

From: Fiona Simpson
Planning & Architecture Division
1 February 2019

Minister for Local Government, Housing & Planning

SESPLAN – MINISTERIAL CONSIDERATION

Purpose

1. To seek your agreement to approval of the second strategic development plan for Edinburgh and the South East of Scotland (SESplan2), subject to modifications.

Priority

2. Routine.

Background

3. SESPlan is the Strategic Development Plan (SDP) for the Edinburgh and the South East of Scotland. SDPs look forward 20 years and address land use issues which cross local authority boundaries or involve strategic infrastructure, for example housing and transport. The constituent authorities for SESplan include: City of Edinburgh, West Lothian, Midlothian, East Lothian, the southern part of Fife and the Scottish Borders. This is the second strategic development plan for the SESplan area (hereafter referred to as SESplan 2). It will replace SESplan 1, which was approved with modifications by Ministers on 27 June 2013.

4. For general awareness, we understand that the SESplan team currently has no dedicated officers in place. However, the constituent authorities still have a board in place which will have the responsibility of ensuring the next stages of work are taken forward.

5. An independent examination of the proposed plan was undertaken by three Reporters from the Directorate for Planning and Environmental Appeals (DPEA) between August 2017 and July 2018. The Examination Report was submitted to Scottish Ministers on 20 July 2018, followed in September 2018 by an addendum addressing a representation that had been overlooked. The Reporters recommended modifications to 21 of 25 issues examined. They satisfied themselves that the authority's consultation and engagement exercises conformed with their Participation Statement. They made 12 'Further Information Requests' covering: housing delivery, investment and employment, the low carbon economy, town centres, the rural economy, green belt, brownfield land, resource extraction, waste and the Fife Key Area of Change. No hearings were held during this examination.

6. SESplan 2 is based on a different spatial strategy to the first plan focusing on 'growth corridors', rather than the thirteen strategic development areas that were supported in the first plan.

7. Legislation sets out that where there is a current strategic development plan, a proposed strategic development plan must be submitted within 4 years of the date on which the current plan was approved. Consideration of SESPlan has taken longer than would normally be expected as a result of the complex issues involved, the significance of the plan, and resourcing issues arising from the Planning Bill. We have received a number of enquiries about our timescale and simply confirmed that a decision will be issued in due course.

Consideration of modifications

8. The Scottish Government, including Transport Scotland, made 13 representations at the Proposed Plan Stage and the response to them is summarised in **Annex B**. We are generally satisfied with the majority of modifications recommended by the Reporters.

9. However, this is the long term strategic development plan for our capital city and its region, and so it is important to give fuller consideration to whether the modified plan as a whole is considered to be sound, before Ministers approve it.

10. When it was adopted in 2014, National Planning Framework 3 stated that:

‘A planned approach is required to ensure development needs are met, whilst taking into account existing and future infrastructure capacity. Led by SESplan, we wish to see greater and more concerted effort to deliver a generous supply of housing land in this area. Whilst programmed transport improvements will collectively go some way towards enhancing capacity for growth, the longer-term spatial strategy for delivering housing land will need to acknowledge and address the region’s infrastructure constraints. To help unlock effective housing land in the city-region, strategic, cross-boundary transport infrastructure improvements are required.’

11. We have therefore also considered whether SESplan 2 meets these objectives, and in particular two key areas of concern: transport and housing.

Transport infrastructure

12. The Scottish Government, via Transport Scotland, made five representations relating to transport matters.

13. Some of the issues have been addressed by the Reporter and a further concern about strategic rail improvements at Halbeath Rail Halt and Levenmouth Rail Link could be addressed through a relatively straightforward, modification to the plan. However, we continue to have more significant concerns about SESplan and its approach to transport infrastructure.

14. Transport is not a new concern for SESplan. A modification to SESplan 1 by the Reporter required local development plans within the area to take account of cross-boundary transport implications of all policies and proposals. This led to a Cross Boundary Study led by Transport Scotland, rather than the SESplan authorities. Despite this work having since progressed and the assessment now being largely complete, we remain concerned about the adequacy of the Transport Appraisal (TA) of SESplan 2 and the extent to which the constituent authorities will be able progress the next stage of work

to come up with a framework for developer contributions that would be incorporated into supplementary guidance if the Reporter's recommendation is followed.

15. Transport Scotland repeatedly raised concerns about this issue during the preparation of SESplan 2 and are of the view that:

- The TA fails to comply with Scottish Planning Policy because it does not identify transport infrastructure measures to mitigate the impact of the housing associated with the spatial strategy.
- The TA downplays the impact of the plan. Transport Scotland did not formally agree to the scope of the work undertaken and repeatedly shared concerns about its relationship with the cross-boundary study.
- The solutions should not be deferred to the cross-boundary study or subsequent local development plans.
- Further work is required to identify infrastructure required to mitigate development impacts as now shown in the cross-boundary study, and also taking into account the uplift in housing figures.
- The additional housing land requirements (referred to below) compound concerns about the adequacy of the plan and its accompanying assessments.

16. These concerns appear to have been underplayed in the Schedule 4 information provided to the Examination, despite Transport Scotland having reiterated that they could not support the Proposed Plan unless the concerns had been addressed. The Reporter has proposed a solution in the form of broadening the supplementary guidance on contributions to address the matter of strategic transport requirements, but also noted that options available at the time of the Examination were limited.

