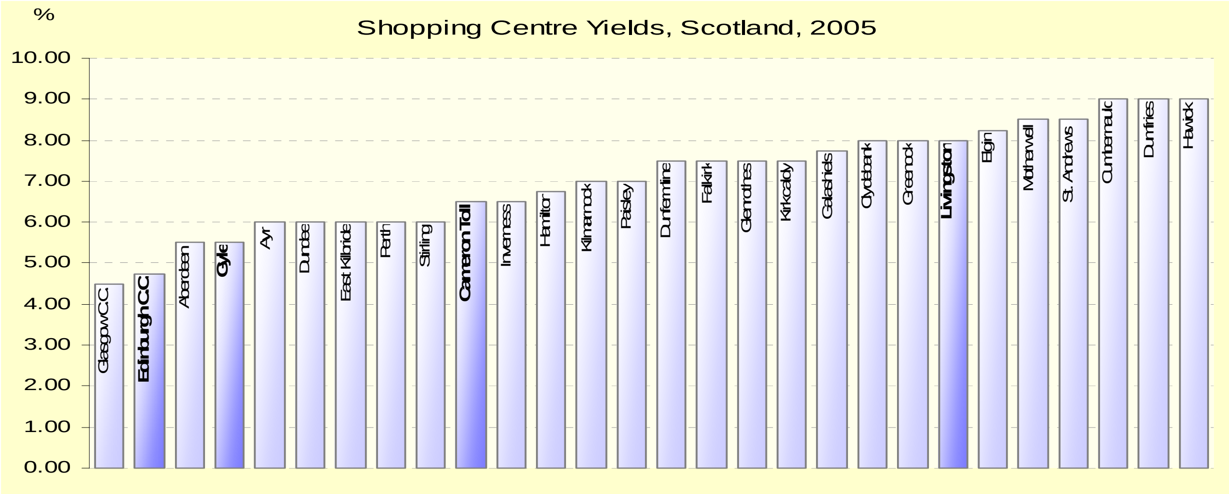
	Long-term growth (1987-2004)	**Medium-term growth (1993-2004)**	**Short-term growth (1999-2004)**
Edinburgh City Centre	90.9%	35.5%	-6.7%
Almondvale, Livingston	203.6%	84.8%	41.7%
Gyle shopping centre	n/a	171.4%	8.6%
Edinburgh Fort r/park	n/a	n/a	58.3%
Glasgow	100.0%	91.3%	-2.2%
Aberdeen	120.0%	83.3%	10.0%
Dundee	69.2%	22.2%	4.8%
Inverness	175.0%	69.2%	0.0%
Stirling	133.3%	45.8%	23.5%
Falkirk	136.8%	80.0%	0.0%

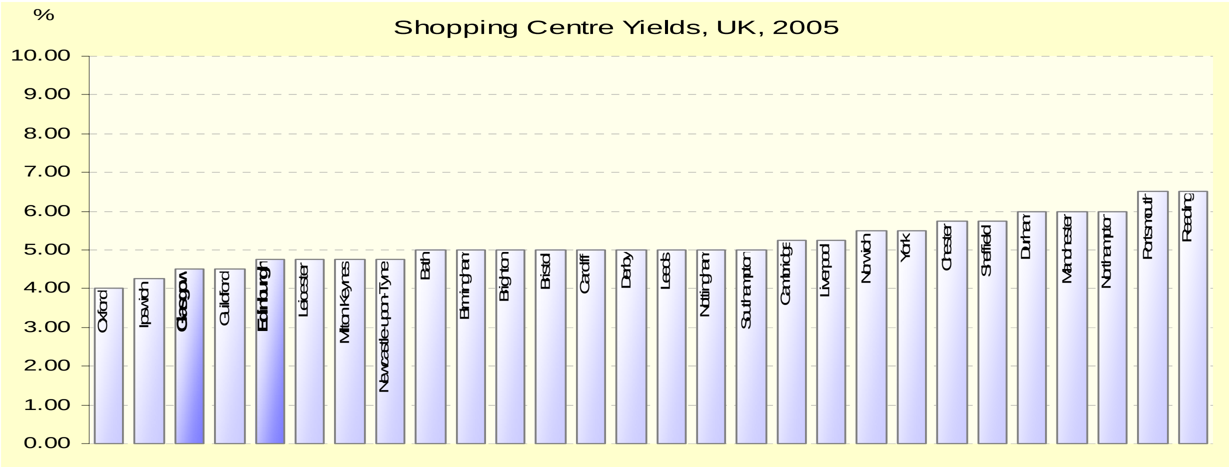
Source : Colliers CRE In-town Retail Rentals

7.36 While rental growth has been slow, yields in Edinburgh are amongst the lowest in the UK, which is a sign of investor confidence (see Fig 7.2, and explanatory note). To some extent this reflects the strong latent demand from retailers, who are known to be looking for sites. However it is also likely to be influenced by the constrained supply of ‘suitable’ sites – i.e. sites with the right layout, in the right location, and at the right price. The difficulties of providing new accommodation enhances the value of that which already exists.

7.37 Yields in Livingston are more than 3% higher than those in Edinburgh, which may be a sign of ample supply relative to demand.

Fig 7.2 : Shopping Centre Yields, 2005





Source : Government Valuation Office - Property Market Reports

Yields are a benchmark used by the property industry to assess the comparative attractiveness of different shopping centres as locations for investment. The lower the yield, the more attractive the centre is considered to be in terms of the security of future income streams and prospects for future rental growth. Security and growth prospects can stem from a buoyant economy (i.e. high demand), but they can also result from constrained supply of retail property, which limits competition. Figures in this chart are 'all risk yields', which are calculated by dividing the rent, as though it has been received as a single lump sum at the year end, by the capital value or sale price of a property.

7.38 Strong underlying demand from retailers looking for suitable space in Edinburgh City Centre is shown in Fig 7.3. This highlights that Edinburgh is one of the most sought-after centres in the UK in terms of registered requirements notified to property agents. Furthermore, the level of interest has been increasing. However, the difficulty of providing suitable sites to meet this demand is one of the main challenges to be faced. Graph 4 shows how Edinburgh has slipped in the rankings of UK shopping centres since the mid 1990s, as monitored by retail analysts using objective criteria such as the range and quality of outlets and the spending power in the catchment area. This is a trend which needs to be arrested and reversed if structure plan objectives for the City Centre are to be fulfilled.

Fig 7. 3 : Retailer Floorspace Requirements, 1996 – 2004 (Edinburgh 'in-town')

Source : 'Focus' retail demand

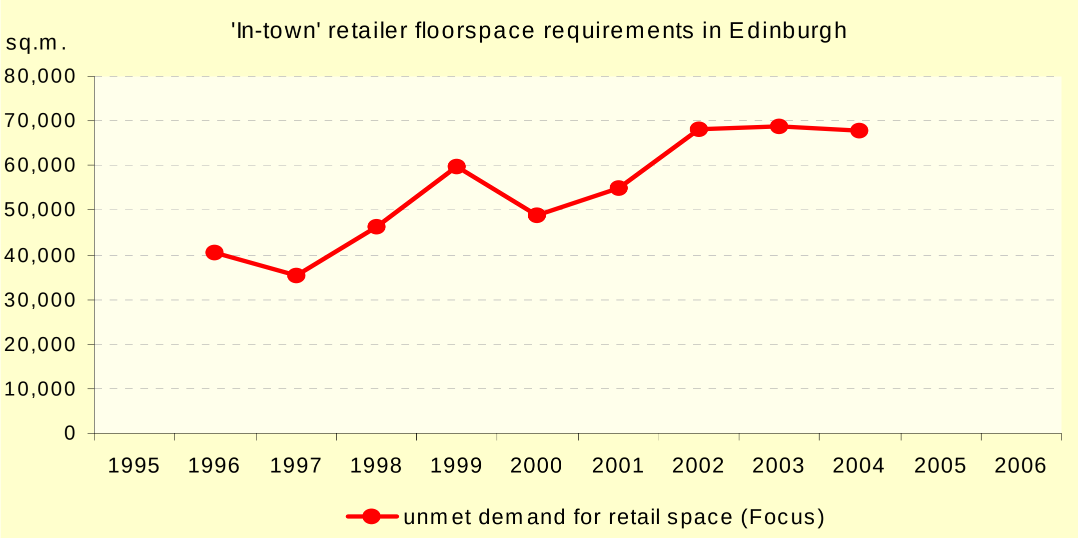
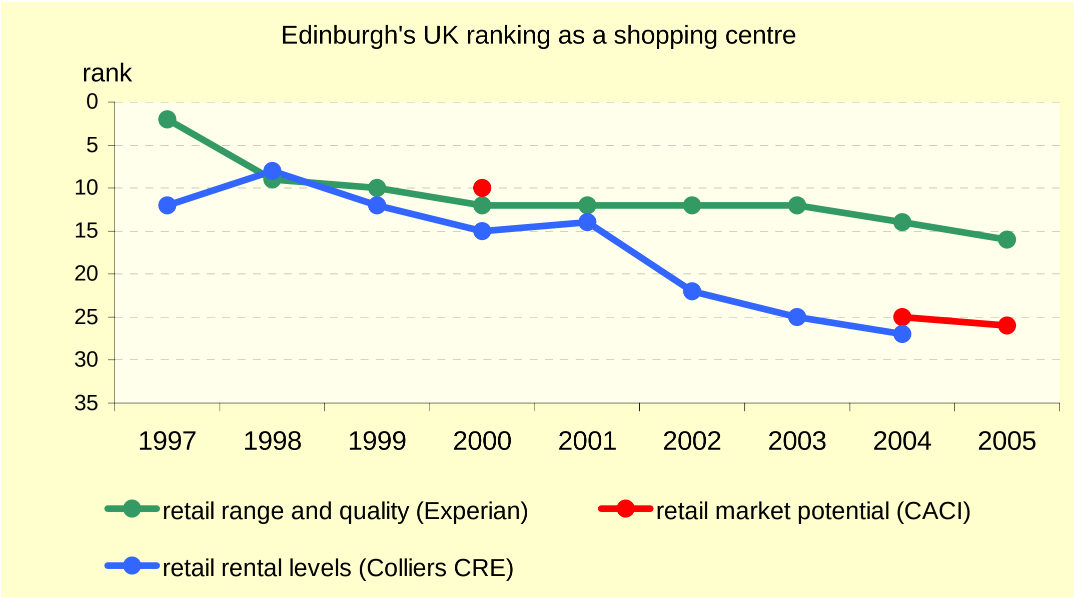


Fig 7.4 : Edinburgh's UK Ranking as a Shopping Centre, 1997 - 2005



Sources : Experian, CACI, Colliers CRE

Experian ranking shows Edinburgh City Centre's ranking out of the top 250 retail locations throughout the U.K., based on a 'vitality' score which takes account of : (i) the number of multiple retailer outlets (40% weighting); (ii) the number of service & miscellaneous outlets (10% weighting); (iii) the number of comparison retailer outlets (10% weighting); (iv) floorspace of multiple retailer outlets ((10% weighting); (v) floorspace of retail outlets (10% weighting); (vi) floorspace of vacant outlets (10% weighting); (vii) number of key retail attractors (10% weighting). Derived through physical surveys of 1,100 separate shopping locations.
CACI ranking shows Edinburgh City Centre's ranking in terms of the potential retail expenditure available within its catchment area, based on observed shopping patterns.

Other town centres

7.39 Information for monitoring the vitality and viability of smaller town centres is very sparse. Because of their limited scale and the relative infrequency of property transactions, there is little if any reliable evidence on yields or rentals. However, even simple information on the scale and composition of shopping provision in these centres can provide a yardstick for assessing changes over time.

7.40 Table 7.6 shows that most of these other town centres are relatively small, especially in the landward areas outwith Edinburgh. Retail floorspace provision tends to be considerably less than in purpose-built shopping centres (e.g. Gyle 30,000 sq.m.). However, town centres still accommodate a significant number and range of retail outlets, including smaller independents as well as multiples. Unit sizes are generally smaller than in purpose-built centres.

