



# Scotland 2045

Scotland's Fourth National  
Planning Framework: Draft

**Integrated Impact Assessment  
Partial Business & Regulatory  
Impact Assessment**



Scottish Government  
Riaghaltas na h-Alba  
gov.scot

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# Introduction

## National Planning Framework 4

1. The Scottish Government is reviewing its National Planning Framework (NPF), a long term plan for Scotland that sets out how our approach to planning and development will help to achieve a net zero, sustainable Scotland by 2045.
2. The NPF4 spatial strategy will set out where the Scottish Government wants to see development located in the future, and will explore how each part of Scotland can play to its strengths to contribute to a shared national vision. It will also include national planning policies to guide local development plans and decisions on planning applications across Scotland. Finally, NPF4 will also designate certain developments or classes of development as ‘national developments’ for which the Scottish Ministers have established a need in principle.
3. NPF4 will align with the Scottish Government’s wider programmes and strategies, including on infrastructure and economic investment, and will address the following high level outcomes:
  - Meeting the housing needs of people living in Scotland including, in particular, the housing needs for older people and disabled people;
  - Improving the health and well-being of people living in Scotland;
  - Increasing the population of rural areas of Scotland;
  - Improving equality and eliminating discrimination;
  - Meeting any targets relating to the reduction of emissions of greenhouse gases; and
  - Securing positive effects for biodiversity.
4. The current National Planning Framework (NPF3) and Scottish Planning Policy were published in 2014 and will remain in place until a fourth NPF is adopted.

## What is a Business and Regulatory Impact Assessment?

5. A Business and Regulatory Impact Assessment (BRIA) looks at the likely costs, benefits and risks of any proposed primary or secondary legislation. It also covers voluntary regulation, codes of practice, guidance, or policy changes that may have an impact on the public, private or third sector.
6. The BRIA explains:
  - the reason why the Scottish Government is proposing to intervene;
  - options the Scottish Government is considering, and which one is preferred;

- how and to what extent new policies may impact on Scottish Government, business and on Scotland's competitiveness;
- the estimated costs and benefits of proposed measures.

## **What is Integrated Impact Assessment and how is this being undertaken?**

7. A range of Impact Assessments have informed the draft NPF4. Where possible we have integrated these assessments into the plan preparation process. We have also co-ordinated evidence gathering and assessment stages where relevant, sharing information and links between the different assessment topics and making connections.

### **The assessment approach**

8. It is considered best practice to complete a BRIA as part of the policy making process, with the content of a BRIA proportionate to the policy matters to be addressed. In keeping with this, the IIA Screening/Scoping report<sup>1</sup> (2020) noted that a BRIA would be undertaken to assess costs, benefits and risks that may arise as a result of policy changes included in NPF4.
9. The NPF4 Call for Ideas and subsequent consultation on the NPF4 Position Statement have provided opportunities to build up an evidence base on the potential impacts of the draft NPF4.
10. This Partial BRIA accompanies the draft NPF4 and highlights some of the areas where there are likely to be impacts. We will work with stakeholders in parallel with the consultation process for the draft NPF4 to identify the likely costs and benefits of the proposed framework as a whole. Paragraphs 66 and 67 below sets out how this will be done.
11. Once completed, the BRIA will be approved by Ministers and published alongside the adopted NPF4.

### **Previous consultation and engagement**

12. Previous consultations invited comments from respondents on the proposed IIA preparation process, including issues that should be included in the BRIA. There were no specific comments from industry about the likely costs and benefits of the draft NPF4, although some responses alluded to possible impacts more generally. This may have been due to the early stage of policy development at the time of the consultations, although it is generally indicative of past consultations where industry will initially prioritise commenting on specific policy

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<sup>1</sup> <https://www.transformingplanning.scot/media/1293/national-planning-framework-4-integrated-impact-assessment-scoping-report.pdf>.

issues rather than focussing on the likely costs and benefits that changes of policy will have on the sector.

## Summary of assessment findings

13. The National Planning Framework (NPF) is a long-term plan for Scotland that sets out where development and infrastructure is needed to support the Scottish Government's policy priorities and strategies. There are three distinct sections included in the draft and each of these have been considered separately for their likely impacts on businesses and other stakeholders:

- a spatial strategy – where development and investment need to happen;
- identification of national developments – strategic proposals that will support the delivery of the spatial strategy; and
- policy detail – the detailed planning policies for use in day-to-day decision making that collectively provide a policy framework to meet the strategy intentions that will be consistently applied across Scotland.

14. The draft NPF4 also includes a delivery strategy that will be developed into a standalone, live delivery programme once NPF4 has been approved and adopted; and an Annex which includes the Minimum All-Tenure Housing Land Requirement (MATHLR) for each planning authority in Scotland.