17. We are concerned that SESplan has not addressed the issue fully and that, despite concerns having been expressed, the authority proceeded with progressing the plan to meet the statutory timescale. The authority has repeatedly deferred consideration of infrastructure issues either to the action programme, which is not an integral part of the plan and should not introduce new proposals and policies, or to local development plans. There is no guarantee that future supplementary guidance would be prepared on time or would adequately address the issues. We also have wider concerns about significant issues being addressed in supplementary guidance.

18. It is important that the longstanding concerns of Transport Scotland are taken into account and representations show that infrastructure is also a concern for many other parties including communities and developers. However, Transport Scotland officials support our recommendation as set out in Option 1 below.

Housing

19. Housing is also a significant issue for SESplan 2. As with transport infrastructure, the matter of how many homes are required is a longstanding problem for strategic planning in the Edinburgh city region. For SESplan 1, the Reporter required supplementary guidance to be prepared to identify how much land should be allocated for housing in each local development plan in the area. When it was adopted in November 2014, this supplementary guidance became part of the statutory development plan.

20. The Scottish Government did not previously make any representation on the approach to housing in SESplan 2, but it was an issue that the Reporter considered in detail. The Reporter recommended significant modifications to SESplan 2 to address the issues arising during the Examination. Specifically, the Reporter:

- Treated the targets for market and affordable housing separately and rejected calls for an ‘all tenure’ approach (i.e. a single target covering both affordable and market housing). *We are content that this is consistent with the SPP.*
- Adjusted the market housing supply targets and housing land requirements to take account of the delivery ‘backlog’ since 2012, whilst also removing a proposed 20% uplift. *We have some reservations about the approach taken here, but recognise that there is no agreed guidance on the matter and that it is therefore a matter of judgement in each case.*
- Did not add backlog into the affordable housing target, but instead increased the affordable target to reflect with the output of the HNDA and reduce the ‘unreasonably pessimistic’ approach in the proposed plan. *We have some concerns about deliverability (see 22 below) and use of the HNDA evidence as a target.*
- The SESplan 2 Housing Supply Target was estimated for 2018 to 2030, however the HNDA estimates ran from 2012-2030 and so the Reporter adjusted both sets of figures to reflect a single new plan period from 2012 – 2030. *We have some concerns that this sets an unhelpful precedent but are willing to accept it based on our further consideration of the figures it has produced.*

21. The compared figures are set out in **Annex C**. Overall, whilst the headline housing land requirement is significantly higher at 103,896 than that in the proposed plan (70,237) the adjusted figures show lower annual market sector targets over a longer plan period, and a higher target for affordable housing when compared to the proposed plan.

22. Aside from the technical considerations, it is important that, in approving the plan, we consider whether the housing targets are reasonable and deliverable. Analysis of the targets in relation to past completions suggests that they are not unrealistic. However, current advice from SG economists suggests that Brexit could have a significant impact on the housing market, depending on the exact form that it takes. Impacts could relate to supply (e.g. interruptions to building material import chains, increase in tariff and non-tariff barriers and reductions in the migrant workforce), or demand (e.g. lower demand from reduced net migration). In addition, given that current commitments to affordable housing only run to 2021, longer term delivery will depend to a significant degree on future policy and funding decisions.

23. The Examination Report notes that each local authority will be required to undertake a further calculation to establish actual market completions since 2012 in order to re-determine the supply target for their area’s local development plan going forward. As a result, we anticipate that housing numbers will continue to be the subject of significant debate for each local development plan in the area. SESplan local authorities

have intimated that they are considering commencement of work on the next HNDA for their area (HNDA3).

24. Overall, having reflected on the Examination Report, the approach taken by the Reporter appears to be well reasoned, informed by relevant evidence and based on sound planning judgement. In terms of the overall outcome, the response to this challenging issue seems appropriate and the Reporter has taken steps to ensure the plan is robust and flexible. We would not therefore recommend reopening the debate on this aspect of the plan and propose supporting the housing figures as recommended by the Reporter.

25. We have noted that development sector representatives (Homes for Scotland) have expressed significant concern with the approach taken both by SESplan and the Reporter, including to the definition of affordable housing. This is addressed below.

Other policy matters

26. We have some concerns that SESplan 2 responded to a wide range of policy matters by stating that there is no need to repeat the Scottish Planning Policy in their plan and / or that issues should be addressed by local, rather than strategic development plans. In general policy terms, we are keen to avoid this repetition and this has shaped our proposals for change in the Planning Bill. However, in the meantime national policy principles do need to be incorporated into strategic development plans to give them the weight of the statutory plan in decision making and to properly ensure that they are followed through in local development plans. Having reviewed the modifications we are largely content that our policy concerns, expressed through representations, have been addressed by the Reporters' recommendations.

