

Edinburgh and Lothians
STRUCTURE PLAN
Joint Liaison Committee



**OVERVIEW OF RECENT
AND PLANNED HOUSE-
BUILDING IN EDINBURGH
AND THE LOTHIANS**

**Submission to Scottish
Ministers by the City of
Edinburgh, East Lothian,
Midlothian and West
Lothian Councils**

**24 July 2007
version 2.1**

1.0 INTRODUCTION

Context

- 1.1 Scottish Ministers, by letter dated 23 March 2007, endorsed the request by the Edinburgh and the Lothians Structure Plan Joint Liaison Committee (JLC) that the current review of the Edinburgh and the Lothians Structure Plan 2015 (ELSP) be abandoned. The case was made and accepted that there had been a significant change in the strategic planning context such that resources were now better focussed on preparation for the Edinburgh city region strategic development plan.
- 1.2 The Ministers' letter emphasised that housing land supply is a crucial issue in the Edinburgh city region and expressed concern about the pace of delivery of housing land in the area. Consequently, Ministers required the Councils, following discussion with the house-building industry, to submit by July 2007

“a succinct overview of recent and planned house-building in Edinburgh and the Lothians, and proposals for the release of land overcoming planning constraints which inhibit progress on the provision of new housing.”

- 1.3 This submission addresses that requirement. Its assessment of the housing land position is derived from the most recent Housing Land Audit 2006. Agreement on this was reached with Homes for Scotland in respect of the East Lothian, City of Edinburgh and Midlothian components: the West Lothian Audit includes two disputed sites, amounting in total to 260 units. This audit data then formed the basis for the Annual Housing Monitor 2006, a requirement of the ELSP, reported to and approved by the JLC in March 2007. It is this most up-to-date and comprehensive report that forms the basis of this submission to Scottish Ministers.

Involvement of Homes for Scotland (HfS)

- 1.4 The Lothian planning authorities met with representatives of Homes for Scotland (HfS) on the 6th June 2007. That meeting was held in the context of Scottish Ministers' requirement that the Councils' housing overview be prepared following discussion with the house-building industry. The Annual Housing Monitor 2006 had been previously circulated and HfS agreed at the meeting to provide comments on its content.
- 1.5 As a general comment, HfS note the key, but undervalued, role which the housebuilding sector plays in the Scottish economy. It contributes £5 billion directly and indirectly to that economy, accounts for over 6% of Scottish GDP, employs 100,000 people and accounts for around 15% of all Scottish construction output (excluding a further 15% of repairs, maintenance and improvements). At the same time HfS note that Scottish/UK housebuilding rates are amongst the lowest in Europe in terms of the percentage of housing stock being added annually, and express their concern about long-term implications for quality and replacement of aging stock.
- 1.6 HfS re-iterated the concerns they raised in their representations on the structure plan, namely that there was insufficient housing land allocated within Edinburgh and the Lothians, no recognition of demand, as opposed to need, a lack of flexibility and no recognition of land supply failures. Qualitative issues (greenfield/brownfield and family housing/flats) were not properly recognised and housing demand was being exported beyond the Lothians, creating unsustainable travel patterns. HfS also submitted that a

continuous Green Belt was no longer a defensible policy. These are issues that presumably were considered by Scottish Ministers prior to their approval of the plan in its present form.

- 1.7 Nonetheless, the meeting also included positive discussion about the circumstances whereby housing land could be brought forward in advance of local plan adoption, particularly if the strategic land supply were to fail, discussion of strategic infrastructure constraints, and an agreement to twice yearly meetings. A note of the meeting is attached as Appendix One.
- 1.8 This report and its assessment of past and anticipated completions is based upon the more detailed Annual Housing Monitor 2006 which was approved by the JLC in March 2007. HfS have provided the Lothian authorities with comments on that Monitor and these are incorporated into this present report.

2.0 SUMMARY

- *Since the base date of the Structure Plan, there has been an average build rate in Edinburgh and the Lothians of 4,276 houses per annum. 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.*
- *To take account of this, the average five year land supply target has been recalculated for each Council area. The amount of housing that the structure plan's five year land supply target should be capable of supporting has now been revised upwards from 26,600 to 27,100 houses*
- *The audited five-year effective housing land supply for the Structure Plan area is below, but within an acceptable limit of, the re-calculated target. Whilst both Midlothian and West Lothian Councils have a shortfall in effective land of over 10% of that required, there is no requirement under Edinburgh & the Lothians Structure Plan 2015 Policy HOU10 to bring forward additional housing land since the land supply for the Structure Plan area as a whole is above, albeit marginally, its requirement. The HfS view is that the land supply is marginally below the 90% HOU10 threshold.*
- *Anticipated completions from Midlothian's social housing programme and that portion of the West Lothian strategic housing land allocations that will come forward in the period to 2011 have a significant bearing on housing land supply in these areas, and increase the overall Lothian supply to 98.8% of the structure plan requirement.*
- *Completions to date on windfall sites have been significantly above the assumed 1,000 dwellings per year. West Lothian Council has already exceeded Structure Plan requirements and East Lothian Council is close to achieving its target.*
- *12% of completions since 2001 have been affordable houses. This equates to around 520 dwellings per year. The effective land supply includes land for an increased number of affordable completions over the next 5 years.*
- *The adequacy of the housing land supply in Edinburgh and the Lothians is being tested at the public local inquiries held in respect of the emerging local plans that are seeking to deliver the development land requirements of the ELSP.*
- *In taking the view that the Policy HOU10 threshold is marginally exceeded, the Lothian authorities nevertheless accept the requirement to secure the early release of proposed local plan housing land allocations and to have in place clear mechanisms to deliver additional land should the Policy HOU10 threshold fail in the future.*
- *The Lothian authorities and HfS have agreed to meet on a more regular basis and for HfS to be able to comment on drafts of future Annual Housing Monitors.*

3.0 POPULATION AND HOUSEHOLD GROWTH

Population projections

- 3.1 General Register Office population projections indicate that Lothian authorities will continue to experience population growth to 2015 with the exception of Midlothian. These projections are trend based and assume that factors that influence demographic change remain stable and do not reflect changes in the local and national economies nor strategic and local planning policy. As a whole, the Lothians are expected to grow to 835,726 persons by 2015. The City of Edinburgh Council and West Lothian Council areas are expected to experience greatest growth, while Midlothian is expected to lose almost 2,400 persons.

Table 1: 2004 based population projections for Edinburgh and the Lothians

	Total Population		Change
	2000	2015	
City Of Edinburgh	448,400	478,346	29,946
East Lothian	89,900	97,272	7,372
Midlothian	81,100	78,745	-2,355
West Lothian	157,100	181,363	24,263
Lothian	776,500	835,726	59,226

Source: GRO(S)

Households projections

- 3.2 Despite the increasing population predictions, the derived Scottish Executive household projections to 2015 continue to be considerably lower than the 1998 based figures on which the Edinburgh & the Lothians Structure Plan 2015 was based.

