



2 ECONOMIC DEVELOPMENT





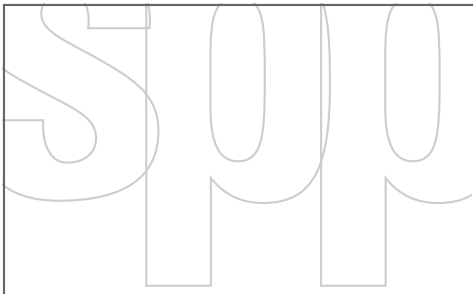
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SPP 2

Economic Development

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PLANNING SERIES:

- **Scottish Planning Policies (SPPs)** provide statements of Scottish Executive policy on nationally important land use and other planning matters, supported where appropriate by a locational framework.
- **Circulars**, which also provide statements of Scottish Executive policy, contain guidance on policy implementation through legislative or procedural change.
- **Planning Advice Notes (PANs)** provide advice on good practice and other relevant information.

Statements of Scottish Executive policy contained in SPPs and Circulars may be material considerations to be taken into account in development plan preparation and development control.

Existing National Planning Policy Guidelines (NPPGs) have continued relevance to decision making, until such time as they are replaced by a SPP. The term SPP should be interpreted as including NPPGs.

Statements of Scottish Executive location-specific planning policy, for example the West Edinburgh Planning Framework, have the same status in decision making as SPPs.

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SUMMARY

The Executive's vision set out in the *Framework for Economic Development in Scotland*, is that "economic development should raise the quality of life of the Scottish people through increasing economic opportunities for all, on a socially and environmentally sustainable basis." The planning system should provide strong support for economic development, both new and expanding businesses, where it is consistent with other national and local policies, in particular the promotion of social justice and sustainable development.

Many sectors of the Scottish economy have experienced changes in response to the global economy, and international trends. Further changes can be anticipated and the planning system should recognise and respond positively to market requirements and other aspirations for the economy, for example, the move towards a knowledge-based economy. It should also be sufficiently flexible to respond to new challenges and unpredicted demands. Although the nature and pace of some of them cannot be forecast with certainty, many growing businesses will be accommodated in existing or expanded premises or on existing sites.

Planning authorities should:

- Ensure that existing business locations are able to meet the anticipated changes in the economy and that they provide choice for a diverse range of economic developments. Provide for special sites, particularly those of national significance and those which support the knowledge-based economy. Respond positively to firm proposals for corporate headquarters. Support existing and new small businesses. Provide for development in small towns and rural areas.
- Secure and support the delivery of sites for economic development in sustainable locations by identifying key locations that are highly accessible by public transport. Promote the re-use of previously developed sites and buildings in sustainable locations where these meet the requirements of particular sectors. Take account of the capability of information and communications technology (ICT) and the promotion of home-working to reduce the need to travel.
- Safeguard and enhance the environment, by requiring that new development is of a high design quality and protecting the natural and built heritage.
- Encourage a positive culture of engagement with business interests by promoting dialogue between all those involved with business development, the Enterprise Networks and Local Economic Forums.

The planning system has an important role to play in supporting a competitive Scotland by deciding planning applications for economic development in an efficient and consistent manner on the basis of positive and up-to-date development plans.

PLANNING AND ECONOMIC DEVELOPMENT

1. The relationship between the planning system and economic development is important. Location and place factors, including quality of life issues and the provision of infrastructure such as transport and choice of housing, have a direct impact on Scotland's competitiveness and its ability to grow and prosper. The provision of sites and premises is essential but not all aspects of economic development are influenced or controlled by the planning system. Many businesses also require, for example, a skilled labour supply or to be located in close proximity to companies who supply particular goods and services. A combination of factors will influence locations for new and expanding enterprises.
2. The planning system should provide certainty and deliver timely decisions. Its performance has however been the subject of comment and criticism by the business community, with some of the opinion that it acts as a constraint to growth. There are specific concerns about delays, inconsistency of approach and the unfocused nature of some development plans. These perceptions have to be addressed. Through an improved understanding of the issues facing the business community, the planning system should:
 - work with the Enterprise Networks to provide a framework that links key business locations more closely with transport and other development activity;
 - recognise the changing nature and uncertainty of future economic development by providing for the space and locational requirements of a wide range of businesses, including those involved with the knowledge-based economy as well as with more traditional economic activities;
 - integrate competing demands between economic, social and environmental considerations, in particular ensuring that social justice and sustainable development concerns are addressed; and
 - ensure that the development planning and development control systems are operated efficiently, speedily and in a transparent manner.
3. This SPP replaces NPPG2 *Business and Industry* published in September 1993. Its title has been changed and its scope expanded to reflect the significant contribution from non-manufacturing sectors such as construction, retailing and tourism. Specific guidance on how the planning system should respond to retail development generally and tourist-related proposals in rural areas, as opposed to their wider economic implications, is given in NPPGs 8 and 15.
4. This SPP sets out the factors to which the Scottish Ministers will have regard when considering development plans, appeals or planning applications coming before them. Planning authorities should take its contents into account when preparing development plans and carrying out their development control responsibilities.

