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COUNCIL EXECUTIVE

NATIONAL PLANNING FRAMEWORK 4 (NPF4) – INFORMAL CONSULTATION BY SCOTTISH GOVERNMENT AND RATIFICATION OF EDINBURGH AND SOUTH EAST SCOTLAND CITY DEAL RESPONSE TO NPF4

REPORT BY HEAD OF PLANNING, ECONOMIC DEVELOPMENT & REGENERATION

A. PURPOSE OF REPORT

The purpose of this report is to set out the council's proposed response to an informal Scottish Government consultation on National Planning Framework 4 (NPF4).

B. RECOMMENDATION

It is recommended that Council Executive:

1. agrees to submit the report to Scottish Government as the council's response to the consultation on National Planning Framework 4;
2. agrees to the consultation responses as set out in Appendix 2 and Appendix 4;
3. ratifies the Edinburgh and South East Scotland City Region Deal Joint Committee response to the National Planning Framework 4 "Call for Ideas";
4. delegates authority to the Head of Planning, Economic Development and Regeneration, to agree any changes to the Edinburgh and South East Scotland City Region Deal Joint Committee submission subject to that response not raising any substantive issues for the council; and
5. notes that further reports on National Planning Framework 4 will be reported to the Council Executive at a future date.

C. SUMMARY OF IMPLICATIONS

I Council Values	Focusing on our customers' needs; being honest, open and accountable; working in partnership and making best use of our resources.
II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment)	National Planning Framework 4 will in time replace National Planning Framework 3. The Planning (Scotland) Act 2019 sets out that preparation of the National Planning Framework is a statutory requirement and forms part of the statutory development plan.

		National Planning Framework 4 (NPF4) will require parliamentary scrutiny. The terms of NPF4 will require to be reflected in a future iteration of the West Lothian Local Development Plan (LDP2).
III	Implications for Scheme of Delegations to Officers	The recommendations, if approved, would result in a one-off delegation to the Head of Service. This would not need to be reflected in the scheme of delegation.
IV	Impact on performance and performance Indicators	The council will be required to have regard to the content of NPF4 when preparing the local development plan. Progress on the preparation of the LDP is monitored by Scottish Government as a performance indicator for local authorities.
V	Relevance to Single Outcome Agreement	<p>Outcome 3 - Our economy is diverse and dynamic, and West Lothian is an attractive place for doing business.</p> <p>Outcome 8 - We make the most efficient and effective use of resources by minimising our impact on the built and natural environment.</p>
VI	Resources - (Financial, Staffing and Property)	There are no financial implications arising for the council. Input to consultation on National Planning Framework 4 will be provided through existing staff resources.
VII	Consideration at PDSP	Timescales for consultation have not allowed for reporting to the Development and Transport Policy Development and Scrutiny Panel. Consultation on the NPF4 "Call for Ideas" was announced on 9 January 2020. Consultation on the NPF4 "Housing Technical Discussion Paper" commenced on 5 March 2020. The closing date for both consultations is 31 March 2020. The City Deal response to NPF4 "Call for Ideas" was agreed by the City Deal Joint Committee on 6 March 2020.
VIII	Other consultations	Consultation has been undertaken with the Head of Finance and Property Services, Head of NETS, Land and Countryside Services, Head of Education; Head of Roads and Transportation; Head of Housing, Construction and Building Service.

D. TERMS OF REPORT

D1 Background

The Planning (Scotland) Act 2019 received Royal Assent in July 2019. A key requirement of the Act is the preparation of National Planning Framework 4 (NPF4) which it is envisaged will set out strategic priorities up to 2050, including housing land supply targets. NPF4 will replace the current National Planning Framework NPF3 which was published by Scottish Government in June 2014 and set out a spatial strategy for Scotland.

The Planning (Scotland) Act 2019 removes requirements to prepare strategic development plans (and strategic development planning authorities) and instead proposes new regional partnerships to prepare regional spatial strategies. Regional Spatial Strategies are to be referenced in NPF4. NPF4 will take on greater significance as it will be enshrined in legislation and is anticipated to set housing targets to inform the preparation of development plans.

Scottish Government has published a programme for preparation of NPF4, this includes an early engagement stage with interested parties which includes a “Call for Ideas” and a *“Housing Technical Discussion Paper”*. Consultation on the documents commenced in early January and ends on 31 March 2020. Scottish Government will consider comments made at the early engagement stage as it moves forward with preparation of a draft NPF4.

It is anticipated that NPF4 will provide fuller regional coverage than the current NPF3 and align with the outcomes in the National Performance Framework; respond to the shift to inclusive growth; improve health and well-being for the people of Scotland, improve equalities and eliminate discrimination; provide a spatial planning response to the Global climate emergency; provide a renewed focus on rural development including rural repopulation; and give a stronger steer on housing delivery and diversification including the setting of targets on land for housing.

NPF4 will also for the first time incorporate Scottish Planning Policy (SPP) and will take on an enhanced status as part of the statutory development plan. A draft NPF4 is due to be published in Quarter 3, 2020 for formal public consultation.

D2 Early Engagement and “Call for Ideas” and Housing Technical Discussion Paper

To assist in preparation of NPF4 Scottish Government is looking for ideas from interested parties on what Scotland might be like in 2050 and the changes it needs to get us there – the *“Call for Ideas”*. Whilst any ideas can be submitted at this stage Scottish Government is particularly interested in hearing thoughts on 5 issues which have been set out in the consultation. These are:

1. What development will we need to address climate change?
2. How can planning best support out quality of life, health and wellbeing in the future?
3. What does planning need to do to enable development and investment in our economy to benefit everyone?
4. How can planning improve, protect and strengthen the special character of our places?
5. What infrastructure do we need to plan and build to realise our long-term aspirations?

To inform consideration, Scottish Government has set out a series of prompts for each of these questions. As this is an informal consultation Scottish Government is not expecting detailed answers to each of the questions. The questions have been provided to stimulate early debate on key issues. The questions and associated prompts can be viewed at <https://www.transformingplanning.scot/national-planning-framework/get-involved/> and is appended as Appendix 1. The proposed response to the “Call for Ideas” is set out in Appendix 2.

Scottish Government has also published a Housing Technical Discussion Paper with responses invited by 31 March. The discussion paper sets out a series of proposed guiding principles which would be used to inform NPF and the approach to housing land. The discussion paper can be found at <https://www.transformingplanning.scot/media/1296/national-planning-framework-4-housing-land-targets-technical-discussion-paper-2-march-2020.pdf> and is appended as Appendix 3. The proposed response to the discussion paper is set out in Appendix 4.

Consultation on NPF4 coincides with the publication of a Phase 1 report by the Infrastructure Commission for Scotland which focuses on the “why and what” of infrastructure for Scotland by the end of 2030. Details can be found in a separate report to Council Executive.

D3 Proposed Response

Key matters to note from the “*Call for Ideas*” are that it is imperative that Scottish Government adopt a joined-up approach and ensure the alignment of strategies which will impact on a future spatial strategy for Scotland. This includes alignment of spatial strategy, transport projects review and infrastructure.

Healthy, sustainable places and the opportunity to create conditions required to support economic growth, whilst at the same time contributing to the climate change agenda and protection of the environment, are key matters which NPF4 should seek to consider and address. A robust regulatory framework is required to allow local decisions to be upheld. This could include no right of appeal against decisions made by the local planning authority where the development plan is up to date.

Enhanced compulsory purchase powers for local authorities could enable the unlocking of development sites and facilitating development.

Whilst NPF4 is to look to how Scotland might be like in 2050 it also should consider how issues with current infrastructure are addressed. For example, there is increasing pressure on the grid to support current demand and initiatives and issues around the re-use of redundant gas infrastructure. Grid enhancement is required now to support electric vehicle charging and the shift in energy from gas to electric.

In a West Lothian context, the development strategy set out in Strategic Development Plan (SDP2) which was rejected in May last year by Scottish Ministers, sets out the preferred spatial approach which Scottish Government should consider in drafting NPF4. This strategy builds on West Lothian's strengths and provides continued support for the delivery of the core development areas/strategic allocations at East Broxburn/Winchburgh, Livingston and the Almond Valley (Calderwood, Gavieside and Mossend), Armadale and Heartlands (Whitburn) and required infrastructure to support delivery.

To assist mandatory planning conditions on planning consents should be introduced to ensure that developments meet with the latest policy guidance, for example in relation to smarter use of the grid. Enhancement of the link between Planning and Building Regulations should be considered.

In relation to housing land, Scottish Government has set out issues for consideration in its "*Housing Technical Discussion Paper*". Within the paper there is no indication of how the five-year effective housing land supply is to be calculated and a hint that perhaps this requirement will disappear. However, this is an absolutely critical issue for the council and it is essential that clarification on the methodology to be adopted is provided by the Scottish Government, either through NPF4 or some other route.

There is heavy emphasis on the role of Housing Need and Demand Assessment (HNDA) and Local Housing Strategies to determine and set out the amount of housing which will be required to provide for current and future needs. The Discussion Paper fails to reference housing delivery and funding/delivery of infrastructure to support development. The approaches set out by Scottish Government suggest a watering down of top down approach and lack clarity/direction for both local authorities and housing providers.

Key requirements of NPF4 are that it should provide a clear and robust policy defence for planning authorities when preparing local development plans; provide for a joined-up approach to infrastructure provision and delivery; provide support for the development strategy set out in SDP2 Proposed Plan and ensure sustainable economic growth whilst protecting the most important environmental assets.

D4 Edinburgh & South East Scotland City Deal (ESESCR) Response to NPF4

A response to NPF4 "Call for Ideas" was approved by the City Deal Joint Committee on 6 March 2020, subject to ratification by individual councils. The report can be found at

<https://democracy.edinburgh.gov.uk/documents/s14948/Item%205.4%20-%20ESES%20Regional%20Response%20to%20National%20Planning%20with%20app.pdf> The response to NPF4 is attached as Appendix 5.

The key message in the submission is that south east Scotland is the engine room of Scotland's economy and that unless it performs to its potential, Scotland will also lag. A holistic approach is required, with some major, planned, integrated initiatives that will allow sustainable inclusive growth to be generated and spread across the area.

The report sets out challenges the region faces, major areas of change, regional priorities for the future, how Government can help work with regional partners on a holistic basis to deliver place-based growth and the response to the consultation questions. It is set within the context of preparation of a regional growth framework which aims to ensure that the success of the region can continue to be realised and the region continues to be the key driver of the Scottish economy.

The report advises that City Region Deal aspirations can only be realised if the investment in infrastructure is focussed on agreed priorities and that a joined-up approach on managing growth is required so that the right investment can be delivered in the right place at the right time. NPF4 will have a crucial role in identifying outcomes for south east Scotland to thrive. With this in mind emerging themes for a Regional Growth Framework have been identified.

Theme 1 – Flourishing: spreading the benefits and prosperity more evenly around the region will ensure that inclusive growth is achieved. Future opportunities include delivering jobs, employability and skills programme, maximising community benefits, supporting town centres and growing export value.

Theme 2 – Smart: the region has the ambition of becoming the Data Capital of Europe ensuring that communities benefit from data driven innovation.