27. During the examination the approach to flooding in SESplan 2 was raised by several consultees including Scottish Government, SEPA and Scottish Natural Heritage. Our representation reflected concerns that this aspect of the plan was not in accordance with the Scottish Planning Policy. In response, recommendations sought to add further references to flood risk assessment throughout the plan, and a new section on 'Water and Flooding' to cover cross-boundary matters. However, the drafting of the text of that section was deferred by the Reporter to the Strategic Development Plan Authority. To give us an appropriate level of assurance that this policy matter will be properly addressed, our preference would be to address this by modifying the plan directly. Text has been prepared and agreed with SEPA. We also propose removing a statement relating to Scottish Government policy on unconventional oil and gas.

28. If Ministers were minded to approve the plan we would therefore recommend specific modifications and adjustment to reflect these policies as set out in **Annex B**.

Correspondence

29. We have received correspondence from a number of parties during our consideration of SESplan 2. Homes for Scotland raise concerns about factual, arithmetical and interpretation errors they believe have made by the Reporters. Their view is that the modified plan would hinder the delivery of affordable housing in the SESplan area. They argue that the backlog in delivery of affordable housing since 2012 should be taken into

account, an all tenure target is required to ensure that the land supply can be monitored, and that the definition of affordable housing should include affordable homes delivered by the private sector to properly reflect paragraph 126 of the Scottish Planning Policy which recognises that affordable housing can take a number of forms beyond social rented sector homes. They are concerned that spatial strategy is not sufficiently flexible to accommodate full housing need and demand. However, these issues were considered in detail in the Examination and it is not our intention to revisit the judgement and recommendations made by the Reporter.

30. Having noted the correspondence from Homes for Scotland, the SESplan authority wrote to us on 7 November 2018 to ask whether they would have an opportunity to address the issues it raises. In response we clarified that whilst there is no statutory opportunity for representations at this stage, we cannot stop stakeholders from writing to us. No further correspondence from SESplan has since been received.

Strategic Environmental Assessment

31. As with all development plans, SESplan 2 was subject to a strategic environmental assessment (SEA) under the Environmental Assessment (Scotland) Act 2005. The assessment has drawn criticism from Homes for Scotland, who were concerned that the Environmental Report had not assessed reasonable alternatives including higher levels of housing that would have been required under a different growth scenario ('wealth distribution') or if the level of generosity had been increased. SESplan contended that this is not a reasonable alternative and the Examination Report notes that the SEA was supported by the statutory consultation authorities.

32. [redacted]

Consideration of options

[redacted]

Official - Sensitive

Official - sensitive

Legal considerations

45. [redacted]

Recommendation

48. You are invited to agree to Option 1, approving the plan with modifications summarised in **Annex B**, subject to the completion of SEA screening.

Fiona Simpson Ext: 47547

1 February 2019

Official - Sensitive

Copy List:	For Action	For Comments	For Information		
			Portfolio Interest	Constit Interest	General Awareness
Cabinet Secretation for Communities and Local Government			X		
Cabinet Secretary for Transport, Infrastructure and Connectivity			X		

Permanent Secretary
 DG Education, Justice and Communities
 Stephen Gallagher, Director for Local Government and Communities
 John McNairney, Chief Planner
 Lesley Fraser, Director for Housing and Social Justice (Location Director - Edinburgh)
 Shirley Laing, Location Director, Fife
 Andy Bruce, Location Director, Scottish Borders
 Jonathan Pryce, Location Director, West Lothian
 [redacted], Planning and Architecture
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 [redacted], Transport Scotland
 [redacted], Transport Scotland
 [redacted], Transport Scotland
 [redacted], SGLD
 [redacted], Special Adviser
 Communications CSSE

ANNEX A

SESPLAN STRATEGIC DEVELOPMENT PLAN (SDP) – MINISTERIAL APPROVAL

Contribution to the Government's Purpose and National Outcomes

1. The approval of the plan will help to support the Government's central purpose of sustainable and inclusive economic growth, by providing the basis for local development plans and planning decisions in the SESplan area.

Relationship to Current Policy/Practice

2. As part of the on-going review of planning, the Planning Bill proposes changes to strategic planning. Subject to the final outcome of the Parliament's scrutiny of the Bill, this would be the last strategic development plan to be adopted for the SESplan area. Approval of SESplan 2 will ensure that there is an up to date strategic planning framework in place for the region until such time as it is reviewed and replaced.

Sensitivity

3. This is a highly sensitive decision and it is likely to attract significant comment and criticism. Ministers' decision on the plan will be subject to considerable scrutiny.

Policy Proofing

4. We are broadly satisfied that the plan, if modified as set out in Annex B, is consistent with national planning policy. Officials have provided informal comments and more formal representations during the preparation of the plan and the examination considered in detail these and representations of others on the broader policy compliance. Several modifications have been recommended to ensure that SESplan reflects relevant Scottish Government policies.

Options Considered

5. Ministers can accept the Reporters' recommendations or make additional or different changes, or they can reject the plan. It is generally expected that Ministers will make the recommendations considered by Reporters. Having considered the outcome of the examination, we recommend that the modifications are made and that some further modifications are made to address further policy matters as set out in Annex B.

Financial Implications

6. The approval of the plan raises no financial implications.

Parliament/Legislation

7. The Town and Country Planning (Scotland) Act 1997 (as amended) gives Ministers powers to approve, in whole or in part, with or without modifications, or to reject the plan. There are no other Parliamentary or legislative implications at this stage of the process.