Table 2: 2004-based household projections for Edinburgh and the Lothians

	Number of Households				Change 1991 - 2015		Change 2000 - 2015	
	1991	2000	2005	2015	Absolute	%	Absolute	%
City of Edinburgh	190,800	207,390	211,730	237,150	46,350	24	29,760	14
East Lothian	34,500	37,890	39,750	43,790	9,290	30	5,900	16
Midlothian	29,800	32,100	33,420	34,720	4,920	17	2,620	8
West Lothian	55,600	64,550	69,310	80,950	25,350	46	16,400	25
Lothian	310,700	341,930	354,210	396,610	85,910	28	54,680	16
1998 based figures	311,900	340,400	361,400	406,100	94,200	30	65,700	19

Source: SEDD 2004 based Household Projections

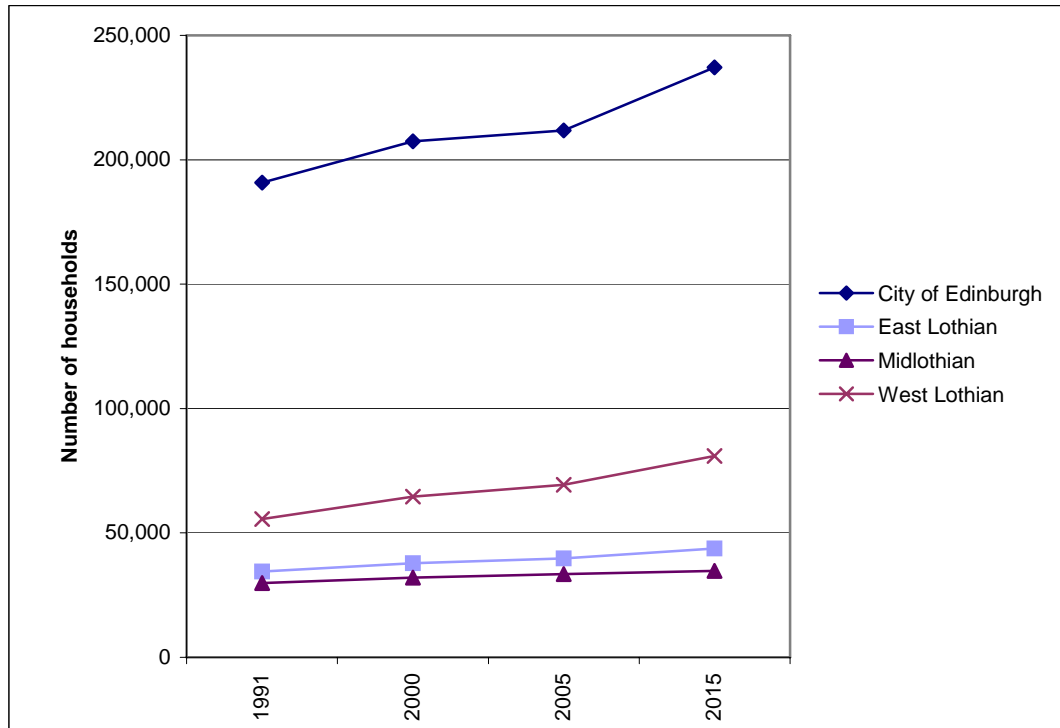


Figure 1: Household Projections

- 3.3 Table 2.3 of the ELSP (Household Projections 1991-2015) plans for a total of 406,100 households by 2015 on the basis of its 1998-based household projections. However, as the above table demonstrates, the most recent 2004-based household projections predict almost 10,000 fewer additional households over the period to 2015 (396,610 as opposed to 406,100).
- 3.4 HfS have concerns about the use of population and household trends since these are influenced by past policy and performance. They believe that they should be seen in the light of future policy aspirations and adjusted accordingly. It is their view that it is too simplistic to accept the 2004 downward adjustment in growth at face value. The Lothian authorities share some of the concerns over the use of these projections but in the past the Executive have replaced the planning authority's own commissioned projections with GRO-based projections. Their use also ensures that there is some consistency nationally.

4.0 HOUSING LAND REQUIREMENT

- 4.1 The ELSP Housing Needs Assessment 1991 – 2015 (Table 2.4 of ELSP Supporting Statement, March 2003) calculates that the structure plan requires to provide for an additional housing need of **70,200 houses** over the period 2001 to 2015, at an average of **5,000 houses per annum**. This new housing would be sourced from:
- 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
- 4.2 In addition to the above sources of housing land, the Plan acknowledges that there were several major brownfield 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 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.
- 4.3 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** (70,200 minus 57,800) of new housing land. Table 3 below 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, a degree of flexibility was allowed. The plan proposed that new housing land be allocated for **18,200 houses**. In relation to the total plan requirement, this represented an additional margin of 8%. In their submission to Ministers prior to ELSP approval, HfS argued that this figure should be 34,000.

Table 3: 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
Lothian	29,100	2,100	12,600	14,000	57,800

