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REPORT TO: Members' Library Service

MEETING DATE: June 2025

BY: Executive Director – Place

SUBJECT: Update on Blindwells Strategic Outline Business Case

1 PURPOSE

- 1.1 A government approved business case, with a strategic partnership approach, is essential to deliver Blindwells and its potential expansion in a properly planned, managed and funded way. This report updates the Council on progress with its ambition to prepare such a Strategic Outline Business Case (SOBC) for submission to UK and Scottish Governments for their consideration. This SOBC is to be considered by the Council as a private item on the agenda due to commercially sensitive information of third parties: a summary of the SOBC is at Appendix 1.
- 1.2 If the Council agrees to sponsor the SOBC for submission to UK and Scottish Governments, and if it is approved by them, this report outlines the proposed next steps to enable timeous development of an Outline Business Case (OBC). It recommends that the Council prepares to develop a Blindwells Area Design Framework as non-statutory supplementary planning guidance. This non-statutory planning guidance would provide a basis for wide ranging consultation and engagement to help shape a comprehensive delivery solution for the new settlement. It also recommends that discussions take place with both Governments to progress strategic governance for the project, an associated project plan, and a consultation and engagement strategy that could be deployed to further develop the business case for Blindwells. Any Council decision to progress any such next steps would be the subject of a future Council report, in the context of Government consideration of the SOBC.
- 1.3 For clarity, this report does not commit the Council to support any further expansion of Blindwells, which will be a matter for future planning and other decisions, but the business case development process is an important step towards testing if and how that may be achieved in order to inform those decisions.

2 RECOMMENDATIONS

- 2.1 This report recommends that East Lothian Council:

- Notes the progress made since December 2024 in developing the Blindwells Strategic Outline Business Case (SOBC), and the stage the Council has now reached;
- Subject to Government approval of the Blindwells SOBC, that the Council agrees to develop a Blindwells Area Design Framework, and seeks early engagement with both Governments on this and to progress strategic governance for the project, plus an associated project plan and a consultation and engagement strategy.

3 BACKGROUND

Strategic Context

- 3.1 The Lothian Structure Plan 1994 first set out the need for new settlements and strategic settlement expansions across the region, recognising that it is the driver of the Scottish economy. Scottish Ministers identified Blindwells as a location for a new settlement with expansion potential in 2003 when they approved the Edinburgh & Lothians Structure Plan for the period up to 2015. Site BW1 was then allocated by the East Lothian Local Plan 2008, which was rolled forward by the East Lothian Local Development Plan 2018 which also identified site BW2 for a potential expansion of the new settlement, in line with the Strategic Development Plan for south east Scotland that was approved by Scottish Ministers in 2013.
- 3.2 Blindwells is one of seven strategic housing sites supported by the Edinburgh and South East Scotland City Region Deal (ESES Deal), signed in 2018, by both Governments and Regional Partners, including the Council. The ESES Deal points to the need for housing business cases to be developed over the 15-year period to 2033, and to enable sites during that period, noting that this is the end of the ESES Deal timeframe. In this context, and in recognition of the stage Blindwells and its potential expansion had reached as a project, on 10 December 2024 East Lothian Council agreed that officers should seek to prepare a [Strategic Outline Business Case for Blindwells New Settlement](#), with a target of June 2025 to secure Regional Joint Committee and East Lothian Council decisions on it.
- 3.3 Blindwells is adjacent to the 90-hectare former Cockenzie Power Station site, which with support from UK Government is currently being prepared by the Council for economic development. Nearby to the west, by Musselburgh, the Edinburgh Innovation Hub, also supported by the ESES Deal, is being developed by the Council in collaboration with Queen Margaret University and both Governments, and is nearing completion; the wider Edinburgh Innovation Park is also a strategic growth opportunity for the future.
- 3.4 Taking Blindwells together with this strategic investment in East Lothian and across the region more widely, this economic cluster can deliver significant impact and benefits at local, regional, national and UK levels to

enhance prosperity at all levels. New housing and associated infrastructure, services, and amenities is/are and will continue to be needed in the right places to support these overall ambitions in an equitable and sustainable way, and to ensure that new development can deliver wider social, economic and environmental place-based benefits for our communities.

- 3.5 The Blindwells Development Area is in the former East Lothian coal field, adjacent to regenerating communities that have some of the 10% most deprived data zones nationally. Through the delivery of Blindwells, there is an ability to strategically support a wide range of associated social, economic and environmental policy ambitions, priorities and objectives. There is also opportunity for ongoing collaborative working with our universities and colleges to further align skills development and training, positive destinations, and employment opportunities. Blindwells can be a long-term project that can deliver lasting benefits, including helping to reduce welfare costs and increase tax take at UK and national level.
- 3.6 Government support to help enable the ongoing delivery of Blindwells therefore presents a unique opportunity to deliver strategic benefits in a strategic partnership at pace and scale, in a place where this should be a priority, and to help avoid development in less sustainable locations. Critical to achieving such success will be Government support in their approval of a business case and in a public and private partnership approach to deliver an infrastructure first delivery strategy, with additional revenue support for services outwith the main financial settlement, to ensure that ongoing delivery at Blindwells can be enabled, de-risked and accelerated in a viable, affordable, sustainable, and acceptable way.
- 3.7 In this context, the ESES Deal signals a commitment from Governments to enable the delivery of all seven strategic sites across the region, including Blindwells, with a minimum £50 million support from Government to achieve this; it also notes that solutions will need to go beyond this with fresh thinking and innovative ideas. Government grant and loan monies have recently been released where justified by robust business case development processes, such as at Winchburgh, West Lothian, and Dunfermline, Fife. Granton Waterfront in Edinburgh is also progressing positively towards its business case solution.
- 3.8 Further to this, the South East Scotland Strategic Sites Programme was approved by Regional Joint Committee on the 18 October 2024. It is linked to the delivery of the ESES Deal, particularly its Housing Programme, and the Regional Prosperity Framework (2021) and Delivery Plan (2023). These documents note the importance of new strategic partnerships, and financial innovation in capital and revenue terms, to support ambitions to deliver the strategic sites in viable and affordable ways; the Scottish Government's Programme for Government recognises this, and it also aligns with the UK Government's ambition to boost housing and infrastructure delivery and its Kickstarting Economic Growth and wider Missions too.