POLICY GUIDELINES: GENERAL PRINCIPLES

5. Planning policy for economic development takes place within the wider context set by the *Framework for Economic Development in Scotland* (FEDS). This provides an integrated approach to the promotion of Scottish economic development over a 5 to 10 year horizon, and encourages dynamism and increased productivity rather than the retention or creation of a specific economic structure. The Framework highlights the importance of international competitiveness, enabling all regions in Scotland to contribute and benefit, and stresses that development should be undertaken in a sustainable manner. The focus is on enhancing Scotland's economic prosperity by creating a successful, increasingly knowledge-based economy which can meet the challenges of a highly competitive global environment. This does not mean that traditional forms of inward investment or locally driven economic activity will be given less recognition. It also acknowledges the importance of physical infrastructure - transport, buildings, land and utilities - and the role of the planning system in enabling economic development to take place.
6. '*A Smart, Successful Scotland*' sets out the Scottish Executive's direction and priorities for the Enterprise Networks. The vision is for a Scotland where creating, learning and connecting faster is the basis for sustained productivity growth, competitiveness and prosperity. The intention is to move manufacturing industry up-market and to focus more on skills, research and development activities, as part of the transition to a knowledge-based economy. In future, inward investment will be more concerned with higher value, highly skilled projects, which are likely to be smaller in scale than previously.
7. As well as FEDS and *A Smart, Successful Scotland*, planning policy relating to economic development must have regard to Executive policies and initiatives on social and environmental justice, community planning, sustainable development, transport, design and the environment, as well as National and European Regional Policy. The Executive's Digital Scotland and E-Commerce initiatives will also be relevant.
8. There are social and economic inequalities between areas and *Social Justice: a Scotland Where Everyone Matters* sets out the Executive's long term strategy for tackling poverty and injustice. More recently, *Closing the Opportunity Gap* sets out how each of the Executive's programmes is working to close the gap faced by disadvantaged people and communities. Increased participation by disadvantaged communities and groups in training and better access to employment opportunities will benefit both those communities and the Scottish economy as a whole. National Regional Policy, for the most part, centres on the most deprived areas which are designated as Assisted Areas. The overall purpose is to encourage investment in these areas resulting in new and safeguarded jobs.
9. European Regional Policy, and the associated arrangements for financial assistance through the programming of Structural Funds for the 2000-2006

Framework for Economic Development in Scotland
Scottish Executive
June 2000

A Smart, Successful Scotland - Ambitions for the Enterprise Network
Scottish Executive
Feb 2001

Social Justice: a Scotland Where Everyone Matters
Scottish Executive
Nov 1999

Closing the Opportunity Gap
Scottish Executive
Oct 2002

period, will have an important influence on locational decisions. The Fund programmes have been constructed in partnership with economic development agencies, local authorities and others. They are designed to assist economic and social development with a particular emphasis on supporting areas undergoing economic transition. Development plan policies should be consistent with opportunities for making the best use of the Funds available.

10. Planning policy should support Scotland's economic competitiveness in a way which is consistent with other policies of the Scottish Executive. The dynamic nature of the economy means that the detailed nature and timing of some of the changes remains unpredictable. The planning system should therefore be responsive and sufficiently flexible to accommodate the particular requirements of mobile inward investment, growing indigenous firms and other major investments. In particular, marketable land should be provided in sufficient quantity and quality to meet the diverse range of industrial, business and commercial requirements including the expansion and growth of indigenous firms. Marketable land should, as well as meeting business requirements, have a secure planning status, be serviced or serviceable within 5 years, and be consistent with policy in NPPG17: *Transport and Planning*.
11. This SPP focuses on four themes where planning can contribute to economic development:
 - providing a range of development opportunities – to ensure that there is range and choice of sites for new employment opportunities throughout Scotland;
 - securing new development in sustainable locations – to improve integration between transport and locations for development and to encourage more sustainable forms of development;
 - safeguarding and enhancing the environment – to make sure that new development contributes to a high standard of quality and design and that the natural and built heritage is protected; and
 - promoting a dialogue between councils and business – to encourage a positive culture of engagement and better understanding of the priorities of the business community and the role of the planning system in enhancing economic competitiveness.

