

# Corporate Policy and Strategy

10.00am, Tuesday, 4 December 2012

## Local Development Plan – Aims and Delivery

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| <b>Item number</b>   | 8.1 |
| <b>Report number</b> |     |
| <b>Wards</b>         | All |

### Links

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| <b>Coalition pledges</b> | Providing for Edinburgh's economic growth and prosperity<br>Ensuring that Edinburgh, and its residents, are well cared for<br>Maintaining and enhancing the quality of life in Edinburgh  |
| <b>Council outcomes</b>  | CO7 Edinburgh draws new investment in development and regeneration<br>CO8 Edinburgh's economy creates and sustains job opportunities<br>CO16 Well-housed – People live in a good quality home that is affordable and meets their needs in a well managed neighbourhood<br>CO18 Green – we reduce the local environmental impact of our consumption and production<br>CO 19 Attractive Places and Well Maintained – Edinburgh remains an attractive city through the development of high quality buildings and places and the delivery of high standards and maintenance of infrastructure and public realm<br>CO22 Moving efficiently –Edinburgh has a transport system that improves connectivity and is green, healthy and accessible |

**Single Outcome Agreement**

Edinburgh's economy delivers increased investment, jobs, and opportunities for all.

Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health.

Edinburgh's children and young people enjoy their childhood and fulfil their potential.

Edinburgh's communities are safer and have improved physical and social fabric.

**Mark Turley**

Director of Services for Communities

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# Executive Summary

## Edinburgh Local Development Plan: Aims and Delivery

### Summary

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The Council is preparing its first local development plan. It will replace two local plans, and will guide the growth of the city.

The main consultation stage finished earlier this year. The five aims proposed for the plan received broad support, and the plan is being prepared on that basis. The aims support the appropriate growth of the city.

In the past it has been assumed that plan-led physical growth of the city could largely pay for itself in terms of corresponding infrastructure enhancements. Development-related infrastructure spending has mostly been dealt with through the planning system, with little need to align it directly with more general capital investment programmes.

These assumptions have not been borne out by experience. Policy on funding and delivering infrastructure is being reviewed. A new element of the statutory planning system – the Action Programme – offers a way of aligning the delivery of the local development plan with corporate and national investment in infrastructure.

### Recommendations

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It is recommended that the Committee:

- a) notes that the first local development plan for Edinburgh is being prepared and that it will meet the growth requirements in the strategic development plan for South East Scotland.
- b) notes the five aims for the LDP referred to in paragraph 2.1.
- c) notes that the adopted LDP will be accompanied by a statutory Action Programme to be updated periodically, and requests that the first Action Programme and subsequent updates should be reported for approval by the Corporate Policy and Strategy Committee as well as by the Planning Committee.

### Measures of success

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- a) The city's physical growth takes place as led by policies and proposals in the Council's LDP.

- b) Growth is always supported by the provision and enhancement of relevant essential infrastructure, achieved through the alignment of corporate capital investment and the implementation of the LDP.
- c) All five aims proposed for the LDP are achieved.

## Financial impact

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There is no financial impact arising directly from this report. This is a progress report establishing the principle that a list of infrastructure priorities (the 'Action Programme') will be reported to the Corporate Policy and Strategy Committee at the appropriate stage in the LDP project. Such future reports may seek the Committee's approval of the Action Programme as an input to the setting of future corporate budgets for capital investment.

## Equalities impact

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An equalities assessment is being carried out for the LDP by the project team.

## Sustainability impact

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The LDP is the subject of a statutory Strategic Environmental Assessment process. An Environmental Report has been prepared and is available alongside the LDP Main Issues Report.

## Consultation and engagement

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The main LDP consultation process was carried out in late 2011 / early 2012 and the findings are informing the preparation of the Plan. Stakeholders will have an opportunity to make representations at the Proposed Plan stage in 2013. Advance notice of that opportunity will be given in the Council's Development Plan Scheme, which is the subject of a separate report to Planning Committee.