- 3.9 These wider shared strategic site ambitions are at the core of discussions between Regional Partners and the UK and Scottish Governments in our submissions for '[a second-generation city region deal](#)', pursuant to the UK Government's Spending Review, and the refresh of the Scottish Government's Programme for Government (6 May 2025). Regional Partners have also engaged with the National Wealth Fund, the Scottish National Investment Bank, and the UK and Scottish Government on the potential for financial innovation in capital and revenue terms, with the most recent engagement on 28 March 2025 a further positive step, with more planned. On 29 May 2025, Officers also met with Scottish Government Civil Servants on the formation of a 'Strategic Sites Task Force', which there is an appetite to stand up, pursuant also to Ministerial engagement on same in line with the Strategic Sites Programme.
- 3.10 The preparation of the Blindwells SOBC, a summary of which is set out at Appendix 1 of this report, has been led by Council officers whilst they have shaped the strategic context described above. It has been developed corporately by the Council Management Team as well as collaboratively with Scottish Futures Trust and the master developers involved, Hargreaves PLC and Taylor Wimpey PLC, which also represent the key landowners within the Blindwells Development Area. Both Hargreaves and Taylor Wimpey PLC Boards have endorsed the SOBC for submission to both Governments for their consideration.
- 3.11 The Blindwells SOBC has also been developed with the support of the ESES Deal Programme Management Office, to ensure cross cutting support and integration across the ESES Deal. The Regional Directors, Executives, the Elected Member Oversight Committee, and the Regional Enterprise Council, have also been engaged and fully support the SOBC. On 06 June 2025, the Edinburgh and South East Scotland City Region Deal Joint Committee approved the Blindwells Strategic Outline Business Case for submission to Scottish and UK Governments, subject to East Lothian Council approval to do so. The Convener and Vice Convener have now also written the Deputy First Minister of Scotland noting progress on the Strategic Sites Programme and requesting a meeting to initiate formation of the associated Task Force.
- 3.12 All of the above sets the strategic context for the submission of the Blindwells SOBC for consideration by both Governments.

Next Steps

- 3.13 Blindwells new settlement is the largest such opportunity in Scotland since Irvine in 1966. A government approved business case, with a strategic public and private partnership approach to delivery, will be essential to deliver Blindwells new settlement and its potential expansion in a properly planned, managed and funded way.
- 3.14 Once any Strategic Outline Business Case for Blindwells is submitted to both Governments for their consideration, they will decide if and how ambitions for Blindwells and its potential expansion should be progressed through any Outline Business Case and Full Business Case stages.

- 3.15 In that context, the key objective of the SOBC is to seek support from both Governments in capital and revenue terms for a comprehensive solution through business case development that can enable, de-risk and accelerate the ongoing delivery of this strategic project during the ESES Deal period up to 2033 and beyond, to ensure it generates significant impact and benefits at UK, Scottish, regional and local levels.
- 3.16 The SOBC notes it will be essential to shape any Outline Business Case (OBC) and Full Business Case (FBC) solution on a time pressured critical path. Early Government engagement on and support for the preferred way forward, as noted in the SOBC, is therefore sought to give clarity on the next steps. It is hoped that the Blindwells SOBC may be approved by both Governments in Winter 2025/26, followed by co-production of the OBC in 2026 and FBC in early 2029, at the latest.
- 3.17 If Governments approve progression to OBC stage, this will provide the necessary clarity for the Council to progress wide ranging consultation and engagement with stakeholders, including service and infrastructure providers, investors, communities of interest, and the public, to further develop the vision for Blindwells during 2026. This is because in any Government approval of the SOBC, their level of support will become clearer as a basis to consult communities on an approach to Blindwells that Governments indicate a willingness to help support and deliver. The Council needs to understand what may be possible to deliver here before it further engages people on any potential way forward for Blindwells.
- 3.18 In this context, Policy BW3 of the current East Lothian Local Development Plan 2018 notes that the Council 'intends' to prepare a Blindwells Area Design Framework. The preparation of this non-statutory supplementary planning guidance would inform, and be informed by, any Outline Business Case development process, pursuant to agreeing the principles of the delivery strategy for Blindwells. It would:
- align with strategic, regional and local ambitions, and provide a more detailed evidential basis to develop the Blindwells Outline Business Case, including its economic, commercial, financial and management dimensions;
 - take into consideration the ambitions of both Governments, and their agencies, and the views of wider service and infrastructure providers, on appropriate funding and delivery solutions for Blindwells; and
 - importantly, take account of the expectations and views of our local communities and businesses when working-up the place-based solution for and benefits from Blindwells, including the infrastructure, phasing and timing for delivery.
- 3.19 The focus of this work will be to describe and illustrate a settled delivery strategy for Blindwells, which is supported by a Government approved Outline Business Case that can deliver Blindwells in a properly planned, managed, and funded way.

- 3.20 In this context, and in the interests of the overall business case development programme, some degree of acceleration of the survey and analysis stages linked to the preparation of the Blindwells Area Design Framework and Outline Business Case would be prudent, albeit at risk, during the remaining parts of 2025, within the context of available resources; the same is true in terms of establishing a joint approach to strategic project governance, a project plan and a consultation and engagement strategy. A similar approach to resource allocation would need to be followed by Hargreaves and Taylor Wimpey to progress matters in collaboration with the public sector and from their perspective too, which they are willing to do.
- 3.21 At this stage, this early preparatory work should be linked to the indicative programme and milestones set out in the SOBC, as summarised at Appendix 1 of this report. This will position the Council well to progress an OBC and support engagements with Governments and wider stakeholders, communities and the public during 2026.

