

COMMITTEE	Communities, Housing and Infrastructure
DATE	17 May 2016
DIRECTOR	Pete Leonard
TITLE OF REPORT	ACC Response to Scottish Government Consultation: Draft Advice on Net Economic Benefit and Planning
REPORT NUMBER	CHI/16/094
CHECKLIST COMPLETED	Yes

1. PURPOSE OF REPORT

The purpose of this report is to provide a response to the Scottish Government's consultation on a Draft Advice on Net Economic Benefit and Planning. The purpose of the Draft Advice is to guide Planning Authorities on when and how they should consider the net economic impacts of development during the planning application decision making process.

2. RECOMMENDATION(S)

It is recommended that Committee agree the contents of this report for submission to the Scottish Government.

3. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. Any future financial implications would be as a result of the publication of a final document by the Scottish Government and would have to be determined at that time.

4. OTHER IMPLICATIONS

There are no direct implications from this report and any future implications would be as a result of the publication of a final document by the Scottish Government, and would have to be determined and reported back to Committee at that time.

5. BACKGROUND/MAIN ISSUES

The issue of how due weight to net economic benefit should be given when considering planning applications process arose when it was

referred to within the drafting in 2013 and subsequent publication of revised Scottish Planning Policy (SPP) in 2014. Following on from this, the Scottish Government has produced Draft Advice on Net Economic Benefit and Planning, which was published on 22nd March 2016 for a consultation period up to 20th May 2016.

The aim of the proposed advice is to help planning authorities and developers assess, in a meaningful way, the contribution of development proposals to the economy, whilst also recognising the potential impacts (which can be positive or negative), and to take account of this in planning decision making.

We welcome the principles of the Draft Advice and the opportunity to comment at this stage of preparation.

The Draft Advice provides much needed clarification as to the meaning of 'net economic benefit' and how it should be taken into account in planning decision making.

The Draft Advice helpfully sets out when an assessment of net economic benefit may be required to accompany an application for planning permission. Further detail here is however requested, and for the Draft Advice to confirm that the ultimate decision on whether an assessment is required or not will sit with the Planning Authority.

It is also important that the Draft Advice provides sufficient detail to ensure such assessments follow a clear and agreed methodology. The Draft Advice could usefully set out the key headings that a competent assessment would be structured around.

The Draft Advice states (paragraph 3) that "where a proposal complies with the development plan, it should not be necessary for the applicant to demonstrate that the proposal creates net economic benefit". Paragraph 4 of the Draft Advice however goes on to advise that, where other material considerations may indicate that the decision on whether to grant planning permission is "finely balanced", then net economic benefit should be taken into account as part of the decision making process (no matter the development plan context).

Firstly, the use of the word "comply" here is queried – as is the use of the term "in line with" in the associated Figure 1. Further clarity in this regard is suggested – does the Draft Advice mean 'comply' (or other alternate wording) with the land use allocation, or the policies in the development plan more generally, or both. It is suggested that the term "in accordance with" would be more appropriate (as per Section 25 of the Town and Country Planning (Scotland) Act 1997, as amended) as it is open to less interpretation.

Secondly, it is suggested that planning authorities may wish to request an assessment of net economic benefit in order to help assess 'compliance' (or other alternate wording), and the Draft Advice should

confirm the ability for the planning authority to request such an assessment in this circumstance if it would consider it helpful to do so.

On the point of the role of the planning authority in assessing the relevant information provided by the applicant, the potential resource implication must also be considered in the wider climate of current cost savings and the Government's principles on streamlining planning applications. The reference to 'proportionality' of information provided is an important one and, we consider, should be made clearer at the start of the Draft Advice. Reference is currently given to this matter in paragraph 28 of the Draft Advice.

Paragraph 4 of the Draft Advice suggests that it will not normally be necessary to make an argument regarding the economic benefit of a proposed housing development. It is suggested that further consideration is given to mixed use sites and sites which include home working units in this regard. Further, consideration must also be given to what the housing land supply situation in an area is, and whether net economic benefit should be considered in this regard.

Examples where assessment of net economic impacts may be required and how they should manifest themselves are provided towards the rear of the Draft Advice, although they are brief and narrow in both their depth and range of subject matters. There is a need for more detailed implementation guidance through additional examples and coverage of a wider range of developments. It is felt that there is a strong need for clear guidance which can be easily interpreted and implemented whatever the proposal, developer and location across the whole of Scotland, whilst being reflective of local circumstances. Case Studies may also be appropriate.

Retail impact issues, particularly where there is no 'sequential testing' required, may also require more detailed guidance, as these may be the more common situations where economic arguments are presented / relevant.

There is also a lack of clarity on ownership of the costs and benefits of proposals to both the private and public purse, over the life of the development. In this regard it is important that the Draft Advice considers the whole life economic implications, rather than simply short term impacts.

Pulling all these issues together it is clear that there is an essential need that the form and content of such assessments on net economic benefit enable decision makers to easily grasp the information required to come to a conclusion on the suitability of a proposal. As mentioned above, a clear methodology / template may be helpful in this regard, allowing adaptation to circumstances, but avoiding long and protracted discussions between planning authorities and those promoting development.

6. IMPACT

Improving Customer Experience –

Please see comments below.

Improving Staff Experience –

Please see comments below.

Improving our use of Resources –

Please see comments below.

Corporate -

Please see comments below.

Public –

Please see comments below.

As this report is a response to a Scottish Government consultation there are no direct Public, Staff or Customer impacts. Any Impacts would be considered on the publication of any final document, after this consultation process, and therefore cannot be determined at this time.

7. MANAGEMENT OF RISK

There are no direct risk implications arising from this report. Any future financial implications would be considered on the publication of a final document by the Scottish Government and would have to be determined at that time.

8. BACKGROUND PAPERS

- [Draft Advice on Net Economic Benefit and Planning](#)

The Economic Development Service have also provided comment which has been incorporated into this report.

9. REPORT AUTHOR DETAILS

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