7.41 Shop vacancy rates provide perhaps the best guide to vitality of smaller town centres, from the limited information available. (However, in some poorly performing centres, vacancy rates may be suppressed by the conversion or redevelopment of shop premises to residential or other uses). It is evident that some centres are struggling more than others to maintain viable retail occupancy, with high vacancy rates in Gorgie / Dalry and Leith Central, for example. Many town centres are also characterised by a high proportion of shop units devoted to ancillary services, which includes uses such as restaurants, bars, hairdressers, betting shops, financial services etc.)

7.42 This reveals that traditional town centres, excluding the City Centre, accounted for 19% of the city's total retail floorspace in 2004, compared with 29% in 1986. (Based on retail + vacant floorspace, excluding ancillary services).

Table 7.6 : Retail Composition within Town Centres, 2004 (no. of units / gross floorspace)

Other Town Centres	'Convenience' goods retail	'Comparison' goods retail	Non-retail services etc.	Vacant (& unit vacancy rate)
Dunbar (East Lothian)	32 units *6,927 sq.m.*	20 units *1,939 sq.m.*	46 units (44%) *3,403 sq.m.*	6 units (6%) *301 sq.m.*
Haddington (East Lothian)	24 units *1,445 sq.m.*	61 units *6,169 sq.m.*	61 units (40%) *8,890 sq.m.*	5 units (3%) *212 sq.m.*
Musselburgh (East Lothian)	55 units *12,494 sq.m.*	53 units *11,210 sq.m.*	87 units (44%) *8,020 sq.m.*	5 units (3%) *1,649 sq.m.*
North Berwick (East Lothian)	32 units *3,214 sq.m.*	42 units *5,363 sq.m.*	35 units (31%) *2,696 sq.m.*	4 units (4%) *522 sq.m.*
Corstorphine (Edinburgh)	16 units *10,596 sq.m.*	46 units *12,364 sq.m.*	59 units (48%) *5,994 sq.m.*	3 units (2%) *156 sq.m.*
Gorgie / Dalry (Edinburgh)	31 units *8,043 sq.m.*	68 units *9,801 sq.m.*	129 units (46%) *9,724 sq.m.*	52 units (19%) *4,634 sq.m.*
Leith Central (Edinburgh)	22 units *6,690 sq.m.*	65 units *10,797 sq.m.*	77 units (38%) *7,976 sq.m.*	37 units (18%) *3,153 sq.m.*
Leith Walk (Edinburgh)	39 units *6,737 sq.m.*	86 units *12,582 sq.m.*	159 units (50%) *17,876 sq.m.*	36 units (11%) *3,040 sq.m.*
Morn'side / Brunts.(Edinburgh	39 units *7,424 sq.m.*	127 units *13,058 sq.m.*	103 units (37%) *11,091 sq.m.*	11 units (4%) *1,167 sq.m.*

Nicolson / Clerk St. (Edinburgh)	43 units *7,735 sq.m.*	89 units *13,080 sq.m.*	127 units (44%) *14,549 sq.m.*	28 units (10%) *2,460 sq.m.*
Portobello (Edinburgh)	22 units *3,358 sq.m.*	44 units *4,756 sq.m.*	73 units (48%) *7,087 sq.m.*	14 units (9%) *976 sq.m.*
Stockbridge (Edinburgh)	23 units *2,945 sq.m.*	76 units *6,792 sq.m.*	84 units (43%) *7,712 sq.m.*	12 units (6%) *1,017 sq.m.*
Tollcross (Edinburgh)	39 units *5,304 sq.m.*	93 units *14,744 sq.m.*	204 units (53%) *24,151 sq.m.*	46 units (12%) *4,270 sq.m.*
Bonnyrigg (Midlothian)	12 units *3,474 sq.m.*	14 units *1,715 sq.m.*	34 units (57%) *2,142 sq.m.*	0 units (0%) *0 sq.m.*
Dalkeith (Midlothian)	16 units *3,448 sq.m.*	47 units *7,602 sq.m.*	60 units (47%) *5,118 sq.m.*	5 units (4%) *286 sq.m.*
Penicuik (Midlothian)	10 units *3,311 sq.m.*	27 units *3,836 sq.m.*	31 units (43%) *2,510 sq.m.*	4 units (6%) *198 sq.m.*
Armadale (West Lothian)	14 units *2,151 sq.m.*	15 units *1,338 sq.m.*	42 units (49%) *4,967 sq.m.*	14 units (17%) *1,119 sq.m.*
Bathgate (West Lothian)	18 units *7,069 sq.m.*	60 units *11,613 sq.m.*	73 units (45%) *7,619 sq.m.*	10 units (6%) *2,791 sq.m.*
Broxburn / Uphall (West Lothian)	13 units *2,483 sq.m.*	28 units *3,133 sq.m.*	54 units (54%) *5,434 sq.m.*	6 units (6%) *429 sq.m.*
Linlithgow (West Lothian)	13 units *3,425 sq.m.*	34 units *2,822 sq.m.*	52 units (52%) *4,303 sq.m.*	1 unit (1%) *22 sq.m.*
Whitburn (West Lothian)	17 units *2,975 sq.m*	30 units *3,014 sq.m.*	52 units (49%) *5,131 sq.m.*	7 units (6%) *541 sq.m.*

‘Convenience’ goods essentially refer to food & drink sales for home consumption. They also include cleaning products. ‘Comparison’ goods include a wide range of personal and household non-food items, e.g. clothing, books, recreational goods, furniture, DIY.

Focusing New Retail Development in Town Centres –the ‘sequential approach’

7.43 ELSP objectives :

- *To secure an equitable, accessible and sustainable distribution of shopping facilities, with new development focused wherever possible in recognised town centre locations.*
- *To restrain further development of retail parks or other out-of-centre sites, unless there are recognised deficiencies and no opportunities to remedy them within town centres.*

(implemented through policies RET 1 and RET 2.)

7.44 Whilst the overall amount and quality of retail provision has significantly improved to fulfil the needs of Lothian shoppers, the main outstanding issues relate to the *location* of new development. Information which planning authorities supply for the Scottish Executive's annual Retail Development Survey is designed to monitor the extent to which the 'sequential approach' is being implemented. The sequential approach seeks to give priority to town centres (over other locations) as the preferred focus for new retail development, subject to suitable sites being available. This approach is a core element of the Executive's strategy in support of town centres.

7.45 The ELSP 2015 adopts an extended version of the sequential approach, acknowledging that other strategic shopping locations have a role to play, and should be the next preference when development cannot be accommodated in or on the edge of town centres. These other strategic locations are set out in 'schedule 6.2' in the Structure Plan. The development monitoring information supplied to the Scottish Executive has been reformatted to allow for this, for 2001 and subsequent returns. Graphs 7.5 to 7.7 indicate how much retail space has been brought forward for development between 2001 and 2004 in terms of the hierarchy of sequential locations. (Note that Fig. 5 looks at planning applications, planning consents and completed developments. Figs. 7.6 and 7.7 focus on *planning consents only*, and look at where and when these have been granted).

Fig 7.5: Retail Developments 2001-2004 in Edinburgh & the Lothians (total floorspace), by 'sequential' location and stage of development

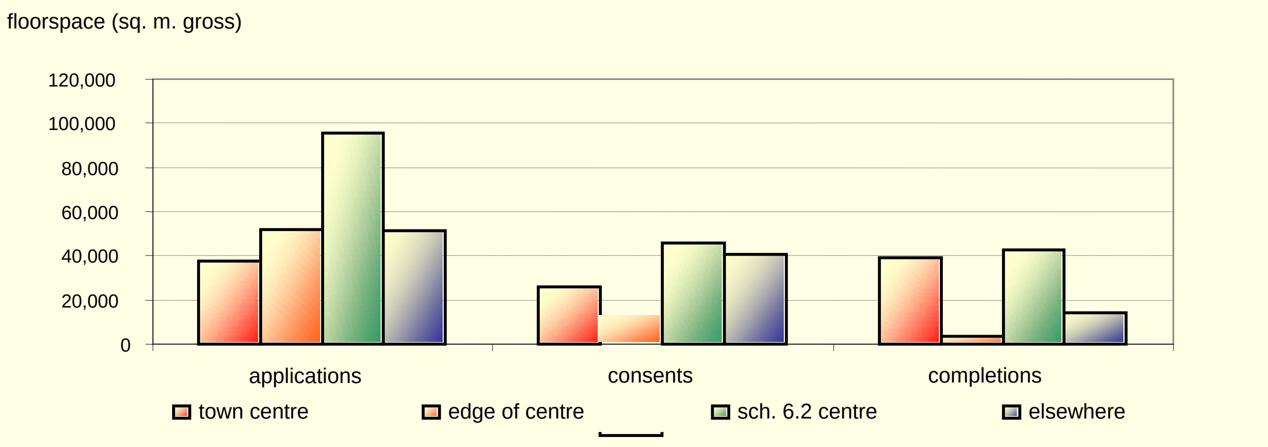


Fig 7.6: Retail Consents 2001-2004 in Edinburgh & the Lothians (total floorspace), by 'sequential' location and planning authority

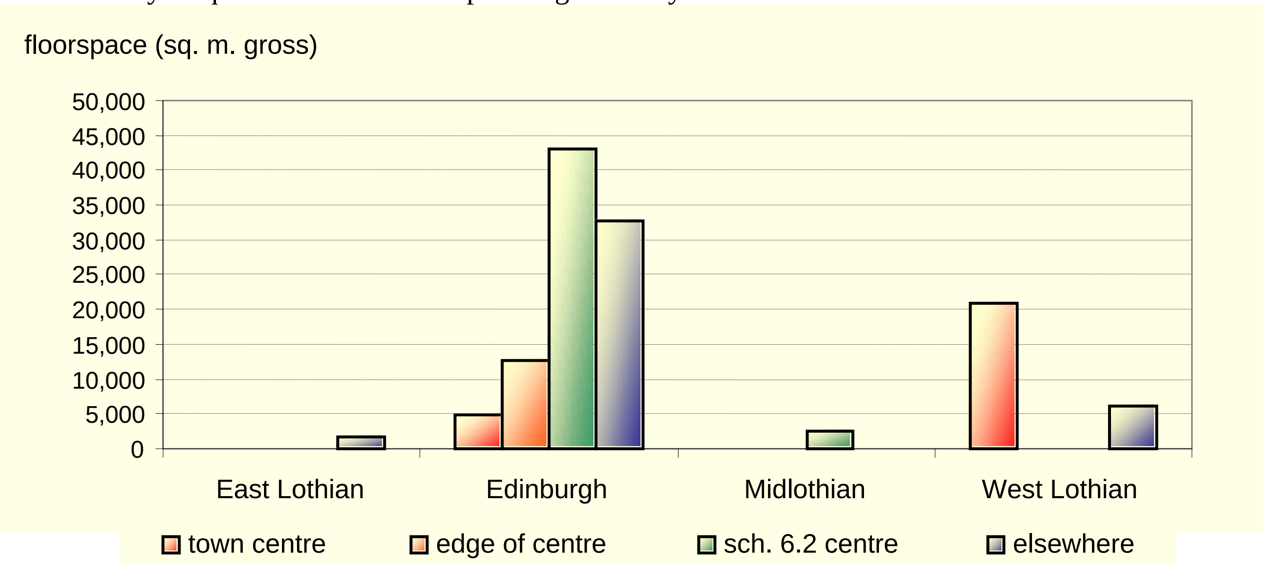
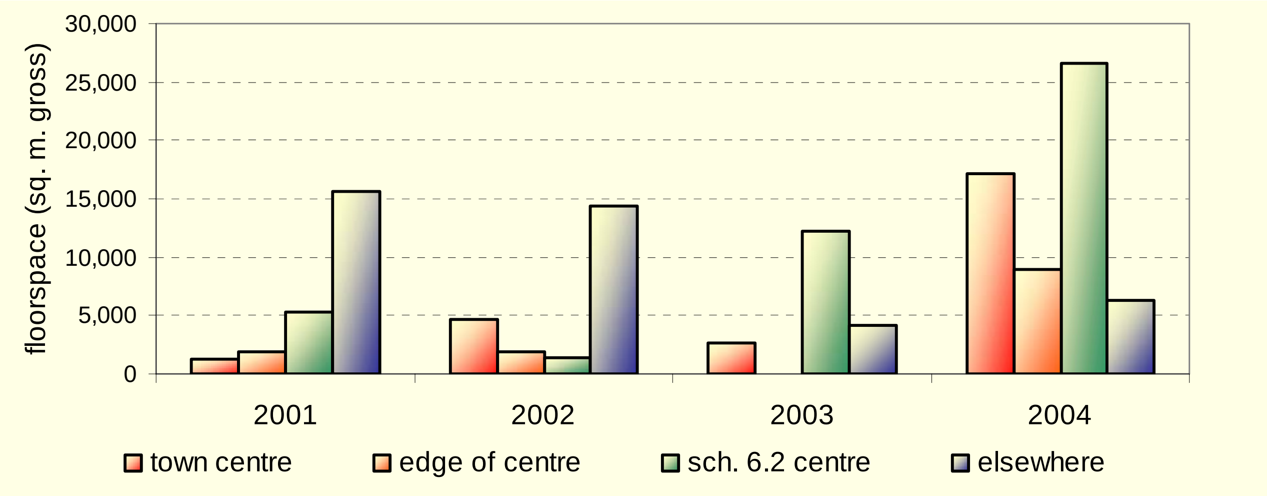