There will be a 6 week period during which a challenge could be made in the Court of Session to the Minister's decision to approve the plan.

Presentation

8. We expect approval of the plan to have a mixed reception and will provide further advice on this ahead of the decision being published. Further advice on communications handling will be provided prior to the decision being issued.

Planning & Architecture Division

1 February 2019

ANNEX B - SESPLAN – MINISTERIAL CONSIDERATION

TABLE 1: SUMMARY OF PROPOSED MODIFICATION IN EXAMINATION REPORT, REASONING & RECOMMENDED DECISION

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>1 The Vision</p> <p>Modify to reflect conclusions on Issue 8, Housing, in respect of City Deal funding supporting infrastructure to delivery of housing.</p>	<p>Representations sought: a fully worked up cost plan for infrastructure and funding; references to how inequality will be reduced and how service provision (education & medical) will be delivered; a more balanced and holistic vision (to include economic and/or environmental references), specific to the region that included ambitions or targets; reference to the interdependence of the centre and peripheral communities, and recognition of international aspirations; better links to national policies in NPF and SPP. The Scottish Government also sought changes to wording relating to the city deal to more accurately reflect the purpose of city deal.</p> <p>The Reporter concluded the vision must be a positive picture, appropriate to the city region and that it present an ambitious outline for the future, with details of how it will be achieved being for other parts of the plan. It has a different role to the spatial strategy in that it should be high level for the entire city region. He found for these reasons and for brevity it would not be appropriate to stress many of the points raised in representations. He was satisfied the vision is consistent with national planning policy and reflects input from the MIR stage.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>2.1 The Spatial Strategy</p> <p>Modify to reflect 'some of the need' for strategic growth will already be identified in LDPs, rather than it indicating need will 'be largely met' and direct additional development to the strategic growth areas..</p>	<p>Representations both supported and objected to the spatial strategy. Concerns included: over-reliance of Edinburgh meeting wider needs; the plan stating the need for growth will be met largely by land already identified in LDPs; impact on natural heritage, green spaces and green belt; and concentration on arterial routes leading to additional infrastructure issues (including travel) and ribbon development. SNH objected to figures 3.1 and 3.3 on flood risk grounds and sought removal of areas of flood plain and flood risk from areas identified for growth.</p> <p>The Reporter concluded there is no justification to depart from the Edinburgh focussed approach and notes it is not to the exclusion of other areas. He found a more dispersed pattern would increase the need to travel and the distance travelled as well as discouraging active travel and threatening viability of public transport.</p> <p>With regard to land already being identified, the Reporter concluded deliverability was considered in the examination of adopted LDPs and there is reasonable confidence the land will contribute to the requirement for the first 12 years of the plan. He recommended a further modification to address the uplift in housing numbers as proposed under Issue 8.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>2.2 The Green Belt and Related Designations</p> <p>Modifications to clarify local development plan protection of green wedges, green networks and green belts.</p>	<p>Representations sought: removal of reference to coalescence; greater protection for the greenbelt and enforcement of countryside around towns, conservation areas and green network designations; replacement of greenbelt if lost; establishment of a new national park around the Cheviots; and distinction of purposes of green belt and green networks.</p> <p>The Reporter was satisfied that para. 3.8 provides for protection of greenbelts and that there is a role for planning authorities in identifying, reviewing and implementing them. She considered the plan achieves a balance of this protection and retaining flexibility for future growth in line with the proposed spatial strategy. The Reporter was also concerned that the wording conflates policy on greenbelts, green wedges and green networks, and proposes a modification to address this. The Reporter took a different view to representations suggesting that coalescence is not a function of green belts, based on interpretation of “protecting and enhancing the character, landscape setting and identity of the settlement” as set out in the SPP and found no evidence to support removal of this function.</p>	<p>Accept recommendation.</p> <p>Reason: To ensure compliance with the SPP.</p>
<p>2.3 Brownfield Land</p> <p>No modifications</p>	<p>Representations sought the use and enforcement of brownfield before greenfield and encouragement of farming to prevent sale of land.</p> <p>The Reporter concluded that the plan provides a clear preference to consider brownfield over greenfield in its Placemaking Principles and reference to specific sites, which is consistent with SPP. She noted this provides flexibility for LDPs to implement specific policy.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>2.4 Prime Agricultural Land</p> <p>No modifications</p>	<p>Representations sought greater protection for Prime Agricultural Land to support food security.</p> <p>The Reporter concluded that the plan takes adequate account of national planning policy in relation to use of prime agricultural land through placemaking policies. Consideration was also given to the extent to which prime agricultural land has shaped the spatial strategy.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>
<p>2.5 Key Areas of Change – South East</p> <p>Modifications clarify: healthcare as part of infrastructure required at Blindwells (ELC); that Leith is the largest enclosed deep water port; the potential at Cockenzie and its NPF3 status; references to the 'Edinburgh Science Triangle'; references to transport interventions 'will be' required, rather than 'may be'; and new wording relating to flood risk assessment in LDPs.</p>	<p>Representations referred to a number of location specific matters in the South and East, including an additional new settlement in East Lothian, limits to development in existing settlements relating to services, recognition of specific sites and their contributions to the region and recognition of nationally significant areas. A request was made to include health and care in partnerships discussions.</p> <p>The Reporter considered the location-specific matters raised, and concluded many matters are either sufficiently addressed in the plan or are for LDPs to address. A number of modifications were recommended including new text on Cockenzie that reflects reference to the site in NPF3.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>2.6 Key Areas of Change – Edinburgh & West</p> <p>Modifications clarify: the West Edinburgh Business Cluster in fig. 3.3; the actual name of the Edinburgh Gateway railway station; and new wording relating to flood risk assessment in LDPs.</p>	<p>Representations referred to a number of location specific matters in Edinburgh and the West, including capacity of infrastructure and services in West Edinburgh; sites for housing not being in sustainable locations; and the identification of priority areas for strategic growth beyond 2030.</p> <p>The Reporter considered the location specific matters raised, concluding many matters are either sufficiently addressed in the plan or are for LDPs to address. A limited number of modifications were recommended. Our view is that the existing references to West Edinburgh appear consistent with NPF3.</p>	<p>Accept Recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own.</p>