Theme 3 – Resilient: by being able to respond to economic changes and climate change.

The ESESCR response also sets out that spatial strategy of SDP2 and the infrastructure requirements to support this should be supported if the south east of Scotland is to continue to be the engine room of national economic growth in Scotland and that it should be the role of NPF4 to ensure co-ordination of investment to allow the levels of growth to be achieved. However, the response also advises that a further review should be undertaken in the context of the Infrastructure Commission's report to see if the interventions set out can be achieved in a way which ensures economic growth while minimising the need to travel by unsustainable means and minimising the impact of existing capacity.

It should be noted that the ESESCR response does not include a response to the Scottish Government's NPF4 *"Housing Technical Discussion Paper"* and references a request for NPF4 to establish tenure specific housing targets for the region which are supported by an evidence base of demand for each housing tenure. The *"Housing Technical Discussion Paper"* raises a number of concerns details of which are set out in section D3 above and in Appendix 4.

As the ESESCR response to NPF4 seeks to influence policy, the ESESCR submission to Scottish Government needs to be ratified by all six local authorities comprising City Deal.

E. CONCLUSION

National Planning Framework 4 is the Scottish Government's long-term spatial plan for Scotland that will set out where development and infrastructure is needed to support sustainable and inclusive growth. Input to the consultation will guide spatial development, inform national policies, designate national developments and reflect regional spatial priorities to 2050. It is essential that West Lothian plays a part in contributing towards this.

F. BACKGROUND REFERENCES

Infrastructure Commission for Scotland: Phase 1 Key Findings Report – A Blueprint for Scotland https://infrastructurecommission.scot/storage/247/FullReport_200120a.pdf

Scottish Government <https://blogs.gov.scot/planning-architecture/2019/10/08/national-planning-framework-4-the-essentials/>

Appendices/Attachments: Five

Appendix 1 – National Planning Framework 4 (NPF4) – Informal Consultation by Scottish Government

Appendix 2 - Proposed Response: National Planning Framework 4 (NPF4) – Informal Consultation by Scottish Government

Appendix 3 – National Planning Framework 4 (NPF4) - Housing Technical Discussion Paper

Appendix 4 - Proposed Response: National Planning Framework 4 (NPF4) - Housing Technical Discussion Paper

Appendix 5 – Edinburgh and South East Scotland City Region Deal National Planning Framework 4 (NPF4) Response

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24 March 2020

Have your say on a new National Planning Framework for Scotland

The National Planning Framework is a long term plan for development and investment across Scotland.

The fourth National Planning Framework (NPF4) will consider what Scotland should look like in 2050, set out national planning policies and guide where future development should take place.

The draft NPF4 will be laid in the Scottish Parliament around September 2020 and at that stage there will be formal parliamentary scrutiny and wide public consultation. A revised version will be brought back to Parliament in 2021 for them to approve, before it can be adopted by the Scottish Ministers. Before that, to help shape the draft, we want to stimulate an open conversation, involving a wide range of people and organisations, about what we will need to plan and build in the future.

Priorities for planning in Scotland

To get the conversation on NPF4 started, the Scottish Government has identified a number of priorities that planning could focus on in the future:

- We have already made a commitment to ensuring that planning responds to the global **climate** emergency.

In addition, planning is about:

- **People** - planning can support wellbeing ensuring communities have access to services and facilities;
- **Work** - effective and efficient planning can support inclusive growth;
- **Place** - planning can maintain and enhance the unique character and identity of our natural and built environment.
- The strategy will also need to be supported by a clear plan for **delivery**. We will align NPF4 with Scotland's Infrastructure Investment Plan and our second Strategic Transport Projects Review.

What changes do we need to plan for in the coming years?

The purpose of planning is to manage the development and use of land in the long term public interest. We cannot fully predict what will happen in the future, but past trends and future projections give us an idea of the challenges and opportunities that lie ahead.

As a result of **climate change**, we know that Scotland's weather will become more variable, with hotter and drier summers, and milder and wetter winters. Sea level rise will affect our coastline. More summer heat waves, extreme temperatures and drought are expected. There will be more and heavier rainfall and less frost and snowfall. Our built environment will need to change to adapt to this, and we will need to do much more with the built environment to help reduce carbon emissions.

We expect the **population** of Scotland to grow by around 5% by 2041, as a result of migration from other parts of the UK and overseas. Our population will also age considerably over the next 20 to 30 years, with the number of people over 75 increasing 25% by 2041. The number of children in Scotland will fall by around 2% and our working age population will only increase by 1% in the same period. As a result, planning will need to consider what is needed to meet the future everyday needs of people of all ages and in particular to plan for older people.

Our **economy** relies on our significant natural resources and key sectors including food and drink, tourism, energy and financial services. The impact of Brexit on our future economy cannot be fully predicted, and in the long term we need to respond to global restructuring, including the influence of new and emerging markets and technological change. Investing in infrastructure, growing our most successful sectors, and maintaining a highly skilled workforce will help us to respond to these changes. The quality of Scotland's places and planning that actively enables good quality development could play a key role in supporting inclusive growth.

Our **places** continue to evolve and we can expect continuing challenges such as vacant and derelict land, changing town centres, rural depopulation and pressures on natural resources. Climate change will compound and complicate these pressures. Over the long term the distribution of future development and the balance between rural and urban living will need to be carefully planned to ensure we can meet changing needs and expectations.

What do you want planning to do for your place?

Taking into account these long term changes, we are now keen to hear your views on the future of planning in Scotland, focusing on the following questions:

1. What development will we need to address climate change?

think about... what we will need to do to reach the target of net zero emissions by 2045; the opportunities that this could provide to support jobs and the economy; how places can be made more resilient to the long term impacts of climate change; what climate change-friendly places might look like in the future.

2. How can planning best support our quality of life, health and wellbeing in the future?

think about... where we might want to live in 2050; how many and what types of homes we will need; how we can encourage more people to live in rural Scotland; whether we could target development to address longstanding differences in health and quality of life; whether and where we might need new settlements, and regeneration of existing communities; how places could be more inclusive, diverse, creative, vibrant, safe, resilient and empowering.

3. What does planning need to do to enable development and investment in our economy so that it benefits everyone?

think about... what our economy might look like in 2050; how planning can anticipate and respond to the economic challenges of Brexit; what the key sectors might be and what infrastructure they may need to support them; how planning could stimulate and distribute growth; what type, scale and distribution of business and industrial land and premises will be needed; where significant investment sites might be; how economic opportunities could improve, or be accessible from, places where deprivation is concentrated.

4. What policies are needed to improve, protect and strengthen the special character of our places?

think about... what special places will need protection in the future.; what the future might be for our rural, coastal and island communities; how we could unlock the potential of vacant and derelict land; what our city and town centres might look like in the future; whether we need to think about the concept of green belts; how we can get the most out of our productive land; how we can protect and restore peatland; how we can plan blue and green infrastructure; what we can do to protect and enhance biodiversity; and how we can strengthen the character and heritage of our many different places.

5. What infrastructure do we need to build to realise our long term aspirations?

think about... what infrastructure we will need in the future; how we can make better use of existing infrastructure capacity, including through innovation; where transport connections will be needed to support future development; where our international gateways, hubs and links will be in a post-Brexit world; how we can sustain our lifelines; how digital connectivity could change the way we live and work; where our natural resources for energy are; and what emerging and future technologies we will need to plan for.

Call for Ideas

Our call for ideas is now open and we want to hear from you. Please submit your ideas to us at scotplan@gov.scot along with a copy of our Respondent Information Form. The form and further information on the Call for Ideas and the NPF is available at www.transformingplanning.scot. Our website also contains details of events and other opportunities where you can come along and talk to us.

Get Involved

For more information and other resources



www.transformingplanning.scot



<https://blogs.gov.scot/planning-architecture/>



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APPENDIX 2: National Planning Framework 4 Informal Consultation – Proposed Response

Question 1: What development will we need to address climate change?

The spatial strategy set out in the second Strategic Development Plan (SDP2) provides for a future growth of the south east Scotland area and can be used to inform the regional spatial strategy for the area. However, the spatial strategy needs to respond to both the challenges and opportunities presented by climate change. Although SDP2 was rejected by the Minister there was no indication that the spatial strategy of SDP2 not acceptable to the Minister, rather the issue was in relation to assessment of the transport implications arising. If the South East of Scotland is to continue to be the engine room of national economic growth in Scotland, the levels of growth set out in SDP2, and the associated spatial strategy, will have to be supported. NPF4 should ensure that investment can be co-ordinated to deliver the spatial strategy and allow anticipated levels of growth to be achieved. The SDP2 action programme identified the necessary infrastructure to support the spatial strategy. Matters which NPF4 should have regard to are:

- Providing an enabling role to address inefficiencies of existing buildings and bringing buildings up to standard and recognise that emerging technologies now may not fit by 2050
- Provide for grid enhancement to meet current and future demand and energy shift from gas to electric; promote the conditions for smarter use of the grid
- Provide for the re-use of redundant energy infrastructure; for example, the current pipe network is ill equipped to switch to hydrogen use
- Infrastructure providers are maintaining existing assets which at some point in the future will become redundant; a what point should this cease
- Allow for stricter planning controls to be applied to allow provision of new technologies to be delivered and implemented e.g. if requirements for EV charging points are not met planning permission should be refused
- Provide powers to local authorities to enforce requirements/working together; provide for mandatory planning conditions
- Create the conditions for a joined-up approach to delivery of development incorporating an 'infrastructure first' approach
- Create opportunities for increased tree planting to help address climate change
- Encourage the use of pre-fabricated buildings and address supply chain issues
- Create the conditions for restoring fragmented natural habitats and integrating these with sustainable surface water drainage infrastructure, flood storage etc; address flooding and flood risk; increase use of green roofs; reduced reliance on potable water for flushing using grey water reuse technologies
- Only bring forward development which can be connected to sustainable transport therefore reducing reliance road traffic
- Promote community growing areas to promote health and healthy eating; community growing areas could contribute to addressing flooding
- Create the right conditions to support businesses contributing to the climate change agenda by designating areas to support businesses in this field and promote local employment agreements
- Provide support for ambitious local authorities who want to take things further to promote economic growth within a sustainable environment.