PROVIDING A RANGE OF DEVELOPMENT OPPORTUNITIES

12. If Scotland is to be internationally competitive for inward investment, global headquarters, international visitors, highly skilled people and new entrepreneurs, its economic and social environment and quality of life should be comparable with the best of our main competitors. Spatial prioritisation will be important in maintaining Scotland's competitiveness. In support of *Smart, Successful Scotland*, Scottish Enterprise and Highlands and Islands Enterprise are expected to give priority to strategically important business locations. Where appropriate, support will also be given to other locations of more local importance, e.g. communities in remote rural areas. While the quality of individual strategic business locations will be important, they do not exist in isolation. Good access by public transport and other infrastructure provision is required to support their development as competitive locations. The intention is that the National Planning Framework will give further consideration to the spatial priorities.
13. While the objective is that all areas of Scotland should contribute to and benefit from economic growth, the nature and scale of potential opportunities will vary between areas. With the decline in manufacturing industry, and the blurring of the distinction between service activities and manufacturing, the service sector has emerged as the key source of new jobs in recent years. Further growth is expected with a significant proportion in the cities and surrounding urban areas. In other parts of Scotland, growth is likely to be on a smaller, but still locally significant, scale. Planning policy must therefore reflect the particular circumstances of an area.
14. Authorities should have regard to the needs of different economic sectors and formulate appropriate policies. Not all economic development will require similar locations or sites, for example:
 - The locational advantages of city and town centres and other accessible key locations near to major public transport interchanges will enable them to accommodate additional employment opportunities, particularly for new offices and other service sector developments;
 - Elsewhere within cities and towns there are likely to be opportunities to redevelop and reuse previously developed sites for mixed developments, including the creation of office and business parks, linked to programmed improvements in the quality of the urban environment and where they are well served by a choice of transport. The development of business parks on greenfield sites at the edge of cities and towns will only be acceptable where this is consistent with other policies including good access by public transport;
 - The supply of larger sites, particularly for manufacturing industry and distribution, will often require locations close to the motorway and trunk

road network and which could be difficult to meet within the built-up areas of the cities and towns. The wider city region areas will therefore have a role in meeting the requirement; and

- Sites for specialist activities such as research and development and knowledge-driven industries will in many cases require sites where their environmental quality, the connections to key academic institutions and other R&D facilities or the potential to associate with similar businesses will be relevant considerations.
15. Recently prepared development plans, as well as other joint initiatives between local authorities, the Enterprise Networks and the private sector in support of regeneration of previously developed sites and mixed developments recognise the diversity of economic developments and their locational implications. Additionally some employment growth will be met in existing or expanded premises or alternatively the movement of firms within the existing property market. Significant allocations of new land for business purposes are not expected, as much of the estimated 10 year requirement for about 200 hectares of new land can be met from sites already identified.
 16. Working with the Enterprise Networks and other economic development interests, planning authorities should ensure that the existing allocations provide a range and choice of competitive locations to meet the anticipated requirements of occupiers and are consistent with other policies. Replacement sites should be brought forward where existing allocations do not meet current and anticipated market expectations. Where existing long standing allocations have not been developed or where business uses such as manufacturing fall out of use and are in locations considered to be no longer appropriate or marketable for their original purpose, the sites should be reallocated and redeveloped for other uses.

PLANNING FOR PARTICULAR USES

17. The development of strategic business locations could include mixed developments, business parks, science or innovation parks, large and medium industrial sites and also, where appropriate, existing high amenity sites or other national sites.

National Sites

18. High amenity sites were identified for their special qualities; their location, quality and marketability offered potential as sites for high technology inward investment. The type and nature of inward investment has changed since their identification. The existing supply of proven safeguarded sites (see margin) should however be able to meet the requirements of other industrial sectors and activities including software and biotechnology, and benefit the Scottish economy in terms of jobs, investment and spin-off activity. In the light of the trend towards higher value, smaller scale manufacturing projects, no additional sites are required in the national interest for large-scale manufacturing. In

•Langlands West,
East Kilbride
•Eliburn, Livingston
•Linhouse,
Livingston
•Calais Muir,
Dunfermline
•Robroyston South,
Glasgow

•Woodhall/ Faskine
North Lanarkshire*
•Raith Interchange,
South Lanarkshire
•Mossie,
Kilmarnock
•Pollok Ryatt, East
Renfrewshire*
*Reserved for Class
4 development

addition, a more flexible approach to the use, and possible sub-division, of some of the existing single user sites will also be appropriate. Other sites of regional importance may offer similar potential.