Source: ELSP2015 Table 3.2

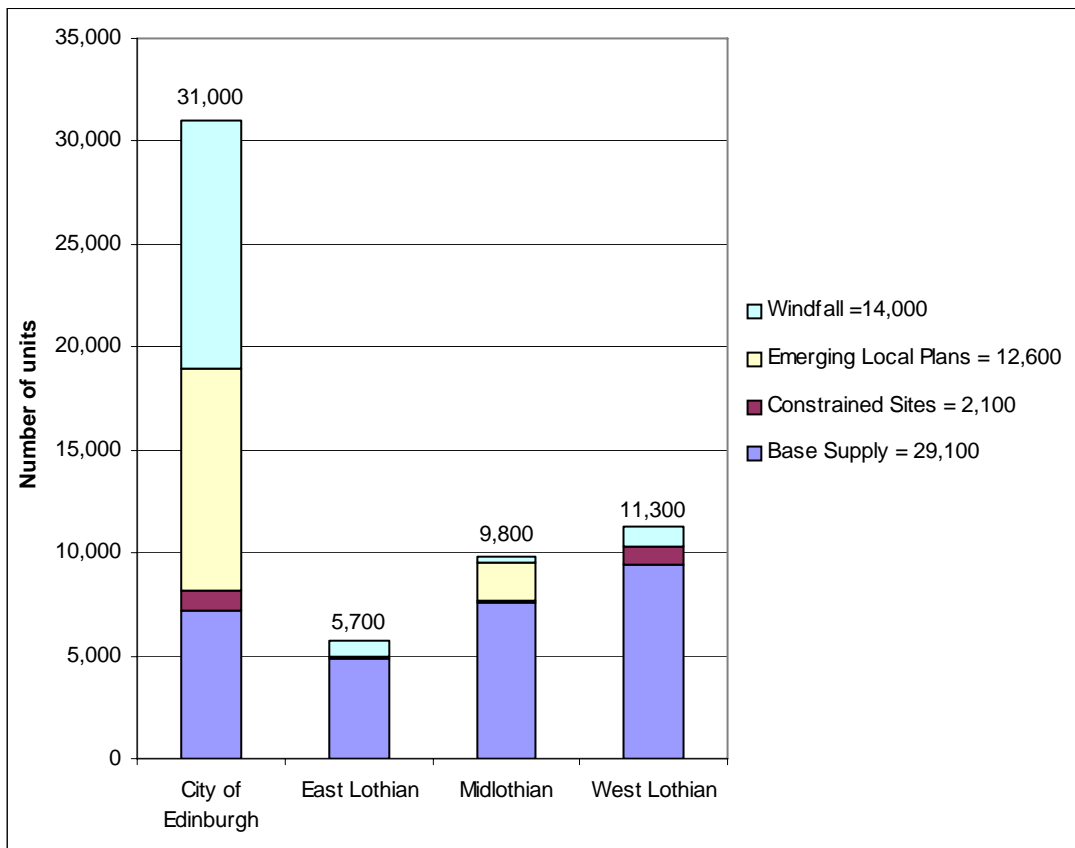


Figure 2: Sources of Housing Land by Council Area (excluding new allocations)

5.0 HOUSE COMPLETIONS 2001 - 2006

5.1 The ELSP requires that sufficient housing land is made available to allow for an average completion rate of **5,000 houses per annum** to 2015. Table 4 below indicates that between 2001 and 2006 the average completion rate has been **4,276 dwellings per annum** (i.e. 21,379 / 5). Although this is below the ELSP 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. It would take time to prepare and adopt the Local Plans allocating new land for housing to meet Structure Plan requirements. Until this process, currently underway within individual Councils, is complete this trend is expected to continue.

Table 4a: Housing completions 2001 – 2006

	2001/02	2002/03	2003/04	2004/05	2005/06	TOTAL
Edinburgh	2535	2561	2415	2597	2247	12355
E Lothian	576	511	225	435	768	2515
Midlothian	111	150	165	137	119	682
W Lothian	1281	925	1158	1288	1175	5827
Lothian	4503	4147	3963	4457	4309	21379

Source: Edinburgh and the Lothians Housing Land Audits 2001 – 2006

Table 4b: Actual and required house completions 2001 - 2006

	Required completions over Plan period	Average annual required completions	Actual completions 2001-2006	Annual average completions 2001-2006
Edinburgh	33,900	2421	12355	2471
E Lothian	9,000	643	2515	503
Midlothian	11,200	800	682	136
W Lothian	16,100	1150	5827	1165
Lothian	70,200	5014	21379	4276

Source: Edinburgh and the Lothians Structure Plan Table 3.2 and Housing Land Audits 2001-2006

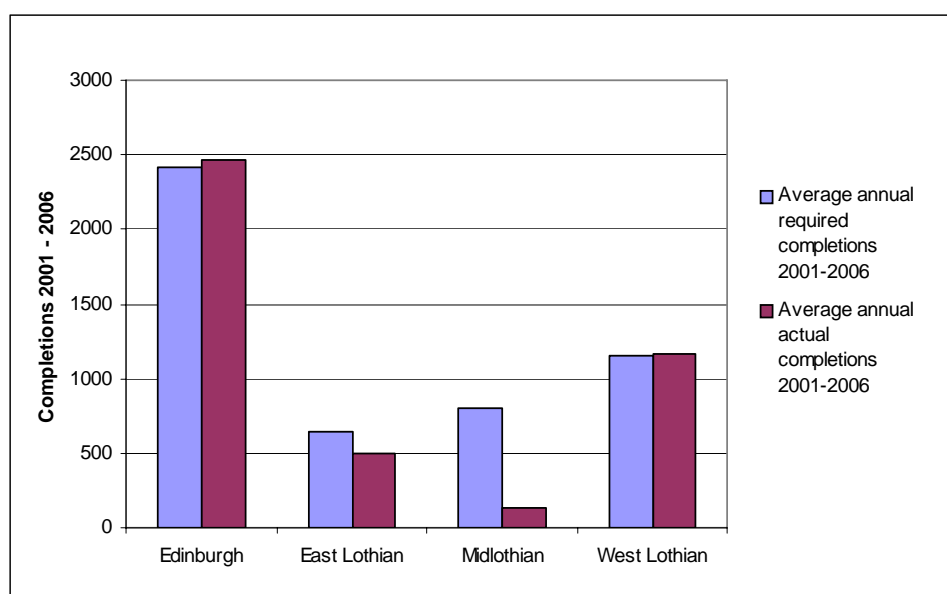


Figure 3: Actual and required housing completions 2001-2006

- 5.2 Table 4b demonstrates that average completion rates in Edinburgh and West Lothian continue to be slightly above the rate required to achieve all of the required completions by 2015, despite no output from large strategic housing allocations. Although current average completions in East Lothian are less than the average annual structure plan requirement, its 2005/06 figure of 768 completions (Table 4a) was its highest ever.
- 5.3 The Midlothian completion rate 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 Local Plans. The Midlothian Local Plan is at a finalised stage and is at public local inquiry. Housing development here is currently constrained by water / sewerage capacity issues and the completion rate is expected to increase significantly in future.

6.0 COMPLETIONS REQUIRED 2006-2011

Recalculated completion rate and the five year land supply

- 6.1 Structure Plan Policy HOU10 states 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.'* Column 3 of Table 4b above indicates the annual house completions that housing land allocations within each Council's area should be capable of supporting. Multiplying these by five gives the average five-year land supply expected of each Council (Table 3.2 of the Edinburgh and the Lothians Structure Plan 2015). For the whole Structure Plan area, the average five-year land supply necessary to allow sufficient house completions to meet the plan requirement is 25,100 units.
- 6.2 The Structure Plan acknowledges that the actual number of completions 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. As the completion rate over the early part of the Plan period has been slightly lower than the required average, a new target is required which takes into account this shortfall
- 6.3 The average five-year land supply target for the Structure Plan area as a whole has now been recalculated and revised upwards to one which can support approximately 27,100 units. In order to meet Edinburgh & the Lothians Structure Plan 2015 housing land requirements, sufficient housing land should be available to support an average annual completion rate **5,425 units** ($27,100 / 5$) in the Lothian area as a whole for the period 2006-2011. This, and the required breakdown by Council area, is detailed in the following Table 5:

Table 5: Meeting the Structure Plan requirement by Council area

	Total completions over plan period	Completions 2001– 2006	Completions Required 2006– 2015	Average required 5-year land supply 2006-2015	Average annual completions 2001-06	Average annual comps. required 2006-2015
Edinburgh	33,900	12,355	21,545	11,969	2,471	2,394
East Lothian	9,000	2,515	6,485	3,603	503	721
Midlothian	11,200	682	10,518	5,843	136	1,168
West Lothian	16,100	5,827	10,273	5,707	1,165	1,141
LOTHIAN	70,200	21,379	48,821	27,123	4,276	5,424

Source: Edinburgh and the Lothians Housing Land Audits 2001 – 2006

The effective five year housing land supply 2006-2011

- 6.4 Table 6 below indicates that, at 31 March 2006, the effective five year housing land supply for the Structure Plan area was 24,620 units, capable of accommodating an average of 4,924 units per year, against a Structure Plan target of 27,123 houses. This represents 90.8% of the recalculated Structure Plan requirement for Lothian as a whole and is within, albeit narrowly, the limits set by Structure Plan Policy HOU10.
- 6.5 HfS dispute the effectiveness of parts of two West Lothian audit locations, Wester Inch and Standhill, with a combined capacity of 260 units. Removal of these units would bring the effective land supply to 89.8%, below the threshold on Policy HOU10. The Lothian authorities maintain their position that these are effective and do not accept that the Policy HOU10 threshold has been triggered.