Fig 7.7: Retail Consents 2001-2004 in Edinburgh & the Lothians by 'sequential' location: annual trends



7.46 Fig. 7.5 clearly shows that there have been few recent planning applications for major retail developments in town centres, despite this being the first preference in national and local policies. No doubt this reflects the shortage of available sites in these centres, and the perceived difficulties associated with bringing forward those opportunities which do exist. Edge-of-centre sites, which are next in order of preference, have attracted considerable interest, as opportunities for development have been more in evidence here. However, by far the greatest developer interest has been in the strategic shopping centres outwith town centres (‘schedule 6.2' centres). To redress the balance, a significant proportion of the new development which will be required to service the growing retail spending over the structure plan period should be accommodated in town centres.

7.47 The 'other strategic shopping centres' also dominate in terms of planning consents which have been awarded over the four-year period. However, the second greatest volume of consents has been awarded to ‘other locations’ which are the last resort in terms of the sequential approach. In fact consents for town centre and edge-of-town-centre sites combined account for less than one-third of the total. This is partly because some consents have related to new local provision in areas of growth, which is allowed for by the sequential approach. However, there is also evidence to suggest that development proposals for sites on the edge of town centres have encountered difficulties which have led to them being refused (e.g. on traffic, amenity or design grounds).

7.48 The volume of completed floorspace has been much lower than the amount applied for over the four year period, although time-lag effects may contribute to this. Once again, schedule 6.2 centres have seen the greatest expansion. Town centres have fared better in regard to completions, with just a slightly smaller volume of floorspace than the schedule 6.2 centres. To a large extent this arises from the feed through of previous consents, and there is some concern, based on more recent consents, that town centres will miss out on development in future unless more strenuous efforts are made to bring forward suitable sites here.

7.49 Fig. 7.6 shows that recent consents for larger scale development have been concentrated within Edinburgh. However this is not necessarily representative of the longer-term picture, as the gestation period for major developments can be many years. For example, West Lothian accounted for nearly two-thirds of all the floorspace consented in 2000 (immediately prior to the period covered by the graphs).

7.50 Fig. 7.7 shows that consents for ‘other locations’ have tailed off significantly since 2002, but on the other hand there was a major surge in consents for schedule 6.2 centres in 2003 and 2004. It should be noted that the monitoring information behind these graphs is limited to retail developments of 1,000 sq.m. or larger. Also, there may be multiple planning applications for a single site, which partly explains why the volume of applications exceeds that of consents or completed developments.

8. TRANSPORT

8.1 This chapter examines progress towards achieving the key transport objectives set out in the ELSP 2015 under the following headings:

- National policy context
- Major transport projects since ELSP 2015 approval
- Local plan progress
- Land Use / Transport Modelling
- Towards quantitative monitoring of the transport impacts of ELSP 2015

National Policy Context

8.2 The key change in national guidance of relevance to transport issues is the publication of SPP 17: Planning for Transport (August 2005). It replaces NPPG9: The Provision of Roadside Facilities on Motorways and Other Trunk Roads in Scotland, NPPG 17: Transport and Planning and SPP17: Transport and Planning Maximum Parking Standards Addendum to NPPG17. Background material and good practice guidance is set out in Planning Advice Note 75.

8.3 SPP 17 makes reference to the Regional Transport Partnerships which have been established with the requirement to prepare and maintain Regional Transport Strategies by April 2007. The Structure Plan will have to be coordinated with these strategies. In 1995 a national transport agency was established, and it is proposed that a statutory national transport strategy will be produced. The strategy will provide the context for a strategic projects review and will have to be taken into account when available.

8.4 The new guidance looks closely at the relationship of strategic planning to major transport projects. Accessibility issues are expected to be factored into the preparation of developments plans from the outset. The appraisal process which may include transport modelling should identify issues and seek to resolve them. Appraisals will include Strategic Environmental Assessment and STAG.

8.5 An important point made is that development plan strategies should aim to reduce the need to use strategic routes for short local journeys. There is a general presumption against new motorway or trunk road junctions although the Scottish Executive will consider the case for such junctions where nationally significant economic growth or regeneration benefits can be demonstrated.

8.6 The Air Transport White Paper contains several significant policy statements regarding the development of Edinburgh Airport over the next 25 years. The West Edinburgh Planning Framework is being reviewed in light of the policy set out in the White Paper. SPP17 states that Planning authorities and airport operators are expected to address the planning and transport issues arising from airport development.

8.7 With regard to Transport Assessments, the guidance states that Councils should set mode share targets for different types of development in different areas. In addition Transport Assessments should include details of proposed travel plans as part of the application.

8.8 Air Transport White Paper: in response to the Government's "The Future of Aviation Transport" which supports the expansion of Edinburgh Airport, BAA Edinburgh produced a Draft Airport Master Plan. This proposed a phased expansion of the airport to 2030. Future requirements for surface access transport links to the airport were also assessed. CEC submitted comments to BAA on the draft Master Plan in September 2005 raising concerns regarding a new access road to Gogar roundabout and the lack of recognition that growth cannot proceed without major public transport improvement . A master plan steering group was established involving BAA, CEC, WLC and Fife Council towards ensuring that the Final Master Plan addresses concerns raised when it is published early in 2006.

Major Transport Projects Since ELSP 2015 Approval

8.9 Progress has been summarised as follows:

Congestion Charging: rejection of CEC's congestion charging scheme for Edinburgh, removed a significant demand management tool. It has had a major impact on the amount of funding available for transport schemes, in particular Edinburgh tram line 3, and will affect all the Lothian Councils. However a number of projects are proceeding or have been implemented.

A8000 Improvement Scheme: Initial work is underway to stabilize former mine workings. The construction phase is due to begin in April 2006.

Park and Ride: Bus-based Park and Ride sites at Ingliston and Hermiston opened in September 2005, achieving a current average daily occupancy of 300 spaces out of 535 and 200 spaces out of 450 respectively. Following the success of the Ingliston site, CEC are looking to expand the capacity from 535 to 1000 spaces. The Newcraighall train-based park and ride is also proving popular with approximately 150 vehicles per day using the 560 space facility.

Edinburgh Airport Rail Link: TIE Ltd have finalised the scheme and the Bill will be submitted to the Scottish Parliament in February. The Bill is expected to receive consent by May 2007, with construction of the scheme commencing in 2008 towards an operational target of 2011.

Edinburgh Tram Network: CEC approved the Airport to Leith Waterfront sections of Tram Lines 1 and 2 in January 2006 as the first phase, with the optional extension of Line 1 from Haymarket to Granton Square, provided that funding and work costs permit. Further recommendations will be reported to the Council in late summer 2006 with regard to the Roseburn to Granton, Granton to Leith and Ingliston to Newbridge sections of the tram network. The Council remains committed to seeking funding for these subsequent stages. The project is on target for the first phase to be operational during 2009.

Waverley Line: the reopening of the Waverley rail line through Midlothian to Galashiels in the Scottish Borders received Parliamentary approval in principle in September 2005 and is currently going through the detailed stages in the Parliamentary process. Stations are currently planned at Shawfair, Eskbank, Newtongrange and Gorebridge. Re-opening of the line is likely to be 2008/9.

A68 Dalkeith Northern Bypass: In June 2005, the SE gave the go-ahead for construction which is expected to commence mid-2006. The road is expected to open in 2008.

Sheriffhall Roundabout Upgrade: The SE is currently assessing options for upgrading the Sheriffhall roundabout on the A720 City Bypass and potential funding arrangements. This is a major constraint on growth in much of Midlothian and further afield, and the problem is contributed to by the increase in traffic travelling through Midlothian from the Scottish Borders.

Todhills Park and Ride (north of Sheriffhall roundabout): construction work is expected to commence shortly, to accommodate around 250 vehicles. The second park and ride proposal in Midlothian on the A701 at Straiton has been delayed pending difficulties in securing site ownership by CEC. The capacity of this proposal is 600 vehicles. MC is currently assessing the potential for a third park and ride facility on the A702 at Hillend. Orbital bus services on the A720 City Bypass, and improvements to bus services on the radial routes into Edinburgh, are required to secure the effective implementation of all the park and ride proposals.

A701 Straiton to Milton Bridge Road Improvement Scheme: currently, no funding package is available to secure early implementation of the major part of this scheme (the Gowkley Moss roundabout at the southern end has already been implemented). Public transport (bus-based) improvements are proposed for this corridor but there is no funding in place to secure these at present. Junction improvements along the A701 are being funded through the Cities Growth Fund and are expected to be implemented over the next two years.

A702 trunk road and Mauricewood Road (Penicuik) junction: a new roundabout (funded by developers in conjunction with residential development in Penicuik) should be implemented in the short term. Concern remains about the Hillend junction at Damhead on the A702 which poses a road safety problem. Recent concern over congestion at the junction of the A702 with the A720 requires consideration of traffic management measures to improve the through flow of traffic.

A6094-A68 Bonnyrigg to Dalkeith Distributor (Hopefield Section): construction work commenced in late 2005.

Local Plan Progress

8.10 This section sets out the key transport policies of the ELSP 2015 and the requirements to be implemented through the preparation of local plans.