19. Proven sites should be safeguarded in development plans. Additionally, Scottish Ministers should be notified if the planning authority propose to grant planning permission for all or part of a proven high amenity site, or for development on an adjacent area of land which might prejudice the site's potential. The special qualities of those high amenity sites already developed and occupied should be taken into account should the reuse of the site become necessary following closure. To ensure the supply is responsive to market conditions, the provision will be kept under review by Scottish Enterprise and proven sites removed where they no longer meet anticipated requirements.
20. The policy in relation to the Hunterston (North Ayrshire) large industrial site remains unaltered. The site should continue to be safeguarded in the development plan for particular uses, such as chemicals, wood processing and transhipment of goods, that require deep-water access.
21. The established petrochemicals industry at Grangemouth is important to the national and local economy. Adjacent development should not compromise its potential for redevelopment or expansion. Additionally a number of other sites for large-scale petrochemical development have either been developed or are safeguarded in development plans. Sites at Grangemouth (Kinneil Kerse), Mossmorran, Nigg, North Collielaw and St Fergus should continue to be safeguarded for petrochemical development through development plans.

Knowledge-based Economy

22. In support of the policy to move to a knowledge-based economy, a number of measures have been adopted including strengthening and improving labour skills through lifelong learning and the use of ICT. A further objective of the Scottish Executive and Enterprise Networks is to reduce the outward migration from Scotland of talented and skilled people by providing jobs that will be attractive to them. The policy also encourages people with useful skills and experience to come to Scotland. The achievement of higher innovation rates and the increased commercialisation of academic research, including bringing it to the market place in suitable locations, have a role to play in support of the commitment to a knowledge-based economy.
23. Cluster development (networks of strongly interdependent firms and institutions) can contribute to the knowledge-based economy and Scotland's competitiveness by promoting innovation and improved business practices. Scottish Enterprise has undertaken detailed evaluations of a number of industrial sectors, including biotechnology, food and drink and electronics and for some is considering the establishment of intermediary technology institutes to strengthen the links between university research and industry. High amenity and other quality sites will be suitable for such development and science and

innovation parks will also have a role in supporting the policy of commercialisation of research and innovation. To be successful they should be reasonably accessible to the associated academic institution. In many parts of Scotland existing and proposed science and innovation parks should meet short to medium term needs.

24. Planning authorities should work with the Enterprise Networks and academic institutions to ensure that the existing sites and locations meet the anticipated needs of a knowledge-based economy. As part of the range of opportunities, they should consider whether there are deficiencies in provision at existing science and innovation parks and whether these should be met through expansion of existing parks or alternatively the identification of new locations which are consistent with wider planning and transport policy. In the Glasgow conurbation early action by planning authorities and Scottish Enterprise, working with academic institutions, should consider whether further new sites should be brought forward.

Headquarters

25. The *Framework for Economic Development in Scotland* acknowledges that the presence of corporate headquarters is beneficial to the Scottish economy in that they create high quality employment and generate a strong demand for business services. The planning system should therefore respond positively and promptly to a firm proposal for a new headquarters. Where possible it should be located within city centres or on other safeguarded business sites, but exceptionally a new greenfield release may be justified on the basis of a strong economic case and the locational requirements of the particular company. In these exceptional cases good access including public transport should be provided, and the design of buildings and surroundings must be of a high quality. Planning conditions should restrict reversion to more general business uses, where appropriate supported by legal agreements. Speculative proposals for headquarters development on greenfield sites should be resisted.

SMALL BUSINESSES

26. The Executive seeks to encourage an increase in start-ups across a wide range of businesses throughout Scotland. Small firms make an important contribution to the Scottish economy and are particularly relevant to the rural economy. Providing for the expansion and growth of existing small firms, as well as removing possible barriers to business entry and growth, is therefore important. The Small Business Gateway provides a consistent level of support and advice to start-ups, existing and growing businesses across the Scottish Enterprise area, with Highland and Islands Enterprise providing the same service through Local Enterprise Companies.
27. The small business community perceives planning constraints as a concern. Dialogue between the business community and councils and involvement with local economic forums will be important in reducing the points of concern.

Through supportive development plan policies, the identification of opportunities for small business development in locations that do not erode residential amenity, and the efficient processing of planning applications, the planning system should provide positively for small firm development. In particular, development plan policies should recognise the opportunities for start-up businesses, home-working, and mixed-use developments where low-impact industry, business and service uses can co-exist with housing.