4 POLICY IMPLICATIONS

- 4.1 If the Strategic Outline Business Case is approved by East Lothian Council, the Edinburgh and South East Scotland City Region Deal Joint Committee, and both governments as relevant, the next stage in business case development will be the preparation of an Outline Business Case. The development of the Outline Business Case should be accompanied by the parallel preparation of the non-statutory supplementary planning guidance, currently signposted by ELLDP2018 Policy BW3: Blindwells Area Design Framework. This non-statutory planning guidance will set out the Council's emerging vision for Blindwells and provide the basis to formally consult on an emerging preferred scheme of development with strategic and technical stakeholders as well as the wider public and communities.
- 4.2 Following consultation on the Blindwells Area Design Framework, and once modified and finalised as necessary to take account of any comments received, the finalised Vision, development strategy and scheme of development therein will provide a firm basis to finalise an Outline Business Case for decision and, if approved, submission to governments for their consideration. If governments approve an Outline Business Case this will effectively offer their 'in principle' support to the associated scheme on the basis of the requests set out in the approved Outline Business Case. This is the stage at which the Government support needed to enable the scheme to progress will be clarified, subject to Government approval of subsequent Full Business Case(s).
- 4.3 If the Outline Business Case is approved, and any Full Business Case(s) is/are to be developed for Blindwells, in order for the associated scheme of development to be implemented, the Council will need to set out a policy context that enables the business case scheme of development to either be promoted by the emerging Local Development Plan (LDP), or for this

to be considered when that plan is operative. The policy approach to this will need to be informed by the business case process and timeline, relative to the process and timeline for preparing the emerging LDP. Planning colleagues are considering options as to how that may be handled from the perspective of the emerging LDP in this context.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 At this stage, the subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None.
- 6.2 Personnel – To take forward the development of an Outline Business Case a dedicated resource will be required to drive it forward, which currently sits outside the capacity of the Council, Regional Partners and the Scottish and UK Government, a request of c. £2.5m over two years is requested from Governments to stand up a dedicated resource within the Council.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 [Edinburgh and South East Scotland City Region Deal Joint Committee](#) – 6 June 2025
- 7.2 [Elected Member Oversight Committee: Blindwells Business Case Update](#) – 16 May 2025
- 7.3 [Update on Strategic Sites Programme and Recommendation to Prepare a Strategic Outline Business Case for Blindwells New Settlement](#) – 10 December 2024
- 7.4 [Strategic Sites Programme](#) – Edinburgh and South East Scotland City Region Joint Committee – 18 October 2024
- 7.5 [Strategic Sites Programme Update](#) - Elected Member Oversight Committee – 16 August 2024
- 7.6 [Strategic Sites Programme Update](#) - Elected Member Oversight Committee – 17 May 2024
- 7.7 [Strategic Sites Programme Update](#) - Elected Member Oversight Committee – 16 November 2024

- 7.8 [Regional Prosperity Framework Delivery Plan](#) - Edinburgh and South East Scotland City Region Joint Committee – 3 March 2023
- 7.9 [Regional Prosperity Delivery Plan & Prospectus \(Draft for Discussion\)](#) – Elected member Oversight Committee – 13 January 2023
- 7.10 [Government of the United Kingdom: Economic & Social Ambitions Update / Scottish Government: Economic Transformation Update / Regional](#) – Elected Member Oversight Committee – 18 November 2022
- 7.11 [Prosperity Framework Update](#) - Elected member Oversight Committee – November 2022
- 7.12 [Regional Prosperity Delivery Framework](#) – Elected member Oversight Committee – 5 August
- 7.13 [Regional Prosperity Delivery Plan & Prospectus \(Update on Delivery Plan\)](#) Elected Member Oversight Committee – Friday 10th June 2022
- 7.14 [Response to Draft National Planning Framework 4](#) – East Lothian Council – Tuesday 29 March 2022
- 7.15 [Regional Prosperity Framework](#) – East Lothian Council – 16 November 2021 (Item 07)
- 7.16 [Consultation Draft Regional Prosperity Framework](#) – Members’ Library Report (63/21) – June 2021
- 7.17 [Regional Prosperity Framework Consultation Draft for Approval](#) – Edinburgh & South East Scotland City Region Deal Joint Committee – 4 June 2021.
- 7.18 [Regional Prosperity Framework Consultation Draft for Discussion](#) – Elected Member Oversight Committee – 21 May 2021
- 7.19 [Regional Growth Framework Update](#) – Elected Member Oversight Committee – 16 April 2021.
- 7.20 [Ratification of City Deal Governance Arrangements](#) – 27 October 2020
- 7.21 [Reginal Housing Programme: Forward Work Programme](#) - September 2019
- 7.22 [Regional Growth Framework](#) – Joint Committee – 3 September 2019
- 7.23 [Edinburgh and South East Scotland City Region Deal](#) – 26 June 2018

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Summary of Blindwells New Settlement Strategic Outline Business Case

Introduction

East Lothian Council (ELC), with the support of the Edinburgh and South East Scotland City Region Deal (ESES Deal) Region Partners and the two private master developers, Hargreaves and Taylor Wimpey, is seeking to promote Blindwells new settlement and its potential expansion as Scotland's first new settlement at scale since Irvine 1966.

The Strategic Outline Business Case (SOBC) presents the rationale for public sector investment in the creation of a new settlement of 10,000+ homes at Blindwells. This will secure c. £2.5-2.8 billion of leveraged private sector investment enabled through the master developers, generating c. £10bn GVA over the next 30 years. Figure 1 illustrates an initial analysis of anticipated economic benefits from the preferred way forward.