TRAN 1 Safeguardings for Transport Schemes:

- LPs should safeguard land for transport proposals in ELSP Table 5.1 and LTS and RTS
- LPs should safeguard former rail alignments

RWELP (CEC)	Policy TRA 8 Transport Proposals (Safeguards all relevant proposals in Table 5.1) Policy TRA6 Routes for Cyclists and Pedestrians (Safeguards existing railway lines)
ECLP (CEC)	Consultation Draft includes policies on: Edinburgh Tram Project, Park & Ride, Public Transport Interchanges, and Railway Station Safeguards.
WLLP (WLC)	Policy TRAN 27 safeguards the land for tram network extension to Broxburn, Uphall and Livingston. Policy TRAN 25 safeguards land for station expansions to Addiewell, West Calder and to facilitate a road diversion to replace Kirknewton level crossing. Policy TRAN 26 safeguards land for East Calder Parkway Station. Policy TRAN 23 safeguards land for the expansion of stations at Livingston North and Uphall stations. Also for new stations at Boghall, Bathgate, Armadale and Blackridge with associated park and ride facilities and link roads. Policy TRAN 24 safeguards land for a new station at Winchburgh and associated park and ride facilities as part of the CDA proposals. Policy TRAN 20 safeguards land for bus based park and ride sites at Whitburn and North Livingston for M8 based bus services. (extent requires further definition) Policy TRAN 30 safeguards land for the A801 Avon Gorge crossing. Policy TRAN 28 safeguards land for a new motorway junction on the M8 at Cowhill nr Whitburn and associated park and ride facilities. Policy TRAN 29 safeguards land for a new motorway junction on the M9 at Winchburgh with associated park and ride facilities. Para 8.64 refers safeguarding land to providing addition slip roads on the M9 at Burghmuir near Linlithgow
MLP (MLC)	Adopted MLP policies TRAN4 – 6 promote & safeguard routes of 3 SP road schemes. Replacement MLP proposed policy TRAN3 promotes 2 schemes, and proposed policy TRAN4 safeguards routes of all 3 road schemes. Adopted MLP policy TRAN3 and replacement MLP proposed policy TRAN4 safeguard route of Waverley and Millerhill – Loanhead rail lines, and proposed policy TRAN2 promotes implementation of the Waverley rail scheme. Tram extension to Dalkeith/ Penicuik not safeguarded due to decision to not

	bring Tramline 3 to Midlothian. Rail link to Penicuik not safeguarded as this would be a longer term scheme, and alternative routes can be identified.
ELLP (ELC)	Finalised Written Statement has the following Policies and Proposals: Proposal T2 safeguards land for station car park extensions; Proposal T3 safeguards land for a Park and Ride site at Wallyford; Policy T4 safeguards the Longniddry to Haddington rail line; Proposal T4 safeguards land for a rail station at East Linton; Proposal T5 safeguards land for Musselburgh parkway station; and an appropriate route for an extension to Tram line 3 from Newcraighall will be identified in the preparation of the development framework for the Craighall Business Park next to the QMUC campus.

TRAN 2: Location of Major Travel-Generating Developments

- LPs should select locations for major travel generating developments that are highly accessible by public transport or by foot or will be delivered in phase with transport improvements.

RWELP (CEC)	Policy H2 Strategic Housing Land Allocations (identifies sites for housing development and links their development to the provision of new transport infrastructure) Policy ED1 Site for Business and Industry (The 2 key sites at Newbridge are highly assessable to existing public transport services, other more distant sites are less accessible, although will be improved by new tram/rail station at Newbridge)
ECLP (CEC)	Consultation Draft includes a policy on Location of Development and Accessibility, and identifies Areas of Major Change and strategic business centres in accessible locations.
WLLP (WLC)	Chapter 7 defines policies related to the proposed Core Development Areas (CDAs) with the requirements for developing associated sustainable travel outlined in Appendix 7.1. Phasing of infrastructure provision and Travel Plans are key issues.
MLP (MLC)	Adopted MLP policies HOUS2 & 3 & adopted SLP COMM1 housing allocations were tested against public transport accessibility criteria prior to selection, as were proposed replacement MLP HOUS1 allocations, which were tested via SEA process. Adopted MLP policies TRAN2 and TRAN11 and proposed replacement MLP policy TRAN1 seek sustainable transport choices for major traffic generating uses.
ELLP (ELC)	Finalised Written Statement has the following Policies: T1 requires new development to be located on sites that are capable of being accessed by public transport, on foot and by cycle as well as by private vehicles;

TRAN 3: Car Parking Standards

- LPs should include parking policies applying car parking standards

RWELP (CEC)	Policy TRA4 Provision for Pedestrians, Cyclists and Car Parking in Devt Proposals. (requires development proposals to conform with the Council's approved car parking standards although no technical detail is included in the LP policy)
ECLP (CEC)	Consultation Draft includes a policy on Car Parking
WLLP (WLC)	Policy TRAN 33 requires conformity to SPP17 "Maximum Parking Standards" except in exceptional circumstances. For land uses not specified in SPP17 parking standards should conform to the council's adopted standards (TRAN 34)
MLP (MLC)	Adopted MLP includes Appendix H detailing maximum parking standards as

	at March 2003 (as required by LSP1994). Adopted SLP policy IMP1 requires development to satisfy the Shawfair Development Manual, which requires parking in accordance with the Council's agreed 'Standards for Development Roads' manual. Proposed replacement MLP policy DP2 covers car parking and relationship with alternative means of transport, and in proposed Appendix 2E refers to specific requirements in the Shawfair area
ELLP (ELC)	Finalised Written Statement has Policy DP22 which states that car parking provision must conform with the Council's adopted standards.

TRAN 4: Density of Development

- LPs should include policies relating density of development to accessibility encouraging higher densities in the most accessible locations

RWELP (CEC)	There are no specific policies relating to density. The LP area is mostly rural and high density, in particular high rise, development is more appropriate to built up urban areas.
ECLP (CEC)	Consultation Draft Housing chapter includes a policy on Density, identifying accessibility as one of the criteria determining housing density.
WLLP (WLC)	Policy TRAN 33 requires conformity to SPP17 "Maximum Parking Standards" except in exceptional circumstances. For land uses not specified in SPP17 parking standards should conform to the council's adopted standards (TRAN 34).
MLP (MLC)	Adopted SLP Policy DES1 seeks higher density development adjacent to proposed town centre/ local facilities – incorporated into replacement MLP Appendix 2. Adopted MLP requires development briefs to be prepared for major sites, specifically including reference to densities. Replacement MLP proposed policy IMP1 requires preparation of development briefs/ master plans, to include density matters.
ELLP (ELC)	Finalised Written Statement has the following Policies: H2 covering housing quality and design and securing an average density of 25 dph (gross) within strategic or local housing sites; and DP3 Housing density on all new strategic and local sites must be 25 dph (gross).

TRAN 5: Transport Implications of new development

- LPs should include policies to ensure new developments are subject to a transport assessment.
- LPs should include policies to encourage travel by public transport, foot and cycle, which may involve a travel plan, development of new services etc

RWELP (CEC)	Policy TRA3 requires developments to be subject to a transport assessment and in certain circumstances a green travel plan. Policy TRA1 requires developments to be located on sites which are easily accessible by foot, cycle or by existing or planned public transport services. Policy TRA4 requires development proposals to make specific provision for cyclists and pedestrians.
ECLP (CEC)	Consultation Draft includes policies on Location of Development and Accessibility, Planning Conditions and Agreements, and Major Development and Public Transport.
WLLP (WLC)	Policy TRAN2 places a requirement on all developers to produce transport assessment covering access by all modes of transport. Policy TRAN5 and

	TRAN6 requires applications for major developments to be supported by a travel plan and a contribution to the appointment of a travel co-ordinator.
MLP (MLC)	Adopted MLP supporting text and adopted SLP policy TRAN7 requires major new development proposals to be accompanied by Green Travel Plans. Replacement MLP proposed policy TRAN1 requires TA & Green Travel Plan for major travel-generating developments, including phases thereof.
ELLP (ELC)	Finalised Written Statement has the following Policies: T1 requires new development to be located on sites that are capable of being accessed by public transport, on foot and by cycle as well as by private vehicles; T2 requires new development to have no significant adverse consequences for road safety, walking and cycling, public transport operations, road network capacity and residential amenity as a consequence of an increase in motorised traffic; DP5 requires larger proposals to have a masterplan for the entire site covering, inter alia, the transport and access requirements; and DP18 requires proposals likely to generate significant levels of personal travel to be accompanied by a Transport Assessment. Travel Plans will be required for developments likely to generate a significant amount of travel to work.

TRAN 6: Freight Movement

- In allocating land for new distribution/warehousing LPs should ensure priority is given to locations accessible to the rail network or port facilities. All development should be easily accessible from the strategic road network.

RWELP (CEC)	Policy ED1 identifies a number of sites at Newbridge for economic use including distribution/warehousing. Although near to the existing rail network they are not necessarily accessible to it at the present time. However, all sites are easily accessible from the strategic road network.
ECLP (CEC)	Consultation Draft includes a policy on rail freight, and safeguards a site for rail freight/waste transfer/waste management use.
WLLP (WLC)	Policy EM10 requires accessibility and transport to be considered in proposing industrial and business development, but no specific freight policies (more appropriate to an LTS)
MLP (MLC)	Adopted MLP policy ECON4 requires that no community be adversely affected by volume of traffic generated by storage & distribution uses & immediate access onto primary route network be available. Adopted SLP policy ECON2 supports the continued use of Millerhill Marshalling Yards for rail connected distribution and employment uses. Replacement MLP proposed policy TRAN5 requires that new storage & distribution and other freight generating developments be located where there is ready access for rail or strategic road network. Supported by proposed policy ECON4.
ELLP (ELC)	Finalised Written Statement has the following Policies: Policy BUS1 covers business and general industry location (Classes 4,5 & 6); Policy BUS2 covers business use location (Class 4); and Policy BUS5 covers the Olive Bank area in Musselburgh where Class 2,3,4,5 & 6 uses will be acceptable.

Land Use / Transport Modelling

8.11 In approving the ELSP 2015, Scottish Ministers required that a land use / transport modelling exercise be carried out to demonstrate the transportation effects of the structure plan development strategy together with strategic options to be developed in the SPR. Funding limitations have delayed this work but a phased approach has now been agreed with SE, using the Transport Model for Scotland (with TELMoS the for the land use component) for the first baseline phase which will examine the current ELSP strategy. A commitment has been made to SE by all the Lothian authorities that this work will be completed by the end of 2006. The second phase will investigate different development scenarios to inform the SPR across the wider south-east Scotland area.

8.12 Funding has been sought through a Cities Growth Fund bid A ministerial decision is expected in near future. Work has progressed on the first stage project brief and the modelling exercise will be taken forward as soon as possible.

Towards Quantitative Monitoring of the Transport Impacts of the ELSP 2015

8.13 Monitoring the transport impacts of the ELSP is complex. It is difficult to specifically identify the effects of the structure plan as opposed to other, in some cases very powerful, influences on how people travel. Clearly factors such as the cost of cars and fuel, and bus and rail fares are critical and yet outwith the control of the ELSP.

8.14 Despite the above, it is clearly desirable to measure the effectiveness of ELSP transport policies. This section considers the policies and means of monitoring. It then goes on to consider the issue of assessing the overall impact of the development and transport investment package which lies at the core of the structure plan.

8.15 **Monitoring the effects of Structure Plan Transport Policies**: The majority of the transport policies of the ELSP (TRAN 1, 3,5,6) can be monitored by assessing local plan progress in addressing the actions required by the structure plan policies (para. 8.10 above).

8.16 However, TRAN 1 (Location of major travel generating development) and TRAN 4 (Density) both require more rigorous monitoring. These two policies are crucial to achieving the transport objectives of the ELSP. Major developments must be highly accessible by public transport to secure the strategic transport objectives. Equally important is the concentration of development in locations that are well served by public transport, and resisting development pressures in places that are poorly served. To deliver this goal, TRAN 4 has an important role in supporting TRAN 1.

8.17 The key to effective monitoring in these areas is the use of accessibility planning software. Following a significant recent initiative by the UK Department for Transport, such software is now readily and economically available and CEC has recently invested in the DfT sponsored package. Crucially, the requisite public transport data is available through the national public transport information Traveline service.

8.18 Through this monitoring tool, it will be possible to assess the accessibility of sites allocated/ given consent in local plans. This affords a measure of accessibility by public transport or indeed by car, on foot, or by cycle, of locations allocated for development in local plans. Accessibility information combined with information on the scale of allocations will allow a measure of the effectiveness of local plans in delivering ELSP policy TRAN 1. Together with information on density of development, it gives the potential to monitor effectiveness in delivering TRAN 4.