## Background reading / external references

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1. Edinburgh Local Development Plan [Main Issues Report](#) (October 2011)

2. [Summary of Responses to the Main Issues Report](#) (April 2012)
3. SESplan Governance Review and 2012/13 Operating Budget – report to full Council (28 June 2012)
4. Proposed Strategic Development Plan – Report to full Council (22 September 2011)
5. Proposed Strategic Development Plan – Report to Policy and Strategy Committee (6 September 2011)
6. Economic Resilience Action Plan: Developer Contributions – Report to Planning Committee (26 February 2009)

## Edinburgh Local Development Plan: Aims and Delivery

### 1. Background

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- 1.1 Councils have to prepare local development plans (LDPs) for the whole of their areas. This requirement is a key part of the modernisation of the planning system arising from the Planning etc. (Scotland) Act 2006. Once adopted LDPs will replace local plans, in this case the Edinburgh City Local Plan (2010) and the Rural West Edinburgh Local Plan (2006, altered 2011).
- 1.2 The Council is preparing its first LDP – the Edinburgh Local Development Plan. The main consultation stage took place in late 2011/early 2012. It was focused on a document setting out options for the LDP – the Main Issues Report. A wide range of community groups, individuals and organisations responded. Their responses were published in April 2012 and can be viewed online together with the Main Issues Report at [www.edinburgh.gov.uk/localdevelopmentplan](http://www.edinburgh.gov.uk/localdevelopmentplan).
- 1.3 Those consultation responses are informing the preparation of the LDP. A separate report on progress with the LDP and the timetable for its publication in 2013 is going to the Planning Committee on 6 December 2012. The LDP is due to be adopted by the full Council in 2015.
- 1.4 The present report focuses on the key matters for the Corporate Policy and Strategy Committee. In particular it highlights the main aims for the LDP and proposes a way of aligning the delivery of those aims with corporate and national investment in infrastructure.

### 2. Main report

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#### Aims of LDP

- 2.1 The Main Issues Report sought views on a series of questions, the first of which was about the aims of the LDP. Five main aims were proposed:
  - AIM 1: Support the growth of the city economy
  - AIM 2: Help increase the number and improve the quality of new homes
  - AIM 3: Sustainable transport and access to jobs and services

- AIM 4: Look after and improve our environment
  - AIM 5: Create sustainable communities
- 2.2 Chapter 2 of the Main Issues Report explains in more detail what these aims mean for the content of the LDP.
- 2.3 There was a large level of support for these aims (see pages 3-16 of the [Summary of Responses to the Main Issues Report](#)). The main exception relates to Aim 2. The aim of increasing the number of new homes prompted some opposing views. Some organisations are concerned that the LDP will not provide enough land for housing. Other respondents are concerned that there is too much emphasis on growth.
- 2.4 It should be noted that the amount of new housing land to be identified in the LDP will be fixed by the strategic development plan (SDP) for South East Scotland. This plan establishes the land use requirements of regional importance, most notably the housing and employment land requirements of the city region. The Council approved the Proposed SDP in September 2011. It is now in an examination process to deal with unresolved representations and is then expected to be approved by Scottish Ministers in 2013.
- 2.5 The five aims set out in paragraph 2.1 are intended to support and complement the Council's corporate objectives. The Committee is asked to note them.

### **Delivery of LDP**

- 2.6 All five aims can only be achieved if infrastructure provision is given the same level of attention as housing and employment growth. In the old system of local plans, this was not always the case. Local plans might identify where a large new housing site needed transport measures, new school capacity or additions to the network of green space. But the question of how this infrastructure would be delivered was often left to the planning application stage.
- 2.7 At that stage, policies would secure financial contributions from the developer towards the cost of new infrastructure and in some cases the relevant land. However, as explained in Chapter 4 of the Main Issues Report, the sums of money which the value of development could bear were minor compared to the full cost of the infrastructure. This is even more the case in the present economic situation. The Report also raised the possibility that the Council has been spreading developer contributions too thinly over too wide a range of infrastructure measures.
- 2.8 Accordingly, the need for a new approach to infrastructure provision was highlighted as a main issue in the LDP consultation. The Main Issues Report suggested two broad options:

- To continue to seek contributions to a wide range of infrastructure measures, but to also amend planning guidance to reflect current practice from the Council's Economic Resilience Action Plan.
  - To focus contributions on only the most essential infrastructure.
- 2.9 The 'economic resilience' approach was introduced in February 2009 as a temporary response to economic circumstances. It makes provision for individual developments to defer contribution payments to help cash flow and so allow construction to start. It also confirmed an 'open book' approach which allows the Council to see the detailed financial appraisal of marginal developments. In some cases, the Planning Committee has agreed reduced contributions towards only the highest priority infrastructure measures.
- 2.10 Monitoring work on three years of applying the 'economic resilience' approach indicates that there are certain infrastructure measures which the Council currently seeks contributions for but which are not essential to allow a development to proceed. This suggests that the two main options in the Main Issues Report actually point to single revised approach which:
- focuses developer contributions on a reduced range of infrastructure measures and
  - acknowledges that development value is frequently not sufficient to meet the full cost of associated infrastructure enhancements, and that there will therefore be funding gaps in some cases.
- 2.11 This new approach could take advantage of a new element introduced by the 2006 Planning Act: the statutory Action Programme. Councils are required to:
- Publish a Proposed Action Programme alongside their Proposed LDP.
  - Publish the first definitive Action Programme within three months of formally adopting the LDP.
  - Publish an updated Action Programme at least every two years.
  - Set out in the Action Programme a list of actions, including infrastructure measures, needed to deliver the policies and proposals in the LDP.
  - State the timescale for completing each action.
  - Identify who is responsible for carrying each action.
- 2.12 A more focused approach to delivering infrastructure could make use of the action programme if in addition to the above it were to set out the:
- Estimated costs of essential infrastructure measures relating to LDP proposals (e.g. a school extension to accommodate children from a new housing site).
  - Identified funding sources.
  - Any funding gaps.



- 2.13 These would be kept under review and the Action Programme would be updated annually. Where a development's value was demonstrated to be insufficient to support the full cost of relevant essential infrastructure the resulting funding gap would need to be addressed. This could be done:
- Through other funding sources (including the national 'Key Agencies' such as Scottish Water and Transport Scotland).
  - Through the use of the Action Programme to inform the Council's budget setting for capital investment.
- 2.14 A third option would be to reconsider the need for the essential infrastructure identified in the Action Programme, however this would have environmental or social costs as highlighted in the Main Issues Report (page 25). In other words, Aims 1 or 2 of the Plan might be fully achieved through allowing development to proceed, but Aims 3, 4 or 5 might not.
- 2.15 If the Action Programme is to have the role described in paragraphs 2.12-13 above, it should be reported to not only the Planning Committee, but to the Corporate Policy and Strategy Committee, in its role as advisor to the Council on outcomes, strategic objectives and key priorities. It would not be necessary to do so until the first definitive Action Programme were prepared for the adoption LDP in 2015. Subsequent updated Action Programmes would be reported annually, on a schedule which would align with the corporate budget setting process.
- 2.16 The Committee is asked to request that the first Action Programme which supports the adopted LDP (due in 2015) and its subsequent updated versions be reported to the Corporate Policy and Strategy Committee as well as the Planning Committee.

### **3. Recommendations**

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- 3.1 It is recommended that the Committee:
- a) notes that the first local development plan for Edinburgh is being prepared and that it will meet the growth requirements in the strategic development plan for South East Scotland.
  - b) notes the five aims for the LDP referred to in paragraph 2.1 above.
  - c) notes that the adopted LDP will be accompanied by a statutory Action Programme to be updated periodically, and requests that the first Action Programme and subsequent updates should be reported for approval by the Corporate Policy and Strategy Committee as well as by the Planning Committee.

**Mark Turley**

Director of Services for Communities

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