Figure 1: Blindwells Preferred Way Forward Initial Benefit Analysis



To attract this investment there is a need for public sector support to create a high quality and successful new settlement with people, place and planet at the centre of its vision and ambition. Initial assessment of the key issues shows that delivery gaps need to be addressed:

- **market failure issues** – estimated at £200-£450m grant funding needed to deliver shared public infrastructure works over time;
- **cashflow implications of an infrastructure first approach** – estimated at £150-£350m innovative finance support needed over time to reduce cashflow issues and viability gaps through e.g. grant, lending, securities and / or guarantees;
- **public goods infrastructure** – grant funding and cash flow support, needed to deliver key shared infrastructure and policy aspirations including affordable housing (potential for 2,500+ homes), public transport (road and rail network) and off-site effects in the region / local area (e.g. primary health care and emergency services); and
- **revenue gaps to increase capacity for growth** – estimated at £70 million annual revenue uplift needed for ELC on completion of development, increasing annually in line with house completions, to enable resilience in service delivery for the new community at Blindwells and to ensure equity for existing communities.

These aspects will be rigorously tested through the Outline Business Case (OBC) process to ensure delivery of the opportunity at minimum cost to the public sector. ELC is one of the smallest Local Authorities in Scotland with limited staff and financial resources. To guide the project (the largest housing and mixed use development in Scotland) through the OBC process, funding support of c. £2.5m is sought from the Scottish and UK Governments to develop the full proposition. Input from both Governments is also sought for participation in a Joint Blindwells Task Force for the co-production of the detailed OBC.

Blindwells, which has been a regional planning aspiration since the Lothians Structure Plan 1994, is located on a former open cast coal mining site in the western part of East Lothian c. 12 miles from Edinburgh city centre. It can address housing need and support significant economic growth at Scottish and UK levels through increased business activity across the region. The location of Blindwells will ensure a fair geographical spread of economic benefit across the region by delivering housing for the workforce that is needed to enable this growth, providing a substantial volume of the total estimated regional housing need and demand.

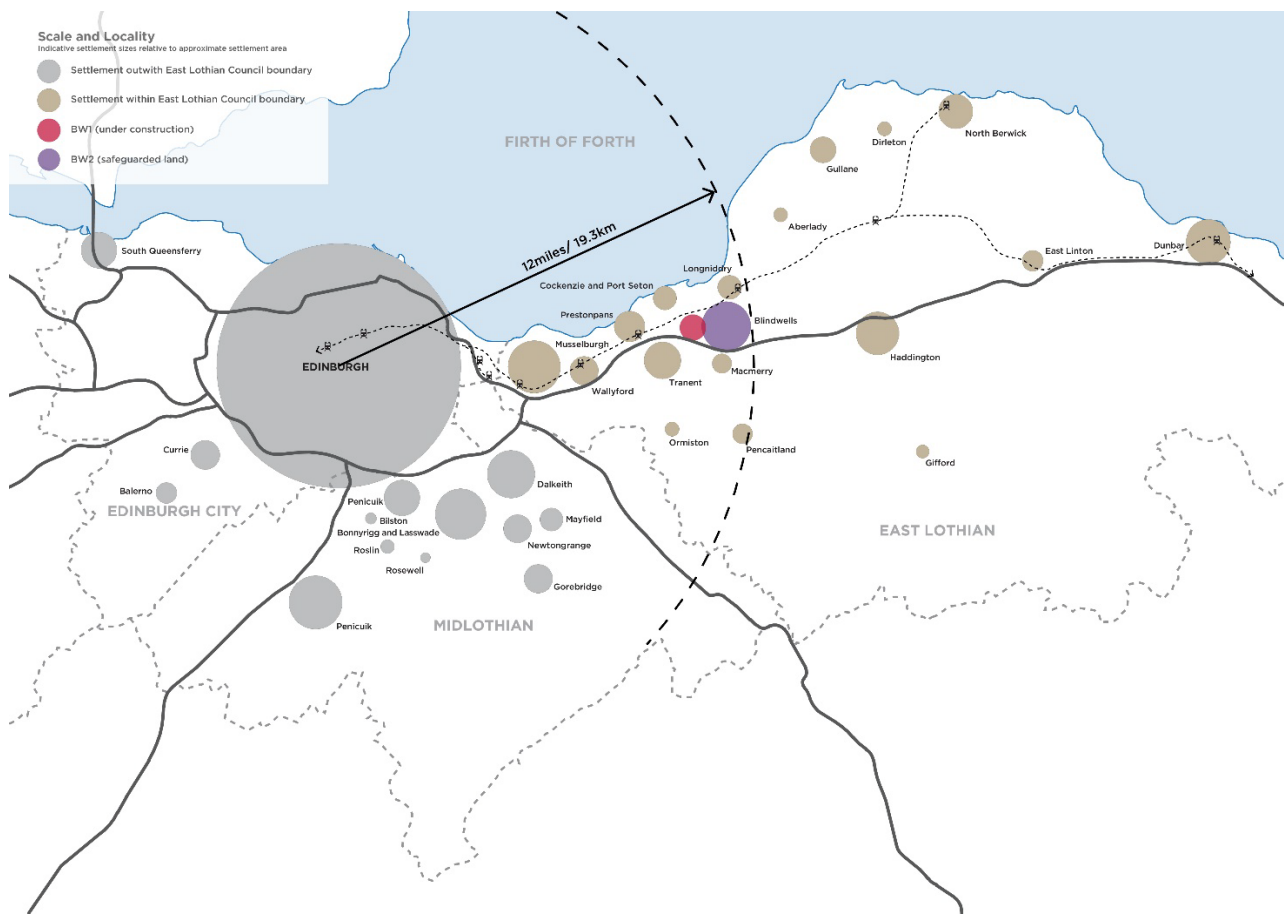
Blindwells is a large and complex project which needs substantial public sector support. While it is presented here at SOBC stage, considerable work has been undertaken to demonstrate a viable route to delivery, and to present the scale of benefits that it would produce. The SOBC therefore contains substantial detail, which is necessary to robustly present the opportunity and to allow the Scottish and UK Governments to consider the request for support.