DEVELOPMENT IN RURAL AREAS

28. As part of the Scottish Executive's commitment to improving the quality of life of rural communities, NPPG 15 provides a supportive planning policy framework for rural development. In rural areas development plans should recognise and encourage the potential of small towns to provide employment for the wider local community. As well as service employment, they should provide for small-scale manufacturing and tourist-related developments. A supportive policy framework should also be provided for rural and farm diversification, including new lines of economic activity.
29. Following a consultation and evaluation exercise, Scottish Enterprise and Highland and Islands Enterprise have identified strategic sites capable of sustaining large scale forest product projects. Sites at Lockerbie (Dumfries and Galloway) and Delny (Highland), which have the potential to accommodate integrated wood processing industries including pulp mills, should be safeguarded in development plans. Additionally, other sites could support particular forestry industry uses.
30. The promotion of sustainable economic and social development of the areas' communities is a key aim for Scotland's National Parks. The other aims are the conservation and enhancement of the area's natural and cultural heritage; the promotion of the sustainable use of the natural resources of the area; and the promotion of understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public. Where it appears to the National Park Authority that there is conflict with the aim of conserving and enhancing the natural and cultural heritage and the other National Park aims, the Authority must give greater weight to the conservation and enhancement aim. Experience from National Parks outwith Scotland indicates that their clean and attractive environment can be a positive influence on the locational decisions of some businesses. Developments should be accommodated where they are appropriate to the purposes and character of the Park. Their siting and design should be of a high quality and support the Park's image and appearance.
31. In responding to the need for innovative rural development planning authorities should:
- include positive policies in development plans in favour of rural development and diversification which satisfy economic and employment needs, including tourism, whilst safeguarding and enhancing the natural and built heritage;

NPPG 15: Rural Development
The Scottish Office
Feb 1999

PAN 52: Planning in Small Towns
The Scottish Office
Apr 1997

Forward Strategy for Scottish Agriculture
Scottish Executive
Aug 2001

- provide for new housing within villages, and more widely in remoter rural areas, where it has a part to play in economic regeneration and sustaining local communities;
- provide positively for home working; and
- identify and develop, in association with the Enterprise Networks and other agencies, the economic potential stemming from better links between farming and other rural businesses.

ENCOURAGING DEVELOPMENT IN SUSTAINABLE LOCATIONS

INTEGRATION OF TRANSPORT AND ECONOMIC DEVELOPMENT

32. A successful economy requires an effective and efficient transport infrastructure. The Scottish Executive has embarked on a continuing programme of reinvigorating the transport system to meet Scotland's economic and social needs without threatening the health of the environment. In support of the policy, NPPG 17 provides for improved integration between transport and land-use planning. It encourages development to be sited where there is a choice of transport and the location is not dependent predominantly on access by car. Whilst it will be more difficult to deal with sustainable transport issues in rural areas, the location of economic development should take account of access to services.
33. Good, affordable and reliable public transport links are important. Considerable financial support is being given to maintaining the existing radial based bus and train networks because they provide easy access to city and town centres. These centres have a key role in accommodating further growth in the service sector, including financial services and software development. Business development close to other commerce, retail and leisure uses which require high accessibility can provide a more viable basis for improvements in public transport, as well as adding to the vitality of the centre.
34. However, not all business and industry will be able to benefit from a city or town centre location, and for some, such a location will be inappropriate. In recent years, some uses such as business parks, manufacturing and distribution, have decentralised to the edge of the built-up area to locations which provide larger sites with easy access to the major road network. Because of limited land supply, within many cities and towns, there will be pressure for further decentralisation of employment uses. However, the increasingly congested nature of parts of the strategic roads network means that even decentralised locations may experience severe congestion problems. It is therefore important that authorities identify sites adjacent to existing centres as well as in other highly accessible locations. Authorities should identify such key sites in development plans and take active measures, in partnership with transport and other economic development interests, to secure their development. Key sites are locations with a high density of mixed uses and which are highly accessible, or could be made highly accessible, by public transport. They can be within the existing urban area or part of a planned and co-ordinated expansion of the urban area. Where a high level of accessibility by public transport is not possible at the outset, measures should be taken to ensure that the appropriate level can be delivered in phase with the relevant development.
35. Wherever new sites are being proposed, they should be accessible by walking, cycling and public transport. Transport assessments should identify the travel

NPPG 17: Transport and Planning
The Scottish Office
Apr 1999

Key Sites Appraisal Methodology for Development Planning
Colin Buchanan and partners for Scottish Executive
May 2001

demand by different modes, so as to determine the likely impact on transport networks. Travel plans for individual developments should minimise the use of private cars, a process supported by maximum rather than minimum parking standards.