<p>2.7 Key Areas of Change – Fife</p> <p>Modify to refer to Fife Economy Partnership and to cross-refer to other plan sections that set out policy requirements for green network priority areas.</p>	<p>Representations refer to a number of location specific matters in Fife, including clarification of boundaries of development, particularly in Dunfermline and ports being identified within as a coast cluster.</p> <p>The Reporter considered the location specific matters raised, concluding many matters are either sufficiently addressed in the plan or are for LDPs to address. The Scottish Government sought changes to ensure greater consistency of reference to supported Task Forces and particularly the Fife Economy Partnership. The Reporter accepted this and recommended the plan be modified as suggested.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own.</p> <p><i>Advice to note: Liaison with Fife Council and the neighbouring authorities on strategic placemaking for the Upper Forth is ongoing but as this is work informal at this early stage no further modification is suggested at this stage. The geographic scope of the Upper Forth ‘pilot’ extends beyond the Sesplan boundary. The timing and geographic extent of this work is therefore more suited to being considered as part of work to develop NPF4.</i></p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>2.8 Key Areas of Change – Scottish Borders</p> <p>Modify to include text that major flood schemes will provide opportunities for growth and regeneration but that they should not increase risk of flooding for people or properties.</p>	<p>Representations refer to a number of location specific matters in the Scottish Borders, including safeguarding land for future expansion of Borders rail; a proposal for a new national park; improving travel connections within the Borders. SEPA highlights that references to opportunities arising from major flood schemes should not increase the numbers of people or property at risk from flooding.</p> <p>The Reporter considered the location specific matters raised, concluding many matters are either sufficiently addressed in the plan or are for LDPs to address. Modifications to address flooding issues were recommended.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own.</p>
<p>3 Placemaking</p> <p>Modify to: highlight the importance of co-ordinating infrastructure delivery with new development; clarify flood risk from all sources should be considered & not all forms of recreation are appropriate for areas of flood storage; to take account of predicted effects of climate change; to be clearer on natural and historic assets for the region; take account of cross-boundary issues; clarify that townscape quality should be protected; and to enhance wording on distinctiveness.</p>	<p>Representations sought further content on a wide range of matters: sustainable housing, renewable energy, pipelines, prevention of coalescence, prime agricultural land, green belt, density of development, landscape, the natural and historic environment, flooding, biodiversity, heat, public transport and active travel, place principles as well as references to specific locations, impact on community services / infrastructure, engagement with the police and young people, the SPP presumption and the place standard.</p> <p>The Reporter focused on policy wording noted a number of matters would be more appropriately addressed within LDPs or at applications stage. Modifications relating to infrastructure, flood risk, climate change, natural and historic assets, consideration of cross boundary issues, and townscape quality were recommended. The Scottish Government sought strengthening of references to the significance of the natural and historic environment for the whole of the SESPlan area and this was agreed and taken forward in the modifications.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>4.1 Investment & Employment</p> <p>Modify to reflect the support for named strategic centres as key areas for investment and important hubs for employment and services supporting a diverse mix of uses.</p>	<p>Representations sought changes to reflect different views on sites and significant business clusters, supporting infrastructure and housing, placemaking and environment, strategic centres, issues relating to specific sectors, and business and employment land. The Scottish Government made a representation which sought to ensure strategic sectors are properly reflected in the plan.</p> <p>The Reporter concluded the approach to clusters is consistent with the SPP and NPF3, and is sufficiently flexible. It was recommended that the plan is modified to better reflect the support for strategic centres noted in NPF3, in response to our representation. Our further representation that the plan references the need to accommodate home working did not lead to a modification – the Reporter concluded that this is best addressed in local development plans.</p>	<p>Accept recommendation</p> <p>Reason: To ensure compliance with the SPP.</p>
<p>4.2 Rural Economy</p> <p>Modify the plan to reflect the rural population and community owned renewables.</p>	<p>Representations sought clearer or fuller recognition of rural sectors including the rural economy as a whole, tourism, heritage assets, agriculture and active leisure, harbours and coastal assets, community owned renewables, digital connectivity, electricity transmission, national parks, biodiversity and other environmental issues.</p> <p>The Reporter concluded that most of these issues were already adequately covered in the plan. A minor modification to reflect the benefits of rural areas was recommended, together with a reference to community owned renewables (specifically solar and hydro).</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>5 Responsible Resource Extraction</p> <p>Modify the plan to address construction aggregates, coal, oil and gas.</p>	<p>Representations sought to address a range of issues including construction aggregates; coal, oil and gas reserves; unconventional oil and gas extraction; protection of communities and environment and site restoration; and peat. The Scottish Government representation sought clarification of the role of, and output from the minerals working group and suggested that if the plan cannot clarify this it could be addressed in supplementary guidance (although the latter was not our preferred approach).</p> <p>The Reporter recommended an amendment to the text regarding construction aggregates and coal, oil and gas partly in response to our comments based on proposed text from SESplan. Changes to the wording of the policy on unconventional oil and gas were made but our view is that this wording should be removed as the policy has not been finalised. Further modifications broadening of the scope for reuse of restored minerals sites and policy on peat were also recommended.</p>	<p><u>Accept recommendation, but remove the reference to Scottish Government policy on unconventional oil and gas.</u></p> <p>Reason: Scottish Ministers adopt the Reporter’s reasoning as their own. Text on unconventional oil and gas policy should be removed as the policy has not been finalised.</p>