Table 6: Effective housing land supply 31 March 2006

	2006/07	2007/08	2008/09	2009/10	2010/11	Total
Edinburgh	2,089	2,623	2,774	2,415	1,969	11,870
East Lothian	524	602	1,070	1,112	854	4,162
Midlothian	273	593	1,055	1,127	1,181	4,229
West Lothian	897	933	1,000	845	684	4,359
Lothian	3,783	4,751	5,899	5,499	4,688	24,620

Source: Housing Land Audit 2006

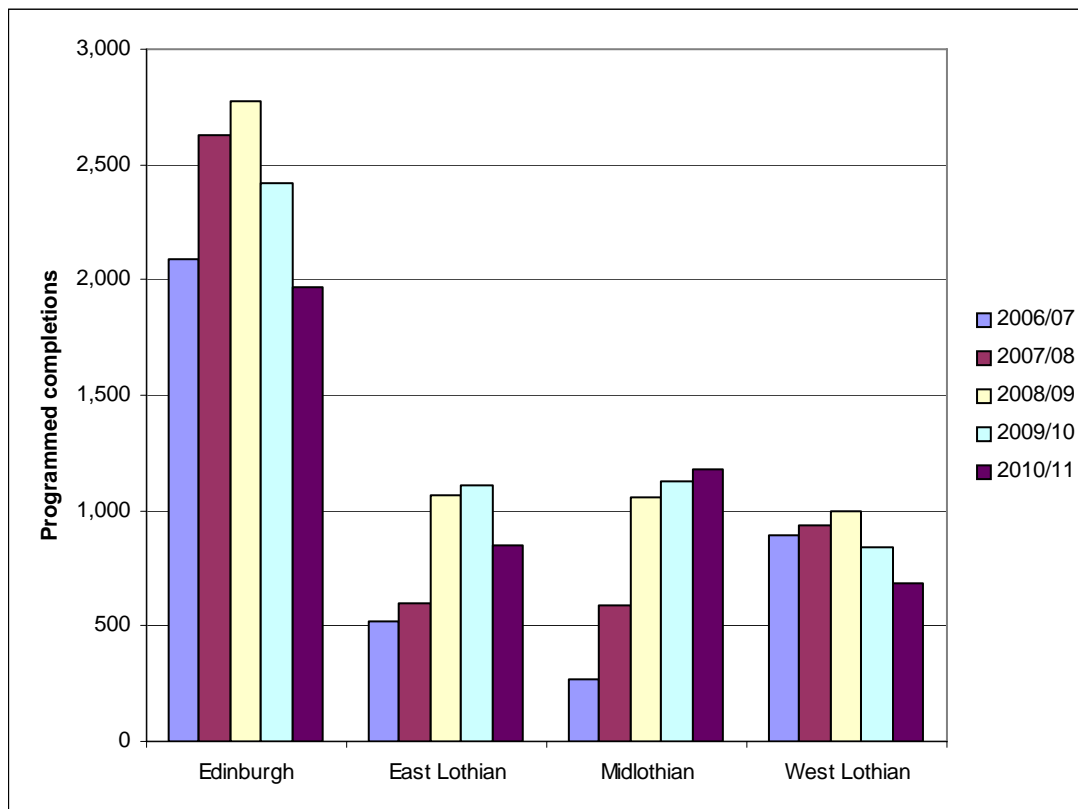


Figure 4: Effective housing land supply. 31 March 2006.

- 6.6 Under Structure Plan Policy HOU10, 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 above, rather than the original targets in Structure Plan Table 3.2.

Additions to the effective housing land supply

- 6.7 The March 2006 Housing Land Audit does not include the 900 expected completions resulting from the social housing programme in Midlothian, nor does it include a portion of strategic allocations that will come forward through the Finalised West Lothian Local Plan 2005 in the period to 2011. Such sources contribute an additional 1,269 units in West Lothian and 900 units in Midlothian. Table 7 below summarises housing land brought forward into the effective housing land supply since the last Audit date of March 2006.

Table 7: Additions to the effective housing land supply

	2006/07	2007/08	2008/09	2009/10	2101/11	2006/11
Edinburgh	0	0	0	0	0	0
East Lothian	0	0	0	0	0	0
Midlothian	0	0	100	385	415	900
West Lothian	0	25	178	510	556	1,269
LOTHIAN	0	25	278	895	971	2,169

Source: Lothian Authorities

- 6.8 Table 8 below compares each Council's effective land supply, including post Audit 2006 additions, to the updated land supply targets.

Table 8: Five-year land supply and additions to supply

	Land supply target	Five Year land supply	% of Target (no additions)	% of Target (with additions)
City of Edinburgh	11,969	11,870	99	99
East Lothian	3,603	4,162	116	116
Midlothian	5,843	5,129	72	88
West Lothian	5,707	5,628	76	99
LOTHIAN	27,123	26,843	91	99

Source: Tables 6 and 7

- 6.9 Taking account of this additional source of housing land, the total five-year land supply in West Lothian rises to 99% of that required by the Structure Plan (5,628 units), while in Midlothian it rises to 88% of Structure Plan requirements or 5,129 units. The overall Lothian supply rises to **26,843** units or **98.8%** of the recalculated Structure Plan requirement. Although the effective land supply target for Midlothian Council remains 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 above the 90% limit set in Structure Plan Policy HOU10.

6.10 HfS are critical of the inclusion of this additional housing land mid-way through the audit period, believing that for a true picture to emerge account should also be taken of land that has been built out over the period to this adjustment. The Lothian authorities submit that this is not a formal change to the audit and that it is legitimate in any overview of the strategic housing land position to take account of both the most recent audit position and other appropriate sources of supply. Irrespective of the merits of this adjustment, it does not change their view that the effective land supply remains above the Policy HOU10 threshold.