15. The proposals set out in NPF4 are considered necessary to ensure that the planning system more effectively contributes to key societal challenges, including the climate emergency and nature crisis. The priorities represent an update from previous policies and, in places, represent a significant shift from current practice. Our initial high level assessment suggests the following effects are likely:

- the proposed national spatial strategy sets out a high level vision of how Scotland should develop to 2045. The impact of the strategy on individual businesses is likely to arise through the identification of national developments and development management policies that are being put in place to support the spatial strategy;
- national development status will give greater certainty to developers because it establishes the need for the development, although additional costs may be associated with progressing proposals through the planning system;
- the introduction of national planning policies which form part of the development plan will provide greater certainty to developers and considerably reduce the number of occasions where they will need to engage with the planning system on the development of policies that affect their businesses;
- there are significant changes proposed throughout the development management policies in draft NPF4, both in relation to the existing Scottish planning policies and those which are currently in local

development plans. The changes are intended to ensure that future development contributes to Scottish Government's objectives for the planning system. Some of these policies will impact on businesses (both positively and negatively) and views will be sought on the extent of these impacts, both individually and cumulatively, before the BRIA is finalised;

- the delivery programme will aim to secure a cross-government approach to the delivery of NPF4 that is unlikely to result in cost burdens for businesses; and
- Annex B of Part 5 of the draft NPF4 sets out the Minimum All-Tenure Housing Land Requirement for each planning authority in Scotland. This is included to meet the requirement of Section 3A(3)(d) of the Town and Country Planning (Scotland) Act 1997 and will have particular relevance for housebuilders.

## What monitoring is proposed?

16. The Scottish Government has committed to working with a range of stakeholders to develop an appropriate monitoring programme for NPF4 that allows us to assess progress and take action where required. Monitoring will be required at both a national and local level and will be proportionate and effective.

17. An agreed monitoring programme will complement, and potentially combine, wider planning performance work including Planning Performance Frameworks and Royal Town Planning Institute work on monitoring outcomes, as well as reflecting national outcomes set out in the National Performance Framework<sup>2</sup>.

## Next steps

18. The consultation on draft NPF4 closes on 31 March 2022. Following the consultation and the end of the Parliamentary scrutiny process, we will analyse the responses and produce a final NPF4. The final adoption date will depend on the approval of NPF4 by the Scottish Parliament, but we are currently aiming to lay a finalised version for approval by summer 2022.

## How to comment

19. Details on how to comment can be found on the Scottish Government's Consultation Hub, Citizen Space at [www.consult.gov.scot](http://www.consult.gov.scot). You can also request a hard copy of this report and consultation documents at [scotplan@gov.scot](mailto:scotplan@gov.scot).

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<sup>2</sup> [National Performance Framework | National Performance Framework](#)

20. If you are unable to respond using our consultation hub, please complete a Respondent Information Form and return it, together with your response to scotplan@gov.scot or by mail to:

National Planning Framework Team

Planning and Architecture Division

Area 2F South

Victoria Quay

Edinburgh

EH6 6QQ

21. Consultees may wish to consider the following consultation question:

**Q 70: Do you have any comments on the Partial Business and Regulatory Impact Assessment?**

# Appendix A. Business and Regulatory Impact Assessment (Partial)

## Title of proposal: Draft National Planning Framework 4

### Purpose and intended effect

22. The Scottish Government is consulting on a draft fourth National Planning Framework (NPF4). This Partial Business and Regulatory Impact Assessment (BRIA) considers the potential costs and benefits to businesses and other stakeholders arising from the draft proposals, with the objective of using evidence to identify options that best achieve policy objectives while minimising costs and burdens as much as possible.

### Background

23. NPF4 will be a long term plan for Scotland that sets out how the Scottish Government's approach to planning and development will help to achieve a net-zero, sustainable Scotland by 2045. Scotland's third National Planning Framework was published in June 2014 and remains in place.

### Objective

24. NPF4 will set out a long-term spatial strategy and national planning policies for Scotland. Looking ahead to 2045, it aims to refocus the planning system to address the climate emergency and nature crisis, whilst also enabling development to make Scotland: a sustainable place; a liveable place; a productive place; and a distinctive place. This will include:

- a spatial strategy – where development and investment need to happen;
- Identification of national developments – strategic proposals that will support the delivery of the spatial strategy;
- policy detail – the detailed planning policies for use in day-to-day decision making that collectively provide a policy framework to meet the strategy intentions that will be consistently applied across Scotland;
- a delivery strategy; and
- Annex B of the draft NPF4 sets out the MATHLR for each planning authority in Scotland.

25. Legislation requires that, in preparing the revised framework, the Scottish Ministers must—

- a) have regard to relevant policies and strategies, including, in particular—
  - a) any national strategy and action plan for housing prepared by the Scottish Ministers,
  - b) any infrastructure investment plan prepared by the Scottish Ministers to set out their priorities for the development of public infrastructure,
  - c) any national transport strategy prepared by the Scottish Ministers,
  - d) any strategic transport projects review prepared by the Scottish Ministers to set out their priorities for transport investment,
  - e) the land use strategy prepared under section 57 of the Climate Change (Scotland) Act 2009,
  - f) the programme for adaptation to climate change prepared under section 53 of the Climate Change (Scotland) Act 2009,
  - g) any national strategy in respect of the improvement of air quality prepared by the Scottish Ministers,
  - h) any land rights and responsibilities statement prepared under section 1 of the Land Reform (Scotland) Act 2016,
  - j) any national strategy or action plan for the ownership or use of land prepared by the Scottish Ministers, and
  - k) the national marine plan prepared under section 5 of the Marine (Scotland) Act 2010, and
- b) have regard to the desirability of—
  - a) resettling rural areas that have become depopulated,
  - b) preserving disused railway infrastructure for the purpose of ensuring its availability for possible future public transport requirements, and
  - c) preserving peatland.

