

20 April 2016

## Scottish Wildlife Trust's response to:

Scottish Governments Draft Advice Implementation Net Economic Benefit and Planning Guidance



**Scottish  
Wildlife  
Trust**

### General comments

The Scottish Wildlife Trust welcomes the opportunity to provide feedback on the Scottish Government's Draft Advice Implementation Net Economic Benefit and Planning Guidance. The Scottish Wildlife Trust's central aim is to advance the conservation of Scotland's biodiversity for the benefit of present and future generations. We have a 25-year vision for Scotland in which we want to see a network of healthy, resilient ecosystems supporting expanding communities of native species across large areas of Scotland's land, water and seas.

The Scottish Wildlife Trust believes that inappropriately located and badly designed developments can have significant, detrimental impacts on people's quality of life, society, the economy and natural environment. We believe that delivering high quality sustainable places where people want to live, work and spend leisure time can only be achieved by having a robust, well-resourced planning system which recognises that planning is about creating places for communities to flourish – socially, economically and environmentally - as opposed to just building houses, shopping centres, etc... in pursuit of short term economic benefit.

The Trust holds the view that exclusion of environmental goods and services from consideration in economic decision-making systems is commonplace and is leading to global biodiversity loss on a pace and scale unprecedented in human history. This is also true for many planning based decisions made in Scotland.

In general the Trust would like to see this document make far greater reference to the externalities<sup>1</sup> associated with developments and the long term economic impacts (be they positive or negative) that these externalities could have. The Trust notes that environmental and social externalities are more or less absent from this draft as is reference to impact on natural capital and resultant loss of ecosystem services.<sup>2</sup>

The Scottish Wildlife Trust would like to see a see a planning system that places overall human well-being at its centre. However, for this to be properly realised it needs to be recognised that wellbeing, social prosperity and economic health are intrinsically linked to healthy ecosystems.

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<sup>1</sup> An externality occurs where a cost (or benefit) from an activity does not accrue to the person or organization carrying out the activity. An example might be a corporation which emits effluent into the wider environment causing pollution, the benefits of which (in the form of not paying to dispose of wastes properly) accrue to the corporation but costs of which are borne by society as a whole. External benefits are effects of activity which have a welcome effect on those who cannot be charged to receive them. Public enjoyment of views of private buildings or gardens, or the benefit of fruit crop pollination by bees are examples of external benefits which can be priced as a direct service, but cannot be charged. - Black, J. 1997. Oxford Dictionary of Economics. Oxford: Oxford University Press.

<sup>2</sup> Natural Capital can be defined as the world's stocks of natural assets which include geology, soil, air, water and all living things. It is from this Natural Capital that humans derive a wide range of services, often called ecosystem services, which make human life possible. The most obvious ecosystem services include the food we eat, the water we drink and the plant materials we use for fuel, building materials and medicines. – Please see <http://naturalcapitalforum.com/about/>

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### Scottish Government Economic Strategy

The Trust is supportive of the statements concerning natural capital in the Scottish Government's Economic Strategy<sup>3</sup>. For example:

*"Protecting and enhancing this stock of natural capital, which includes our air, land, water, soil and biodiversity and geological resources is fundamental to a healthy and resilient economy."*

And

*"Investment must also be sustainable, not only in terms of tackling emissions, enhancing our natural capital and supporting the transition to a low carbon economy, but also through ensuring the sustainability of our communities."*

The Trust would like to see a translation of this ambition in the Economic Strategy into the Draft Guidance. The Draft Guidance should give direction on how to incorporate natural capital into the economic decision making process so that less obvious values are not overlooked.

### Economic Assessment Methodology

Within the document there does not appear to be any guidance on methodologies that would be preferred by the Scottish Government. A list of "approved" or recommended methodologies would be helpful. It would also be helpful to state that "mixing and matching" these methodologies can lead to unclear outputs.

### Key issues in adjusting from gross to net economic impact

It should be made clear that displacement effects should also take into account the extent to which the benefits of a development are offset due to less obvious externalities and not just "reductions of output or employment elsewhere". An example of this would a new hotel development on high quality green space within a business district, other local hotels may suffer economic loss but additionally local businesses and workers lose out on recreational space which may have negative health/productivity impacts on workers and may reduce entrepreneurial capital.

### Examples given within Document

The Trust would like to see examples used that also look at externalities of a development, impacts on natural capital and resultant effects on ecosystem services. The Trust would be happy to help make suggestions if required.

### The Natural Capital Standard for Green Infrastructure

The Trust acknowledges that making choices concerning natural capital and resultant effects on ecosystems and ecosystem services can be hard. To try and help and also address the inconsistency in quality of green infrastructure between developments, the Scottish Wildlife Trust is developing a tool - The Natural Capital Standard for Green Infrastructure - which assesses the quality and quantity of green infrastructure within a specific development, be it new housing, a school, a retail park or an industrial zone. The tool scores the quality of the total green area based on the estimated ecosystem services provided by the types of green infrastructure within the development. For example native trees and shrubs score more highly than non-native (because they deliver a greater range of ecosystem services and can be loosely described as delivering greater "value"). Sustainable urban drainage systems which are designed to be attractive to

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<sup>3</sup> Please see: <http://www.gov.scot/Resource/0047/00472389.pdf>

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wildlife (and also have high aesthetic appeal) score more than those that are based on hard engineering (due to the greater range of ecosystem services they deliver). Hard surfaces have a lower score because they do not deliver as many ecosystem services as permeable surfaces and can loosely be described as delivering less "value".

The relative scorings given to each type of green infrastructure can be edited by the planning authority. For example if flooding is a particular issue, extra emphasis may be put on green infrastructure that delivers benefits in terms of flood prevention / alleviation i.e. rain gardens, green roofs, trees and sustainable urban drainage systems.

This type of tool has been used by planners in Berlin, Malmo, Seattle and Chicago<sup>4</sup>. In some of these places it is statutory, in others it is not, but developers are incentivised to use it because it helps process their application in the planning system.

The Scottish Wildlife Trust would welcome the opportunity to discuss the applications of the tool with the Scottish Government's Planning Team. The Trust believes it contributes to the Scottish Government's ambition to deliver high-quality places for Scotland. Because it uses ecosystem services as a weighting factor it helps quantify (in terms of green infrastructure) how a particular development is delivering benefits for people (and wildlife) and integrates with the Place Standard.

### Leadership, resources and skills

Because local authorities continue to face substantial cuts to their budgets – the Trust is concerned that there are neither the resources nor the appropriate skills available to support the vision and creation of high quality sustainable developments (as outlined Scottish Government Policy), that take into account the essential role that healthy ecosystems play in flourishing economies.

Meaningful economic assessment which fully takes into account externalities, which the Trust would support, is time consuming and costly; how will hard pressed local authorities be encouraged to devote resources to this process? Should there be greater onus on developers to help support this type of detailed holistic economic assessment?

The Trust believes strong leadership is needed both within central and local government with regard to robust economic decision making which properly takes into account externalities.

The Trust is also concerned that some local authorities have lost biodiversity officers and/or ecologists; some are sharing them and others have no plans to replace them. This means that planning decisions impacting on Scotland's natural capital - in terms of protecting, enhancing or restoring depleted stocks – are not being made by those with the right set of skills. This may impact on a Scottish Government key priority, as detailed above.

The Scottish Wildlife Trust would like to be kept informed of the progress of the Draft and would welcome a meeting to discuss net economic benefit more generally.

For further information and to discuss the meeting mentioned above please contact:

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<sup>4</sup> See: GRaBS Project Website <http://www.grabs-eu.org/>