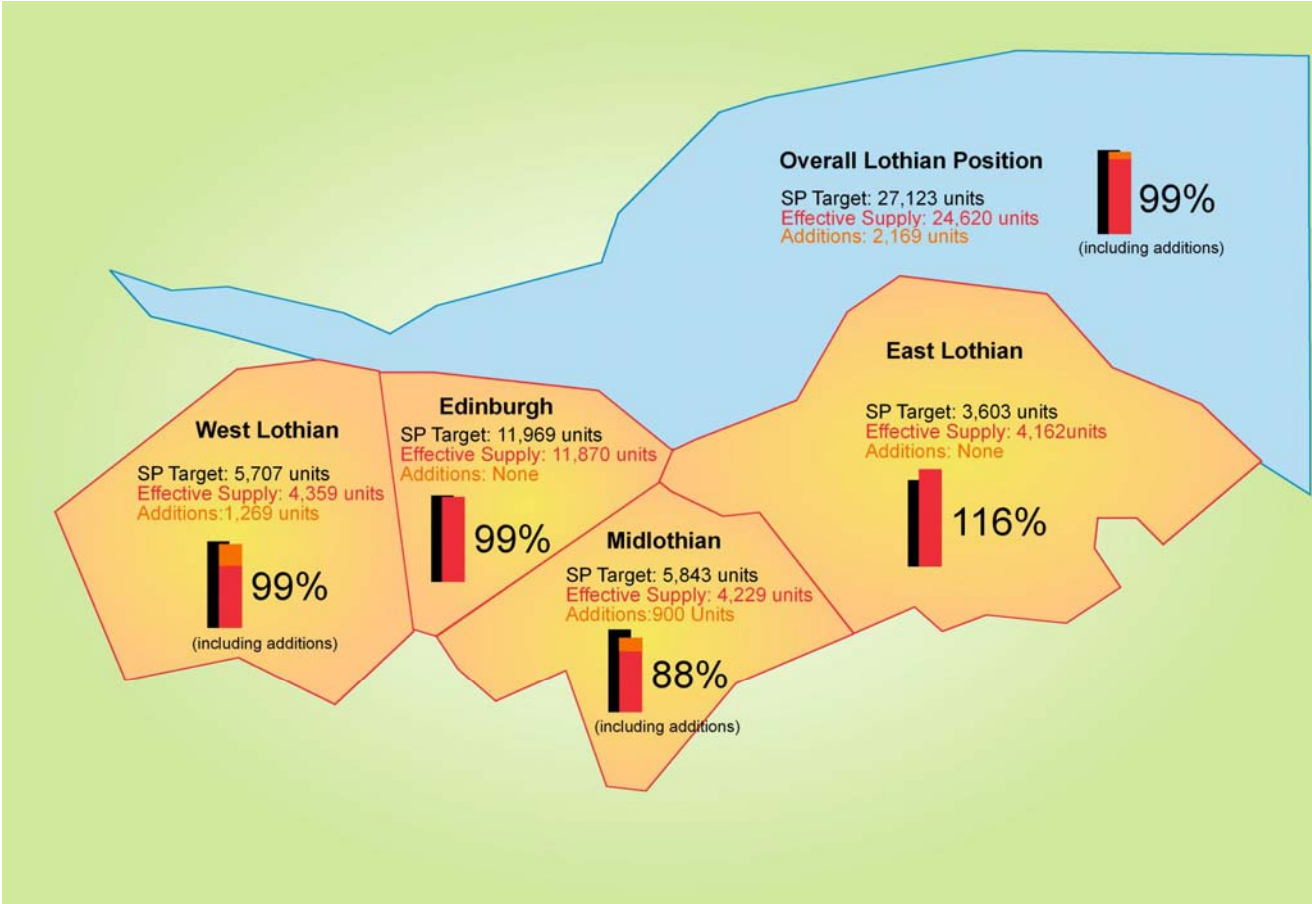


Figure 5 Housing Land Supply in Edinburgh and the Lothians June 2007

Effective Supply: (See Table 6), Additions: (See Table 7)

Completions on ‘windfall’ sites

6.11 Housing completions on land that is not specifically allocated or proposed for that purpose in the development plan (‘windfall’) continues to make a significant contribution to overall completions. As the effective land supply is within tolerances set by the Structure Plan, there is no need to take account of the contribution that will be made by future windfall sites. However, Structure Plan paragraph 3.26 and Policy HOU10 specify that annual monitoring will include an assessment of likely windfall contributions.

- 6.12 In 2005-06 windfall accounted for approximately 42% of all completions. The numbers of houses approved on windfall sites between 2001-06 averaged in excess of 2,600 units per annum, well in excess of the 1000 units per annum forecast by the Structure Plan. The total number of houses built on windfall sites since 2001 is over 5,800 units. The house-building industry does not accept the reliance that is placed on this as a source of housing by the Lothian authorities, believing that too high a figure is allowed for. The Lothian authorities submit that windfall completions to date are of an order of magnitude that cannot be ignored and that the ELSP Table 3.1 includes an allowance for its contribution to the strategic housing land supply.
- 6.13 Levels of windfall development show no sign of decreasing at this time and it is likely that all three landward Lothian Authorities will significantly exceed Structure Plan windfall targets over the period of the Plan. However, as the strategic allocations move into the effective supply, this should diminish as a proportion of the total land supply. Windfall development will continue to supplement the five year land supply identified in Table 8, demonstrating that the target will be further exceeded.

Table 9: Housing completions on 'windfall sites'

	Anticipated completions 2001-2015	Actual Completions					Total
		2001/02	2002/03	2003/04	2004/05	2005/06	
Edinburgh	12,000	68	420	976	1,025	1137	3,626
East Lothian	700	52	176	159	142	137	666
Midlothian	300	22	34	33	31	41	161
West Lothian	1,000	0	108	479	373	436	1,396
Edin. & Lothians	14,000	120	704	1,635	1,571	1,751	5,849

Source: Housing Land Audits 2001 – 2006

- 6.14 The Structure Plan anticipated that the vast majority of windfall developments would occur within the City of Edinburgh. Table 9 above demonstrates that windfall development outwith Edinburgh has been much higher than expected. The 2,000 houses expected to be built on such sites in the landward areas throughout the life of the structure plan (ELSP Table 3.1) have already been exceeded within the first five years of the plan. West Lothian Council has already exceeded its windfall expectations for the entire Structure Plan period, while 95% of East Lothian's amount had been met by 2006. Midlothian Council has produced more than 50% of its target by 2006 while the City of Edinburgh Council has delivered 30%.

Brownfield land completions

- 6.15 Paragraph 3.17 of the ELSP requires that, where possible, new housing land allocations should be made on brownfield land. Since 2001, 72% of all completions in the Lothians have been on brownfield sites. The proportion of brownfield development is highest in the City (93%) and lowest in East Lothian (38%), as might be expected. In terms of the five-year effective land supply 2006-11, 67% of housing is programmed on brownfield sites.
- 6.16 HfS have reiterated their concerns that the sources of new land in Edinburgh would largely be brownfield waterfront, that is, more of what already exists. They believe that the figure of 72% of completions on brownfield sites between 2001 and 2006 is too high. The Lothian authorities repeat the requirements of ELSP para 3.17. They also submit that it is the nature of much of the available development land in Edinburgh that it is appropriate for higher density development. Without it, more

housing demand would be exported to the landward areas, thereby promoting the unsustainable travel patterns that HfS themselves are critical of.