Question 2: How can planning best support our quality of life, health and wellbeing in the future?
<p>West Lothian is characterised by economic success which contributes towards quality of life, health and well-being. However, there are pockets of deprivation. NPF4 can assist in maintaining economic success by safeguarding strategic areas and providing the support for delivery of infrastructure to deliver on development requirements. This could be facilitated by the inclusion of reference in NPF4 to:</p> <ul style="list-style-type: none"> • Support for quality education facilities; good quality jobs and employment opportunities and energy efficient and affordable homes • Providing incentives to promote/encourage location of new development and investment in areas suffering disadvantage to support social inclusion • Protecting the rural environment • Providing a strong regulatory framework for decision-making and a more consistent approach by Scottish Government via the DPEA in decision making and to remove right of appeal where the development plan is up to date • Providing for enhanced powers to local authorities for land acquisition to facilitate investment and growth. • Support for enhancement of the public transport network to achieve sustainable travel aspirations and contribute to the climate change agenda. • Provide support for sustainable connected, diverse urban communities of mixed developments with active travel and public transport and attractive, rich, naturalised open spaces at their heart. • Ensuring that the housing needs of older people and disabled people are met and the creating the conditions to help facilitate a joint approach to health and housing, ensuring that we are adapting to an ageing population, meeting the needs of those with disabilities and providing affordable housing for key workers.
Question 3: What does planning need to do to enable development and investment in our economy to benefit everyone?
<p>To respond to economic change and be adaptable a policy framework is required which provides certainty to businesses and communities but is flexible enough to respond to economic change which could occur rapidly and is unpredicted. To support this NPF4 should:</p> <ul style="list-style-type: none"> • Place emphasis on more skilled and quality employment as support all parts of the community in accessing these opportunities • Provide support for distribution centres linked to public transport routes/rail network to support ease of access and delivery of goods • Support measures to provide energy from waste • Encourage local food growing (industrial agriculture) and local distribution

- Provide a policy and regulatory framework to provide sufficient land for economic growth; promote regeneration and redevelopment of existing under utilised sites particular where these can be accessed in a sustainable way.
- Secure improved drainage and flood systems which would contribute to sustainable development, environmental protection, reduce flood risk and contribute to the climate change agenda
- Provide powers to local authorities to forward-purchase land, prescribe what developments should look like and allow the combination of planning powers with the rights as landowner to prescribe what new development will comprise.

Question 4: How can planning improve, protect and strengthen the special character of our places?

West Lothian contains a number of sites which are tourist destinations in their own right. Whilst it is recognised that Edinburgh as the capital city is a significant draw, areas outwith the capital should be promoted as destinations of choice however making more of our resources also needs to be balances against the need to protect them. To achieve this, the following matters should be considered:

- Provide greater protection for our natural heritage from the effects of population growth and development than it currently enjoys
- Take action to encourage and support brownfield development in favour of greenfield
- Provide for a joined up approach to funding necessary infrastructure
- Promote the use of vacant and derelict land for the production of biomass and integrating this with combined heat and power generation and disposal to ground of sewage.

Question 5: What infrastructure do we need to plan and build to realise our long-term aspirations?

New infrastructure and investment in current infrastructure will be required to support sustainable economic growth. The type of infrastructure we will require in the coming decades is anticipated to evolve as demands change and we look to more sustainable infrastructure solutions. NPF4 needs to b and provide the necessary mechanisms for investment and delivery. Influencing matters which should be considered in drafting NPF4 are:

- Increased investment for existing transport infrastructure (e.g. roads, footways, bridges, culverts, street lighting)
- Improve transport connections, transport hubs, cheap, efficient and affordable transport including smart ticketing
- Greater use of rail freight and canal network
- District/communal heating within new developments and creating the conditions for adaptation within existing developments.

NATIONAL PLANNING FRAMEWORK 4 HOUSING TECHNICAL DISCUSSION PAPER

1. National Planning Framework 4 – Meeting the requirement to set “targets for the use of land for housing in different areas of Scotland”

1.1 Purpose

This paper sets out the Scottish Government’s current thinking on the methodology that could be used for setting ‘targets for the use of land for housing in different areas of Scotland’ as required in National Planning Framework (NPF) 4 by the Planning (Scotland) Act 2019 (the Act). It has been prepared to inform early discussions with stakeholders on implementation of the Act and NPF4.

There are further opportunities to get involved in shaping NPF4 as set out in the [Programme for Engagement](#).

1.2 What are we proposing?

In NPF4 we have an opportunity to provide greater clarity about the amount of land that will be required for housing in Scotland. There is also scope to review our policies to help ensure that planning acts as a positive enabler of development which is better co-ordinated with infrastructure investment, inclusive growth, community empowerment and placemaking across Scotland. Both of these objectives were set out by the independent planning review panel as clear recommendations.

The approach to defining “targets for the use of land for housing in different areas of Scotland” in NPF4, as required by the Act, is also an opportunity to streamline planning for housing and to create a consistent and transparent platform to free up planning authorities and stakeholders to focus on delivery and the creation of quality places. We propose to do this by working with local and planning authorities individually and in regional collaborations to define housing land targets for all local development plan areas for inclusion in NPF4.

Rather than setting figures from the top-down, we recognise that a national approach needs to be informed by regional and local knowledge, analysis and input. The Act enables Scottish Ministers to request ‘Information to assist preparation of NPF’ including the housing needs of the population of the area and we could use this opportunity to set out housing land targets in NPF4 informed by local evidence.

The important linkages between the development plan and local housing strategy (LHS) established in the current system remain in place. The local development plan will be moving to a ten year review cycle (as will NPF) while the local housing strategy will remain in a five year review cycle. We see this as an opportunity to update local evidence and test the appropriateness of the housing land figures identified in NPF4. There will be sufficient flexibility in the system for local authorities to take into account updated evidence arising from the LHS to ensure that the land supply is responsive to market conditions and the ambitions of local authorities.

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1.3 How might this work?

We believe that the following model could be a practical step forward in developing “targets for the use of land for housing in different areas of Scotland for housing” (housing land targets) in NPF4.

- Using the established housing need and demand assessment (HNDA) tool as a basis, the Scottish Government could run the first steps of the HNDA tool using default scenarios to provide all-tenure housing need and demand estimates for each local authority area for the time period under consideration.
- As NPF will contain housing land figures we do not require need and demand to be broken down by tenure (this will continue to be required for local HNDAs).
- Authorities will be invited to propose alternative scenarios and assumptions within set parameters and if they chose to do so will be required to agree these with their Housing Market Partnership (HMP) (including key wider stakeholders) and submit evidence to support their scenario and assumption choices which would be assessed by the Centre for Housing Market Analysis (CHMA).
- The same evidence base used to support the national HNDA could then be used to inform a local HNDA for the LHS and local development plan as is currently the case. The ability for regional groupings to work together on an HNDA remains in place.

The following sets out how this process could work.

1. The Scottish Government could run the **first steps, steps 1 and 2, of the HNDA tool** using default scenario and assumptions:
 - a) household projections - the default scenario choice is the National Records of Scotland principal projection; and
 - b) existing need count - the default is the proxy method built into the tool which is a count of homeless households in temporary accommodation and households who are both overcrowded and concealed (HoTOC)
2. Local areas could be invited to agree or propose alternative **scenarios and assumptions** within set parameters if there is evidence to indicate alternatives are appropriate for the area. Authorities would be required to agree the scenarios and assumptions with their HMP (including key wider stakeholders such as Homes for Scotland) and to submit a report on this to support their choices which would be assessed by the CHMA. A submission template and guidance could be provided to support this work. If the evidence set out in the report is accepted, the results would replace the default HNDA output.
3. It is recognised that HNDAs are now an established part of the process for the LHS and local development plan and in some areas authorities may wish to

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reflect **functional housing markets**¹ that cross local authority boundaries. In this instance, and where regional groupings and HMPs have formed, they could propose alternatives to the HNDA output at local authority level for the areas within their region where there is evidence to support this. Any proposal for change would need to be evidence based, agreed by the HMP (including key wider stakeholders such as Homes for Scotland), be supported by evidence, and be assessed by the CHMA within the timescale required for Draft NPF4.

4. Given the long term perspective on the **supply of land for housing** we are seeking to establish, the Scottish Government could apply a **level of flexibility** to the output from the HNDA tool for each local authority area to establish the **minimum housing land figure**.
5. Housing land figures would be set out in the draft NPF and be subject to public consultation and transparent scrutiny when it is laid before Parliament. Draft NPF4 would be accompanied by a **housing technical report** supporting the housing land figures which would be subject to consultation alongside NPF.
6. A draft revised NPF will subsequently be laid before Parliament accompanied by an explanatory document covering consultation undertaken, representations received and changes made as a result of representations made before being approved by the Scottish Parliament and adopted by Scottish Ministers. There would be an opportunity to update the data between draft and revised draft NPF to reflect up-to-date information such as household projections.
7. We would expect **local development plans** to meet the housing land figure set in NPF4 as a minimum. The same evidence base used to support the national HNDA could then be used to inform a local HNDA. There would be **limited scope for adjusting these figures locally** within local development plans (within set parameters), and any adjustment would need to be informed by a full HNDA, set out clearly in a supporting local housing technical report and agreed at the local development plan gatecheck stage.

Figure 1 overleaf shows how this approach could work at the different scales.

Figure 2 sets out the existing and proposed approaches.

¹ Geographical areas where demand for housing is relatively self-contained. These areas may significantly overlap and will rarely coincide with local authority boundaries. They can be dynamic and complex, and can contain different tiers of sub-market area, overlain by mobile demand, particularly in city regions." (SPP, 2014, para 111)

NATIONAL PLANNING FRAMEWORK 4

HOUSING TECHNICAL DISCUSSION PAPER

1.4 Guiding principles

A detailed process for reaching this output is the subject of ongoing discussion and remains under consideration, but the following **principles** could form an important part of the process:

- the approach to setting national housing land figures is intended to **provide early clarity and to reduce conflict and complexity** in the local development plan process.
- **the purpose of the figures is to ensure that local development plans allocate sufficient land for housing.** We propose that the figures in NPF4 are expressed as minimum figures for housing land to accommodate an agreed projected number of homes.
- **an agreed proportion of this land should be ‘deliverable’** whilst the remainder should reflect the longer term spatial strategy for the area. The policy and / or guidance could provide clarity on what is expected to be deliverable land, as well as addressing longer term strategy.
- in terms of geography and scale, we propose that the minimum figures **should be set for all local authority areas in Scotland.** This would maximise consistency and simplicity in the planning system as a whole and remove the uncertainty that could arise if, for example, figures at a regional scale required further calculations to set out local contributions to a shared figure. Within this, however, we recognise that there is a need to allow for local flexibility that reflects local circumstances. This could still be achieved as the figures are taken forward in each local development plan.
- **a national approach needs to be informed by regional and local knowledge, analysis and input.** We therefore propose to define the requirements for land in each area by working with local and planning authorities individually and / or in regional collaborations to ensure national analysis is informed by local objectives.

Engagement with communities, key agencies, stakeholders and developers will be important nationally and locally. Infrastructure providers and the development industry could positively contribute to this work and in particular bring their expertise to developing delivery programmes to achieve the ambitions of NPF.

1.5 Transitional arrangements

Early guidance on transitional arrangements will be published online alongside our [Transforming Planning in Practice – Post-Bill Work Programme](#). In the meantime current policy and guidance for strategic and local development plans remain in place.

NATIONAL PLANNING FRAMEWORK 4 HOUSING TECHNICAL DISCUSSION PAPER

1.6 Next steps and timescales

We will take forward our consideration of the approach to setting figures for housing land alongside the wider development of planning policy for housing policy in NPF4. At this stage, we would encourage all of those with an interest in planning for housing to participate in the early engagement programme as set out on our website <https://www.transformingplanning.scot/>. The wider policy context for planning for housing has been set out in the background information notes and can be referred to, along with this paper, in responding to the early engagement on NPF4.

