



DEVELOPMENT AND TRANSPORT POLICY DEVELOPMENT AND SCRUTINY PANEL

CORE DEVELOPMENT AREA UPDATE

REPORT BY PLANNING SERVICES MANAGER

A. PURPOSE OF REPORT

The purpose of this report is to update elected members on progress with the implementation of the core development area (CDA) strategy.

B. RECOMMENDATION

It is recommended that the PDSP notes the report.

C. SUMMARY OF IMPLICATIONS

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| I Council Values | Focusing on our customers' needs; being honest, open and accountable; making best use of our resources; and working in partnership. |
| II Policy and Legal (including Strategic Environmental Assessment, Equality Issues, Health or Risk Assessment) | The CDA strategy in the adopted West Lothian Local Plan (WLLP) accords with the approved Edinburgh and the Lothians Structure Plan. |
| III Resources - (Financial, Staffing and Property) | The CDA proposals will need to be supported by major investment in infrastructure. The local plan sets out requirements for developer contributions. There will be revenue costs for the council. The financial consequences are being assessed and will be taken into account when formulating overall financial strategy. |
| IV Consultations | Finance. |

D. TERMS OF REPORT

The panel was updated in December last year on progress with the implementation of the core development area strategy. It was agreed that regular update reports be prepared and reported to the panel.

The CDAs are the strategic allocations for housing and employment land which are required to meet the requirements of the approved Edinburgh and the Lothians Structure Plan 2015.

There are three CDAs in West Lothian:

- Armadale : 2070 houses and 50ha employment land;
- Livingston and the Almond Valley : 5000 houses and 60ha employment land; and
- East Broxburn, Uphall and Winchburgh : 5500 houses and 45ha employment land.

The current position with each of the CDAs is set out below:

Armadale CDA

Standhill

Planning applications were submitted for Standhill North and Standhill South in 2006. These planning applications remain live and the agent is keen to restart discussions on these applications.

Colinshiel

The WLLP requires one masterplan to be prepared for the Colinshiel mixed use allocation. Discussions are now taking place between landowners and the council to try to bring forward a joint masterplan.

Dundas Estates has submitted an outline planning application for around 400 houses on a 14 ha site at Colinshiel. Further information has been submitted but has yet to be fully assessed. Dundas submitted a planning application for a 6,038 sqm supermarket on part of the mixed use allocation at Colinshiel. This application was refused in May 2010.

The council submitted a planning application for retail development at Watson Park in 2009. This site is within the Colinshiel masterplan boundary as shown in the WLLP. The application included proposals to relocate the park facilities onto land immediately to the east of Watson Park. Planning permission for this proposed development was granted in May 2010. The site has yet to be marketed.

Greystones Ltd submitted an outline planning application for retail development and 64 affordable houses on a site adjacent to Heatherfield Roundabout. This application was withdrawn in May 2010.

Taylor Wimpey and Dawn Homes submitted a planning application for retail development and 264 houses on a 34 ha site at Colinshiel. The supermarket and some of the houses were proposed outwith the settlement envelope on land designated as countryside belt. Planning permission was refused in May 2010. A pre-application notice for residential development at Colinshiel was submitted by Taylor Wimpey on 18 November 2010 but an application has yet to be submitted.

The WLLP requires land for two primary schools to be made available at Colinshiel. At present, none of the applicants is offering to provide land for primary schools. The possibility of council land being use for primary schools is being investigated.

A planning application for a supermarket at Volunteer Park was refused in May 2010. An appeal to Scottish Ministers was submitted and the appeal was dismissed in April.

Armadale South

The WLLP requires one masterplan to be prepared for the mixed use and employment land in Armadale South. It has not been possible to get landowners to agree a common way forward on a masterplan and several planning applications have been submitted.

Achadonn submitted two planning applications for land at Lower Bathville:

- 1) Permission in principle for housing; and
- 2) Permission in principle for housing and a retail development.