36. Many business and industry concerns, as well as retailers, rely increasingly on outsourcing of work to suppliers and a greater use of 'just-in-time' deliveries. As a consequence there is a reducing need for on-site storage and a greater requirement for distribution sites with easy access to the strategic road network and, for some developments, either direct rail access or nearby rail freight facilities.
37. Both ports and airports are economic generators. The maximum benefit and contribution to the economy should be sought from their continued growth and expansion. Scotland's airports, as well as providing important transport nodes and supporting wider economic growth, are important direct and indirect employment generators. Site constraints and safety requirements will result in most development taking place on sites detached from, but within easy access to, the airports. The competitive advantages of the airports will however require to be reconciled with environmental and accessibility considerations. Transport links to nearby major towns, including the scope for improved public transport and the impact on the national road network, will be an important issue. The anticipated economic development and employment growth in West Edinburgh, including the growth of Edinburgh Airport, is being considered in the context of the planning framework due for completion in early 2003.

BROWNFIELD DEVELOPMENT

38. The regeneration of previously developed land (often referred to as brownfield land) can support the Scottish Executive's commitment to social and environmental justice, in particular by helping to stimulate enterprise in or close to disadvantaged areas. It can increase the range of sites for economic development, including mixed use developments. The reuse of such land can not only sustain the process of physical regeneration but also provide easily accessible employment opportunities for local communities.
39. Not all sites can be made available in the short term, but long term planning can identify areas for reuse and redevelopment which will require investment in remediation, infrastructure and environmental improvement so that they can contribute to sustainable renewal, regeneration and improvements to the built environment. In some circumstances compulsory purchase and other remedial action may be necessary. Compulsory purchase has a particular contribution to make in assembling sites of the right size and shape to meet market needs and in resolving ownership issues.
40. Some urban areas have considerable amounts of vacant and derelict land and Scottish Enterprise supports greater focus on strategic area-based regeneration. Future priorities for land renewal will be in areas where under-performance, due to blight, exclusion or infrastructure constraints, is of fundamental significance.

**Obsolete
Commercial and
Industrial Property
EKOS and Rydens
for Scottish
Executive
Jan 2001**

41. The sensitive reuse of old buildings for new commercial purposes contributes not only to improvements in the built heritage, but also make sound commercial sense and minimises the use of natural resources. In rural areas, bringing redundant farm buildings into economic use can bring about similar improvements. Where the development involves the potential reuse of listed buildings, early discussions with the Historic Buildings Inspectorate within Historic Scotland are important.

42. Recent research found no evidence that obsolete commercial and industrial property is currently acting as a constraint on the economic development of most of Scotland's towns and cities. To maintain that position authorities should:

- encourage the reuse and conversion of buildings;
- adopt a more pro-active approach to the re-use of obsolete buildings;
- make greater use of land assembly and compulsory purchase powers to consolidate redevelopment opportunities; and
- consider a more focused approach in certain areas, such as town and city centres.

The promotion of mixed use development may well offer the most appropriate means of bringing obsolete industrial sites and buildings back into beneficial use.

INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT)

43. ICT has the potential to reduce the primacy of location as a key consideration for some companies and to assist the development of small firms. For their part developers should incorporate the future requirements for ICT provision as part of the infrastructure provision in their development proposals. In business parks and other sites the provision of multiple ducts by the developer is desirable as this will provide occupiers with a choice of telecoms providers.

44. ICT allows for new methods of working such as satellite offices and working from home. It therefore has a role in meeting Scottish Executive objectives for sustainable travel to work patterns and social inclusion. There will be particular benefits in rural areas. Flexible office space may need to be anchored by a major user, but satellite offices can provide access to employment for those without access to a car, to families with small children, the disabled and the elderly, so providing a valuable community resource.

45. Planning authorities should ensure that development plan policies support and facilitate the provision of satellite offices and more flexible approaches to working from home where the amenity of surrounding residential properties will not be adversely affected by increased traffic generation, parking and noise. Housing has a considerable life-span and should be flexible enough to be adaptable to changing circumstances. House builders and other providers should take account of the possibilities of home-working in the design of new houses and the layout of housing areas.

**Connecting
Scotland: Our
Broadband Future
Scottish Executive
Sep 2001**

46. Home-working does not necessarily require planning permission. Permission is not normally required where the use of part of a dwellinghouse for business purposes does not change the overall character of its use as a single dwelling, for example, the use by a householder of a room as an office. Once the business activity increases and the non-residential use of the property ceases to be ancillary to its use as a single dwelling, a material change of use for which planning permission is required is likely to have taken place. Those considering working from home are advised to seek the advice of their planning authority at an early stage.