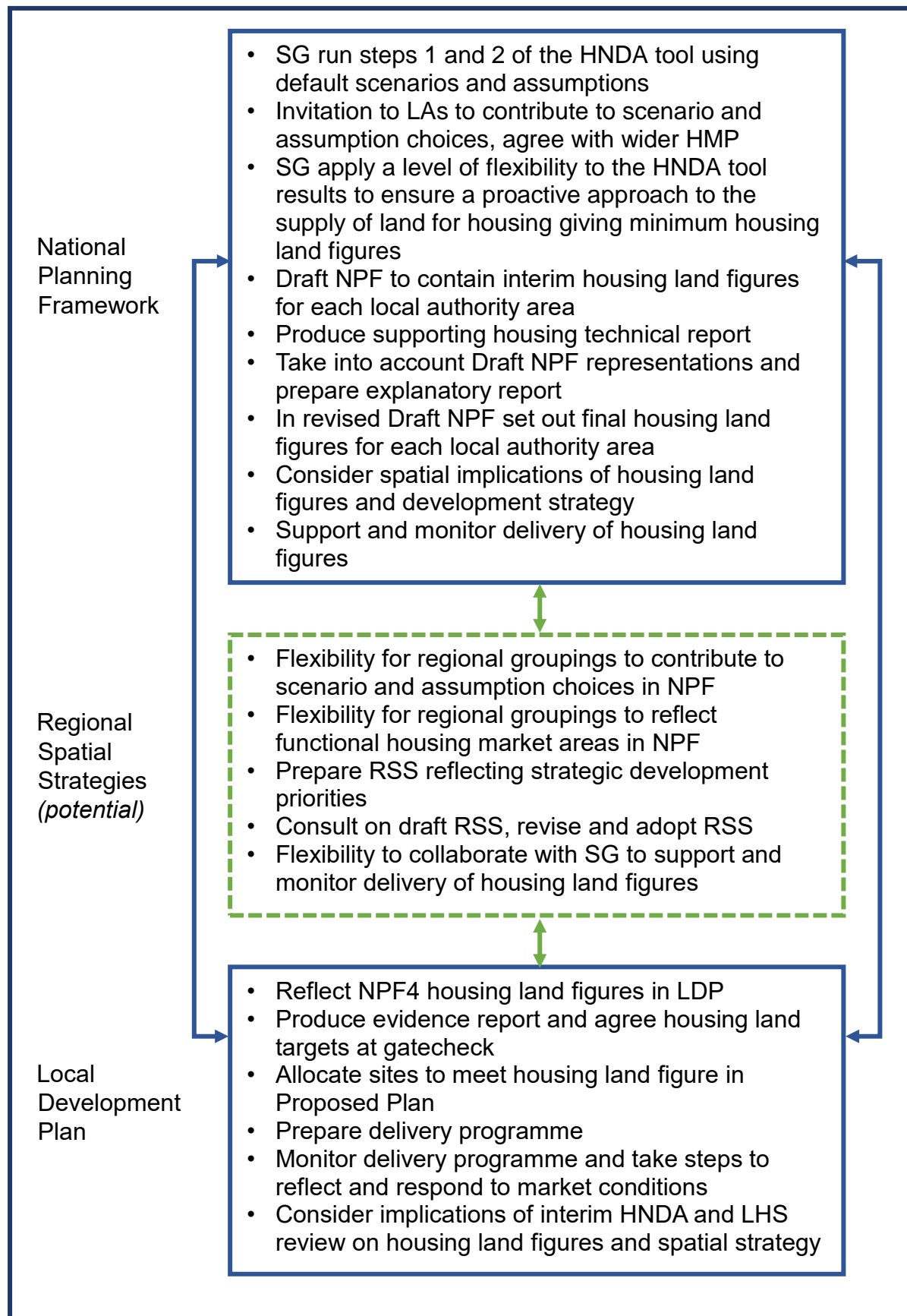
Collaborative working

Alongside the wider engagement, we will shortly establish an advisory housing panel to help guide this important area of work. This paper will provide the basis of initial discussions with the panel and we will publish its membership and a note of each meeting as the work progresses. We will seek to ensure that wider views emerging from the early engagement are taken into account by the panel.

We anticipate the draft NPF4 will be laid before Parliament in September 2020 at which time it will be subject to public consultation.

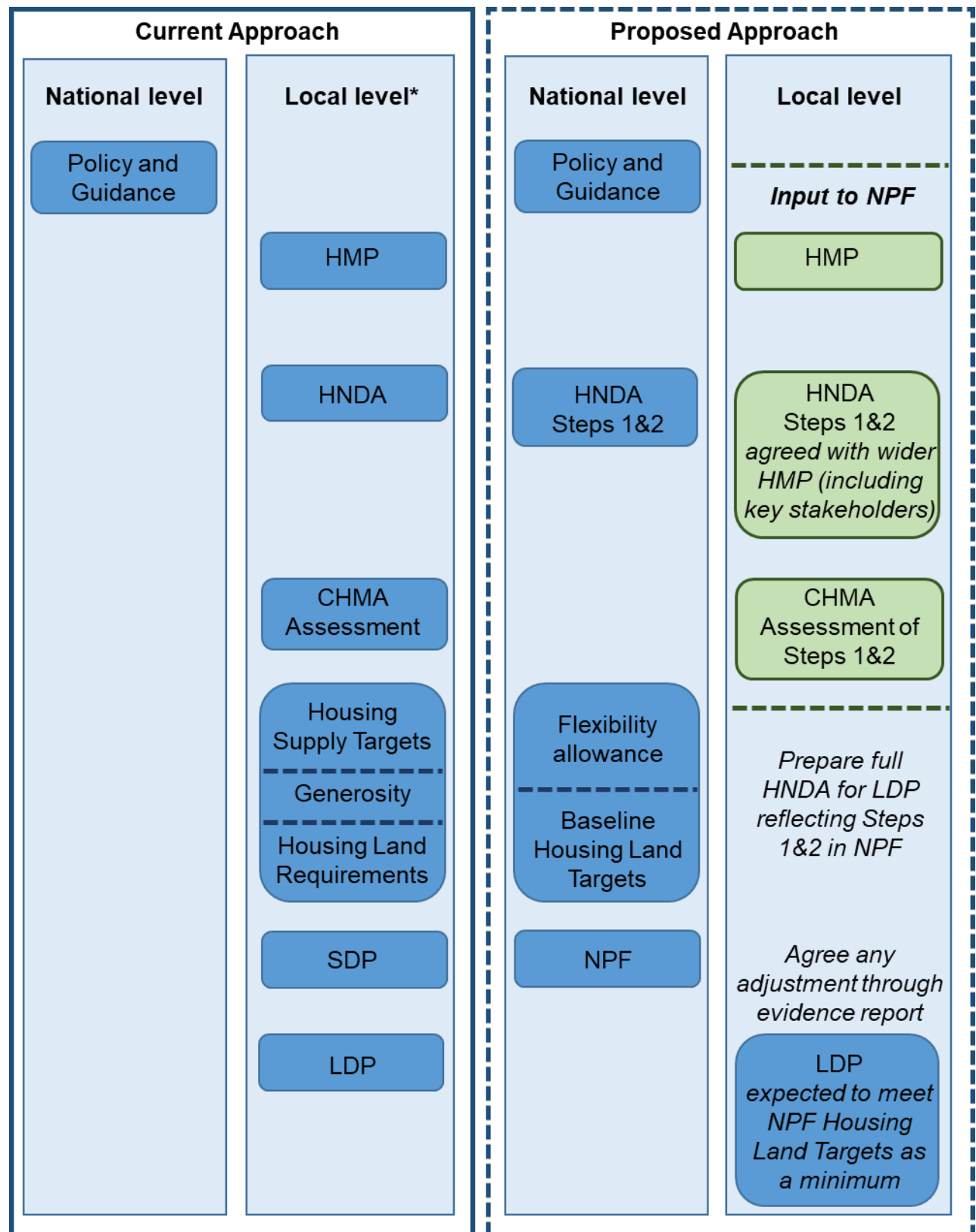
NATIONAL PLANNING FRAMEWORK 4 HOUSING TECHNICAL DISCUSSION PAPER

Figure 1.
Potential approach to set “targets for the use of land for housing” in the new planning system



NATIONAL PLANNING FRAMEWORK 4 HOUSING TECHNICAL DISCUSSION PAPER

Figure 2.
Current and Proposed Approach to Housing Land



*or regional in SDP areas

NB. Local Level to reflect LHS as in current process

NATIONAL PLANNING FRAMEWORK 4

HOUSING TECHNICAL DISCUSSION PAPER

1.7 Issues for consideration

Respondents to the early engagement may wish to consider the following issues:

- What is your view on the guiding principles set out above?
- Should NPF contain housing land figures for all areas in Scotland or focus on certain areas?
- Are there areas in Scotland where an alternative approach may be more appropriate?
- What is your view on the proposed approach to setting out requirements for housing land?
- Should NPF provide a single housing land figure or a range?
- Is the HNDA Tool an appropriate mechanism to base housing land figures on?
- Should there be scope for local and planning authorities working together to reflect functional housing market areas that cross local authority boundaries? What approaches could be used to achieve this?
- Should NPF apply a level of flexibility to the HNDA tool results to ensure a proactive approach to managing the supply of land for housing in a positive way? Should the level of flexibility be informed by recent housing completions?
- Should NPF housing land figures be met in LDPs as a minimum?
- LDPs are moving to a ten year timeframe. Housing land audits generally programme land supply for a five year period. For LDPs to have a ten year land supply available upon adoption what mechanisms could be used to ensure land is brought forward in accordance with the LDPs spatial strategy?
- Should the Scottish Government play a role in the housing land audit process?

Appendix 4

NATIONAL PLANNING FRAMEWORK 4 HOUSING TECHNICAL DISCUSSION PAPER Issues for consideration

☐ What is your view on the guiding principles set out above?

The guiding principles raise some significant concerns. In a development plan led system the requirement should be for clarity of both demand and supply. The guiding principles set out a process whereby the demand for land may be calculated but it provides no clarity on how the supply side would be calculated.

It is suggested that an agreed proportion of this land should be deliverable. That is accepted. However, no indication of what proportion and how that would be calculated is set out. There has been a significant gap in the existing 5 year land supply calculation process ever since the government withdrew its Draft Planning Advice Note on Housing and Infrastructure. That guidance set a process for calculating the effectiveness of the supply. However, since then, there has been no guidance which has allowed Reporters from DPEA to assess the effectiveness of the supply in different ways. That has resulted in inconsistent appeal decisions and a lack of certainty for communities. NPF4 must close this gap and provide for a definitive approach

It is not clear what evidence base will be used in establishing 'target' and how levels of flexibility should be calculated. The housing targets should be evidence based and where authorities choose to allocate a level above the minimum that should be a choice for the local authority alone. There should be no legislative or regulatory requirement to do so. Any target for the effectiveness of the land requirement should be assessed against the minimum requirement and not the actual level of allocations in a plan (including any flexibility allowance). Any allocation above the minimum level should simply add to flexibility and should not result in increased annual delivery targets for the authority.

Greater recognition should be given to the informed knowledge and information base held by local authorities who are closer to local needs and requirements.