The application for housing and a supermarket was withdrawn in May 2010. The outline application for housing remains live and an updated masterplan was submitted for consideration in October 2010. Permission for around 450 houses is sought.

On 11 May 2011, Development Management Committee decided it was minded to grant planning permission for the Achadonn proposal, subject to a section 75 agreement being entered into.

EWP has submitted five planning applications for land to the north and south of the Airdrie - Bathgate railway line:

- 1) Permission in principle for mixed use development including residential (circa 1,100 houses), commercial, retail, school and leisure;
- 2) detailed application for a primary school;
- 3) detailed application for road infrastructure and a supermarket;
- 4) construction of access road to primary school; and
- 5) erection of 192 houses and care home.

The planning permission in principle for mixed use development and the detailed application for road infrastructure and a supermarket were approved on 22 November 2010 and the erection of 192 houses and the care home were approved in March 2011. It is anticipated that the first housing development will begin in the summer and that the supermarket development will commence in the autumn. Ground works commenced earlier this month at the Netherhouse site. The proposal for the access road to the primary school has been amended and will be issued imminently.

Interim education infrastructure solutions have been agreed to support a first phase of up to 180 houses. The section 75 agreement allows for an alternative education solution to be progressed, if an alternative delivery arrangement which meets the education requirements in the wider CDA is forthcoming. Discussions are taking place with EWP to establish if it might be possible to deliver a new build primary school at an early stage (ie. 2013 or 2014). Meanwhile, an extension at St. Anthony's Primary School will be implemented over the summer.

The Airdrie to Bathgate railway opened in December last year and the station at Armadale opened in March. The new station will improve the marketability of Armadale as a residential and employment location. It is anticipated that the full timetable will be operational from May this year.

The SPG for A801 contributions was updated in August. SPG for Armadale primary school provision was approved in March 2011.

Council Executive has agreed that a business case should be presented to the Scottish Futures Trust (SFT) so that Armadale CDA can be considered as a potential pilot Tax Increment Finance project. Feedback from SFT is awaited.

Conclusion

There is a lot of developer interest in Armadale. It is regrettable that landowners at Colinsiel and Armadale South have not yet been able to agree on a masterplan approach as the piecemeal approach is making it more difficult to co-ordinate the delivery of key infrastructure and to assess the impacts of each development. Notwithstanding this, the WLLP does provide a degree of flexibility and allows the council to approve smaller scale developments provided they do not prejudice the implementation of the wider CDA.

Livingston and Almond Valley CDA

The Livingston and Almond Valley CDA comprises land for 2,800 houses and 20 ha of employment land at Calderwood and land for 2,200 houses and 40 ha employment land at West Livingston/Mossend.

Calderwood

The WLLP requires one masterplan to be submitted for the Calderwood CDA.

A planning application for part of the Calderwood CDA was submitted by Stirling Property Partnership in July 2009. Around 2,400 houses are proposed. The application is accompanied by an Environmental Statement and Transportation Assessment. The application comprises most of the Almondell allocation and part of the Raw Holdings allocation. The assessment of the application is on going. A detailed application for 200 houses was submitted by Stirling Property Partnership in October 2010.

As is the case with the Armadale CDA, interim solutions are being considered to address school capacity issues. This is necessary as most developers are not currently in a position to borrow to forward fund new build schools.

Two planning applications have been submitted by Banks for part of the Almondell allocation:

- 1) outline planning permission for housing; and
- 2) outline planning permission for retirement development.

Planning permission for the retirement development was issued in February 2011.

At Raw Holdings, a development framework plan has been prepared by Walker Group. This has been the subject of consultation with landowners and the community. East Calder and Wilkieston Community Council has carried out its own consultation on proposals for the Raw Holdings. Regular reports have been prepared for the East Calder and East Livingston Local Area Committee (LAC) and a masterplan has been considered by the Development and Transport PDSP. The main areas of disagreement are housing density and the amount of open space that should be provided. A separate report on Raw Holdings is included on this PDSP agenda.