26. NPF4 must also include a statement about how Scottish Ministers' consider that development will contribute to each of the following outcomes:

- (a) meeting the housing needs of people living in Scotland including, in particular, the housing needs for older people and disabled people,
- (b) improving the health and wellbeing of people living in Scotland,
- (c) increasing the population of rural areas of Scotland,
- (d) improving equality and eliminating discrimination,
- (e) meeting any targets relating to the reduction of emissions of greenhouse gases, within the meaning of the Climate Change (Scotland) Act 2009, contained in or set by virtue of that Act, and
- (f) securing positive effects for biodiversity.

## Rationale for Government intervention

27. The Town and Country Planning (Scotland) Act 1997, as amended, requires Scottish Ministers to review the NPF no later than 23 June 2024 and either, a) revise the NPF; or b) publish an explanation of why they have decided not to revise it. Regardless of timetable considerations, there has been numerous significant changes since the publication of NPF3 that necessitate the need for an updated NPF. These include:

- Scotland's ambitious targets for addressing climate change demands a fresh approach to how we plan for development and infrastructure, including actively planning future development in a way that helps to achieve zero carbon living that minimises the need to travel by unsustainable modes.
- The United Nations Intergovernmental Panel on Climate Change has made clear the very real threat and heightened risk the climate emergency poses to the planet.
- The coronavirus pandemic has highlighted how the places where we live and work can make a big difference to our health and wellbeing.
- We need to anticipate and plan for our changing population to focus more on improved health and wellbeing and a better natural environment for everyone.
- We must continue to ensure that enough good quality homes are delivered in the right places, alongside the services and facilities that communities need.
- It is essential that planning supports our green economic recovery in the short term, as well as enabling strategic investment in the long term.

## Consultation

### Within Government

28. Responsibility for preparing NPF4 lies within the Planning and Architecture Division of the Scottish Government. A small team has been set up within this Division to undertake the drafting of the document, with input from colleagues across the wider Division who have oversight of individual policy topics. More widely, the views of colleagues throughout the Scottish Government and its Agencies have been sought at key stages of the preparation process, including in the drafting of NPF itself. This included officials responsible for policies covering topics such as the natural and built environment, climate change, transport, housing, etc.

## Public consultation – call for ideas

29. Between January and April 2020 the Scottish Government held an open call for ideas to hear views on what Scotland should be like in 2050 and the changes needed to get there. A number of resources were provided to stimulate debate. 350 written responses were received to the call for ideas from a wide range of stakeholders and members of the public. There were also 180 participants at roadshows across the country and 100 people came to drop-in sessions. Some of the main themes that emerged from the call for ideas included:

- NPF4 is an opportunity to refocus planning on place, by applying approaches including the 20 minute neighbourhood concept, town centre renewal and a stronger emphasis on reusing vacant and derelict land and buildings to achieve multiple benefits for health and wellbeing, as well as climate change.
- Prioritising policies and proposals that help to reduce climate change causing emissions, through stronger regulation of some types of development and incentivisation of low carbon proposals and infrastructure. This will require some difficult choices to be made to balance wider aims, such as landscape protection, with the continuing expansion of renewable energy technologies.
- Repositioning our approach to planning for housing to focus less on numbers and more on quality, user needs, place and community infrastructure.
- Creating certainty for investors whilst providing flexibility to allow the planning system to respond more effectively to market opportunities. NPF4 can support investment that aids short and longer term economic recovery but we will seek to do this in a way that can provide wider benefits for people and places.
- Explicitly support development that can demonstrate its contribution to a wellbeing economy and fair work. This could include, for example, the introduction of new requirements from investment to secure social and environmental value and the delivery of our Public Health Priorities.
- Facilitating new ways of working such as remote working, homeworking and community hubs, in line with our emphasis on localism and to help reduce demand for motorised travel.
- Proactively rebuilding the resilience of rural communities and economies by enabling well designed, sustainable development. This will include policies to strongly support rural investment and diversification and enable the development of essential infrastructure for rural areas, including affordable housing. As part of this we will take into account the specific circumstances of our island communities.
- Updating our policies specific to key business sectors such as aquaculture, tourism and the creative industries to support expansion in an inclusive and sustainable way.

- Improving connectivity, internally and externally, by embedding the transport investment hierarchy and supporting the roll-out of digital infrastructure across Scotland.

30. An IIA Screening/Scoping Report accompanied the call for ideas. This noted that a BRIA was to be prepared to assess the likely costs, benefits and risks of any proposed policy changes that may have an impact on the public, private or third sector. However, there were no comments made on this issue in the responses to the call for ideas. This was likely to be because, at that stage, it was unclear what policies would be changed so it was not possible to assess any potential costs and savings.