SAFEGUARDING AND ENHANCING THE ENVIRONMENT

47. The environment is an important resource. High environmental quality can be used to promote an area for business development. It can also provide a range of economic opportunities. Concern for design quality and the environment therefore makes sound economic sense. Improvements to the environment can play a role in retaining and attracting skilled people and businesses and improving the quality of life in the area.

DESIGN QUALITY

48. Well designed buildings offer a positive image which can be an important factor in attracting other businesses. Developers and planning authorities should see new business and industrial development as an opportunity to enhance the quality of the urban and rural environment. Good design involves more than aesthetics. It also embraces energy conservation, good waste management, and sustainable urban drainage. Together these factors can contribute significantly to the performance and lifespan of a development as well as making it attractive to investors, occupiers and employees.
49. Ministers have indicated the importance they attach to securing developments of quality and distinction. Although there are examples of excellent design, particularly in business parks and some office complexes, there are greater opportunities for economic development to add to the character of the urban scene and our built heritage. Quality is just as relevant in rural areas. The location and design of new development requires special care, but there is considerable potential in many parts of rural Scotland for additional development. It is important that planning authorities recognise the changing nature of the rural economy and provide for appropriate development.
50. Planning authorities should provide guidance through development plan policies and supplementary guidance such as development briefs on what is expected from developers. Local plans should set out the higher environmental and design standards required of business parks, campus developments etc. They should also include policies which protect, maintain and enhance the environmental quality of existing industrial and business areas. Where a proposed new development is likely to have a strong visual impact or be of exceptional environmental significance, developers and planning authorities should seek advice from The Royal Fine Art Commission for Scotland.

**A Policy on
Architecture for
Scotland
Scottish Executive
Oct 2001**

**Designing Places
Scottish Executive
Nov 2001**

**NPPG 14: Natural
Heritage
The Scottish Office
Jan 1999**

**NPPG 18: Planning
and the Historic
Environment
The Scottish Office
Apr 1999**

NATURAL AND BUILT HERITAGE

51. In making provision for economic development and considering proposals, planning authorities should seek to minimise adverse effects on the natural and built heritage, consistent with national planning policies in SPPs/NPPGs. Particular care should be taken to safeguard places and areas of national and international importance. New industrial and business development should not be located in such areas unless there is a particular economic or locational

**NPPG 5:
Archaeology and
Planning
The Scottish Office
Jan 1994**

requirement where an exception is necessary to maintain Scotland's competitiveness. NPPGs 5, 14 and 18 provide detailed guidance on assessing the effects of development proposals on archaeological sites, scheduled monuments, natural heritage interests and the historic environment.

**SDD Circular
24/1985:
Development in the
Countryside and
Green Belts**

52. It is important that the long-term effectiveness of existing green belts is maintained. The release of green belt land will be appropriate only in special circumstances and within the context of the development plan process. There may be cases where a green belt location will be required for a development proposal which has a firm prospect of being developed and which can make a significant contribution to the national and local economy. To justify such a release, the long-term economic benefits and the development's contribution to promoting a sustainable pattern of land use must be demonstrated. The design of the buildings and associated development infrastructure should be of the highest standard and be well integrated into the landscape.

**NPPG 10: Planning
and Waste
Management
The Scottish Office
Mar 1996**

53. Where a development proposal has the potential to result in a significant increase in waste generation, developers should ensure that existing waste management provision is adequate, or that increased capacity (for recycling and other waste facilities) forms part of the proposal. Development plan policies should encourage developers to avoid waste and, where possible, reuse and recycle waste generated during demolition and construction.

PROMOTING A DIALOGUE WITH THE BUSINESS COMMUNITY

54. There are already mechanisms in place to encourage greater dialogue, for example, local authority representation on Local Enterprise Company boards and the wide range of interests involved with the newly established Local Economic Forums. Local authorities also have their own economic development functions. However, more needs to be done. Regular discussions between the business community, private sector investors, the planning authority and other public agencies will be important in promoting a strong, diverse and competitive economy and in identifying what the business community can expect from the planning system. Regular dialogue will also enable business interests to show their commitment to the process and to provide a clear view of business and industry needs. The aim should be to promote a positive culture of engagement.
55. Participation in the Local Economic Forums will have a key role to play. The Forums are intended to deliver more effective partnership working and local solutions within the national economic framework provided by FEDS. They bring together local business, the LECs, tourism agencies, learning providers and local authorities. By taking part, local authorities will not only be able to influence their work but will also be able to draw on the Forums to provide a regional economic perspective for development plan preparation. The Scottish Executive issued revised guidance in 2002 about the role and work of the Forums: www.scotland.gov.uk/enterprise/localeconomicforums/lefguidelines-00.asp
56. The business community has a right to expect development control decisions to be taken efficiently and on a consistent basis. Likewise development plans should provide stability so that investment decisions can be taken in the knowledge that they will not be undermined by inappropriate nearby development.