8.17 Accessibility monitoring indicators will vary according to the type of development being assessed. 9 The key distinction is as follows:

a Housing (access *from* site or 'Origin accessibility')– e.g. how many jobs can be accessed from a given location within a set time.

b Non Housing (access *to* site or 'Destination accessibility') – e.g. how many people can reach a given location within a set time.

8.18 CEC will use the accessibility software in developing both the Edinburgh City Local Plan and the Local Transport Strategy. A bid is being pursued to purchase the relevant software for all SESTRAN councils, including ELC, MC and WLC. Monitoring the overall impact of the transport and development package will undertaken using the Transport Model for Scotland.

9. ENVIRONMENT

9.1 The environment chapter varies from the format of the other topic chapters which were based on rolling forward the monitoring context presented in the ELSP Supporting Statement and the subsequent Baseline Monitoring Report. Environmental issues were not addressed in either of these earlier monitoring reports as national planning policy guidance was considered to provide a clear context in which to formulate environmental policies (SS para 1.8). The Biennial Monitoring Report therefore presents a baseline context for monitoring of ELSP environment policies which will form the basis for future monitoring of policy effectiveness and relevance.

9.2 Edinburgh and the Lothians has a rich and varied natural and built environment, and the qualities of this environment are key components in the overall character. The environment policies of the ELSP 2015 aim to achieve a more sustainable pattern of development by providing a framework within which the key elements of the local environment and heritage can be protected and enhanced.

9.3 The ELSP 2015 includes as one of its strategic aims the protection and enhancement of the natural and built environment. This aim is translated into a number of strategic objectives. Table 9.1 identifies those environmental polices (ENV 1-12) that are most likely to contribute to the achievement of these objectives.

Table 9.1: Strategic Environmental Objectives

Strategic objective	**Relevant ELSP policies**
To protect the natural environment from inappropriate or damaging development	ENV 1A-F; ENV 2; ENV 3; ENV 4; ENV 5; ENV 6; ENV 8; ENV 9; ENV 10; ENV 11; ENV 12
To maintain a continuous Green Belt around the City	ENV 2
To protect the built and historic environment from over-development (‘town-cramming’) and promote high standards of deign in new development	ENV 1C, 1D and 1G
To ensure that, where possible, brownfield land is developed in preference to greenfield land	ENV 3
To protect and enhance important landscape settings of settlements and areas of urban green space	ENV 4
To safeguard mineral resources and facilitate their extraction with minimal environmental impact	ENV 7; ENV 8; ENV 9; ENV 10
To maintain and enhance the area’s quality of life as defined by the built and natural environment	ENV 1A-F; ENV 2; ENV 3; ENV 4; ENV 5; ENV 6; ENV 8; ENV 9; ENV 10; ENV 11; ENV 12

National Planning Context

9.4 The Scottish Executive published the National Planning Framework for Scotland in 2004, around the same time as the ELSP 2015 was approved. The promotion of environmental stewardship is identified as a key element of the spatial strategy. It stresses the importance of environmental quality to the creation of attractive places to live and work, and to Scotland’s success as a competitive place in economic terms.

9.5 A raft of new and revised national planning policy and guidance has been published recently, some of which was too late to influence the ELSP 2015 policies or appeared after its approval. The most environmentally significant of these are:

9.6 **SPP15 Planning for Rural Development** (2005) (and PAN72/PAN73): suggests that there may be scope for rural development opportunities if justified through local plans. It recognises that there is a wide variety of local circumstances and suggests that a rural typology is appropriate to distinguish between the diverse characters of different areas. PAN72 Housing in the Countryside is intended to create more opportunities for good quality rural housing which respects the Scottish landscape and building tradition but also allows for innovative design;

9.7 **SPP16 Opencast Coal** (2005): introduces the Scottish Executive's "environmental justice" agenda and focuses on the requirements to balance the needs of local communities and the environment against those of the opencast coal industry. There is a special emphasis on the need to consider the cumulative impacts on communities, especially where two or more operational/consented sites (including other mineral opencast and landfill sites) raise similar impacts within 5 km of a community. It states that the Coal Authority and planning authorities should liase closely at early stages in the development planning process. In structure plan terms, there is a need for policies relating to transport, employment and the environment to take account of opencast mining in the area and address the strategic issues raised in the SPP, namely, the emphasis on moving coal by rail wherever feasible;

9.8 **SPP17 Planning for Transport** (2005) (and revised PAN57) focuses on the integration of land use, economic development, environmental issues and transport planning. In the context of this chapter, it is worth noting the reference to the duty on planning authorities to develop and maintain Core Path Networks which will form part of "green networks" for wildlife, biodiversity and tranquil access within and around urban areas. Where disused routes now used for walking and cycling are to be reused for road or rail-based transport, measures are required to replace the relevant links and preserve wildlife corridor role of such links;

9.9 **SPP20 Role of Architecture and Design Scotland** (2005): emphasises the importance of design on the quality of life and introduces *Architecture and Design Scotland* established by the Scottish Ministers as the national champion for good architecture, design and planning in the built environment;

9.10 **SPP21 Green Belts** (Consultation Draft) (2005): clarifies that the role of forthcoming strategic development plans will be to establish the need for green belt status. It suggests that a fundamental review of some existing green belts will be required to plan positively for future development needs within a 20-year timeframe. The green belt boundary should be drawn to accommodate planned long-term growth and avoid cumulative erosion and the inner boundaries should not be drawn too tightly.

Local Plan Progress

9.11 A survey of each Council's local plans has been conducted in order to establish to what extent the policy requirements of the ELSP 2015 have been, or are in the process of being, addressed through local plan policy frameworks.

9.12 The existing adopted local plans in large measure already contain a suite of policies that address the key objectives of environmental policy at strategic level. The ELSP 2015 introduced only relatively minor shifts in strategic environmental policy since the Lothian Structure Plan 1994 on which adopted local plans are based. There may, however, be some mismatch where national planning policy and guidance have been updated. Change in national policy since the approval of the ELSP 2015 has been summarised in paras 9.4 to 9.10 above.

Table 9.2: Environmental Policy Directives

* See local plan codes below table	1	2	3	4	5	6	7	8	9	10	11
ENV 1A International Natural Heritage Designations											
Special Protection Areas	✓	✓	na	✓	na		✓	✓	na	✓	✓
Special Areas of Conservation	na	na	na	na			✓	✓	na	✓	✓
Ramsar sites	na	✓	na	✓			✓	✓	na	✓	✓
ENV 1B National Natural Heritage Designations											
SSSIs	✓	✓	✓	✓	✓		✓	✓	na	✓	✓
NNRs	na	na	✓	na	na		x	✓	na	✓	✓
ENV 1C International and National Historic or Built Environment Designations											
World Heritage Sites	na	na	✓	na	na		na	na	na	na	na
Listed Buildings	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Scheduled Ancient Monuments	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Royal Parks	na	na	✓	na	na		na	na	na	na	na
Sites in Inventory of Gardens and Designed Landscapes	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
ENV 1D Regional and Local Natural and Built Environmental Interests											
Local Plans include policies, and where appropriate proposals for the Protection and Enhancement of											
Conservation Areas	✓	✓	✓	✓	✓		✓	✓	na	✓	✓
Areas of Great Landscape Value	✓	✓		na	✓		✓	✓	na	✓	✓
Pentland Hills Regional Park	✓	✓	na	na	na		na	✓	na	✓	✓
Country Parks	na	✓	na	na	na		x	✓	na	✓	✓
Local Nature Reserves	na	na	x	✓	na		x	✓	na	✓	na
Regionally Important Geological Sites	✓	✓	x	✓	na		✓	✓	na	✓	✓
Sites of Archaeological Interest	✓	✓	✓	✓	✓		✓	✓	na	✓	✓
Designated Wildlife Sites	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓
Peatland	x	x	na	na	na		x	✓	na	✓	✓
Prime Agricultural Land	✓	✓	na	na	x		x	✓	✓	✓	✓
Water Supply Catchment Areas	x	x	na	x	na		x	✓	na	✓	x
Areas of Sig. Open Space in Urban Areas	na	✓	✓	✓	✓		✓	✓	✓	✓	✓
Local Plans define the extent of these interests											
Conservation Areas	✓	✓	✓	✓	✓	☑	✓	✓	na	☑	✓
Areas of Great Landscape Value	✓	✓	?	na	✓	☑	✓	✓	na	☑	✓
Pentland Hills Regional Park	✓	✓	na	na	na	na	na	✓	na	☑	✓
Country Parks	na	✓	x	na	na	?	x	✓	na	☑	✓
Local Nature Reserves	na	na	x	✓	na	?	✓	x	na	☑	na
Regionally Important Geological Sites	✓	x	x	x	na	?	✓	✓	na	☑	x
Sites of Archaeological Interest	x	x	x	x	x	x	x	x	x	x	x
Designated Wildlife Sites	✓	✓	✓	✓	✓	☑	x	✓	na	☑	x
Peatland	x	x	na	na	x	na	x	✓	na	☑	x
Prime Agricultural Land	x	x	na	na	x	x	x	✓	x	☑	x
Water Supply Catchment Areas	x	x	na	na	x	x	x	x	x	x	x
Areas of Sig. Open Space in Urban Areas	na	✓	✓	✓	✓	☑	✓	x	x	x	✓

ENV 1E Features of Local Importance Biodiversity Protection and Enhancement	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ENV 1G Design of New Development Promote high quality design	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
ENV 2 Green Belt Local Plans define Green Belt boundaries	✓	✓	✓	✓	✓	✓	✓	✓	✓	na
ENV 3 Development in the Countryside Policies ensure development is well-integrated	✓	✓	na	na	na	✓	✓	✓	✓	✓
Policies ensure development reflects character	✓	✓	na	na	na	✓	✓	✓	✓	✓
Policies ensure no significant loss of prime agricultural land	✓	✓	na	na	na	✓	✓	✓	✓	✓
ENV 4 Landscape Take account of SNH guidance on regional/local landscape designations	Guidance not available till 2005									
ENV 5 The Coast Define boundaries of the un/developed coast	✓	✓	na	x	na	✓	na	na	na	x
ENV 6 Renewable Energy Criteria set out for Renewable Energy assessment	✓	✓	x	x	✓	✓	✓	✓	✓	✓
ENV 7 Mineral Sterilisation Safeguard deposits of important mineral deposits	✓	x	na	x	x	✓	✓	x	✓	✓
ENV 10 Opencast Coal Define areas of search for opencast coal	x	x	x	x	x	x	✓	x	✓	✓
ENV 11 Waste Management Follow principles of sustainable waste management when defining sites/ policies	✓	✓	x	x	✓	✓	?	?	✓	
ENV12 Water Management and Flooding Consider flooding inland	✓	✓	x	x	✓	✓	✓	✓	✓	✓
Consider flooding on the coast	x	x	na	x	na	x	na	na	na	?

na refers to where the area to which the local plan pertains does not contain examples of the site or area being considered

☑ identifies those local plans where proposals maps have still to be prepared but will define the extent of these interests in due course

Local Plan Codes:

1 Rural West Edinburgh Local Plan
2 West Edinburgh Local Plan
3 Central Edinburgh Local Plan
4 North East Edinburgh Local Plan (alteration)
5 Edinburgh City Local Plan
6. Replacement South East Edinburgh Local Plan
7. East Lothian Local Plan
8. Midlothian Local Plan
9. Shawfair Local Plan
10. Replacement Midlothian Local Plan
11. West Lothian Local Plan

ELSP Policy Effectiveness

9.13 Elements of the following policies can be quantified and changes monitored. Where possible and appropriate, factual information regarding the designated areas is provided which can be utilised in the future as a baseline for monitoring. This is accompanied by some explanatory background.

9.14 In recognition of issues of particular environmental concern, for subsequent biennial Monitoring Reports it is the intention to record details of factors such as the rate of uptake of land for development within the Green Belt and the scale of development permitted on brownfield sites compared to that on greenfield sites. Additionally, changes in terms of the designation of nature conservation sites within each of the authorities will be reported.