### **Public consultation – position statement**

31. A Position Statement was published in November 2020. This reflected on the wealth of information received through the call for ideas engagement programme. The Position Statement was intended to inform further discussions around the policies that could be developed to address the issues raised through the call for ideas.

32. The Position Statement signalled a key shift towards a net zero agenda and set out thinking over 4 key themes – Net Zero Emissions, Resilient Communities, Wellbeing Economy and Better, Greener Places. It confirmed that some of the most significant changes that were expected to be explored in the development of NPF4 were:

- stronger support for sustainable, low and zero carbon developments.
- a renewed emphasis on design, quality and place.
- support for development that reduces the need to travel, in line with the concept of 20 minute neighbourhoods.
- a shift in the way we plan our homes so that we focus on meeting our diverse needs, and improve the quality of our places.
- new policies to promote an infrastructure-first approach to development at all scales.
- a new approach to ensure our places work for everyone, and are greener and healthier.
- enabling development and investment, including inward investment, that improves our collective wellbeing and supports fair work.
- new policies to address key economic sectors including food and drink, culture and the creative sectors, and tourism.
- reimagining our city and town centres as a place to live, work and enjoy.
- prioritising development on vacant and derelict land.
- support for development that improves the resilience and sustainability of our rural economy and communities.

- facilitating improvements to our biodiversity and the significant expansion of green infrastructure.

33. The views of stakeholders and the public were sought on the Position Statement. 252 responses were received through the consultation. There was broad support for:

- the general direction of NPF4 and the ambition for climate change to be the overarching priority;
- embedding UN Sustainable Development Goals and Scotland's national outcomes;
- the four key outcomes set out in the Position Statement (Net-Zero Emissions; Resilient Communities; A Wellbeing Economy; and Better, Greener Places);
- a focus on the Place Principle.

34. Respondents also made a number of general points highlighting the importance of:

- consistency of approach and of alignment of NPF4 with other plans, strategies and policies including the Climate Change Plan update, the Infrastructure Investment Plan, the National Islands Plan, the National Transport Strategy 2 (NTS2), the Land Use Strategy and Regional Spatial Strategies, and with city/growth deals; and
- collaborative working across policy delivery areas, including across planning and other sectors and statutory bodies.

35. There were general calls for use of stronger or more robust language setting out clear requirements rather than simply encouraging change. The need for resources was also an issue highlighted across a number of responses, with financing, upskilling and enforcement of planning controls all identified as necessary for delivery.

# Draft National Planning Framework 4

## Spatial strategy

36. Draft NPF4 recognises that no single policy or development will achieve the changes that are needed on their own to deliver sustainable, liveable, productive and distinctive places. The spatial strategy aims to ensure that, as a nation, we make the right choices about where development should be located. To build a climate-conscious and nature-rich future for Scotland's people our strategy is based on six principles:

**Compact growth.** We will limit urban expansion where brownfield, vacant and derelict land and buildings can be used more efficiently. This will safeguard land to provide the services and resources we will need in the future, including carbon storage, flood risk management, green infrastructure and biodiversity. By increasing the density of settlements we will reduce the need to travel unsustainably and strengthen local living.

**Local living.** We will create networks of 20 minute neighbourhoods to support local liveability, reduce the need to travel unsustainably, promote and facilitate walking and cycling, improve access to services, decentralise energy networks and build local circular economies. As an integral part of this, cleaner, safer and greener places and improved open spaces will build resilience and provide wider benefits for people, health and biodiversity, in a balanced way. Virtual connectivity and active travel links will also be important.

**Balanced development.** We want to support development across Scotland so people have more choice about where they live, learn and work. This will create opportunities for communities in areas of decline, and manage development more sustainably in areas of high demand. In particular, we wish to enable more people to live and remain in rural and island areas, and to actively transform areas of past decline so that we can make best use of our assets.

**Conserving and recycling assets.** Scotland has many strengths and each place should be planned in a way that works with its distinctive character and identity. We will protect and enhance the assets of each of our places, leaving a positive legacy for future generations. Our focus is on making productive use of existing buildings, places, infrastructure and services, locking in embedded carbon and minimising waste, and supporting Scotland's transition to a circular economy. This includes nationally significant sites for investment which are well served by existing infrastructure and sustainable travel modes, and excellent propositions for redevelopment across urban and rural Scotland and the islands.

**Urban and rural synergy.** Scotland’s urban and rural and island areas, and all of the places in between, can work together and share learning and innovation to achieve better places. Our strategy is for Scotland as whole, bringing together the contributions of our cities, towns, villages and countryside areas to achieve shared objectives. As part of this, we will improve green infrastructure to bring nature into our towns and cities, connecting people with nature, building resilience and helping our biodiversity to recover and flourish.

**Just transition.** Meeting our climate ambition will require a rapid transformation across all sectors of our economy and society. We must ensure that, as we reduce our emissions and respond to a changing climate, that journey is fair and creates a better future for everyone – regardless of where they live, what they do, and who they are. The pandemic has demonstrated the capacity of our communities to work together and find their own local solutions to shared challenges. Our strategy builds on this, to ensure local people are more able to shape their places and transition to net zero and environmentally sustainable ways of living.