☐ Should NPF contain housing land figures for all areas in Scotland or focus on certain areas?

Housing figures are a key component used to inform LDP preparation. The suggestion that NPF figures could focus on certain areas is at odds with paragraph 1.2 of the Technical Discussion paper which states ".....we propose to do this by working with local and planning authorities individually and in regional collaborations to define housing land targets for all local development plan areas for inclusion in NPF4."

A consistent approach to the evidence base which identifies the land requirement should be taken and if that approach is followed there should be no need for a different approach in the NPF to different parts of Scotland.

Of course where demand is high for housing it is expected that the approach in NPF will target resources at these areas and ensure that the investment plans of infrastructure providers recognise the levels of growth anticipated.

NPF should be clear that the necessary infrastructure to support housing should be provided and where that is not the case the targets both for housing land and any annual completion target should be adjusted accordingly.

□ Are there areas in Scotland where an alternative approach may be more appropriate?

This is a matter for Scottish Government to determine but the council cannot see any reason why a different approach would be necessary given the response to the question immediately above.

□ What is your view on the proposed approach to setting out requirements for housing land?

Any approach must firstly be evidence based and it is not clear what evidence base will be used for NPF4. While reference is made to HNDA it seems unlikely that this process could be completed prior to publication of a draft NPF in autumn of this year. Clarity on the evidence base needs to be provided.

NPF must also recognise that any target must be deliverable. This will require the target to be influenced by a number of external factors such as infrastructure delivery, market demand which can vary from year to year, particularly in volatile economic circumstances.

It also requires alignment of other strategies including national and regional transport plan and strategic transport projects. Delivering housing in the most sustainable way possible will be an increasing requirement and it is not clear how sustainability / climate change considerations will influence land targets.

It is not clear what “Local areas” means in the context of Point 2 and Page 2. It is not clear why alternative scenarios and assumptions would be required if the targets are evidence based and the approach is consistent across the whole of Scotland.

The Scottish Government has targets for the delivery of affordable housing and against this background it is not clear why the NPF would not set specific tenure targets. If the evidence base is through a HNDA that will provide evidence of demand in each tenure and that should be adopted in any targets incorporated in the NPF.

□ Should NPF provide a single housing land figure or a range?

The NPF should provide a single, evidence based, minimum figure. It will then be for authorities to decide if that minimum figure should be exceeded. A single figure removes debate about what target should be met. Of greater concern is how this figure is worked out by tenure and what happens where the figure cannot be agreed.

□ Is the HNDA Tool an appropriate mechanism to base housing land figures on?

The HNDA provides a good framework but is in need of revision. HNDA needs to be more flexible; not enough tenure types are covered (e.g. specialist needs) and the tool is not refined enough to take account of need; local areas are neglected.

Achieving “robust and credible” should mean that there is no debate on housing numbers once the HNDA is signed off as such. HNDA is resource intensive, too lengthy a process and expensive. The tool is not dynamic and provides no opportunity for updating mid cycle.

Irrespective of what tool is chosen to assess demand it should be treated as a material planning consideration at the point it is agreed as “robust and credible”.

Under current arrangements for assessing the effectiveness of the land supply, the supply side of the equation is updated annually through the housing land audit processes. However, the demand side is only updated every five or so years through the incorporation of the updated HNDA within the development plan. That means that supply is never being compared to an up to date assessment of demand. Both elements of the equation should be updated on the same cycle.

□ Should there be scope for local and planning authorities working together to reflect functional housing market areas that cross local authority boundaries? What approaches could be used to achieve this?

Of more importance is that sufficient infrastructure is available or capable of being made available to support housing development and its deliver. A joined-up approach is required to infrastructure delivery and meeting expectations. Reference in the Planning (Scotland) Act 2019 to an infrastructure levy is considerably weakened by the inclusion of a ‘sunset’ clause which removes the regulation making power if no regulations are made within seven years of the Act.

□ Should NPF apply a level of flexibility to the HNDA tool results to ensure a proactive approach to managing the supply of land for housing in a positive way? Should the level of flexibility be informed by recent housing completions?

Such an approach would defeat the purpose of having prepared a HNDA and introduce the prospect of challenge and remove certainty for communities.

□ Should NPF housing land figures be met in LDPs as a minimum?

Figures should reflect local circumstances and those set out in the Local Housing Strategy; figures once published should not be open to debate.

□ LDPs are moving to a ten year timeframe. Housing land audits generally programme land supply for a five year period. For LDPs to have a ten year land supply available upon adoption what mechanisms could be used to ensure land is brought forward in accordance with the LDPs spatial strategy?

Clarity is required from Scottish Government on whether or not there will be a requirement going forward to maintain a five year effective supply. If an effective supply is required Scottish Government should provide the methodology for this taking account of all of the matters raised in preceding questions. Clarity is required on the approach to housing shortfall. There is a risk that the emphasis will again focus on housing numbers when it should instead be focussed on delivery and sufficient infrastructure and funding being made available to deliver housing.

☐ **Should the Scottish Government play a role in the housing land audit process?**

The only role for Scottish Government should be the publication of a standard methodology and format for housing land audits to provide for consistency across the country.

General Comment

The Discussion Paper fails to reference housing delivery and funding/delivery of infrastructure to support development. The approaches set out by Scottish Government suggest a watering down of top down approach and lack clarity/direction for both local authorities and housing providers.

Edinburgh and South East Scotland City Region Deal Joint Committee

10 am, Friday 6 March 2020

ESES Regional Response to National Planning Framework 4 “Call for Ideas”

Item number

Executive Summary

Appended to this report is the suggested ESESCR Deal Joint Committee response to the National Planning Framework 4 “Call for Ideas”. This response has been endorsed by the City Region Deal Executive Board.

It is recommended that the Joint Committee approves this response, subject to ratification by individual Councils, the SESplan Joint Committee and SEStran, before it is submitted to Government formally on 31 March.

Monica Patterson

Chief Officer, Edinburgh and South East Scotland City Region Deal

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ESES Regional Response to National Planning Framework 4 “Call for Ideas”

1. Recommendations

- 1.1 It is recommended that the Joint Committee approves this response, subject to ratification by individual Councils, the SESplan Joint Committee and SEStran, before it is submitted to Government formally on 31 March.

2. Background

- 2.1 On [3 September 2019](#), Joint Committee agreed to prepare a Regional Growth Framework (RGF) in order to assist delivery of greater alignment across planning, housing, transport and economic development, and thereby maximise the regional inclusive growth outcomes that are central to the ESESCR Deal. It was also agreed that The RGF will inform the production of a future Regional Spatial Strategy (RSS).
- 2.2 Since then, the regional partners established a Project Team to develop the RGF, with Thematic Leads for: Sustainability, Economy, Transport & Infrastructure, Spatial Planning and Housing. A draft RGF now exists and is on track to be completed for summer 2020.
- 2.3 On 9 January 2020, Scottish Government announced that the early engagement period for National Planning Framework 4 (NPF4) was underway, to help gather ideas to inform the draft NPF4 that will be published for consultation in September 2020. A deadline for “Call for Ideas” on what the priorities should be for NPF4 was set for 31 March. The Executive Board agreed that main themes in the RGF draft should form part of the ESESCR Deal response, to give a clear agenda for the region and form the basis for more detailed work to be carried through the RGF and RSS, once the outputs of the NPF4 Call for Ideas are received.

3. Main report

- 3.1 The draft regional response to the NPF4 “Call for Ideas” is appended. The key message is the regional submission to Government is that the South East Scotland is the engine of Scotland’s economy. Unless it performs to its potential, Scotland will also lag. The key challenge for this region is that the benefits of success are not experienced by all individuals and communities, and nor are they shared across local authority areas which make up the partnership. Places like the Scottish Borders and parts of Fife do not share the same characteristics of success. Much more needs to be done to ensure that as many of the people across all places within the region can share in benefits in the future. These benefits must also be realised in the most sustainable way possible to respond to the climate challenge. A holistic approach is required, with some major, planned, integrated initiatives that will allow us to generate, and spread sustainable inclusive growth. Regional partners intend to work with, and risk-share with Government to make this happen.
- 3.2 The report then sets out:
- Challenges the Region Faces;
 - Major Areas of Change;
 - Regional Priorities for the Future;
 - How Government can help work with regional partners to on a holistic basis to deliver place-based growth; and
 - Response to the Five Questions in the Call for Ideas
- 3.3 Following the submission for the “Call for Ideas”, a cross-regional Elected Member Oversight Group (EMOG) will be established as a subcommittee to this Joint Committee. Its purpose will be to oversee the longer-term progress of the RGF and RSS. Each local authority will appoint two members to sit on the Group. There will also be representation from the Higher/Further Education Sector and the Regional Enterprise Council. Each of the six councils are taking reports to their respective meetings to appoint their two respective members. The EMOG will aim to have their first meeting in April and will meet monthly to June when the RGF and Interim RSS will be finalised.

4. Financial impact

- 4.1 Regional partners have been working together, and with Government collaboratively to develop together Regional Growth Framework and Regional Spatial Strategy. Partners have dedicated staffing resources to take these pieces of work forward.

5. Alignment with Sustainable, Inclusive Growth Ambitions

- 5.1 This report summarises a response to the NPF4 “Call for Ideas”. It covers challenges that the region faces and major areas of change that are required for the region to deliver sustainable, inclusive growth. It also sets out how Government can work with partners to deliver its ambitions.
- 5.2 It is envisaged that the RGF, when complete, will help to deliver the following:
- Manage and distribute growth to maximise regional inclusive growth outcomes;

- Deliver the 21,000 jobs outlined in the Deal, helping our most disadvantaged communities have the skills and ability to access these opportunities;
- Maximise community benefits from the Deal and align economic opportunities with areas of disadvantage areas;
- Make significant progress towards delivering 45,000 new homes;
- Deliver fairer distribution of the benefits of growth and be more inclusive for all communities; and
- A just transition to a low carbon economy - The region is currently considering how best to deliver a just transition to a zero-carbon future. This can only be achieved through collective ambition, investment and resources