Policies ENV 1A-G

9.15 Policies ENV1A-G are in place to protect important elements of the natural and built heritage from harmful development, including both those with statutory designations and non-statutory designations. International and National Natural Heritage Designations: Natural heritage designations include those established at the international, national, regional and local levels. At the international and national levels, overlap exists and the majority of sites designated at the international level also have protection at the national level.

9.16 **Natura 2000 sites**: Natura 2000 is a European network of protected sites that represent areas of the highest value within the European Community for natural habitats and species of plants and animals which are rare, endangered or vulnerable. The Natura 2000 network includes two types of area; Special Areas of Conservation (SACs), which support rare, endangered or vulnerable natural habitats and species of plants or animals (other than birds), and Special Protection Areas (SPAs), which allow for the protection of wild birds. SACs are designated under the Habitats Directive and SPAs are classified under the Birds Directive. Some areas may be both SACs and SPAs, additionally, some areas are candidate sites (cSACs).

9.17 The Lothians area contains, or partly contains, three SACs – these being Peeswit Moss (Midlothian), Blawhorn Moss (West Lothian), and Craigengar located at West Lothian's border with Scottish Borders and South Lanarkshire. The total area of these sites is 199ha.

There are four SPAs in the Lothians:

- Fala Flow (Midlothian) 318ha;
- Gladhouse Reservoir (Midlothian) 186ha;
- the Firth of Forth (West Lothian, City of Edinburgh, East Lothian) 6314ha*; and
- the Forth Islands (City of Edinburgh and East Lothian) 106ha.

* Not all within the Lothians

9.18 **Ramsar sites**: Ramsar sites are designated under the Convention of Wetlands of International Importance. In addition to being SPAs, Fala Flow, Gladhouse Reservoir and the Firth of Forth are Ramsar sites.

9.19 **Sites of Special Scientific Interest:** Sites of Special Scientific Interest (SSSIs) are designated in recognition of their importance for their resident plants, animals or habitats, their rocks or landforms, or a combination of such natural features. There are 52 SSSIs lying totally or partially within the Lothian area (Table 9.3).

Table 9. 3 : Sites of Special Scientific Interest

	Number of SSSIs	*Total area in ha*	*% area of LA*
City of Edinburgh	6	1,239	4.5
East Lothian	15	4,716	6.7
Midlothian	15	1,205	3.4
West Lothian	16	1,320	3.1
Total	52	8,480	4.2% (of Lothians)

Source: SNH Facts and Figures 2003 / 2004
N.B. Some SSSIs lie over the boundaries of two or more Local Authorities, and therefore there will be a small amount of double counting.

Regional and local natural heritage designations are dealt with later in this chapter.

9.20 **International and National Historic or Built Environment Designations**
World Heritage sites: World Heritage sites are designated by UNESCO in order to protect and preserve sites of cultural and natural heritage around the world that are considered to be of outstanding value to humanity. The urban area defined as the 'Old and New Towns of Edinburgh' was inscripted as a World Heritage site in 1995. The UNESCO website states, 'the harmonious juxtaposition of these two contrasting historic areas, each with many important buildings, is what gives the city its unique character'.

9.21 **Listed Buildings:** Edinburgh and the Lothians have nearly 8,000 listed buildings of special architectural or historic interest protected under the Planning (Listed Buildings and Conservation Areas)(Scotland) Act 1997. These are distributed across the Local Authority areas as displayed in **Table 9.4.**

Table 9.4 : Listed Buildings

	Number of listed buildings
City of Edinburgh	4,877*[1]
East Lothian	2,737*[2]
Midlothian	714*[1]
West Lothian	429*[1]
Total	8,757

*Source: *[1] Historic Scotland *[2] East Lothian Council*

9.22 **Scheduled Ancient Monuments:** Scheduled Ancient Monuments are nationally important sites, buildings and other features of artificial construction protected by the Scottish Ministers under the terms of the Ancient Monuments and Archaeological Areas Act 1979. There are currently 486 in Edinburgh and the Lothians, distributed as displayed in Table 9.5 .

Table 9.5 : Scheduled Ancient Monuments

	Number of SAMs
City of Edinburgh	64
East Lothian	293
Midlothian	79
West Lothian	50
Total	*486*

Source: Historic Scotland

9.23 **Royal Parks**: Holyrood Park has an extent of approximately 260ha. and lies within the urban area of Edinburgh.

9.24 **Sites listed in the Inventory of Gardens and Designed Landscapes**: An Inventory of Gardens and Designed Landscapes in Scotland was initially published in 1987. Further assessments have resulted in the inventory now including 62 sites in Edinburgh and the Lothians (Table 9.6).

Table 9.6 : Designed Landscapes

	Number	Area in ha.	% area of LA
City of Edinburgh	20	2,851	10.4
East Lothian	26	4,766	6.8
Midlothian	12	2,547	7.2
West Lothian	4	669	1.5
Total	62	10,833	5.4% (of Lothians)

Source: SNH Facts and Figures 2003 / 2004

Regional and Local Natural and Built Environment Interests

9.25 **Conservation Areas:** There are 96 conservation areas within Edinburgh and the Lothians (Table 9.7), 21 of which are considered 'outstanding'. 'Outstanding' conservation areas are designated for financial purposes and not because of national importance.

Table 9.7 : Conservations Areas

	Total number	Designated as 'outstanding'	**Area in ha.**
City of Edinburgh	38	11	2,547
East Lothian	29	9	2,346
Midlothian	20	3	3,016
West Lothian	9	1	553
Total	96	24	8,462

Source: Local Authorities

9.26 **Areas of Great Landscape Value (AGLVs):** The extent of the Edinburgh and the Lothians area designated as Areas of Great Landscape Value or other local landscape designations amounts to over 60,000 ha. in total (Table 9.8).

Table 9.8 : Areas of Great Landscape Value

	Area in ha	% area of LA
City of Edinburgh	2,128	7.8
East Lothian	22,246	32.5
Midlothian	22,510	63.0
West Lothian	13,800	32.0
Total	60,684	24.3

Source: Local Authorities

9.27 **Pentland Hills Regional Park**: The Pentland Hills Regional Park was designated in 1984. It has an area of approximately 10,000ha and straddles City of Edinburgh, Midlothian and West Lothian council areas. This is essentially an upland landscape area with the majority lying between 180 and 380 metres. The Regional Park is subject to several types of designation aimed at conserving its landscape, wildlife and heritage, including AGLV and Green Belt (northern part only) designations. There are 3 SSSIs within the Park: Red Moss/Bavelaw Marsh, Habbie's Howe and the North Esk Valley. Swanston Conservation Area lies within the Park and there are a number of listed buildings.

9.28 **Country Parks:** Country Parks are relatively small areas, readily accessible to the public, which are actively managed to provide opportunities for people to enjoy the countryside and informal open air recreation. The range of facilities provided varies from site to site, but all Parks are supported by built facilities and by opportunities to picnic or walk and by programmes of organised events. They are also supported by a Ranger Service to promote visitor enjoyment and an understanding of their natural qualities. Scottish Natural Heritage lists the following Country Parks registered within Edinburgh and the Lothians:

Table 9.9 Country Parks

	Name	Area in ha
City of Edinburgh	1. Bonaly	271
East Lothian	1. John Muir	702
Midlothian*	1. Hillend	39
	2. Vogrie	104
West Lothian	1. Almondell and Calderwood	90
	2. Beecraigs	321
	3. Polkemmet	68
	Total area	1,595

Source: SNH Facts and Figures 2003 / 2004

* *Although not registered formally as Country Parks, Roslin Glen Country Park and Dalkeith Country Park (latter in private ownership) are both treated as such in the Midlothian Local Plan and perform a similar function to the other Parks listed above.*

9.29 **Core and local path networks:** Planning authorities have a general duty under Section 46 of the Countryside (Scotland) Act 1968 to protect, keep open and free from obstruction or encroachment any public right of way. They also have a duty under Section 17 of the Land Reform (Scotland) Act 2003 to develop and maintain Core Path Networks. Local authorities are required to prepare a Core Paths Plan by 2007/8. CEC started the preparation process in January 2006. Similarly Midlothian and West Lothian have each commenced the preparation process. East Lothian has completed the first round of informal consultations, which were undertaken for all main settlements.

9.30 **Local Nature Reserves:** Local Authorities, in conjunction with Scottish Natural Heritage, have powers to declare Local Nature Reserves (LNRs) to reflect areas of locally important nature conservation or amenity value and to give access to the public. Within Edinburgh and the Lothians, there are four LNRs, varying substantially in size and covering an area of 715.4ha in total (Table 9.10).

Table 9.10 : Local Nature Reserves

	Local Nature Reserve	Area in ha
City of Edinburgh	Blackford Hill / Hermitage of Braid	58.5
	Corstorphine Hill	75.8
	Meadows Yard	2.0
	Ravelston Woods	9.6
	East Craiglockhart Hill	10.7
East Lothian	Aberlady Bay	608.0
Midlothian	Straiton Pond	5.9
West Lothian	None	-
	Total area	770.5

Source: Scottish Natural Heritage and Local Authorities

In addition, there are other nature reserves including SWT, RSPB and Woodland Trust reserves that play an important role in the conservation of local biodiversity.

9.31 **Regionally Important Geological and Geomorphological Sites:** Areas are designated as Regionally Important Geological and Geomorphological Sites (RIGS) with the aim of protecting important Earth science and landscape features. There are currently 17 RIGS in the Edinburgh and the Lothians area (Table 9.11).

Table 9. 11 : Geological & Geomorphological Sites

	RIGS (year of designation)
Edinburgh	Torphin Quarry (1994)
	Dreghorn Link (1994)
	Craigleith (1999)
	Craigmillar (1999)
	Hermitage of Braid (2000)
	Corstorphine Hill (2000)
	Joppa shore (2000)
Midlothian	Bilston Glen (2000)
	Hewan Bank (2000)
	The Howe (2002)
West Lothian	Almondell (1999)
	Calder Wood (1999)
	Petershill Quarry (1999)
	Binny Craig (2002)
	East Kirkton Quarry (2003)
	Witch Craig Wall (2005)
East Lothian	Barn's Ness (2002)

Source: Local Authorities

9.32 **Sites of archaeological interest:** The Sites and Monuments Record includes sites of regional and local importance, and guidance requires that those <u>significant</u> archaeological sites which do not merit scheduling as Scheduled Ancient Monuments, should however be defined in development plans. The distribution of all the recorded sites is shown in Table 9.12.

Table 9. 12 : Sites of Archaeological Interest

	No. of sites
City of Edinburgh	
East Lothian	6,161 declared, 500 awaiting approval
Midlothian	2,187
West Lothian	

Source: Local Authorities

9.33 **Designated Wildlife Sites:** In addition to the Local Nature Reserves referred to above, there are SWT non-statutory Wildlife Sites of local importance (Table 9.13).

Table 9.13 : SWT Wildlife Sites

	Designated Sites		**Listed Sites***	
	No.	**Area (ha)**	**No.**	**Area (ha)**
City of Edinburgh	15	307	18	1,724
East Lothian	25	987	32	3,056
Midlothian	33	866	19	2,531
West Lothian	36	1,048	20	833

Source: Scottish Wildlife Trust
** Listed sites – where SWT has still to carry out a detailed survey*

9.34 **Peatland:** Peatland sites are identified in the National Peatland Resource Inventory in recognition of their valuable contribution to the natural heritage of the area. The Phase 1 Habitat Survey identifies the following peatland areas of importance which include blanket bog, dry modified bog, wet modified bog, raised bog and bare peat (Table 9.14):

Table 9.14 : Peatland Sites

	Area in ha	% area of LA
City of Edinburgh	302.0	1.2
East Lothian	1,092.5	1.6
Midlothian	1,275.5	3.6
West Lothian	2,168.8	5.1
Total	4,838.8	2.8

Source: Phase 1 Habitat Survey

9.35 **Prime agricultural land:** Prime agricultural land is defined as Classes 1, 2 and 3.1 in the Macaulay Institute of Land Classification for Agriculture system. Around 6% of the total agricultural land in Scotland falls into this category. However, the distribution of prime farmland varies across the Lothians is shown in Table 9.15.