The Current Position

At 540 hectares, Blindwells is the largest new settlement redevelopment site in Scotland and, as a former open cast coal mine, is a legacy of the fossil fuel economy. Figure 2 illustrates site location in a regional context. The land remediation to bring forward this land for development is a significant engineering operation in its own right. The ESES

regional Strategic Sites Programme has Blindwells at its core, supported by the Scottish Government's Programme for Government.

Figure 2: Regional Location Plan



The site can be redeveloped to deliver a new settlement fit for the 21st century, however, its success at scale is dependent on support from the Scottish and UK Governments to provide the firm foundation that 'upfront land remediation and delivery of shared infrastructure first' can provide. It is expected that the development of the new settlement with 10,000+ new homes and associated uses, will take c. 30 years to complete; a strategic comprehensive approach is therefore needed to ensure the delivery of social, economic and environmental regeneration through adoption of the Place Principle.

National Planning Framework 4 (NPF4) notes that south east Scotland drives the Scottish economy, and points to the ESES Deal as having a central role in bringing Blindwells forward, recognising that a low-carbon and infrastructure first approach will be critical to de-risk and enable its delivery successfully. The business case will need to address key challenges such as coordination issues among landowners and developers, and regulatory weaknesses in the planning system. Development has commenced at the western portion of the site – 130 hectares at BW1 – allocated for 1,600 homes, with the remainder of the site – 410 hectares at BW2 – safeguarded in the 2018 Local Development Plan for a potential Blindwells expansion.

The opportunity that ongoing delivery at Blindwells presents is of UK, regional and local significance. Yet the council area is one of Scotland's smallest and fastest growing, and receives one of the lowest levels of Revenue Support Grant (RSG) per capita nationally. The addition of c.10,000+ new homes and c.23,000 residents equates to a c. 25% uplift in

East Lothian's population. The Council would be unable to meet the service demands of these new residents based on its current budget settlement and the anticipated uplift in RSG based on current distribution mechanisms.

The Council is exploring business case proposals, but it is clear the scheme needs support from both Governments to ensure it can be delivered in an appropriate and affordable way.

The Strategic Context

The Blindwells project has strong alignment with various Scottish and UK Government policies including Invest 2035, Planning and Infrastructure Bill, the Scottish National Planning Framework 4 and the National Strategy for Economic Transformation. Figure 3 illustrates an emerging development framework plan for the project.

Figure 3: Blindwells Emerging Development Framework Plan



The Vision for Blindwells is an “Influential, Innovative, Healthy & Net Zero Place’ that is a vibrant destination and attractor. A set of seven core spending objectives have been developed, summarised as:

- deliver a new regional destination that will deliver significant job creation through a strategic infrastructure first approach;
- deliver a new settlement, based on high quality placemaking principles, that is well connected to surrounding communities;

- complete Blindwells to deliver c. 10,000+ new high quality homes with associated business, retail and community facilities, supporting inclusive economic growth at regional and national levels;
- deliver homes of different types and tenures in a way that supports climate change mitigation and adaptation;
- remediate and reuse previously developed land aligned with environmental aspirations for a low carbon net zero future;
- deliver improved travel, mobility and connectivity to support modal shift to public and active travel patterns in a way that also delivers for surrounding communities; and
- support the development of adjacent local/ regional opportunities, including Cockenzie and the Edinburgh Innovation Park.

The case for change is based on delivery of a new settlement at a scale that will make a substantial contribution to the National Housing Emergency as well as to national and UK economic growth at Blindwells and elsewhere across East Lothian. The alignment of public and private sector investment is needed to unlock a comprehensive delivery solution that will deliver both the Scottish and UK Governments shared priorities, leveraging substantial private investment while reducing welfare costs and increasing tax take.

Direct capital support from UK and Scottish Government is needed to deliver 'infrastructure first' to unlock the Blindwells Development Area in an acceptable way, with revenue support needed to ensure affordable and sustainable service delivery. This approach is needed to ensure coordinated delivery, to deliver high quality outcomes and manage risks so that ongoing delivery of the scheme may be promoted by the Council.

Wider place-making investment will also be needed to align and support on-going transformation, including affordable housing investment to support the business case. Delivery of site BW1 from west to east is ongoing, with 1,600 homes due to complete in the early 2030s. It will be critical that completion of site BW1 is recognised by the business case to enable ongoing west to east expansion into site BW2 in an acceptable way; this will likely require a review of the BW1 masterplan, delivery strategy and S75 agreement as they relate to the land beyond the delivery of 1,600 homes and associated infrastructure, so a joint approach to acceptable delivery can be taken.

Hargreaves Services (Blindwells) Ltd and Hargreaves PLC, the BW1 landowner, wants to collaborate on such shared solutions as part of business case development for the wider expansion scheme, which includes their wider land interests too. Partnership and collaborative working will be needed to address the need for a properly planned, managed and funded transition from BW1 to BW2 to enable ongoing delivery of the scheme, and to provide a firm foundation to prepare and introduce an overall fresh business case scheme of development for Blindwells expansion.

Beyond the 1,600 home BW1 scheme, a significant step change in strategic infrastructure investment will be needed to enable delivery of the much larger expansion (comprising some 'spare' BW1 land and all the BW2 land). The vast majority of this expansion land is also previously developed with associated high abnormal costs.