Conclusion

It is regrettable that landowners at Calderwood have not been able to agree on a masterplan approach as the piecemeal approach is making it more difficult to co-ordinate the delivery of key infrastructure and to assess the impacts of each development. Notwithstanding this, the WLLP does provide a degree of flexibility and allows the council to approve smaller scale developments provided they do not prejudice the implementation of the wider CDA. Further discussion is required on housing density and infrastructure funding.

West Livingston/Mossend

A planning application has yet to be submitted for this part of the Livingston and Almond Valley CDA. The promoter of the scheme, Walker Group, has carried out pre-application consultation on a first phase development of around 200 houses at Mossend. It is anticipated that a planning application will be submitted shortly.

Winchburgh/ East Broxburn/Uphall CDA

This CDA comprises land for 3,450 houses and 40 ha employment land at Winchburgh and 2,050 houses and 5ha employment land at East Broxburn.

Winchburgh

An outline planning application for the Winchburgh CDA was submitted in 2005. In June 2010, the Development Management Committee decided that it was minded to grant planning permission subject to a section 75 agreement being entered into. Since then, the management of the project has been taken over by one of the investors, West Coast Capital. Discussions on the content of the section 75 agreement are on going.

A planning application for the rehabilitation of the Auldcaithie landfill site was submitted in 2007. The assessment of this application is on going.

A planning application for 29 houses at Glendevon was submitted in 2010 but has since been withdrawn.

Conclusion

Progress is being made with the Winchburgh CDA.

East Broxburn

The WLLP requires one masterplan to be submitted for the East Broxburn CDA.

Ashdale submitted an outline planning application in July 2009 for around 350 houses on a 14.5 ha site at Greendykes Road. Further supporting information is required before the application can be fully assessed.

Overton Farm Developments Ltd has submitted a planning application for around 900 houses and a primary school on land which forms part of the Westwood allocation.

West Lothian Council has submitted a planning application for around 100 houses at Candleworks.

Pre-application consultation has been carried out on three possible supermarket proposals: Tesco at Candleworks, Sainsbury's at A89 and Vico at Thistle Industrial Estate. It is understood that Tesco and Sainsbury's both intend to submit planning applications this year.

As is the case with other CDAs, interim infrastructure solutions will need to be considered given the limitations on borrowing.

Conclusion

It is regrettable that landowners at East Broxburn have not been able to agree on a masterplan approach as the piecemeal approach is making it more difficult to co-ordinate the delivery of key infrastructure and to assess the impacts of each development. Notwithstanding this, the WLLP does provide a degree of flexibility and allows the council to approve smaller scale developments provided they do not prejudice the implementation of the wider CDA.

Investment in school infrastructure and catchment area changes

In March 2010, Council Executive agreed to increase the budget for the proposed extension at Linlithgow Academy and to increase the amount of funds in the Local Infrastructure Fund. This was made possible by diverting some funds away from St. Margaret's Academy as the works planned there are now to be phased over a longer period of time.

The works at Linlithgow Academy have commenced and are due for completion in August 2011. Works to extend St. Margaret's Academy are also underway and are due for completion by October 2011.

Several catchment area reviews are required to support the CDA strategy. In April, 2010, consultation commenced on proposed catchment area changes for north and north west West Lothian. In October 2010, the Education Executive approved changes to the catchment arrangements which will support the implementation of the development plan.

The increased budget for Linlithgow Academy and the approved catchment area changes means that an interim phase of development can proceed at Winchburgh in advance of a new secondary school being built. In addition, Armadale CDA can be developed to its maximum potential of 2,070 houses.

Further catchment area reviews will be necessary to support the overall strategy. The immediate priority is to conclude a catchment area review with the City of Edinburgh Council for denominational schooling. If this is successful, the overall scale of denominational provision in West Lothian will be less and existing thresholds will take longer to be breached, thus delaying the need for capital investment and reducing the revenue consequences of implementing the development plan.