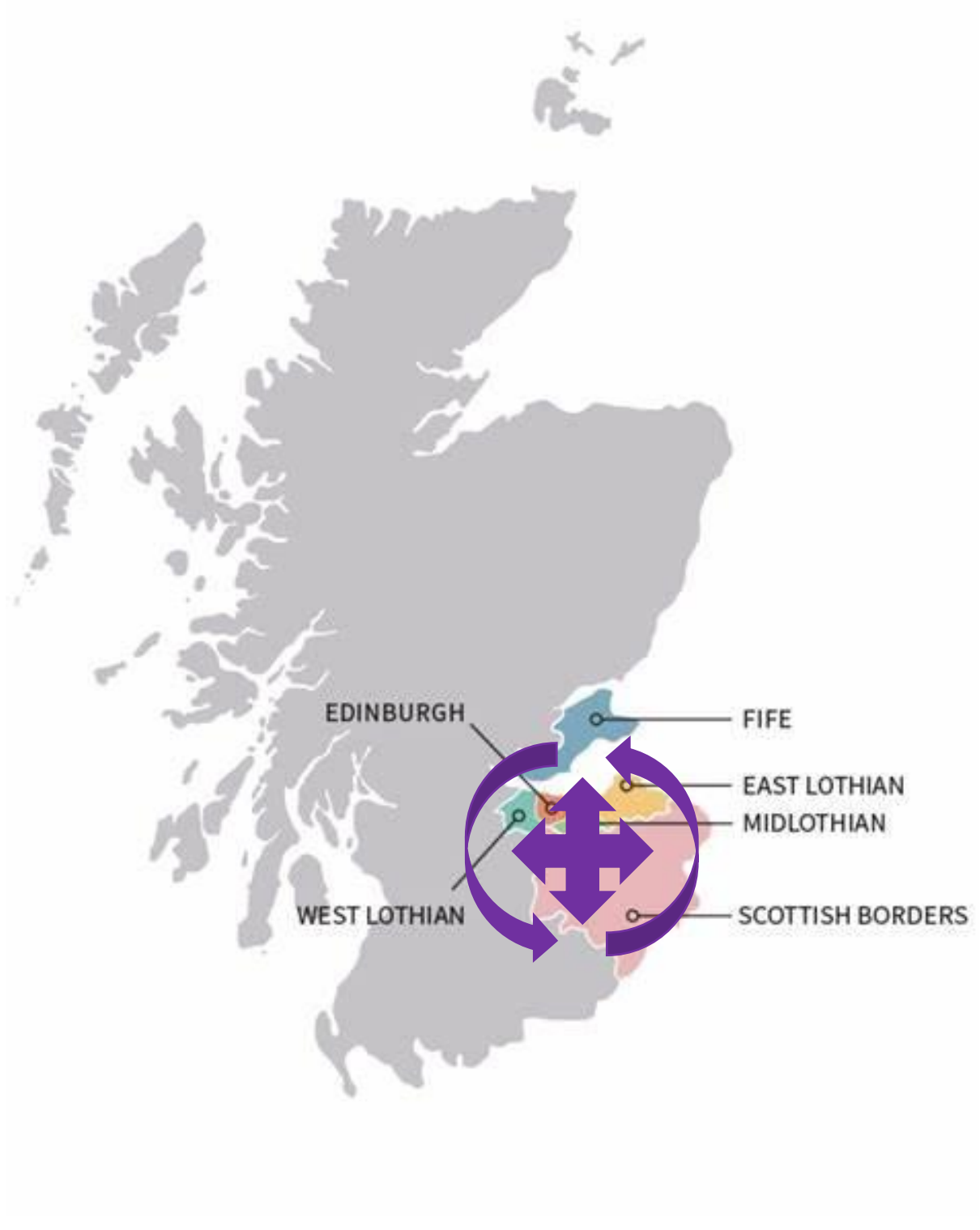
5. Background reading/external references

- 5.1 [City Region Deal Document](#): August 2018
- 5.2 [Edinburgh and South East Scotland City Region Deal Regional Growth Framework](#) – report to Joint Committee: September 2019

6. Appendices

1. National Planning Framework 4 “Call for Ideas” – Edinburgh and South East Scotland Regional Response

Edinburgh and South East Scotland Regional Response to NPF4 Call for Ideas



Edinburgh and South East Scotland Regional Response to NPF4 Call for Ideas

Purpose

This document is the response of the Edinburgh and South East Scotland City Region (ESESCR) partners to the Scottish Government's 'Call for Ideas' on the emerging National Planning Framework 4. This submission is set within the context of the partners preparation of a regional growth framework which aims to ensure that the success of the region can continue to be realised and that the region continues to be the key driver of the Scottish economy.

The regional growth framework will set out the region's strengths and opportunities. However, it must be recognised that the benefits of success are not experienced by all individuals and communities, and nor are they shared across local authority areas which make up the partnership. Places like the Scottish Borders and parts of Fife do not share the same characteristics of success. Much more needs to be done to ensure that as many of the people across all places within the region can share in benefits in the future. These benefits must also be realised in the most sustainable way possible.

The ESESCR Deal is of national importance with significant implications for Scotland's future growth of Scotland. The aspirations of City Region Deal partners can only be realised if the investment in infrastructure is focused on agreed priorities. This will need a co-ordinated approach by government and government agencies such as Transport Scotland. Several interdependent frameworks need to be aligned, including the National Planning Framework, the National Transport Strategy and the Strategic Transport Project Review in order to achieve this. The findings of the Infrastructure Commission should also be a key consideration and linkage.

The Role of the National Planning Framework

The *Call for Ideas* sets out that NPF4 will consider what Scotland should look like in 2050 and will guide where future development should take place. These are fundamental questions which cannot be answered by looking at the planning process in isolation. To deliver a vision for the future requires a joined-up approach on managing growth so that the right investment can be delivered in the right place at the right time. This will require a joined up multi-agency approach. The National Planning Framework will have a pivotal role in ensuring that the right amount of growth is identified and supported in the right place and that any infrastructure constraints and overheating in the market is addressed. The NPF will also have a role in ensuring that our valuable green spaces are protected.

In order for the South East of Scotland to continue to thrive it is essential that the NPF identifies outcomes which:

- Creates a policy framework which encourages sustainable economic growth.

- Recognises current barriers to nationally significant growth and provides solutions to overcome these barriers.
- Focuses support on those actions which bring the maximum social and economic benefits.
- Ensures linkages across all infrastructure providers to deliver agreed priorities.
- Ensures the linkage between support for growth and the infrastructure necessary to support that growth.
- Provides a framework for growth to be supported in the most sustainable way possible.

This response sets out the view of the City Region Deal partners. It takes a strategic approach and sets out the interventions which will be necessary if the ambitions and aspirations of the City Regional Deal partners are to be met. Appendix 1 sets out the regions response to the five questions set out in the NPF4 Call for Ideas documents. It does not address matters of detail as it is likely that individual partners will wish to respond to the *Call for Ideas* setting out specific matters of relevance to each partner.

Context

Much of Scotland's future economic, population and household growth will take place in this region. Economically, this region is the strongest and best performing in Scotland and one of the best in the UK. It is the best performing in education and productivity measures; has the highest employment growth rate for men and women and the highest growth in business start-ups and mid-sized companies of any Scottish region. It provides a quarter of all of Scotland's business premises with the highest national annual growth rate over the last decade. It also provides for more than a quarter of all Scotland's employment.

However, this success is not experienced by everyone, and there are significant and persistent pockets of deprivation in the region. A successful future depends on a more inclusive distribution of the benefits of the growth, so that it can reach those communities most in need.

The Edinburgh and South East Scotland City Region Deal aims to accelerate growth. This will create new economic opportunities and meaningful new jobs that will help to reduce inequalities. The Deal, its programmes and projects are of national significance and will invest £1.3 billion and deliver 21,000 jobs. It has the potential to deliver over 45,000 homes across seven strategic sites. However, the City Region Deal projects alone cannot address longstanding, deep-rooted issues facing the region and more action and intervention is required to accommodate growth and enable it to transition to a low carbon economy. Key challenges include:

- A just transition to a low carbon economy - The region is currently considering how best to deliver a just transition to a zero-carbon future. This can only be achieved through collective ambition, investment and resources.
- The success and prosperity in the region is not experienced by all. Both the Scottish Borders and Fife sit across more than one region with Tayside in Fife experiencing medium growth and the Scottish Borders experiencing low growth.
- Too many people are unable to move on from low wage and low skill jobs.
- There are pockets of multiple deprivation. Nearly a fifth of our children living in poverty
- Housing need and demand is outstripping supply, especially affordable housing. Increasing the supply and accelerating the delivery of homes across all tenures is critical to accommodate growth and ensure that the region remains an attractive place to live, work and invest.

- Within the regional core, the commercial and residential markets are overheating. Whilst there is brownfield land that can be redeveloped here, the developable opportunities are limited.
- Lack of connectivity and affordable public transport options both within and across boundaries particularly in many of our rural areas leaving communities disconnected from places of work and opportunity.
- In Edinburgh, 45% of the workforce commutes to work by car with significant traffic congestion experienced on all major routes into the city impacting productivity, air quality and the environment.
- Physical and social infrastructure provision is critical to the delivery of the City Region Deal seven strategic sites and many other strategic development areas across the region. Overcoming funding and delivery solutions is key to unlocking the transformational potential these sites can have for housing supply, jobs and the economy.

The remaining part of this document outlines major areas of change and opportunity, and future priorities for the region as well as a call for collective action to deliver place-based growth.

Major Opportunities

A Better-Connected South-East Scotland

The interdependence between local partners has never been greater with increased mobility of workers and people choosing to live, work and invest in locations across the region irrespective of local authority boundaries. South East Scotland is well placed to capitalise on improved international, UK cross-border as well as national connectivity, including between Edinburgh and London. Edinburgh Airport, ports on the Firth of Forth and the radial transport corridors to, through and from our region connect it to other UK, Scottish regions and City Region Deals including Tay Cities and Borderlands. These routes and our digital connectivity provide the means to develop wider relationships and to seek out, attract and share new opportunities.

Edinburgh city centre and the regional core have an unrivalled role, but many of our major cross boundary connections converge elsewhere in the region. A better more sustainably connected region underpins its future success. Some of our key objectives are to promote future growth within the city centre, regional core and along our growth corridors in line with the high-level approach below:

- **Connecting West** – we want to build a new partnership between the Edinburgh and Glasgow City Regions to address labour market linkages, sustainable connectivity and sectoral collaboration. We also want to ensure we take advantage of our shared UK cross border connectivity and associated development opportunities, including logistics, freight and storage and distribution as well as manufacturing;
- **Connecting North** – utilising recent investment in the new Forth crossing, we want to improve connections to the Tay Cities Region and Aberdeen City Region areas, and to make available growth opportunities in key locations within Fife, including the former Longannet Power Station site, Port of Rosyth and Fife Energy Park, as well as around the Forth Bridge heads and at Edinburgh Airport, including growth of our financial, insurance and other professional sectors;
- **Connecting East** – utilising existing and future enhancement of UK cross border connections between south east Scotland, north east England and London we want to reduce journey times and strengthen the UK cross border cities network. Along this corridor there is significant

potential to align plans for substantial economic and housing growth in a new regional growth location focused on an enlarged new settlement with new regional town centre, the redevelopment of former Cockenzie Power Station site and a new regional gateway transport hub;

- **Connecting South** – the BioQuarter, Easter Bush and Edinburgh Innovation Park at Musselburgh all cluster around the A720, A1 and East Coast Main Rail Line, Tram Line to Midlothian as well as Borders Rail, which also creates opportunities for sustainable growth and rural regeneration. A potential extension of this line to Carlisle also offers scope to improve UK cross border connectivity between the south of Scotland and the north west of England.

In the future we will continue to use these established corridors to enable a sustainable pattern of development and on-going inclusive growth.