In this context, the necessary scale of strategic shared infrastructure investment will require the support of both Governments to deliver; conversely, a smaller scheme would not deliver economies of scale, viable public services or efficiencies in delivery, nor would

such a lesser scheme support national economic growth or deliver the vision. In business case terms, the overall Benefit to Cost Ratio and Value for Money will be maximised if the remaining parts of BW1 and the whole of BW2 are taken together to deliver a single comprehensive solution for a single new settlement of scale, to be delivered at an accelerated pace. It would also help ensure that such investment occurs where it should be focused and help to avoid development in less sustainable locations.

The resultant proposed scale of development can make a significant contribution to meeting housing need and demand at local, regional and national levels, with strategic social, economic and environmental benefits of significance at UK level.

The landowners and developers are working in partnership with the public sector to find a shared comprehensive infrastructure first solution through the business case to enable ongoing west to east expansion of Blindwells and to ensure affordable service delivery, recognising that further delivery there is predicated on this; the solution that can be achieved will be dependent on the scale, scope and duration of support that may be made available by both Governments. The Council's LDP notes that, if such a comprehensive solution is found that would deliver the Council's vision for Blindwells, it may be possible and appropriate to develop parts of the new settlement earlier than with a continuation of west to east phasing only.

It is this shared comprehensive delivery solution that the business case is pursuing in order that the Council may identify how, where and when to provide shared transport, education and other infrastructure within an infrastructure first strategy to enable and de-risk the scheme, and ensure land can be made effective on an appropriate phased basis.

The Economic Case

The economic context for Blindwells is based on the role of housing as critical infrastructure to enable economic growth. To enable, de-risk and accelerate the delivery of housing, investment in enabling and supporting infrastructure and services will be needed. As one of the fastest growing areas of Scotland and the UK, the ESES region faces acute pressures if it is to continue to drive sustainable economic growth by attracting and retaining the workforce that underpins this. Projected housing need and demand under different economic scenarios for the city region range from 85,000 – 105,000 new homes over the next 20 years. This trend is expected to continue over the longer term.

At UK level, the Government has made housing growth a core part of its growth mission, committing to delivering 1.5 million new homes over a five year period. New settlements are a core part of the UK Government's strategic approach, with the aim of unlocking economic growth, accelerating housing delivery, providing the infrastructure for strong communities, and creating environmentally resilient places.

The new settlement at Blindwells presents a major opportunity for such extensive economic, social and environmental benefits. With business case support, this can be achieved at pace and scale, with economies of scale and efficiencies, including wider transformative placemaking. To achieve this, the business case solution will need to address targeted capital funding for provision of shared infrastructure first as well as additional revenue funding to support ongoing service delivery to enable, de-risk and unlock the Blindwells Development Area, including:

- a new strategic town centre, with strategic employment and inward investment as well as commercial, leisure and retail opportunities;
- around 10,000 new homes, in a wide range of house types, sizes and tenures, of which c. 2,500 will be affordable homes;
- enhanced strategic connectivity and low carbon transport and net zero solutions, including land safeguards for NPF4s National Development 18: High Speed Rail;
- education, community, healthcare, and wider public services and facilities, including high quality strategic open space to support health and wellbeing; and
- Climate change adaptation and mitigation measures, as well as provision for biodiversity net gain, nature based solutions and nature recovery.

The preferred way forward for the scheme was identified using the HM Treasury Green Book options scoping process. This appraisal is iterative and at this stage in the business case process remains fairly open, and it will continue to be tested at OBC stage.

The Commercial Case

The population of East Lothian and the wider ESES city region is forecast to grow substantially over the next 20 years, well ahead of national trends and consistent with the ongoing in-migration to south east Scotland.

The Musselburgh, Tranent and Haddington sub housing market area (where the Blindwells Development Area is located) is within the core of the Edinburgh Housing Market Area and experiences the highest level of regional mobile demand from Edinburgh. The Blindwells Development Area is also within the core of south east Scotland's labour market area. Generally, it is more expensive to purchase a home in East Lothian than the national average, but the local area around Blindwells is more affordable. There is a significant opportunity to diversify the local housing market through delivery of a wide range and choice of new house types, tenures and sizes, of which 25% could be affordable homes. Blindwells new settlement can play a significant role in delivering new homes over the short, medium and long-term for the ESES city region; factoring in private, affordable and other housing tenures it could deliver between 250-500 new homes each year.

While the key driver is housing delivery, Blindwells will also need to deliver other land uses to create a vibrant mixed community that is a destination and attractor and a hub for communities, not a dormitory place. East Lothian currently has the lowest employment density within south east Scotland, meaning that residents travel across boundaries to access employment elsewhere. Blindwells will therefore also help meet employment space needs, with resident demand for retail, leisure and local services, alongside education, leisure, community and recreational facilities. This will also complement wider strategic economic ambitions across the region, including at the former Cockenzie Power Station site and Edinburgh Innovation Hub and wider Edinburgh Innovation Park.

Due to the need to deliver necessary infrastructure for Blindwells, both on- and off-site, it is recognised that there will be a need for a public private partnering delivery approach for the scheme with Hargreaves and Taylor Wimpey as the master developers who have full control of all land at BW1 and BW2 – this will be developed at OBC stage. Delivery will be complex for this large-scale development with key challenges to be overcome – significant land remediation alongside substantial infrastructure will be needed to enable the project and to create development plots and to accelerate benefits realisation.

Hargreaves and Taylor Wimpey have agreed to work as a consortium with a Cooperation Agreement signed in 2019 and a detailed Developer Collaboration Agreement and Landowner Equalisation Agreement in preparation to allow a single proposal to be progressed, the main objectives of which are to:

- allow the site to be master planned blind of ownership interests;
- allow future flexible drawdowns of land to match development requirements, subject to any existing agreements; and
- provide for the equalisation of costs and land values.