IMPLEMENTATION

57. The planning system has a key role in supporting economic development through an inclusive approach to plan preparation which ensures that the particular business needs of an area are recognised whilst taking account of wider community needs; through up-to-date development plans to which the business community and Enterprise Networks have made a positive contribution; through a proactive planning system which recognises that it is not sufficient just to allocate sites in the development plan; and through a responsive and efficient development control system.

DEVELOPMENT PLANS

58. Development should embrace a wide range of views including those representing economic, investment and infrastructure interests. Planning authorities should therefore work with the business community, the Enterprise Networks and infrastructure providers to ensure that policies and proposals for land allocations reflect current and likely future requirements. Although some local authorities and the Enterprise Networks already work closely together, it is important that partnership working is extended to other areas to facilitate investment and development.
59. Development plans should:
- maintain a supply of sites offering a choice of size, location and environmental amenity, and which allow flexibility to provide for market uncertainty;
 - safeguard national and other significant sites;
 - regularly review allocated sites taking account of their marketability;
 - identify supporting action, for example on infrastructure provision, environmental improvement or town centre management that can assist the delivery of economic development;
 - have linked action plans which set out the activities to be undertaken to implement development, for example using compulsory purchase orders, and to co-ordinate and deliver the necessary infrastructure; and
 - present clear policies for rural areas, including rural diversification.

SIMPLIFIED PLANNING ZONES

60. Simplified Planning Zones (SPZs) are areas in which planning permission is given in advance for certain types of development. They were introduced to quicken the pace of development in areas where it was most needed. New provisions were introduced in 1995 to streamline SPZ adoption procedures. Planning authorities should consider the possible advantages of such schemes in promoting economic development.

DEVELOPMENT CONTROL

61. Efficient operation of the development control system is a key priority, particularly where jobs and investment are involved. Development control should be reliable, consistent, speedy and efficient. In this way it can reduce uncertainty and thereby increase business confidence. Pre-application discussions to determine information requirements on matters such as the number of jobs to be created, hours of working, transport requirements, environmental effects, noise levels and the layout and design of buildings can assist greatly with the efficient handling of applications.

**PAN 40:
Development
Control
Scottish Executive
Mar 2001**

NOTIFICATION ARRANGEMENTS

62. The notification arrangements are set out in SODD Circular 4/1997, as amended by Circulars 43/1997, 15/1998 and 20/1998.

ENVIRONMENTAL IMPACT ASSESSMENT

63. The Environmental Impact Assessment (Scotland) Regulations 1999 implement EC Council Directive 85/337/EEC, as amended by Council Directive 97/11EC. The requirement is that the environmental impacts (both negative and positive) of major new developments, should be identified with a view to preventing, reducing and offsetting any adverse effects. In the case of those types of projects or developments included in schedule 1 to the Regulations by virtue of their nature and scale, the impacts must be assessed. For those developments listed in schedule 2 the need for an impact assessment will arise if they are judged to have significant environmental effects.

**SEDD Circular
15/1999 :
Environmental
Impact Assessment
(Scotland)
Regulations 1999.**

**PAN 58:
Environmental
Impact Assessment,
Scottish Executive
Sep 1999**

CONCLUSIONS

64. The planning system has an important enabling role in supporting business development and contributing to economic prosperity. Discussion with the business community and economic development agencies must be an integral part of development plan preparation. Plans should be up-to-date and provide positive support for a range of economic development opportunities. Development plans must therefore respond to market forces and the pace of economic change, providing sites of the right type, in the right place, at the right time so that new and existing enterprises can compete effectively in the global market place. Positive planning also requires effective regulation so that well-founded concerns on environmental and transport impacts are properly addressed. The development control system, through speedy and efficient decision making, is the means for doing this.
65. With better dialogue, more responsive and forward looking plans and a commitment to prompt decision making, the planning system can play a significant role in achieving a competitive Scotland which is committed to the principles of social and environmental justice and sustainable development.

NOTES

66. Enquiries about the content of the SPP should be addressed to Alan Denham, Planning Division 4, Scottish Executive Development Department, Area 2-H73, Victoria Quay, Edinburgh, EH6 6QQ (0131 244 7528) or by e-mail to: alan.denham@scotland.gsi.gov.uk

Further copies can be obtained by telephoning 0131 244 7543. The SPP, as well as other SPPs/NPPGs, PANs and a list of Circulars, can be viewed on the Scottish Executive web site:
[Http://www.scotland.gov.uk/planning/](http://www.scotland.gov.uk/planning/)

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