<p>6 Zero Waste</p> <p>Modify the plan to ensure compliance with the SPP on waste policy.</p>	<p>Representations sought clarification of issues relating to waste, including a representation from the Scottish Government that proposed that the strategic development plans sets out requirements for waste infrastructure to ensure compliance with the Scottish Planning Policy.</p> <p>The Reporter concluded that clarification would be helpful and text provided by the authority was further adjusted by SEPA and included in a recommended modification. The Reporter referred to the technical paper on waste but declined to include more specific information on waste facilities.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporters’ reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>7 A Low Carbon Economy</p> <p>Modify the plan to address issues around the 2km separation distance, to add a reference to LDPs to address cross-boundary heat networks, and addition of a new paragraph to require authorities to work together to facilitate the delivery of high voltage networks.</p>	<p>Representations sought changes to the plan policies relating to onshore wind, strategic wind, extensions and repowering of wind farms, strategic heat infrastructure, NPF3 and national developments, smaller scale proposals and application to existing settlements and further comments on development locations and impacts. Scottish Government representations related to policy on onshore wind and questioned whether cross-boundary heat issues had been adequately addressed. The Reporter:</p> <ul style="list-style-type: none"> • addressed concerns about the use of 2km separation zone by requiring this to be done within LDPs and recommended improved clarity in the mapping within the SDP. • disagreed that the outputs from the cross-boundary windfarm working group should be adopted as supplementary guidance, instead preferring them to feed into local development plans. • considered repowering, design guidance, and location of wind farms was more appropriate for local development plans to allow for ‘tailoring to the particular needs of that area’. • did not agree that extensions should be addressed in the strategic development plan. • rejected a call for a moratorium on new sites for wind / exclusion of whole areas from consideration for wind farms. • modified text to direct local development plans to consider opportunities for cross-boundary heat. • made a further modification to provide greater clarity for local development plans dealing with cross-boundary issues relating to the high voltage electricity transmission network (as supported by NPF3). <p>We have carefully considered whether further modifications should be made to address our representations. On balance we are prepared to accept the recommendations, given the extensive debate which took place during the Examination.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporters’ reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>8 Increasing Housing Delivery</p> <p>Modified the housing supply targets, housing land requirements and accompanying text.</p>	<p>Representations relate to the housing need and demand assessment (with views that it is either insufficient or excessively generous), housing supply targets (including an all tenure approach) and the future scenarios it relates to, the plan period, consideration of backlog in housing delivery, generosity of housing land supply, overall scale of housing required, housing relating to the different areas within SESplan, housing type and other proposed modifications. Scottish Government made no representations relation to this issue but NPF3 and our correspondence to City of Edinburgh Council was taken into account.</p> <p>The Reporter:</p> <ul style="list-style-type: none"> • found a lack of convincing evidence that the HNDA was not reliable and concluded that the future assumptions that led to the housing supply target were justified. • concluded that a 20% uplift in market housing was not justified. • gave detailed consideration to the timescale for the plan and backlog in delivery, and modified the HST to reflect the full extent of 2012 to 2030 demand so that delivery rates between 2012 and 2018 were accounted for. This will also require local authorities to recalculate the figure for their area to determine their own target going forward. • made no changes to the proportion of Edinburgh's target to be redistributed to neighbouring authorities. • did not agree that there should be all-tenure target with no differentiation between affordable and market housing types. • concluded that the affordable HST should reflect the HNDA to avoid an 'unreasonably pessimistic' view of affordable housing delivery but did not adjust them further to reflect the full extent of backlog arising between 2012 and 2018. • Found no justification to increase the generosity allowance from 10% to 20%. 	<p>Accept recommendation</p> <p>Reason: Scottish Ministers have considered this issue in detail. The recommendations are based on extensive evidence and professional judgement.</p> <p>However, it recognised that there are many different views on terminology, definitions and detailed methodology for calculating housing supply targets and the approach taken could be open to interpretation. Notwithstanding concerns about the specific approach taken in this case, and in the interest of maintaining a plan-led approach to housing delivery across the SESplan area Ministers accept the overall conclusions of the Reporter and the modifications recommended.</p> <p>Given the uncertainty around housing delivery, local authorities will be expected to monitor delivery and adjust their housing land requirements to reflect revised delivery.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>9 Housing 2018-2030 Period</p> <p>Modified detailed policy wording on land supply and steps to be taken in the event of a shortfall in the housing land supply.</p>	<p>Representations challenged the assertion within the plan that there is already sufficient land identified within local development plans to meet housing land requirements until 2030.</p> <p>The Reporter noted that whilst the overall number of homes required was lower for SESplan 2 than SESplan 1, the need to account for backlog in delivery rates raised questions about the reliability of this statement. It was also noted that LDPs will need to undertake an up to date assessment of the adequacy of the housing land supply in their area. It was recommended that the text should therefore be removed from the plan and that the advice to LDPs on calculating the 5 year land supply should be changed to ensure it reflects backlog. Calls for plans to be urgently reviewed where there is a shortfall in housing land supply were rejected. Further adjustments were recommended to ensure consistency with the Scottish Planning Policy and that there is clarity for LDPs in taking forward the SDP. A further modification removes an assumption that local authorities should determine whether or not there is a shortfall in housing land.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporters' reasoning as their own.</p>
<p>10 Affordable & Specialist Housing</p> <p>No modifications</p>	<p>Representations questioned the definition of affordable housing in the plan and raised issues relating to the proportion of affordable housing on market sites and the extent to which should be guided by the SDP.</p> <p>The Reporter noted that this issue should be addressed by each LDP taking into account relevant local factors. As a result calls for more to be said in the SDP about the percentage of affordable homes were rejected. Calls for greater coverage of sources of funding to support delivery were also rejected and deferred to LDPs / supplementary guidance to be consistent with the SPP. Many of the other issues were addressed by the Reporter under Issue 8 which dealt with housing figures.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>11 Thriving Town Centres</p> <p>Modify paragraph 5.15 to remove explicit reference to the 'night time' economy.</p>	<p>Representations sought adjustment of the policy wording to support uses extending beyond the working day but not 'night time' activity. Views highlighted appropriate uses for town centres, whilst there were also concerns about anti-social activity in town centres. Questions were raised about the strength and flexibility of the town centre first principle and it was suggested that reference was made to the St James project.</p> <p>The Reporter concluded that some of these issues were not relevant or necessary for the SDP to address or had already been adequately covered. Agreeing with the Cockburn Association, she recommended a modification to the text to remove specific reference to the 'night time' economy in town centres.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>