There is no requirement to procure master developers to deliver the new settlement but key infrastructure, where it is to be funded by the public sector, will need to be procured in line with public sector procurement regulations. This master developer approach, with public sector involvement, is reflected in the objectives of these emerging agreements.

There will be numerous touch points between the master developers, the public sector and others, for example on planning, education, shared public infrastructure, etc. Overall project governance arrangements will set the context within which the parties will operate, as set out within the Management Case.

The Financial Case

A finance and funding plan that addresses the capital and revenue implications of delivering Blindwells new settlement will need to be agreed in collaboration with Scottish and UK Governments to enable and de-risk its ongoing delivery. Early action will likely be needed prior to OBC approval to enable ongoing delivery and to provide a firm foundation for potential expansion, linked to enabling the overall business case solution; support for this will be informed by Government decisions on the SOBC preferred way forward.

A range of financial mechanisms could be used to deliver the new settlement, likely requiring a mixed-methods funding approach from both the public and private sectors. Options will need to be considered collaboratively, including within and beyond the parameters of the ESES Deal, potentially including wider Scottish and UK Government policy and portfolio investment through a place-based approach.

As Blindwells moves forward through the OBC process, there will be a need for further collaborative working to develop the most effective capital and revenue funding and finance solution that will enable accelerated delivery of infrastructure, services, facilities and housing for regional, Scottish and UK level economic growth, ensuring that the outcomes, benefits and impact will be achieved over the long term.

The Management Case

Blindwells must be delivered within a strong vertical and horizontal governance framework reflecting the need for partnership and collaboration at a strategic level as well as formal agreements at the project level between the various public and private sector partners.

Project management will also need to take account of existing governance arrangements including the ESES Deal structure, the Council, and the Boards of Hargreaves PLC and Taylor Wimpey PLC. A proposed governance structure is shown at Figure 4 demonstrating the interaction between key parties, the need for different levels of strategic and project

governance, and the establishment of a Business Case Board and funding agreement. This will be further developed at Outline Business Case stage.

A high level project plan is also shown at Figure 5 illustrating key stages and decisions from June 2025 (submission of the SOBC to Scottish and UK Governments) through to March 2033 (completion of the shared public infrastructure works).

Early Government decisions on the preferred way forward, as set out in this SOBC, is needed to provide clarity on the critical path for the project. Government approval of an OBC is the key stage that will give the Council a high degree of comfort that ongoing delivery and a Blindwells expansion scheme can be de-risked, enabled and accelerated. Independent legal advice has been secured, with opinion provided on sunk costs, subsidy and procurement at this stage. This confirms, in advance of submission of the SOBC, that the preferred approach at this stage is compliant with the relevant legislation and regulations.

High level analysis has also been undertaken in relation to key stakeholders, the need for specialist advice, benefits realisation and risk management.