37. The draft NPF4 acknowledges that each part of Scotland can make a unique contribution to building a better future. We have applied the above principles to shape and guide every part of Scotland’s distinctive response to climate change, people, work and place in recognition that Scotland’s regions, working together, will play a key role in taking forward this strategy. Throughout Scotland, places are coming together to develop Regional Economic Strategies underpinning city and regional growth deals, Regional Economic Partnerships, Regional Land Use Partnerships, and to provide regional input to the Strategic Transport Projects Review 2. Building on this, and by guiding future Regional Spatial Strategies, we will encourage:

- **North and west coastal innovation** (broadly comprising Shetland, Orkney, the Western Isles, along with the north and north west mainland coastline of Highland and Argyll and Bute) – making sustainable use of our coasts and islands to sustain communities and pioneer investment in the blue economy.
- **Northern revitalisation** (includes Highland Council with parts of Argyll, Moray and much of the national parks) – growing low carbon rural communities, capitalising on digital innovation and making the most of exceptional natural and cultural heritage.
- **North east transition** – (including Aberdeen City and Shire and extending to Moray and south towards the Tay Cities Region) actively planning a just transition from oil and gas to a net zero future.
- **Central urban transformation** – (including Glasgow, Edinburgh, Perth, Dundee and Stirling cities and their regions, as well as the Ayrshire

Councils) transforming and pioneering a new era of low carbon urban living.; and

- **Southern sustainability** – (focusing on Dumfries and Galloway and Scottish Borders) creating connected, liveable places which benefit from further investment and innovation.

38. The spatial strategy set out in draft NPF4 builds on the output from the work we have undertaken with local authorities, identifying their regional priorities from work on indicative regional spatial strategies.

## National developments

39. National Developments are identified in draft NPF4 to help deliver the long term spatial plan. Essentially they are nationally significant developments that Ministers consider to be needed in the future. Designation means that the principle of need for a development does not need to be debated in later consenting processes, providing a level of certainty for investors, businesses and communities. National developments can be single, large scale projects, or collections and networks of several smaller scale proposals.

40. During our 2020 Call for Ideas Engagement Programme, we invited suggestions for national developments. We received over 250 submissions from individuals, businesses and within the Scottish Government. Proposals were assessed against the following criteria:

- **Climate change** – the development will help to reduce emissions, contributing to Scotland’s target of net zero emissions by 2045, will be emission neutral, or emissions negative;
- **People** – the development will support the health, wellbeing, sustainability, and quality of life of our current and future population;
- **Inclusive growth** – the development will contribute to sustainable economic growth that helps to reduce poverty and inequality across Scotland; and
- **Place** – the development will protect or enhance the quality of a place or improve biodiversity.

41. Consideration was also given to whether proposals included development requiring planning consent and their potential fit with the emerging policy objectives and spatial strategy in draft NPF4.

42. Eighteen national developments are proposed in the draft NPF4 to support the delivery of the spatial strategy. These national developments range from single large scale projects to collections and networks of several smaller scale proposals. They are also intended to act as exemplars of the place principle and placemaking approaches.

## National planning policies

43. Draft NPF4 will include, for the first time, national planning policies that will form part of the development plan and will therefore have greater influence when determining planning applications. The policies build on the current Scottish Planning Policy 2014 (SPP) and local development plans, although there are a number of new policies/shifts to reflect current Scottish Government priorities. There are 6 universal policies that are cross-cutting and apply, where relevant and appropriate, to all development proposals. They will help to ensure that our future places and buildings are planned, designed and delivered in a sustainable way. There are also 25 “subject” policies that are intended to ensure the planning system delivers wider Scottish Government policy in specific areas that have a land use element.

## Business

44. The call for ideas and public consultation on the Position Statement attracted significant comments from both business representative bodies and individual companies. The Scottish Government has also engaged individually with a range of business interests as part of the policy development process. The comments received almost exclusively focussed on how policies could be developed so that the high level outcomes in the Position Statement could be achieved, including the contribution that specific business sectors could make.

45. Earlier consultations invited comments from respondents on the proposed IIA preparation process, including issues that should be included in this BRIA. There were no specific comments from industry about the likely costs and benefits on the preparation of draft NPF4. This may have been due to the early stage of policy development at the time of consultations, although it is generally indicative of past consultations where industry will prioritise commenting on specific policy issues rather than focussing on the specific costs and benefits that changes of policy will have on the sector.

## Options

### Option 1: No change

46. The amended Town and Country Planning (Scotland) Act 1997 requires the Scottish Ministers to review or revise the NPF by 23 June 2024. This approach would require the Scottish Ministers to publish an explanation of why they have decided not to revise the NPF. In practice, Scotland’s third NPF and the existing SPP, which were published in June 2014, would remain in place.

### Option 2: The Government’s preferred strategy

47. NPF4 will be a long term plan looking to 2045. It will guide spatial development, set out our national planning policies, designate national developments and

highlight regional spatial priorities. It will be part of the development plan, and so influence decisions on planning applications across Scotland.