Table 9.15 : Prime Agricultural Land

	% area of LA
City of Edinburgh	?
East Lothian	46
Midlothian	25
West Lothian	?

Source: Local Authorities

9.36 **Policy ENV 2: Green Belt**

The Edinburgh Green Belt was established in 1957 to limit the encroachment of urban growth into the countryside. Table 9.16 shows the distribution of Green Belt by Local Authority area:

Table 9. 16 : Green Belt Land

	Area in ha	% area of LA	Changes through ELSP 2015 / new development land allocations		
			Loss from GB*[1]	Addition to GB*[2]	% change
City of Edinburgh*[3]	10,120	37.06			
East Lothian*[4]	1,935	3.0	152	0	-8
Midlothian*[5]	4,130	11.56	89	3	-2
West Lothian	n/a	n/a	n/a	n/a	n/a
Total	16,185				

Source: Local Authorities
[1] Proposed for removal from GB to accommodate ELSP strategic land allocations
[2] Proposed for addition to GB through LP review
[3] Rural West Local Plan
[4] Finalised East Lothian Local Plan
[5] Replacement Midlothian Local Plan – Preferred Development Strategy

10. SUSTAINABILITY

10.1 The overarching aim of ELSP 2015 is to provide in full for the development needs of Edinburgh and the Lothians in accordance with the principle of sustainable development, whilst maintaining and enhancing the environmental heritage that underpins the area's quality of life.

10.2 The plan proposes that a more sustainable pattern of development will be encouraged by: maintaining and enhancing economic competitiveness

- promoting a more inclusive society
- protecting and enhancing the natural and built environment
- integrating land use and transportation

10.3 Sustainable development has been variously defined but a commonly accepted one is used in the context of this structure plan: "*development to meet the needs of the present without compromising the ability of future generations to meet their own needs"*. Sustainable development is a concept that cuts across all development activities and it is in an examination of these activities that some measure of the progress of the plan in this area can be assessed. Consequently, this section of the report includes information drawn from other topic areas.

10.4 In support of the above structure plan objectives the ELSP Baseline Monitoring Report (2004) identified a number of indicators that could be used to assess whether the implementation of the structure plan's strategy and policies meet sustainability objectives.

National Planning Context

10.5 The Scottish Executive (SE) is committed to building a sustainable future and looks to all sections of the community to take action to change the way resources are used, to plan and develop services and to realise the economic opportunities that sustainable development presents. Key areas include how waste is dealt with, how Scotland's sources of renewable energy can be developed and how action can be taken on climate change. Since the ELSP 2015 was approved, the SE has joined the UK Government, the Welsh Assembly Government and the Northern Ireland Administration in signing up to a UK strategic framework for sustainable development, committing us to work together towards a shared purpose, principles and priorities. The framework was launched by the First Minister in Edinburgh on 7 March 2005.

10.6 The Scottish strategy "*Choosing our future – Scotland's Sustainable Development Strategy*" focuses on six areas:

- Sustainable consumption and production - achieving more with less, reducing environmental impacts, improving business competitiveness and breaking the link between economic growth and environmental damage
- Climate change and energy - making changes to how we generate and use energy and other activities which release greenhouse gases and drive climate change
- Natural resource protection and environmental enhancement - protecting and enhancing the environment to ensure a decent environment for everyone
- Sustainable communities - creating communities which embody the principles of sustainable development at the local level
- Learning to live differently - developing awareness, understanding and engagement and seeking to help and encourage people and organisations to make more sustainable choices
- Delivery - targets and indicators, accountability and governance

10.7 The SE's wish to see sustainable development underpin the land use decision-making process is given focus by the new Planning etc. (Scotland) Bill put before the Scottish Parliament in December 2005. In the exercise by a planning authority of any function in relation to Development Plans, the Bill requires that this function must be exercised with the objective of contributing to sustainable development.

10.8 Since ELSP 2015 approval, the SE has introduced the Environmental Assessment of Plans and Programmes (Scotland) Regulations 2004. The Regulations provide that all new and replacement structure and local plans, including subject local plans and minerals plans started after 21 July 2004 must be subject to an assessment of their likely significant effects on the environment. The Regulations also require that any such plans or programmes started on or before 21 July 2004 but not adopted or submitted to the legislative procedure for adoption before 22 July 2006, must be subject to assessment. Strategic environmental assessment (SEA) provides a systematic method of considering the likely effects on the environment of strategies, plans and programmes that set a broad-based context for future development activity. The Scottish Ministers regard it as a vital tool for putting the environment at the heart of public sector activity, ensuring that alternative strategies, plans and programmes are fully and transparently considered before final decisions are taken.

10.9 As reported in para. 3.3, the Finalised West Lothian Local Plan 2005 and the Finalised East Lothian Local Plan 2005 have both been granted exemption from SEA by Scottish Ministers. The remaining local plans required to implement the approved structure plan will require SEA. The review of the current ELSP plan will require to be subject to SEA.

Housing

10.10 One of the sustainable development objectives of the structure plan is to promote a more inclusive society. The provision of affordable housing is an important element in this and the plan seeks to enable local plans to require such provision, where appropriate.

10.11 All four Lothian authorities have approved policies that seek the provision of land for affordable housing as part of the allocation and development of market housing sites. The four authorities have also commissioned a Lothian Housing Needs and Market Study, the recommendations of which will inform and update their individual affordable housing requirements. These will then be translated into local plan policy to secure the required contribution of land for affordable housing.

Table 10.1: Affordable Housing Completions

	2001/02	**2002/03**	**2003/04**	**2004/05**	**Total**	**% All completions**
Edinburgh	670	413	290	326	1,699	17
East Lothian	92	40	48	124	304	17
Midlothian	0	12	14	0	26	5
West Lothian	61	0	18	103	182	4
Edin. & Lothians	**823**	**465**	**370**	**553**	**2,211**	**13**

Source: Housing Land Audits 2001-05

10.12 It is expected that the delivery of affordable housing land, and therefore the rate of completions, will increase in subsequent years as the new housing allocations required by the structure plan are allocated in local plans and subsequently granted planning permission.

Retailing

10.13 The distribution of new retail developments located within accessible town centres as opposed to other locations is regarded as a measure of promoting a more inclusive society, securing access to a full range of shopping facilities and integrating land use and transportation.

10.14 Drawing on the evidence of the Retail and Town Centres section of this report, indications are that the town centres as defined in schedule 6.1 of the structure plans retail section (page 42) have experienced relatively few retail planning consents. Schedule 6.2 locations have experienced significantly more consented retail floorspace, although such locations are the next preference in the 'sequential' approach if town centre or edge of centre locations are not available. These locations can be well-served by a choice of transport modes. More encouragingly from the point of view of sustainability, consents for out of centre locations, including those outwith schedule 6.2 locations, have declined significantly. Nevertheless, trends do not appear to support the primacy of locating major new retail development in or on the edge of town centres, in locations that are generally more widely accessible by public transport. The absence of suitable sites may be a factor in this, but this trend requires to be monitored.

Environment

10.15 **Renewable Energy:** The ELSP supports the development of renewable energy resources where this can be achieved in an environmentally acceptable manner and local plans are required to set out criteria against which such development will be assessed.

10.16 The Finalised East Lothian and West Lothian Local Plans both include criteria based policies against which renewable energy proposals can be assessed. In addition, the review of the Midlothian and Shawfair Local Plans has consulted on a criteria based renewable energy projects policy.

10.17 Currently, renewable energy development is focussed on wind turbines. In terms of the generating capacity of significant renewable energy developments given planning permission, or deemed planning permission under the Electricity Act, the picture is as follows. At the time of structure plan approval there was no significant installed or consented electricity generating capacity derived from wind energy sources within the plan area. The current position is that a total of 127MW of generating capacity now exists or has been consented in Edinburgh and the Lothians. Some 88 MW of this total is attributable to East Lothian's share of the total generating capacity of the Crystal Rig Phase 2 wind farm south of Dunbar.

10.18 **Derelict and Vacant Land:** As part of the its strategic aim to protect and enhance the natural and built environment, the ELSP seeks to ensure that, where possible, brownfield land is developed in preference to greenfield land. One aspect of this is to maximise the use of derelict land and vacant urban land.

Table 10.2 Urban Vacant Land (hectares)

	2001	**2002**	**2003**	**2004**
East Lothian	34	28	27	7
City of Edinburgh	56	56	47	38
Midlothian	38	38	30	34
West Lothian	120	124	98	98
Totals	**248**	**246**	**202**	**178**

Source: Scottish Vacant Land Survey

10.19 While it is too early to draw any conclusions on the uptake of vacant land since structure plan approval, it is a clear that there already exists a clear downward trend in the amount of vacant urban land within the plan area.

Table 10.3: Derelict Land (hectares)

	2001	**2002**	**2003**	**2004**
East Lothian	100	99	95	79
City of Edinburgh	111	111	76	79
Midlothian	256	257	259	284
West Lothian	409	449	458	462
Totals	**876**	**916**	**888**	**904**

Source: Scottish Vacant Land Survey

10.20 Again, it is too early to draw any conclusions on the uptake of derelict land. Existing trends indicate a decline in the amount of derelict land in both East Lothian and Edinburgh but this is more than offset by increases in the other two authority areas.

Housing on previously developed land

10.21 Housing is a major user of land. While it is perhaps too early to look at trends post structure plan approval, the Table 10.4 on house completions (extracted from Housing Chapter, Table 5.16) indicates recent trends in the balance between the use of greenfield and brownfield land for housing.

Table 10.4: Housing Completions by Former Land Use

	2001/02	**2002/03**	**2003/04**	**2004/05**
Brownfield	3,017	2,986	2,972	3,343
Greenfield	1,486	1,161	991	1,114
Totals	**4,503**	**4,147**	**3,963**	**4,457**
% greenfield	33%	28%	25%	25%

Source: Housing Land Audits 2001-05

10.22 The overall trend has been for a reduction in the percentage of greenfield land used for housing in recent years, and for that percentage to be as low as 25% in 2003/04, just prior to structure plan approval. This level is sustained in 2004/05. However, these Lothian-wide totals disguise a considerable variation between authorities: Edinburgh’s greenfield percentage is 6%, while in East Lothian 69% of new housing completions in 2004/05 were on greenfield land. This reflects the redevelopment opportunities available within Edinburgh as well as its Green Belt policy constraints. It is also a reflection of the implications of a strategic housing land policy that must necessarily direct substantial amounts of new housing to the landward areas where the opportunity to use previously developed land is very limited. Nonetheless, this is an area that will require to be monitored to ensure that the use of brownfield land can be maximised.

Employment

10.23 In its aim to promote a more inclusive society, a structure plan objective is to increase access to employment opportunities through a more balanced distribution of employment land.

10.24 The Economic Development section of this report examines the amount and take-up of employment land throughout the plan area in some detail. It concludes that the distribution of employment land continues to be uneven across Lothian with 60% in West Lothian and only one-fifth in East and Midlothian combined.

10.25 The Finalised West Lothian and East Lothian Local Plans both include policies and proposals to implement the structure plan’s employment land requirements. East Lothian is proposing major employment land releases on the west side of Musselburgh and at Blindwells, while West Lothian is proposing land allocations at Beughburn and Deans, as well as within their identified core development areas. The consultation on the Preferred Development Strategy for Midlothian’s review of the Midlothian and Shawfair Local Plans is examining employment land releases consistent with structure plan strategy in the A7/A68 and A701 corridors with Ashgrove, Loanhead and Sheriffhall South identified as the main locations to meet the strategic land requirements. Construction of the A68 Dalkeith bypass should allow an existing major economic land allocation to the east of Dalkeith to be implemented. Progress with the proposals for Shawfair new settlement and expansions at Danderhall will include the establishment of Todhills business park.