<p>12 Enhanced Green Networks & Cross Boundary Green Networks</p> <p>Modify Figure 5.2 to improve clarity, and insert new section on water and flooding.</p>	<p>Representations raised issues about specific development sites and their potential conflicts with green networks. Some called for clarification of the application of the policy including to consented or allocated sites as well as the mapped areas. Other issues included smaller green spaces, aims of green networks, biodiversity and connectivity, landscape character, and national parks. Scottish Government and SEPA representations raised flooding matters.</p> <p>The Reporter rejected concerns about specific sites, concluding that these are for LDPs to consider. A change to Figure 5.2 was recommended to improve clarity. A new section on water and flooding was recommended to provide direction to local authorities, but the text is to be provided by SESplan.</p>	<p><u>Accept recommendation, but provide the wording of the new section on water and flooding to ensure the issue is properly addressed.</u></p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>13 Supporting Non-Car Travel</p> <p>Modification to reflect the need for all developments to help reduce the need to travel by car.</p>	<p>Representations sought further coverage of active travel in the plan. Some questions were raised about implementation of the policy and whether the plan provides enough guidance on this. The Scottish Government sought reference to the SPP (significant travel-generating uses in para 279) and NPF3 (walking and cycling exemplar settlements). Representations also related to specific routes and locations, air quality, vehicle technology, design requirements, density and the overall strength of the policy.</p> <p>The Reporter concluded that the spatial strategy was designed to reduce the need to travel and that policy was appropriate. The Examination focused on the policy wording rather than implementation. Reference was made to the role of the cross-boundary study and action programme in supporting delivery. No modification was recommended in response to our representation, partly because this was viewed as a matter to address in local development plans. A minor change was made to reflect the application of the policy to all developments, rather than just housing.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporters' reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>14 Strategic Transport Improvements</p> <p>Modify the plan to commit SESplan to set out a framework of transport interventions required to support delivery of the spatial strategy in supplementary guidance relating to contributions, to be prepared within one year of adoption. Adjust references to a number of specific transport projects.</p>	<p>Representations sought changes to the plan to reflect a number of transport infrastructure projects and issues including: expansion of Edinburgh Airport, ports, road dulling, high speed rail, Edinburgh city bypass, walking and cycling routes, rail projects, transport infrastructure in and around Edinburgh, development impacts (e.g. congestion arising from development in West Edinburgh), car parking, park and ride, infrastructure impacts and other detailed matters. Concerns were also raised about the adequacy of the plan in terms of addressing long term transport implementation. The Scottish Government raised a number of issues. The need to ensure projects are appropriately referenced in the plan was highlighted to ensure differentiation between committed and non-committed projects. We stated that the Transport Appraisal of the Plan does not meet the requirements of the SPP and defers to the cross-boundary study for SESplan 1 to provide details of mitigation required.</p> <p>The Reporter understood the concern that the TA was not compliant with the SPP and that there are mitigation measures that remain to be addressed / the level of detail appears minimal. However, she also noted SESplan's intention to work constructively to deliver required mitigation measures and agreed that the timing of the cross-boundary study had hindered the testing of mitigation measures and therefore the level of detail in the TA. It was concluded that the Plan should identify transport interventions to deliver the spatial strategy but that options to do this at the time of the Examination were limited. It was noted that SESplan intends to bring forward supplementary guidance to address contributions to mitigation cross-boundary movements and on this basis the Reporter recommended it is broadened to address all potential Strategic Transport Improvements required to deliver the spatial strategy, within one year of plan adoption to avoid any co-ordination issues arising.</p>	<p><u>Accept recommendations and a make further modification to change the reference to the Halbeath Rail Halt and Levenmouth Rail Link as a 'strategic longer term project subject to further appraisal'.</u></p> <p>Reason: To ensure appropriate level of commitment to the projects.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>15 Funding Transport Infrastructure</p> <p>No modifications</p>	<p>Representations sought changes to the section on the plan relating to a cross-boundary transport contributions framework to help fund transport improvements. Concerns were raised about compliance with policy relating to Section 75, the level of detail on this issue and the way in which subsequent supplementary guidance would be prepared and consulted on, as well as the its implications for allocated, masterplanned and consented (but lapsed) applications.</p> <p>The Reporter concluded that the approach was compliant with the SPP and was satisfied that viability will be considered in setting charges. She acknowledged the lack of detail available at the time of the Examination but noted that consultation on the supplementary guidance would be necessary, allowing for further submissions to be made at that time</p>	<p><u>Accept recommendations but indicate in a letter that the supplementary guidance will be independently examined prior to being adopted.</u></p> <p>Reason: Scottish Ministers adopt the Reporters' reasoning as their own. Any such supplementary guidance should be subjected to an appropriate level of scrutiny prior to adoption.</p>
<p>16 Other Infrastructure</p> <p>Modify the plan to reflect the different roles of the SDP and LDPs with regard to infrastructure.</p>	<p>Representations reflected concerns that the plan gives insufficient coverage to infrastructure provision as part of the overall vision. Several raised the importance of education in relation to housing delivery, healthcare, community facilities and social services were also highlighted. Points were made about costing of infrastructure requirements. A specific issue was raised with regard to Dunbar, and representations also related to housing land.</p> <p>The Reporter proposed adjustments to the plan to reflect Circular 6/2013. She also acknowledged the significance of education with respect to housing delivery but was of the view that this is a matter for LDPs to address.</p>	<p>Accept recommendation.</p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>