48. The Scottish Government's Programme for Government highlights the role of NPF4 in accelerating emissions reduction and responding to COVID-19. This will be done as part of a cohesive plan to update existing strategies, policies and the national developments needed to ensure that the planning system effectively contributes to the delivery of wider policies around issues such as climate change; biodiversity; infrastructure; population change; health and wellbeing; good quality homes and the green economic recovery.

### **Option 3: Non-regulatory options**

49. The preparation of NPF4 is a statutory requirement. Recent changes to planning legislation will give it an enhanced status as part of the statutory development plan which informs planning decision making in each planning authority area. Any alternative strategy used to deliver national policies would not have the same status and influence that the NPF4 seeks to exert and would likely need to be brought forward in a piecemeal way as the Scottish Government seeks to ensure that the planning system is changed to deliver wider policy priorities.

## **Sectors and groups affected**

### **All Options**

#### **Business**

50. NPF4 will be a high level document likely to impact on all business sectors across Scotland who are likely, in the future, to engage with the planning system through the submission of planning applications. It will influence how decisions on such applications are made. The most significant impacts will be on those business that are dependent on the planning system for identifying new sites for their ongoing operations. This will, in particular, include housebuilders, the renewable energy sector, digital network providers, tourism and culture, and the minerals and aquaculture sectors.
51. The move away from individual local policies in each local authority area, towards national planning policies, will provide greater certainty to developers. This will also considerably reduce the number of occasions where they will need to engage with the planning system on the development of policies that affect their businesses. The impact of specific policies on their businesses may therefore be magnified compared to previous arrangements.
52. Proposals can also directly impact business where the draft NPF4 designates a proposal as a national development. Where the development is consented through the planning system, the prospective applicant is required to undertake additional consultation before applying (pre-application consultation) for planning

permission. Where developments are subject to other consenting regimes, for example for energy and transport, NPF is a material consideration. In some instances further procedures, including parliamentary consideration, can be triggered by national development status.

### **Local authorities**

53. Local authorities are also affected in that they are required to take account of NPF4 in preparing local development plans. Previously, those plans would include planning policies specific to the development plan area. However, the intention is to replace most local policies with national planning policies that apply across Scotland. This will free up time and resources for local authorities to focus on spatial elements in their development plans.
54. Housing is critical to a wide range of socio-economic issues. Experience of the pandemic has highlighted the importance of quality homes in quality places. There is therefore a need to focus on accelerating delivery and improving the quality of homes and places. This can be supported by introducing a long-term, strategic and public interest approach that clearly, consistently and transparently establishes the housing land requirement much earlier in the plan preparation process. The Planning (Scotland) Act 2019 requires that the National Planning Framework contain “targets for the use of land in different areas of Scotland for housing”. To meet this, Annex B of draft NPF4 proposes a Minimum All-Tenure Housing Land Requirement (MATHLR) for each planning authority in Scotland. This can help to streamline local development planning and free up resources, and can provide greater certainty, with potential benefits for local authorities, communities and businesses.
55. Where a national development is designated within a local authority area there are additional requirements on the processing of any associated application for planning permission, including pre-application consultation and pre-determination hearings.

### **Communities**

56. NPF4 will impact on communities as it will influence the future development of the places where people live. In addition, those community bodies which are preparing Local Place Plans will be required to have regard to the NPF in preparing such plans.
57. The designation of a proposal as a national development will require enhanced scrutiny in the planning system. Primarily this will require the prospective applicant to undertake pre-application consultation with the community in advance of submitting a planning application.

## Public Bodies

58. The Scottish Government has set a target of net zero emissions by 2045, and must make significant progress towards this by 2030. This will require new development and infrastructure across Scotland. This has the potential to impact on the decisions, plans and strategies made by infrastructure providers in the areas of flood management, housing, transport and education, as examples.

## Costs and Benefits

### Option 1: No change

59. The benefits to businesses of this option is that they would continue to work to existing arrangements. There would be no direct additional costs, although national planning policies would become outdated and not reflect current national priorities around e.g. climate change and biodiversity, leading to possible uncertainty and delays around the preparation of development plans and making decisions on planning applications. Such uncertainties would likely have significant impacts on businesses and could lead to incurring greater costs associated with bringing forward proposals in such an uncertain climate. There is likely to be continuing complexity and resource requirements arising from some existing policies, including the approach to housing in SPP (2014) which has generated extensive debate and litigation.

### Option 2: The Government's preferred strategy

60. At the highest level, NPF4 will provide certainty to developers on the issues that they will need to address when developing their planning proposals. The national planning policies will apply across Scotland and are intended to replace the different policies that are put in place by individual planning authorities. This will provide greater certainty for businesses, and other stakeholders, on the issues that must be addressed by specific proposals regardless of where they are located. This should result in cost savings arising as a result of not having to engage with different local authorities on different policies and also free up resources for local authorities to bring forward development plans that primarily focus on the spatial issues within their areas.

61. Draft NPF4 includes six universal policies that should be applied, where relevant, to all planning decisions. These policies relate to:

- a plan-led approach to sustainable development;
- the climate emergency;
- nature crisis;
- human rights and equality;
- community wealth building; and
- design, quality and place.