The base land supply

- 6.17 In total, the base land supply (Audit 2001) was expected to account for capacity for 29,100 of the 70,200 houses required over the structure plan period. Audit 2006 indicates that 70% of the land in the base land supply programmed for completion by 2006 had been built out. Constrained sites in the base land supply were expected to produce 2,100 units over the plan period. To date, there have been 384 completions on such sites, 18% of the requirement to 2015. In considering such sites as constrained, their early development was not anticipated.
- 6.18 HfS regard this 30% failure of the base land supply to deliver programmed completions to 2006 as typical nationally, that there is limited product from constrained sites and that almost all the sites identified in emerging local plans have still to come forward. They argue that there is a consequent need to build in allowances for the failure/delay of allocated sites. The Lothian authorities submit that the product anticipated from constrained sites is not a major element of the land supply, that local plan preparation is at an advanced stage and that they are prepared to consider housing land release in advance of local plan adoption.

7.0 AFFORDABLE HOUSING

7.1 Since 2001, 12% of completions have been affordable houses. This equates to 2,602 dwellings or around 520 dwellings per year. 76% of all affordable houses were built in Edinburgh with East Lothian accounting for 14% of the total, 9% in West Lothian and 1% in Midlothian. Table 11 below shows the number of affordable housing completions by local authority.

Table 10: Affordable housing completions

	2001/02	2002/03	2003/04	2004/05	2005/06	Total	% All completions
Edinburgh	670	413	290	326	267	1,966	16
East Lothian	92	40	48	124	73	377	10
Midlothian	0	12	14	0	7	33	5
West Lothian	61	0	18	103	44	226	4
Lothian	823	465	370	553	391	2602	12

Source: Housing Land Audits 2001 - 2006

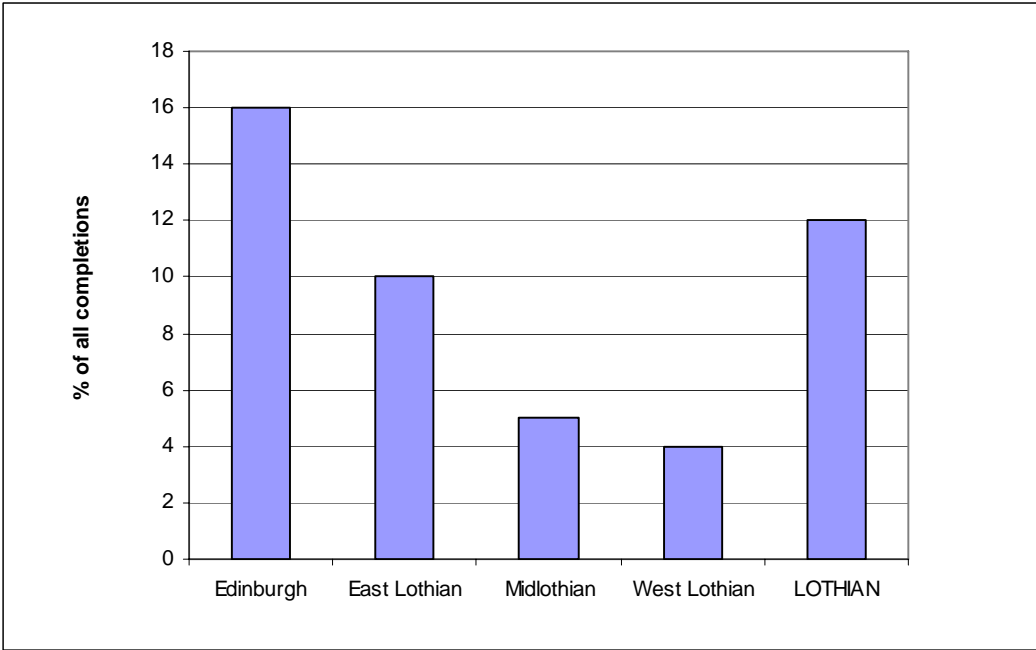


Figure 6: Affordable housing completions as a % of all completions. 2001/02 – 2005/06

7.2 The role of land use planning in the provision of affordable housing is as a means of delivering serviced land: it cannot of itself deliver the actual houses. The emerging local plans that are addressing the ELSP housing land requirements contain policies for the provision of land for affordable housing as part of the release of their strategic housing land allocations. As these plans are adopted and planning applications determined, it is anticipated that there will be significant increase in the availability of serviced land for affordable housing.

7.3 The effective housing land supply in the Lothians includes land for 4,800 affordable units. Approximately 40% of these units are located in Midlothian Council with almost 60% split between East Lothian Council and Edinburgh. There are a further 4,600 affordable dwellings within the established land supply but, programmed for

completion beyond 2011. Many of these units are on the large strategic sites that are being developed in the longer term, including the Waterfront area of Edinburgh and South East Wedge.

8.0 DELIVERY OF NEW HOUSING LAND ALLOCATIONS

- 8.1 The local plans required to conform to and deliver the housing land requirements of the Edinburgh and the Lothians Structure Plan 2015 are at an advanced stage of preparation. The Rural West Edinburgh Local Plan was adopted in June 2006. The Finalised East Lothian and West Lothian Local Plans have been through their public local inquiry and are awaiting Reporters' reports. The Finalised Midlothian Local Plan is at inquiry and the Finalised Edinburgh City Local Plan was approved in March 2007.
- 8.2 To assist the early delivery of planning permissions on appropriate sites, the four Lothian authorities will not feel bound to await formal local plan adoption before determining appropriate applications on new housing sites where there are no objections to the allocation of the land or where the Reporter's report finds in favour of the allocation and Council's are minded to accept the recommendation.
- 8.3 Following discussion with Homes for Scotland, the Lothian authorities will consider how additional housing land can be released in the event that the five year housing land supply was to fall below 90% of the HOU10 requirement. This is a matter that will require further consideration and subsequent JLC approval and is therefore outwith the timeframe of this report: a report will be targeted for an early JLC.
- 8.4 The Lothian authorities will consider HfS's view that the housing land audit should be used more proactively, focussing on years 3 to 7 and thereby allowing more time to address problems in supply and an analysis of windfall. This may also be helpful for infrastructure providers. Further discussion will be required on this matter.
- 8.5 Finally, the Lothian authorities have agreed that it would be helpful to set up twice yearly meetings with HfS to discuss the delivery of housing land. One of these meetings will be timed to allow HfS an input into the Annual Housing Monitor.

9.0 INFRASTRUCTURE CONSTRAINTS

Background

- 9.1 The ELSP clearly makes the link between maintaining the 5-year housing land supply and availability of infrastructure. Housing development in Midlothian in particular has been adversely affected over recent years by lack of infrastructure capacity.