The biggest challenge

Without doubt, the biggest challenge to the successful implementation of the CDA strategy is the availability of funding for infrastructure. Bank lending has fallen very significantly as a consequence of the credit crunch and banks are being selective in the projects they fund. The projects which tend to be favoured are sites which are 'oven ready' and do not require major upfront funding for infrastructure.

To implement the CDA strategy fully will require major infrastructure investment. It is unlikely that bank lending will increase significantly over the next few years so the major funding that is necessary to take forward development on a large scale is unlikely to be available in many areas. Being realistic, it is likely that development will proceed on a modest scale initially although there is the potential for an accelerated rate of build once the economic recovery gathers pace. Even for development to get underway on a small scale, infrastructure solutions need to be identified and delivered. A key constraint is education capacity. Various feasibility studies have been carried out and a number of potential interim solutions have been identified and costed. Further work will be necessary to establish how these interim solutions can be funded and to clarify the scale of development that could be supported by these interim solutions.

In order for the CDAs in West Lothian to be fully built out, new non-denominational secondary schools are required at Calderwood and Winchburgh and a new denominational secondary school is required at Winchburgh. Until funding is available to deliver these, the scale of CDA development will need to be restricted so that school capacity thresholds are not breached. The council has the option of implementing further extensions at St. Margaret's Academy if there is insufficient funding to deliver a new build denominational secondary school in the short term. At some stage, however, development will be constrained if a new denominational secondary school is not provided.

The council has in place a range of developer contribution policies aimed at maximising the planning gain arising from CDAs. Given the declining rate of house building in West Lothian and the adverse consequences that causes for the local economy, officers have begun a review to establish if developer contribution requirements can be reduced. There is also a need to consider how the funding in the Local Infrastructure Fund can be used to remove infrastructure impediments to development. On 22 March 2011, Council Executive agreed to increase the funding for the infrastructure fund and approved expenditure to progress design work for school extensions. CDA developers have been invited to submit bids seeking allocations from the infrastructure fund to help deliver their developments. The closing date for bids is 31 May 2011.

Scottish Government has agreed to launch a £10m Infrastructure Loan Fund later this year to kick start house building. CDA developers will be able to apply for a loan provided their developments meet the criteria.

The importance of the CDAs

The rate of house building in West Lothian has declined significantly since the credit crunch. The Edinburgh and the Lothians Structure Plan requires that a five year effective housing land supply is available in the Lothians. The effective housing land supply in the Lothians is currently 45% of the structure plan requirement and in West Lothian it is 37%. Whilst this significant decline in the effective housing land supply is due mainly to the credit crunch, a further decline in the effective housing land supply in West Lothian is possible if progress is not made with CDA proposals. To minimise the risk of developments which do not accord with the development plan being supported on appeal, every effort should be made to progress CDA proposals.

The house building industry has contributed greatly to the local economy in the past. From 2001/02 to 2007/08 house completions in West Lothian averaged 1,060 per year. In the last two years, the average has fallen to 482. This is a very significant decline which has impacted on the local economy. The economic recovery in West Lothian will be speeded up if CDA proposals can get underway.

E. CONCLUSION

Progress is being made with various CDA proposals. However, the credit crunch is severely affecting developers' ability to borrow. This means that there is a need to consider if interim infrastructure solutions can be agreed in advance of the more costly items of infrastructure being provided. Such an approach is consistent with the WLLP as a degree of flexibility is built into the plan.

It is in the council's interests to consider interim infrastructure solutions as this will help to minimise the revenue costs for the council. The financial consequences are being assessed and will be taken into account when formulating overall financial strategy.

A further update report will be presented to PDSP in approximately six months.

F. BACKGROUND REFERENCES

Edinburgh and the Lothians Structure Plan 2015.

West Lothian Local Plan.

CDA update reports to D&T PDSP 9 February 2010 and December 2010.

Appendices/Attachments: none

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