62. The principles behind some of these policies are carried forward from existing SPP although they have been adapted to ensure that they better reflect updated policy priorities. They introduce a number of new requirements that are likely to have cost implications for businesses. This includes enhanced requirements for reducing carbon emissions, conserving and enhancing biodiversity and contributing to community wealth building. In the interest of proportionality, it is likely that many of these requirements can be aligned with existing assessment requirements.
63. There are an additional 25 “subject” policies that set out the issues that should be addressed by development proposals. Again, the policy areas generally reflect the national policy position set out in SPP and are intended to ensure that proposals take into account wider Scottish Government policy objectives and satisfactorily address impacts on local communities and the environment. The policies have been drafted in a way that can be better applied to development management decision making and, in doing so, have been updated to ensure that they fully reflect national policy priorities.
64. There are significant changes proposed throughout the development management policies in the draft NPF4. These are intended to ensure that future development contributes to the Scottish Government’s objectives of creating sustainable, liveable, productive and distinctive places.
65. A fuller analysis of the likely benefits and costs of specific policies is provided in the table at Appendix B.
66. The Scottish Government is keen to ensure that careful consideration is given to the impacts that the draft NPF4 will have on businesses so that the Framework can be finalised with a sound understanding of what these impacts are. It has therefore been decided that a tailored approach to inviting views on the preparation of the BRIA is needed. A questionnaire will be sent to the representative bodies of those industries most directly affected by the proposals in the draft NPF4 for onward transmission to their member organisations. The questionnaire will also be sent to key agencies, local authorities and third sector bodies. It will ask for information on the current costs of engaging with the planning system and views on the possible impacts of the proposals (both individually and cumulatively) in draft NPF4 on those costs. Responses to the questionnaire will be reflected in the final BRIA.
67. The questionnaire will be issued shortly after the publication of draft NPF4. Stakeholders wishing to ensure that they receive a copy of the questionnaire directly should confirm the necessary contact details by e-mailing [scotplan@gov.scot](mailto:scotplan@gov.scot).

68. Comments can also be made by completing Question 70 of the consultation on the draft NPF4 and these will also be taken into account when preparing the final BRIA.
69. The developments which Scottish Ministers propose to designate as national developments are considered to be essential to the delivery of the spatial strategy which will be set out in NPF4. Whilst national developments will still require to secure planning permission and other relevant consents, Scottish Ministers may intervene at any stage of the process to ensure that decisions are made expeditiously.
70. Designation in the draft NPF4 is the mechanism for establishing the need for these developments. Any subsequent examination will therefore be concerned with matters such as siting, design and the mitigation of environmental impacts, not the principle of the development.
71. National development status has a statutory implication for those developments required to be consented under the provisions of the Town and Country Planning (Scotland) Act 1997, the Transport and Works (Scotland) Act 2007, the Roads (Scotland) Act 1984 as amended, and the Harbours Act 1964 as amended. Developments consented under the Transport and Works Act, the Roads Act, or the Harbours Act, which are also designated national developments, require to be considered by the Scottish Parliament. Promotion of road schemes is through the Roads Act rather than the planning system.
72. Where a national development is not consented under the Planning, Transport and Works, Roads, or Harbours Acts, the designation will be a significant, rather than statutory, consideration for the consenting body. This includes decisions made under the Electricity Act for power generation and electricity transmission cables.
73. Prospective applicants should also benefit from constructive, better informed communities engaging with proposals at an early stage. Applications would be more considered, taking into account community views, thereby leading to faster decisions and better outcomes. Communities will have the opportunity to interact with prospective applicants, to assist them in understanding views and objections, to refine proposals and to mitigate negative impacts.
74. The draft NPF4 subjects national developments to a number of additional requirements relating to greenhouse gas emissions, biodiversity enhancement, community wealth building and health impacts. These requirements are also applied to major developments and those requiring an environmental impact assessment so it is likely that national developments would be subjected to these requirements regardless of designation.
75. Other additional costs associated with national developments are likely to relate to enhanced scrutiny requirements, namely pre-application consultation and pre-

determination hearing requirements, where the development is subject to consenting under the land use planning system. Again, as the national developments specified would otherwise be categorised as major development, these requirements would largely apply anyway (requirements for pre-determination hearings apply to all national developments, but only certain major developments).

76. There will be some costs to planning authorities in checking that the appropriate documentation has been received and in holding the pre-determination hearing, where this would not otherwise be required. For communities and community groups, there will be marginal costs in preparing for, accessing and contributing the enhanced scrutiny events.

### **Option 3: Non-regulatory options**

77. This option would likely result in a need for the Scottish Government to bring forward changes to specific planning policies as and when the need arises. This will result in piecemeal consultation that is likely to lead to an increase in the costs associated with engaging on specific planning policy issues individually rather than considering all policies together via Option 2.

## **Scottish Firms Impact Test**

78. Most small and micro businesses will only occasionally deal with the planning system. Further work is necessary to ascertain the impact of the proposals on such businesses.