Delivering Major Areas of Change

The emerging RGF has identified key areas of change which builds on the regions existing strengths and assets but also looks to a zero-carbon future and specific areas which will require collective action. These areas include:

- **Economic growth in the urban core** – ensuring Edinburgh city centre has a public realm befitting Scotland's capital, and a supply of sites and premises to support economic growth at all scales, particularly for SMEs to scale up.
- **Centre for Data Driven Innovation** – Data Capital of Europe – with a world leading DDI cluster around the University of Edinburgh's main campus in the city centre including assets funded by the City Region Deal - Bayes Centre and Edinburgh Futures Institute.
- **Tourism dispersal and management** – developing clear plans to ensure the visitor economy of the city region works as a single ecosystem, dispersing visitors from hot spots across the region, and into the rest of the country.
- **Town Centres** – town centres across the region have experienced huge changes driven by shifts in the way society lives, works and shops. Town Centres are vital to efforts to reduce carbon and deliver sustainable places, and all our region's town centres must work to find a new economic purpose.
- **Office market dispersal and management** - opportunity to spread the benefits regionally and from an overheating city centre with limited supply or opportunities for new office space and high levels of productivity consequent on economic focus on finance and insurance and other such sectors, set against surrounding areas that are not as productive consequent on business base and commuting travel patterns.
- **Edinburgh, East Lothian and Midlothian Innovation zone** – Edinburgh BioQuarter, Usher Institute, Edinburgh Innovation Park (Food & Drink), Shawfair and Easterbush; world class innovation and business potential, but also housing growth.
- **Sustainable growth in West Edinburgh and West Lothian** - the airport, development sites, residential growth and sustainable infrastructure, focused on public and active travel improvements.
- **Industrial regeneration in Fife and the Scottish Borders** – City Region Deal funding is being used to deliver programmes of investment that are strongly focused on innovation and that link to the DDI Programme. The locations chosen for investment are linked to existing growth corridors by road and by rail and help to maximise the impact of investment in the Borders Railway and plans for the Levenmouth Rail Link, as well as the existing Fife Circle rail line.
- **Coastal regeneration in Edinburgh** – Leith to Granton, public sector owned waterfront sites to create mixed used development of the highest quality. Deliver a single programme, to ensure

the right infrastructure is in place, and to work closely with key private sector partners such as Forth Ports.

- **Blindwells New Settlement, former Cockenzie Power Station site and Climate Change Zone** – a major opportunity of national significance for future collective impact and co-ordinated action to deliver a new regional transport hub as well as green, blue, grey and low and zero carbon infrastructure to turn challenges in to opportunities, enable regeneration and the creation of a new regional destination and attractor.
- **The Forth Bridges** – building on the Forth Bridges partnership to drive growth across the World Heritage site.
- **The Forth - A regional climate change response** – the Forth unites the region and requires the region to act collectively to develop measures to mitigate the consequences of climate change on our collective coastline e.g. coastal erosion, rising sea levels, recreational uses and development potential and to protect, conserve and enhance the natural heritage assets there.
- **Longannet** – the site of the former Longannet Power Station is recognised as being of strategic national importance and benefits from critical infrastructure advantages, particularly relating to energy. A transport focus, particularly around rail with upgrading of the existing line and new stations at Longannet, and potentially Kincardine for passenger services, will support the economic future of this key location. This also offers the opportunity to strengthen linkages between the Edinburgh and South East Scotland and other regions to the West, including Falkirk, Clackmannanshire and Stirling.
- **North East Fife** – Guardbridge and Cupar are the key areas of development focus in North East Fife. The University of St Andrews' Eden Campus is the focus of significant investment by the University and the public sector. It will provide space where companies can access University and industrial expertise, engage with other companies, build business-to-business collaborations, and develop and experimentally test innovative new approaches to the development of low-carbon energy systems. Additional employment land will be provided in Cupar. A new regional transport model has now been developed and can be used to test new investment ideas including additional rail halts and the opportunities associated with track improvements at stretches in North East Fife that remain single line.
- **City Region Deal seven strategic sites** - Blindwells; Calderwood; Dunfermline; Edinburgh's Waterfront; Shawfair; Tweedbank; and Winchburgh. Collectively these can deliver over 45,000 new homes, create 9,500 jobs and contribute over £12.6 billion to the wider economy. The sites are all at various stages of development and delivery, each with their own unique set of infrastructure and delivery challenges.

Future Regional Priorities and Opportunities

A series of future regional priorities have been outlined below. These are emerging priorities and will required further work, consideration and consultation as the RGF develops. These priorities fall broadly into three key thematic areas - **Flourishing, Smart and Resilient**.

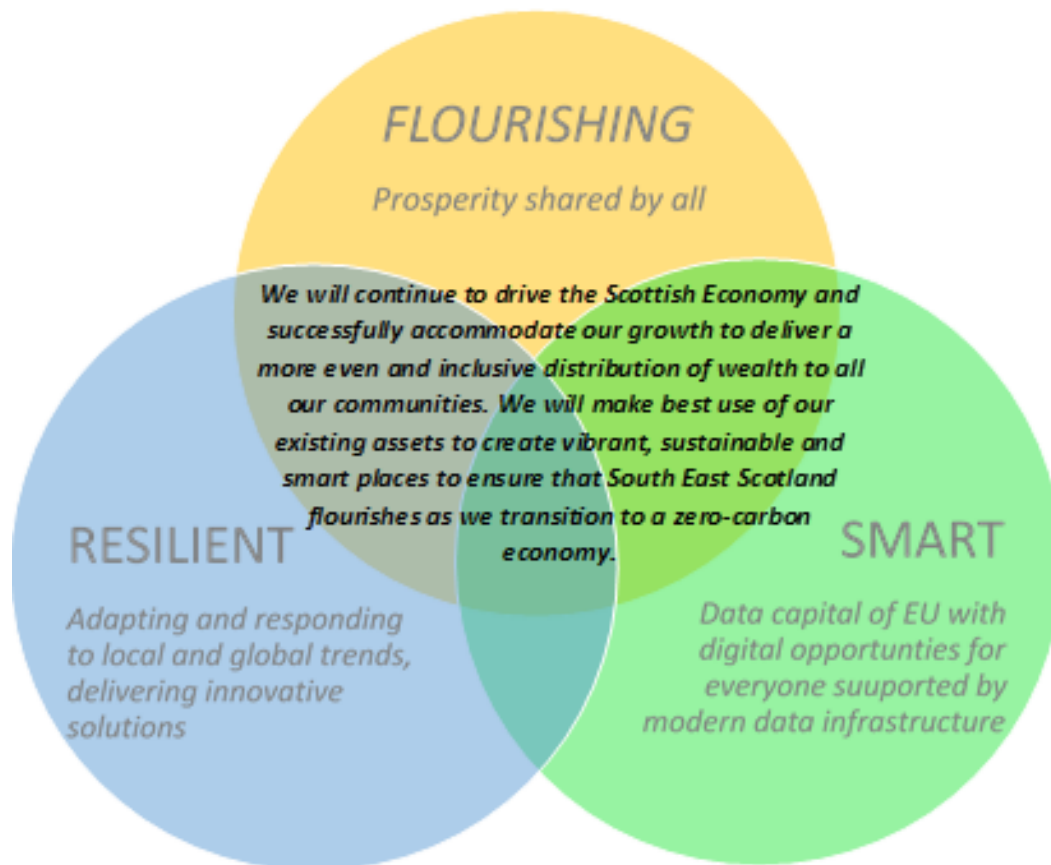


Figure 1 – Emerging RGF themes

Theme 1 - Flourishing

Spreading the benefits and prosperity more evenly around the region in the future will ensure that inclusive growth is achieved. Technological and climate change is transforming the types of skills requirements and job opportunities available and how companies do business. It is vital that people in the region have the skillsets required to work in key sectors. Future opportunities include:

- **Delivering the 21,000 jobs** that the City Region Deal projects will bring, and helping our most disadvantaged communities have the skills and ability to access these opportunities.
- **The City Region Deal Integrated Regional Employability and Skills (IRES)** Programme will provide part of the support required to help people in the region adapt to these changes.
- **Maximising community benefits** from the City Region Deal and future collaboration projects can deliver economic opportunities linked to areas of disadvantage.
- **Distribution of key sectors and jobs and assets** - building on the region's core sectoral strengths which include tourism, life sciences, data science, tech, finance, fintech, creative industries, food & drink, manufacturing, warehouse and distribution.
- Supporting our **town centres** and existing key sectors including retail, health care, hospitality and more.
- **Growing export value** and the number of exporters. Consider economic opportunities at a regional scale e.g. future warehouse, distribution, industrial and retail uses, and how those organisations maximise their global reach.

Theme 2 - Smart

The region has the ambition of becoming the Data Capital of Europe, ensuring that communities across the region benefit from data driven innovation.

Data is critical to future economic growth, social change, and public services, the region has ambitious plans to establish the City Region as the Data Capital of Europe. The City Region is home to the £1bn+ businesses FanDuel and Skyscanner, and major international tech companies such as Amazon, Cisco, Oracle, Microsoft and IBM have also created bases in the City Region. In terms of academic and research capability, the University of Edinburgh has been ranked first in the UK for computer science and informatics research and Heriot-Watt University is a global leader in Robotics and Artificial Intelligence (RAI). Future opportunities include:

- **Collaboration across public, academic and health sectors** to apply data science, to develop innovative and financially sustainable models of health and social care that improve lives.
- **Data-driven approaches** to prevention, treatment, and health and care service provision, enabling high quality and efficient care within a world-leading learning healthcare system.
- **Delivering business premises** of the future are ready for data-drive innovation opportunities, including the City Region Deal Fife i3 Programme and Central Borders Innovation Park.
- **Smart and future proofed infrastructure** – ensuring the region is at the forefront of new infrastructure and in a position to deliver 5G and superfast broadband across the region that can enable businesses to locate, invest and grow in our more remote and rural locations whilst also allowing people to work from home and more flexibly.

Theme 3 - Resilient

To respond to change the region must be able to adapt. Economic changes, including technological advances are rapidly taking place. Climate change is bringing challenges and opportunities for the region, including the need for adaptation, mitigation and sequestration measures; this could also bring significant opportunities to justly transition to a low carbon economy. Our people also need to adapt in terms of lifestyle, and we must change our skills base to meet the requirements of our future economy.