Issue / Summary of Proposed Modifications	Commentary / Reasoning	Decision
<p>17 Other Issues</p> <p>Modify the plan to: refer to relevant marine plans; clarify map-based figures and set out a framework for dealing with hazardous installations.</p>	<p>Representations sought modifications to the plan to address a wide range of further issues including: changes to the action programme; strategic environmental assessment; the form and structure of the plan; coastline / interface with marine planning; Brexit; relationship with LDPs; cultural heritage, natural environment and tourism; graphics / legibility; air quality; glossary; vision statement; and the plan preparation process.</p> <p>The Reporter proposed a modification to the plan to reflect marine planning, and to the maps based figures to improve their clarity.</p> <p>As set out in an addendum to the Examination Report, in response to a representation from Shell UK, the Reporter also recommended modifying the plan to direct LDPs to identify hazardous installations including pipelines and the consultation distances, to take full account of HSE advice, to consult the facility's owners and to safeguard the infrastructure to continue its operation and growth.</p>	<p>Accept recommendations.</p> <p>Reason: Scottish Ministers adopt the Reporter's reasoning as their own.</p>

ANNEX C - SESPLAN – HOUSING FIGURES

TABLE 2 – COMPARED HOUSING SUPPLY TARGETS – PROPOSED PLAN AND MODIFIED PLAN

Area	Number of Homes Annual Average					
	Market		Affordable		Combined	
	Proposed	Modified	Proposed	Modified	Proposed	Modified
Edinburgh	1220	994	1200	1607	2420	2601
East Lothian	330	269	189	247	519	516
Fife	605	493	262	305	867	798
Midlothian	369	301	165	217	534	518
Scottish Borders	220	179	128	110	348	289
West Lothian	333	270	300	253	633	523
SESplan	3077	2506	2244	2739	5321	5254

TABLE 3 – COMPARED HOUSING LAND REQUIREMENTS

Area	Number of Homes			
	Annual average		Period total	
	Proposed	Modified	Proposed (2018-2030)	Modified (2012-2030)
Edinburgh	2662	2861	31944	51498
East Lothian	571	568	6851	10224
Fife	954	878	11444	15804
Midlothian	587	570	7049	10260
Scottish Borders	383	320	4594	5760
West Lothian	696	575	8356	10350
SESplan	5853	5772	70237	103896