Figure 4: Blindwells Business Case Indicative Governance Structure

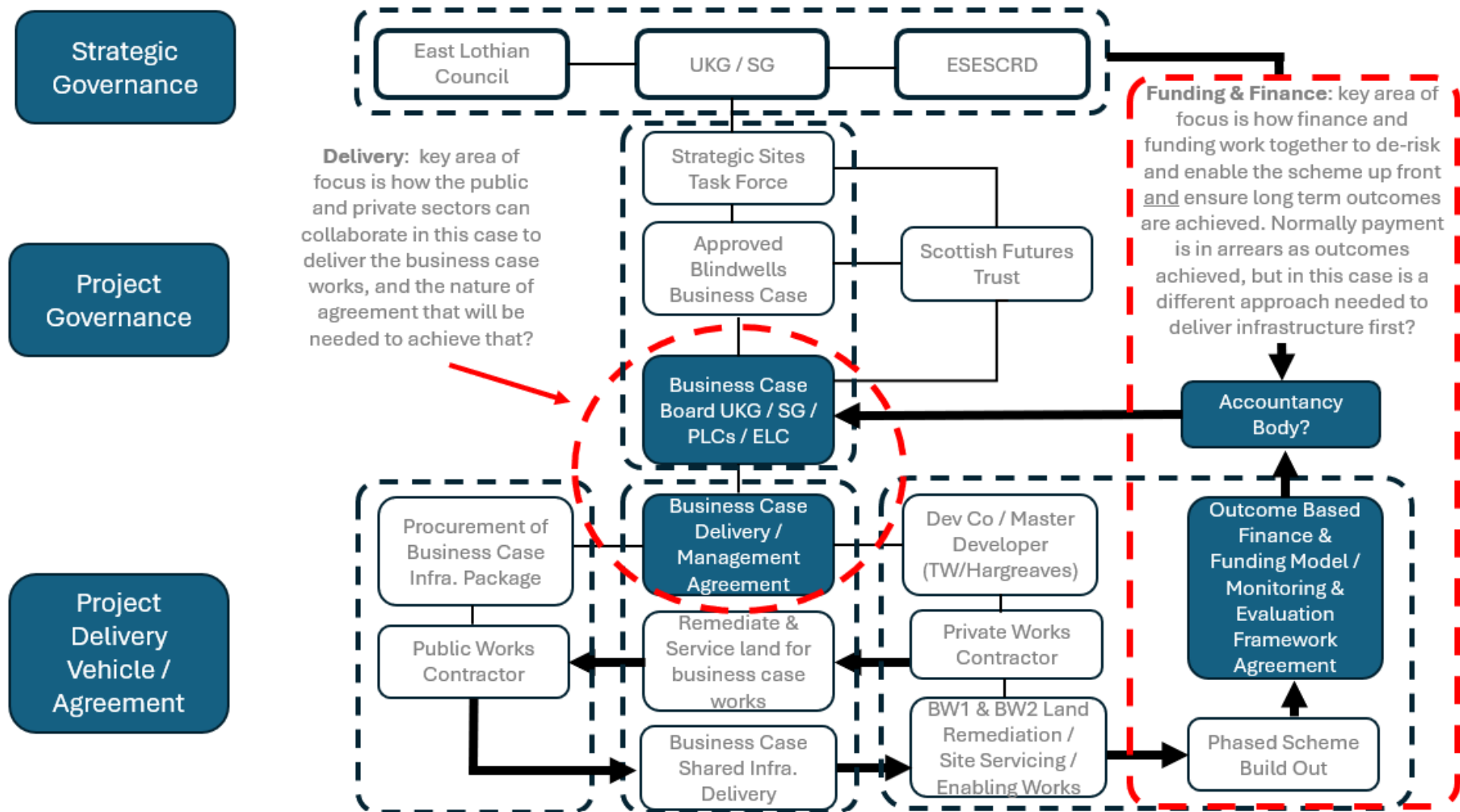
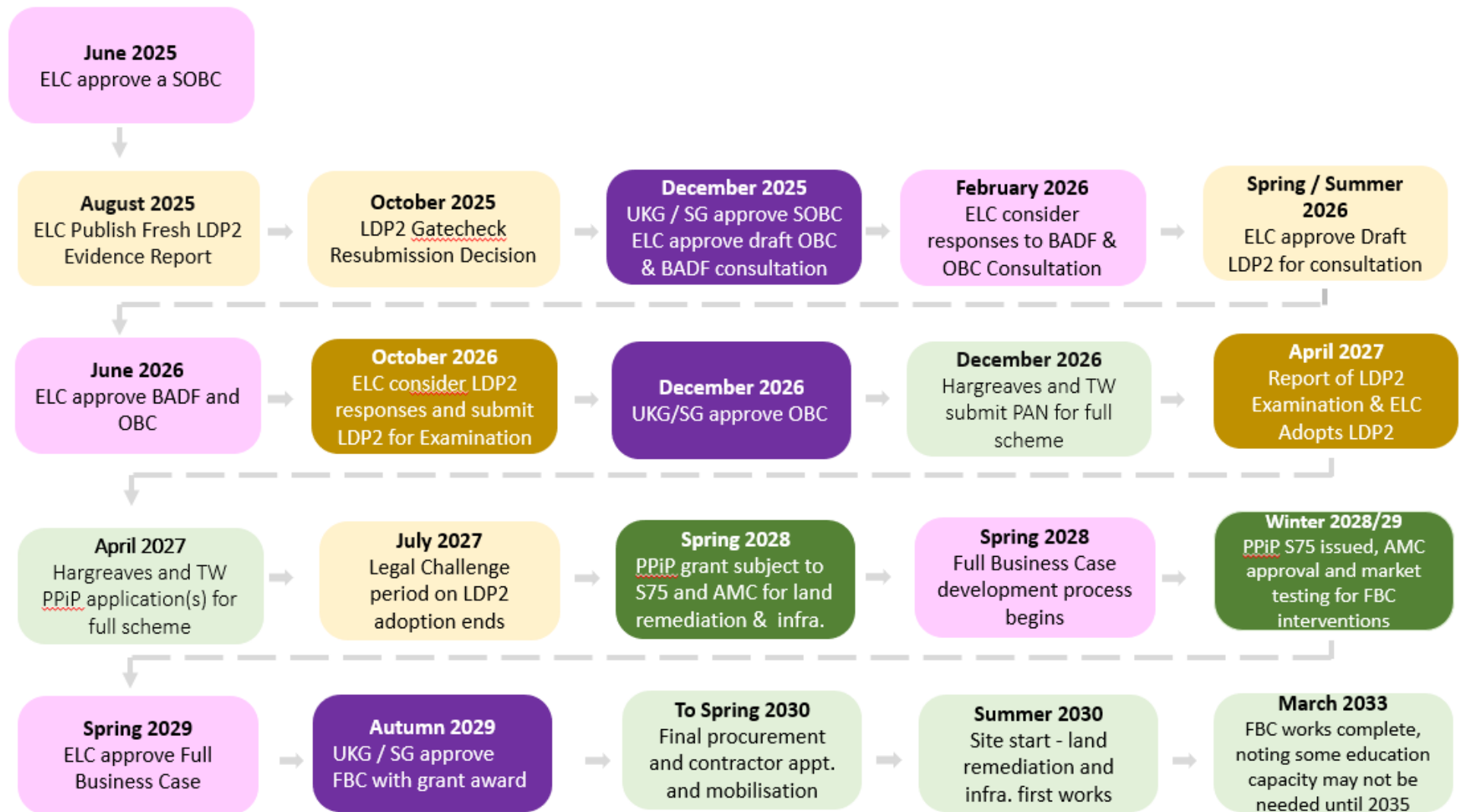


Figure 5: High Level Project Plan



Next Steps

The Blindwells Strategic Outline Business Case is requesting commitment and support from all of the various stakeholders – the Scottish and UK Governments, Regional Partners, the Council and Hargreaves and Taylor Wimpey.

The Council and the two master developers want to work collaboratively with the Scottish and UK Governments and others, to shape the Outline Business Case (OBC) solution on a time pressured critical path. Early Government engagement and support on the preferred way forward, as presented in this SOBC, is sought to give clarity on the next steps. This will set the context for the Council to determine the preferred way forward and the baseline position against which an OBC can be prepared for Blindwells new settlement.

In this context, key priorities are submission of this SOBC in Summer 2025 with approval by both Governments by Winter 2025/26, followed by co-production of the OBC in 2026 and Full Business Case (FBC) in early 2029, at the latest.

Our key objective is to enable, de-risk and accelerate the ongoing delivery of this strategic project during the ESES Deal period up to 2033, and beyond, to ensure that the scheme can generate significant impact and benefits at UK, Scottish, regional and local levels.