- **Better connected** - Future priorities to ensure that the region is better connected, include:
 - Measures to increase workforce mobility, especially for residents of disadvantaged communities, primarily through the integration of land use and transport, utilising contra-peak capacity in the transport network and providing reliable, frequent and affordable high-quality public transport.
 - Identifying priority routes for active travel to and from the new strategic housing sites, as well as from main centres of population to centres of employment, education and training as well as other public facilities including health care.
 - Focus on the routes where investment in bus priority measures will have the greatest impact on modal shift and supporting the more disadvantaged communities.
 - Interventions that, individually and/or collectively, demonstrably address climate change and reduce carbon emissions.
 - Considering potential longer-term schemes for tram, light rail and heavy rail.
- **Adaptable and sustainable** - Priorities to ensure that the region can adapt to climate change and transition to zero carbon emissions include:

- ***Sustainable Modern Methods of Construction*** – The scale and pipeline of regional housing development presents a unique opportunity for innovation and use of offsite manufacturing methods of construction to ensure that homes are future proofed being built to the highest quality and energy efficiency standards with significantly reduced waste and carbon emissions. Continued collaboration with Edinburgh Napier University’s Institute for Sustainable Construction and Construction Scotland Innovation Centre.
- ***Energy*** - The region already has some significant assets that can help enable the transition to a low carbon economy. However, harnessing this collective potential combined with future investment, behavioural change, and recycling will be essential to meet ambitious local and national targets. Existing key assets and opportunities across the region include:
 - ***Energy Park Fife*** - Energy Park Fife is a world leading engineering and research zone within the energy sector.
 - ***Energy from Waste Plants*** - *Maximising connections to* Midlothian and East Lothian sites to deliver low carbon heating in the South East of Scotland.
 - ***Geothermal*** - There are several former coal fields across south east Scotland, such as the Midlothian and East Lothian and Fife coal fields, where there is significant potential to abstract and make use of warm mine water to develop geothermal heat networks.
 - ***Recycling*** - Significant expansion in recycling facilities, consideration could be given to regional recycling hubs.
- ***Carbon Capture & Sequestration*** - Regional actions to absorb additional carbon that we are not able to deal with through reduction measures. Afforestation and enhancing the significant woodland and wetland assets within the region and particularly the Scottish Borders.

A more detailed Regional Growth Framework can consider sustainability impacts and interventions required to facilitate a just transition to net zero carbon, while enabling inclusive and sustainable growth in our communities.

Collaboration – taking a holistic approach to deliver placed based sustainable growth

Key partners in the delivery of the Regional Growth Framework will be the Edinburgh City Region Deal signatories (the six local authorities, together with regional universities, colleges and the Regional Enterprise Council (includes third, public and private sector representation), UK and Scottish Governments.

The region seeks to deliver a holistic approach with major, planned, integrated initiatives that will allow us to generate, and spread sustainable inclusive growth. Regional partners will work with, and risk-share with Government to make this happen.

To help the region achieve our ambitions we ask for Government support on the following measures:

- Acknowledge the ambitions and priorities of this region as detailed in a future version of the Regional Growth Framework and future SE Interim Regional Spatial Strategy to enable the region to actively engage, collaborate and inform the Scottish Government work on NPF4,

STPR2, Climate Change and ensure that the region's economic, planning, infrastructure, transport and housing priorities are properly articulated so they can be reflected nationally.

- Build on the successful partnership and governance arrangements achieved through the £1.3bn City Region Deal to expand on this success to deliver a truly integrated approach across policy areas.
- Resource and invest in the prospectus and propositions that will follow on from this document in the form of a detailed RGF alongside key national agencies including Scottish Enterprise, Skills Development Scotland, Visit Scotland, Transport Scotland and Scottish Futures Trust.
- Work collaboratively with local, regional and national partners, including academic partners, to consider and develop sustainability and climate change impacts and interventions required to deliver sustainable and inclusive economic growth.
- Consider how future investment funds including post European Structural Funds can support the regions growth and low carbon ambitions.

Play a lead role in linking regions and Deals together to identify complimentary projects and to explore new opportunities, maximise limited investment and efficiencies and reduce duplication. This can enable the region to look West along the M8 to the central belt and Glasgow; North to the Tay Cities Deal and beyond; East to Newcastle and Northumbria and the South East of England, and South to the Borderlands Deal and across the border.

Appendix – Edinburgh and South East Scotland City Region Deal response to *The Five Questions in the Call for Ideas*

The *Call for Ideas* for inclusion in NPF4 sets five questions under a banner question of “What do you want planning to do for your place?”

City Region Deal Partners do not see NPF4 as a ‘planning’ document. Delivering and sustaining economic growth requires a partnership approach across all stakeholders. Therefore, first and foremost, NPF4 should set a strategic and binding framework for delivering sustainable growth. To do so will require understanding barriers to growth and the solutions to them. The City Region Deal partners’ views on how sustainable economic growth can be most effectively overcome, and their ask of the Scottish Government through the NPF4 are set out in the responses to the five questions as follows.

Question 1: What development will be needed to address climate change?

Planning authorities and regional partnerships have been invited to prepare interim regional spatial strategies to inform the content of National Planning Framework. The City Regional Deal partners intend making submissions on this but the work to inform those submissions is not yet complete.

However, the spatial strategy is likely to build upon the strategy set out in the second Strategic Development Plan for Edinburgh and the South East of Scotland (SDP2) with an addition to incorporate the strategy for North East Fife to reflect the geographical extent of the City Region Deal and the agreed extent of the geography for the Interim Regional Spatial Strategy. Additionally, it will outline a series of measures to respond to both the challenges and opportunities presented by climate change.

Although SDP2 was rejected by the Minister this was a result of the Minister not being satisfied that the transportation impacts of the strategy had been properly assessed. There was no indication that the spatial strategy of that document was not acceptable to the Minister and given that the strategy was agreed by all SESplan partners it is appropriate that this forms the basis of the Interim Spatial Strategy.

If the South East of Scotland is to continue to be the engine room of national economic growth in Scotland, the levels of growth set out in SDP2, and the associated spatial strategy, will have to be supported. It should be the role of NPF4 to ensure co-ordination of investment to allow the levels of growth to be achieved. Sustainable growth should not be put at risk as a result of un-coordinated infrastructure responses.

The SDP2 action programme identified the necessary infrastructure to support growth and the strategic elements should feature in NPF4 as a base line. However, a further review should be undertaken in the context of the Infrastructure Commission’s report to see if the interventions set out can be achieved in a way which ensures economic growth while minimising the need to travel by unsustainable means and minimising the impact of existing capacity.

Question 2: How can planning best support our quality of life, health and wellbeing in the future?

Although the South East of Scotland is characterised by economic success this continues to mask significant disparity and disadvantage in the region.

- The success and prosperity in the region is not experienced by all both the Scottish Borders and Fife sit across more than one region with Tayside (Fife) experiencing medium growth and the South (Scottish Borders) experiencing low growth when considering comparable economic performance.
- Too many people unable to move on from low wage and low skill jobs.
- There are pockets of multiple deprivation with nearly a fifth of our children living in poverty.
- Housing need and demand is outstripping supply, especially affordable housing.
- Lack of connectivity and affordable public transport options both within and across boundaries particularly in many of our rural areas leaving communities disconnected from places of work and opportunity.
- A just transition to a low carbon economy - the region is currently considering how best to deliver a just transition to a zero-carbon future. This can only be achieved through collective ambition, investment and resources.

Ensuring sustainable economic growth which increases opportunity for everyone in the South East of Scotland, while protecting our most important environmental assets is key to ensuring quality of life, health and wellbeing.

This will require positive intervention to ensure that those who are furthest from the market, both physically and educationally are able to access employment and training opportunities.

To support this the National Planning Framework should:

- Recognise that a diverse economy will require a range of house types and tenures in the region.
- Establish tenure specific housing targets for the region which are supported by an evidence base of demand for each housing tenure.
- Establish land use strategies which encourage the use of brownfield land before development on greenfield sites.
- Establish land use strategies which are supported by a transport strategy which does not focus solely on maximising capacity and speed for city to city journeys, but which ensures equality of access to regional hubs for all communities and areas of growth.

Question 3: What does planning need to do to enable development and investment in our economy so that it benefits everyone?

While the economy in the South East of Scotland remains the most significant contributor nationally, there continues to be risks to the economic success of the area. To respond to change the region must be able to adapt. This requires a policy framework which provides certainty to businesses and communities but is flexible enough to respond to economic change which could occur rapidly and

potentially without warning. The policy framework must recognise the changes which will result from technology and the changes which will be necessary to respond to climate change.

To support this the National Planning Framework should:

- Ensure that there is a strategy for sustainable growth which benefits all parts of the South East of Scotland while protecting important environmental assets.
- Take positive action to avoid the creation of dormitory towns except in circumstances where they are focused on the most sustainable transport options.
- Support measures to increase workforce mobility in the South East of Scotland, especially for residents of disadvantaged communities, primarily through affordable public transport.
- Establish a requirement for developers to deliver priority routes for active travel to and from the new strategic housing sites, as well as from main centres of population to centres of employment, education and training.
- Focus on the routes where investment in bus priority measures will have the greatest impact on modal shift and supporting the more disadvantaged communities.
- Interventions that, individually and/or collectively, demonstrably address climate change and reduce carbon emissions.
- Considering potential longer-term schemes for tram, light rail and heavy rail.
- Provide a framework for the transition to sustainable methods of construction.
- Set a framework for accredited carbon offsetting which will support the transition to a net carbon zero city region.
- Consider the Major Areas of Change highlighted in the main body of this response as potential National developments.

Question 4: What policies are needed to improve, protect and strengthen the special character of our place?

The Edinburgh and South East Scotland city region is internationally recognised as both a leisure destination and a place to do business. However, that success risks the very basis of that success. It is recognised that Edinburgh is in danger of overheating as both a leisure destination and a place to do business while at the same time significant capacity for growth exists elsewhere in the city region.

The authorities have a role in promoting the advantage of the area outwith the city centre, but more co-ordinated action is required to ensure that these locations become destinations of choice. This will include

To support this the National Planning Framework should:

- Establish a policy framework which protects the region's most important environmental assets from development.
- Support the development of green networks across the region which provide, opportunities to increase access to the countryside, biodiversity and carbon reduction.
- Recognise the significant economic benefit which is derived from tourism to the region and ensure that the infrastructure necessary to support tourism is prioritised.

5: What infrastructure do we need to build to realise our long-term aspirations?

Supporting sustainable economic growth will require a range of infrastructure interventions. That will inevitably require both new infrastructure and investment in current infrastructure to ensure that capacity is being maximised. Historically, the public sector has been adept at identifying the necessary infrastructure – for example through development plan action programmes – but has been less successful in ensuring delivery of the infrastructure because, in most cases, delivery is out with the control of local authorities.

City Region Deal partners recognise the role of the Infrastructure Commission in securing co-ordination of infrastructure investment and delivery and the work of the commission should be incorporated within the NPF. But the work of the commission also needs to be recognised in the National Transport Strategy and other national strategies. There should be one infrastructure plan for the country which prioritises requirements and identifies funding solutions. The NPF should set growth targets based on the delivery of infrastructure improvements and not the other way around.

In establishing that framework a fundamental rethink is required. In order to ensure sustainable economic growth existing road and rail infrastructure capacity should be maximised. Together with reducing the need to travel, there should be a focus on modal change of freight from road to rail and or sea.

Although rail infrastructure is under pressure during the day time, significant capacity exists at night. Moving greater volumes of freight from road to rail would free up capacity on the road infrastructure to support sustainable travel while reducing the need for further investment in road infrastructure. This should be done in parallel with investment in public transport infrastructure to make community bus a realistic option, particularly for those journeys not focused on regional hubs.

To support this the National Planning Framework should:

- Establish an Action Programme for infrastructure requirements in each region.
- Ensure that the Action Programme prioritises the delivery of infrastructure having regard to economic impact of providing that infrastructure and the level of growth it would support.
- Establish a funding mechanism or mechanisms to ensure delivery of the necessary infrastructure.
- Support measure to ensure that developers build homes which are sustainable and can support homeworking and the use of low carbon technologies including the provision of electric vehicle charging points.