10.26 Employment trends, discussed in greater detail in the Economic Development Chapter of this report, indicate that unemployment within the Lothians has remained consistently below 3% in recent years.

10.27 Finally, the relationship between place of work and place of residence is a useful indicator of the degree of economic self-containment of the resident population and therefore how sustainable an area is in terms of travel to work. The following table gives some indication of this by detailing the percentage of employed residents of each authority area who work outside its boundaries.

Table 10.5: Commuting Patterns

Authority	Residents in Employment	% who are out-commuters
City of Edinburgh	202,913	10%
East Lothian	40,211	47%
Midlothian	37,687	54%
West Lothian	74,894	34%

Source: 2001 Census

10.28 As might be expected, Edinburgh has by far the lowest proportion of its residents working outside the council area. At the other extreme, the equivalent figures for Midlothian are 54% and 47% respectively. West Lothian's greater economic base is reflected in its lower 34% figure. These figures underline the need to ensure that the structure plan's proposals for substantial additional employment land in the landward authorities are implemented through local plans. They also emphasise the fact that consideration of settlement strategy must acknowledge that high levels of out-commuting are not sustainable and there must be continued effort to promote a better relationship between place of work and place of residence.

APPENDIX 1: Implementation Policies to be Actioned through Local Plans

Policy	Requirement
Housing	
HOU3 Strategic Housing Allocations	- Allocate land as per Schedule 3.1 - Local plans to be finalised within 18 months of ELSP approval
HOU4 Meeting Housing Allocations	- Fulfil ELSP criteria in satisfying policy HOU3
HOU5 Infrastructure	- Identify HOU3 site-specific infrastructure requirements (in addition to requirements identified in ELSP Action Plan)
HOU6 Community Facilities & Amenities	- Identify potential deficiencies in local facilities/amenities (to inform developer contributions)
HOU7 Affordable Housing	- Require appropriate provision of affordable housing
HOU8 Development on Greenfield Land	- Identify sites which satisfy ELSP criteria
Economic Development	
ECON1 Review of Economic Land Supply	- Include policies to support econ land supply - Review the established employment land supply
ECON2 New Land for Economic Devel	- Ensure that new proposals comply with ELSP criteria - Identify employment land in Midlothian and East Lothian
ECON3 Economic Clusters of Nat Import	- Identify relevant sites as required by ELSP
ECON4 Established Green Belt Uses	- Identify boundaries + specify appropriate land uses
ECON5 West Edinburgh (WEDF)	- Safeguard land for strategic transport infrastructure
ECON6 Office Development	- Define boundaries of strategic business centres and apply ELSP criteria to development proposals - Identify business/industrial land suitable for office development in ELSP-specified local plan areas
ECON7 Small-scale Business Development	- Allocate land for general industry/business or office use subject to ELSP criteria
Transport	
TRAN1 Safeguardings for Transp Schemes	- Safeguard land for transport proposals in ELSP Table 5.1 - Safeguard former rail alignments as per ELSP
TRAN2 Major Travel Generating Develop.	- Select locations which fulfil ELSP criteria
TRAN3 Car Parking Standards	- Include policies applying car parking standards
TRAN4 Density of Development	- Include policies relating density to accessibility
TRAN5 Transport Implications of New Development	- Ensure that proposals accord with ELSP criteria

TRAN6 Freight Movement	- Allocate land for distribution/warehousing in accordance with ELSP criteria
Retailing and Town Centres	
RET5 Local Plan Implementation	- Define boundaries of town centres in ELSP Scheds 6.1,6.2 - Keep vitality / viability of centres under review - Define roles of centres in ELSP Sched 6.2 - Address environmental quality of major retail proposals - Assess adequacy of local facilities, address deficiencies - Make provision for new local facilities as required
Environment	
ENV1A/B Natural Heritage Designations	- Include policies for protection and enhancement
ENV1C Historic/Built Environment -	“ “ “ “
ENV1D Natural/Built Environment	- “ “ “ “
ENV1E Features of Local Importance	- Define features as in local Biodiversity Action Plan - Include policies for protection and enhancement
ENV1G Design of New Development	- Include policies to promote high quality of design
ENV2 Green Belt	- Define Green Belt boundaries - Specify & justify any exceptions to national planning policy
ENV3 Development in Countryside	- Justify development which supports rural diversification - Require that such development accords with ELSP criteria
ENV4 Landscape	- Take account of landscape designations as per SNH
ENV5 The Coast	- Define boundaries of developed + undeveloped coast
ENV6 Renewable Energy	- Set out criteria for assessing renewable energy proposals
ENV7 Mineral Sterilisation	- Safeguard economically important deposits of mineral resources from sterilisation
ENV10 Opencast Coal	- Define ELSP broad areas of search in more detail - Set out criteria for assessment of individual proposals
ENV11 Waste Management	- Follow principles of sustainable waste management
ENV12 Water Management & Flooding	- Consider the potential for flooding inland and on coast - Set out policies in accord with SPP7
Implementation	
IMP 1 Implementing through Local Plans	- Finalise relevant local plans within 18 months of ELSP approval
IMP 4 Planning Agreements	- Identify infrastructure to serve strategic development allocations

APPENDIX 2

Table 1 Employment Structure Change: 1990 - 2000

a) Total employment: 1990 (rounded)

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	5,800	3,100	1,100	1,000	11,000
Manufacturing	32,500	4,400	5,800	15,600	58,300
Construction	19,400	2,700	1,700	7,200	31,000
Services (total)	230,700	18,400	16,000	33,500	298,600
Wholesale/Retail/hotels/restaurants	*59,400*	*6,400*	*4,100*	*10,900*	*80,800*
Transport/telecommunications	*14,400*	*700*	1,200	*4,000*	*20,300*
Finance/Insurance/Business	*69,100*	*2,600*	*2,500*	*5,100*	*79,300*
Publ.Admin/Education/Health/Other	*87,800*	*8,700*	*8,200*	*13,500*	*118,200*
Total employment	**288,400**	**28,600**	**24,600**	**57,300**	**398,900**
Total as % of Lothians	72.3	7.1	6.2	14.4	

b) Total employment: 2000 (rounded)

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	3,800	2,300	800	1,200	8,100
Manufacturing	22,800	2,900	3,600	17,300	46,600
Construction	13,700	3,700	3,600	6,000	27,000
Services (total)	271,100	20,900	17,400	41,800	351,200
Wholesale/Retail/hotels/restaurants	*63,900*	*6,300*	*4,400*	*15,100*	*89,700*
Transport/telecommunications	*16,300*	*1,300*	1,400	*4,000*	*23,000*
Finance/Insurance/Business	*90,500*	*2,700*	*3,100*	*8,500*	*104,800*
Publ.Admin/Education/Health/Other	*100,400*	*10,600*	*8,500*	*14,200*	*133,700*
Total employment	**311,400**	**29,800**	**25,400**	**66,300**	**432,900**
Total as % of Lothians	71.9	6.9	5.9	15.3	

c) Employment change 1990 - 2000 (rounded)

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	-2,000	-800	-300	200	-2,900
Manufacturing	-9,700	-1,500	-2,200	1,700	-11,700
Construction	-5,700	1,000	1,900	-1,200	-4,000
Services (total)	40,400	2,500	1,400	8,300	52,600
Wholesale/Retail/hotels/restaurants	4,500	-100	300	4,200	*8,900*
Transport/telecommunications	1,900	600	200	0	*2,700*
Finance/Insurance/Business	21,400	100	600	3,400	*25,500*
Publ.Admin/Education/Health/Other	12,600	1,900	300	700	*15,500*
Total change	**23,000**	**1,200**	**800**	**9,000**	**34,000**
Rate of growth over period (%)	8.0	4.2	3.3	15.7	8.6

d) Employment change 1990 - 2000 (%)

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	-34	-26	-27	20	-26
Manufacturing	-30	-34	-38	11	-20
Construction	-29	37	112	-17	-13
Services (total)	18	14	9	25	18
Wholesale/Retail/hotels/restaurants	8	-2	7	39	*11*
Transport/telecommunications	13	86	17	0	*13*
Finance/Insurance/Business	31	4	24	67	*32*
Publ.Admin/Education/Health/Other	14	22	4	5	*13*
Total % change	**8**	**4**	**3**	**16**	**9**

Source: Experian 2005

Table 2: Employment Structure Change 2000 - 2015

a) Total employment: 2000 (rounded)

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	3,800	2,300	800	1,200	8,100
Manufacturing	22,800	2,900	3,600	17,300	46,600
Construction	13,700	3,700	3,600	6,000	27,000
Services (total)	271,100	20,900	17,400	41,800	351,200
W'sale/Retail/hotels/restaurants	*63,900*	*6,300*	*4,400*	*15,100*	*89,700*
Transport/telecommunications	*16,300*	*1,300*	1,400	*4,000*	*23,000*
Finance/Insurance/Business	*90,500*	*2,700*	*3,100*	*8,500*	*104,800*
Publ.Admin/Educ'n/Health/Other	*100,400*	*10,600*	*8,500*	*14,200*	*133,700*
Total employment	**311,400**	**29,800**	**25,400**	**66,300**	**432,900**
Total as % of Lothians	71.9	6.9	5.9	15.3	

b) Total employment: 2015 (rounded)

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	1,900	2,100	700	900	5,600
Manufacturing	12,100	2,900	2,900	13,800	31,700
Construction	14,900	4,100	6,400	7,800	33,200
Services (total)	330,100	23,200	24,600	62,200	440,100
Wholesale/Retail/hotels/restaurants	*70,200*	*6,500*	*6,600*	*21,300*	*104,600*
Transport/telecommunications	*15,400*	*1,000*	1,300	*6,000*	*23,700*
Finance/Insurance/Business	*127,700*	*3,600*	*5,300*	*10,700*	*147,300*
Publ.Admin/Education/Health/Other	*116,800*	*12,100*	*11,400*	*24,200*	*164,500*
Total	**359,000**	**32,300**	**34,600**	**84,700**	**510,600**
Total as % of Lothians	70.3	6.3	6.8	16.6	

c) Employment change 2000 - 2015

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	-1,900	-200	-100	-300	-2,500
Manufacturing	-10,700	0	-700	-3,500	-14,900
Construction	1,200	400	2,800	1,800	6,200
Services (total)	59,000	2,300	7,200	20,400	88,900
Wholesale/Retail/hotels/restaurants	*6,300*	*200*	*2,200*	*6,200*	*14,900*
Transport/telecommunications	*-900*	*-300*	*-100*	*2,000*	*700*
Finance/Insurance/Business	*37,200*	*900*	*2,200*	*2,200*	*42,500*
Publ.Admin/Education/Health/Other	*16,400*	*1,500*	*2,900*	*10,000*	*30,800*
Total change	**47,600**	**2,500**	**9,200**	**18,400**	**77,700**
Rate of growth over period (%)	15.3	8.4	36.2	27.8	17.9

d) Employment change 2000 - 2015 (%)

	Edinburgh	East Lothian	Midlothian	West Lothian	LOTHIAN
Primary	-50	-9	-13	-25	-31
Manufacturing	-47	0	-19	-20	-32
Construction	9	11	78	30	23
Services (total)	22	11	42	49	25
W'sale/Retail/hotels/restaurants	*10*	*3*	*50*	*41*	*17*
Transport/telecommunications	*-6*	*-23*	*-7*	*50*	*3*
Finance/Insurance/Business	*41*	*33*	*71*	*26*	*41*
Pub.Admin/Educ'n/Health/Other	*16*	*14*	*34*	*70*	*23*
Total % change	**15**	**8**	**36**	**28**	**18**

Source: Experian 2005