Constraints affecting allocations in adopted local plans

Midlothian

- 9.2 Infrastructure constraints affecting the release of housing land on allocated sites have been a particular issue in Midlothian. Midlothian has been subject to four separate infrastructure moratoria over the last 15-20 years. For example

- lack of road capacity due to a constraint on the A7 road and Eskbank Toll,
- lack of drainage capacity in the Esk Valley Trunk Sewer
- lack of water treatment capacity for development in the catchment of Rosebery Water Treatment Works (WTW).

There is a lack of water storage capacity in two areas:

- within the catchment of the Stobhill water tank (serving Gorebridge/ Mayfield/ Newtongrange/ Bonnyrigg/ Eskbank)
- at Shawfair

- 9.3 To overcome the constraint at Stobhill, a consortium of developers, along with Midlothian Council in its capacity as a developer of social housing and education facilities, has agreed to the design of a new water storage tank. The construction of the tank will be subject of a further agreement, which is expected to be signed during 2007. At this stage Scottish Water (SW) will agree to the construction of 500 houses in advance of the development of the new tank. Once completed the water capacity constraint will be lifted in this location.

- 9.4 To overcome the other water storage capacity constraint for the committed Shawfair developments, which partly arose from the diversion of water supply to serve the Queen Margaret University campus at Musselburgh, a consortium is providing a water storage tank and significant related infrastructure. Without this investment, the implementation of the new settlement and expansion of Danderhall could be delayed. Once completed the water capacity constraint will be lifted in this location.

- 9.5 The infrastructure needs of planned developments in Midlothian have been clearly identified in Structure Plans/ Reports of Survey, and latterly in the relevant Action Plans. These requirements have been established through consultation with the infrastructure bodies, taking account of their funding commitments. The delays in delivering development in Midlothian, in accord with approved/ adopted plans, are principally related to:

- the lack of infrastructure capacity;
- delays in rectifying these capacity problems despite continuous pressure from the Council;
- changes in advice from infrastructure providers;
- redirection of infrastructure capacity to unplanned developments (eg QMU); and

- changes to statutory funding duties, whereby SW will no longer fund certain elements of the water/ drainage infrastructure, leaving the responsibility to developers.

- 9.6 The above factors, which are outwith the control of Midlothian Council, have had a significant impact on the ability of Midlothian to meet its Structure Plan requirement. The Council has given commitment through development plans to levels of development that accord with the advice on infrastructure capacity from the relevant agencies. The failing of the latter to deliver the capacities in line with advice given, has affected the ability of Midlothian to deliver housing development. The effect of these water and drainage constraints has been to delay the rate of housing development set out in Housing Land Audits by 2-3 years. Even if extra housing sites had been brought forward, these would have been similarly affected by the same constraints, and therefore could not have yielded any more completions.
- 9.7 The current infrastructure constraints are expected to be removed within 18 months, ie by end of 2008 (although some development will be allowed to proceed once funding is committed for the improvements). The removal of these constraints are dependent on significant developer contributions, which if not forthcoming (due to the cost and also the complexity of achieving agreements with several developers) would delay/ stop development in large parts of Midlothian.
- 9.8 Unless any additional unforeseen constraints arise, development should be able to proceed as programmed in the Housing Land Audit 2006, along with the Midlothian Council social housing programme (1000 houses), and the expectations for the strategic housing allocations contained in the Finalised Midlothian Local Plan.

Other Lothian Authorities

- 9.9 Infrastructure constraints relating to existing allocations elsewhere in the ELSP area are less severe. Housing development at Fauldhouse in West Lothian has been delayed because of a water pumping constraint. This will be rectified with the construction of a new developer funded reservoir at Polkemmet.
- 9.10 There are no recent or current infrastructure constraints which have affected house building rates on allocated sites in Edinburgh or East Lothian.

Infrastructure constraints likely to affect delivery of emerging local plan allocations

Eastern Interceptor Sewer

- 9.11 There is a potential lack of capacity in the Eastern Interceptor Sewer (EIS) which connects the Esk Valley Trunk Sewer with Seafield Waste water Treatment Works. This potential constraint affects the majority of Midlothian, the western part of East Lothian and South East Edinburgh (see attached plan).
- 9.12 In Edinburgh, this includes housing and business sites allocated in the South East Edinburgh Local Plan (adopted August 2005), including housing at Greendykes and the bio-medi park at Little France which form part of the strategic South East Wedge proposal. There are also a number of key strategic housing and business identified in the Finalised Edinburgh City Local Plan which could be affected, for example greenfield housing at Newcraighall and the Biomedipark Extension.

- 9.13 In East Lothian, this includes substantial strategic housing and employment land releases at Blindwells and Musselburgh, and strategic housing land releases at Wallyford.
- 9.14 As yet the capacity of the EIS to accommodate the levels of development required by the ELSP2015 in the above areas is unknown. A modelling study is underway, part funded by the three relevant Councils (Midlothian, East Lothian and City of Edinburgh). The outcome of this exercise is expected in August 2007, at which time the scale of any capacity problem, and the likely solution/s and costs involved will be clearer. There is concern that the scale of investment needed to address the EIS may be significant and prove a barrier to development proceeding unless SW is prepared to reconsider the classification of Part 3 / Part 4 infrastructure, at least in this instance.
- 9.15 Should this matter not be resolved quickly then consideration must be given to the provision of private treatment plants funded by the developer(s), provided that discharges meet SEPA requirements and the systems are capable of being adopted by Scottish Water. A number of the proposed land releases are of sufficient scale to justify this. The approximate extent of the area of drainage constraint is shown on the plan at the end of this report.

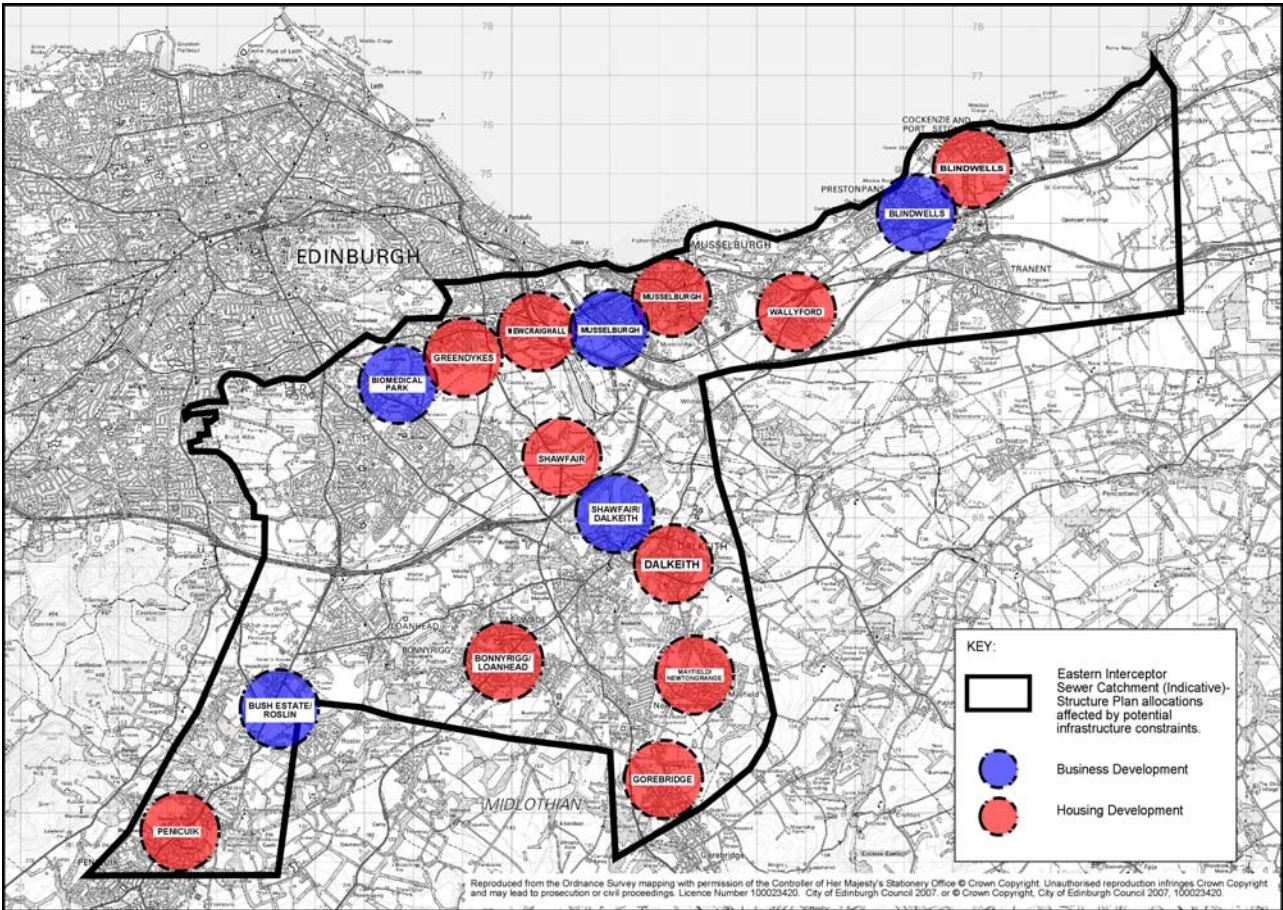


Fig 7 Area Covered by Potential Eastern Interceptor Sewer Infrastructure Constraint

Other Potential Water and Drainage Constraints in Midlothian

- 9.16 The majority of development in Midlothian drains via the Esk Valley Trunk Sewer (EVTS) which was upgraded through a PFI contract for Scottish Water. SW has indicated there is likely capacity for the housing development arising from the ELSP 2015 requirements. However any expansion requirements of the EVTS (if required to accommodate development from future strategic development plans and/ or for significant economic development) will require to be negotiated with the PFI operator at a cost). As this is assessed as Part 3 infrastructure by SW, and therefore the funding of increased capacity will be the responsibility of developers, there could be uncertainty as to the provision of additional capacity to meet further growth in Midlothian.
- 9.17 Some of Midlothian's drainage requirements are met in individual waste-water treatment works (WwTW) - Penicuik, Rosewell, Roslin, Gorebridge and Pathhead. Those that are critical for the delivery of the ELSP 2105 requirements (including committed development arising from the LSP1994) are Rosewell, Gorebridge and Pathhead WwTW. It is understood that there are capacity constraints at all three works, although the constraints are more critical at Gorebridge and Rosewell WwTWs.
- 9.18 SW is currently undertaking a study at Gorebridge WwTW to confirm existing capacity and identify options to upgrade the works. It is understood that SW has allocated funds for the Q&SIIIa period (2006 - 2010), for such improvement works. Rosewell WwTW has recently undergone quality improvements, but further work will be required to increase capacity for committed development and new allocations. SW has not as yet identified a programme or funding for this improvement works.

Potential Transport Constraints

- 9.19 Sheriffhall Roundabout on the Edinburgh City Bypass is operating beyond capacity at peak periods. This has implications for development in Edinburgh, Midlothian and East Lothian. It is understood that the Scottish Executive is currently examining various options to improve the situation although no timescale is set for decisions at this time.
- 9.20 There is little spare capacity on the East Coast Main Line, all of which is allocated to existing users. If these users choose to take up that spare capacity then no spare capacity would be available for new services. The East Coast Main Rail Line Route Utilisation Strategy prepared by Network Rail is due to be published imminently and should address this concern.
- 9.21 The M8, M9, A71, A89/A8 corridors provide key access routes into and through West Lothian and suffer from congestion at peak times. Whilst solutions have been identified towards reducing congestion, funding has not yet been secured in all cases and this could act as a constraint to development in the future. In addition, development at Winchburgh, one of the Core Development Areas, requires both a new motorway junction onto the M9 and a railway station for direct access to the Edinburgh - Glasgow rail line. Network Rail has indicated that this may be predicated by the need for EARL which is a parallel route freeing up capacity and allowing some trains to stop at Winchburgh. Any threat, delay or revision of EARL could also be a threat to Winchburgh Station. Meanwhile, Transport Scotland has not confirmed acceptance of the justification for new junctions on the M9. There are also implications arising over the future of the Forth Crossing.

Other constraints

- 9.22 Unexpectedly high birth rates in the Dunbar area are placing demands on available education capacity, compounded by the rapid rate of housing growth here in recent years. Decisions taken recently on how this expanded capacity will be provided will influence the phasing of development on the new housing land allocations proposed in the Finalised East Lothian Local Plan 2005. Sufficient capacity will not be in place before 2010 at the earliest. Current drainage constraints here will be resolved shortly with the construction of a new treatment works.
- 9.23 In West Lothian significant increases in school capacity are required to support the development strategy. Three new secondary schools and the equivalent of 17 single stream primary schools are required at a cost of up to £150 million pounds. The council has developer contribution policies in place to meet much of this funding but the issue of 'pump priming' the provision of education capacity remains.

Key Messages from Homes for Scotland on Infrastructure Constraints

- 9.24 In their comments to the Lothian authorities on the preparation of this overview paper, HfS submitted the following key messages:
- Scottish Water is improving but is still too slow at resolving design and funding issues with developers
 - Scottish Water's funding is inadequate to deal with current scales of development, let alone fund the increased development required to promote Scottish economic growth
 - Transport Scotland is a source of delay in requiring lengthy Impact Assessments and unreasonable expectations of developer funding to upgrade Trunk communications networks
 - Communities Scotland resources are inadequate to deliver the affordable housing sought by Councils; a more realistic set of policy approaches, including alternative approaches offered by developers, is needed
 - The National Planning Framework 2 should be a document guiding investment from a range of agencies to priority areas for economic growth
 - Developers cannot front-fund major infrastructure alone, yet the list of major developer contribution requirements continues to grow