## **Competition Assessment**

79. We do not believe that the draft NPF4 will distort or restrict competition between firms or suppliers selling the same or similar products or services as it does not:

- directly limit the number or range of suppliers;
- indirectly limit the number or range of suppliers;
- limit the ability of suppliers to compete; or
- reduce suppliers' incentives to compete vigorously.

## **Test run of business forms**

80. NPF4 will not require the creation or completion of business forms.

## **Legal Aid Impact Test**

81. The proposals do not create new criminal sanctions or civil penalties. The Scottish Government's Access to Justice/Legal Aid Team has confirmed that it is

not expected that these proposals will have a significant impact on use of the Legal Aid fund.

## Enforcement, sanctions and monitoring

82. NPF4 will be implemented primarily by planning authorities and will inform the preparation of development plans and be a material consideration in development management decisions. There are no specific enforcement measures or sanctions related to the NPF. It will also be implemented by the Directorate for Planning and Environmental Appeals through recommendations and decisions on planning appeals, called in applications and development plan examinations.

83. NPF4 will be subject to review under the provisions set out in the amended Town and Country Planning (Scotland) Act 1997.

## Declaration and publication

84. I have read the Business and Regulatory Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options. I am satisfied that business impact has been and will continue to be assessed with the support of businesses in Scotland.

Signed:



Date: 24 November 2021

Tom Arthur MSP

Minister for Public Finance, Planning and Community Wealth

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## Appendix B. Draft National Planning Framework 4: National Planning Policies

### Sustainable Places

<b>Plan-led approach to sustainable development</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
All local development plans should manage the use and development of land in the long term public interest.	All stakeholders involved in delivering development	Continues to ensure that planning decisions reflect the Scottish Government's high level priorities.	No significant change from existing policy, so no additional costs envisaged.
<b>Climate emergency</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
A new policy requiring planning authorities to give significant weight to the Global Climate Emergency when considering development proposals.	All stakeholders involved in delivering development	Ensures that greater weight will be given to climate change as a crucial factor influencing decision making on future land use.	Design changes may be required that incur additional development costs. Whole life assessments and offsetting measures may also incur additional costs for developers proposing national, major and EIA developments.
<b>Nature crisis</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
A new policy responding to the nature crisis, requiring plans and proposals to contribute to the enhancement of biodiversity.	All stakeholders involved in delivering development	Positive effects for biodiversity are secured from development, helping to address the global challenge of biodiversity loss in line with the new statutory outcome for NPF4.	New requirements to conserve and enhance biodiversity may introduce additional evidence requirements for developers which will also require consideration by planning authorities. New requirements may also lead to additional costs for developers relative to

			the impact, and scale of the development.
<b>Human rights and equality</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
Confirmation that planning should respect, protect and fulfil human rights, seek to eliminate discrimination and promote equality. A revised policy that parties have a responsibility to consult and engage others collaboratively, meaningfully and proportionately.	All stakeholders involved in delivering development	Ensures that the full range of policies in NPF4 will work together to support a fairer, more inclusive and equalities-based approach to planning.	No significant change from existing policy so no additional costs envisaged.
<b>Community wealth building</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
A new policy on community wealth building, including a requirement for national and major developments to contribute to community wealth building.	All stakeholders involved in delivering development	Ensures that the planning system considers how major developers can address fairness and tackle inequality and injustice in the places they build.	Additional costs to developers proposing national and major developments may arise as a result of them being asked to contribute to community wealth building objectives.
<b>Design, quality and place</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on design, quality and place requiring plans and proposals to reflect the six qualities of successful places.	All stakeholders involved in delivering development	Continues to ensure that place making and quality development are key outcomes for the planning system.	Policy is updated but changes are unlikely to result in significant costs

## Liveable Places

<b>20 minute neighbourhoods</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
A new policy on local living, requiring plans and proposals to support the principle of 20 minute neighbourhoods.	All stakeholders involved in delivering development	Ensures that people have access to everyday local infrastructure so that the need to travel is reduced and the places where they live and work are more resilient and sustainable.	These policies will impact on locational choices for development and are unlikely, in themselves, to generate significant costs.
<b>Infrastructure First</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
A new policy requiring local development plans and delivery programmes to be based on an infrastructure-first approach. Proposals must also reflect the Scottish Government Infrastructure Investment Hierarchy to use existing infrastructure capacity first, and mitigate their impact.	All stakeholders involved in delivering development	Puts in place an infrastructure-first approach, involving infrastructure providers, developers and other public bodies to ensure an integrated and coherent outcome-based approach to land use planning,	The views of businesses is being sought on any likely cost implications of the proposed updated and expanded policy approach.
<b>Quality homes</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
An updated approach to providing quality homes. This requires authorities to set out a deliverable housing land pipeline, encourages affordability and choice, recognises the	Housebuilding Industry, Registered Social Landlords, Housing Associations, Planning Authorities, Key Agencies	Draft NPF4 takes a new approach to planning for housing policy. It aims to address issues of current policy, and limited resources being focused on debates over calculations and	Some housebuilders raised concerns about possible impacts in their consultation responses. Such concerns related to possible changes to existing housing policies and to other policy areas, including

<p>accommodation needs of Gypsy/Travellers, and expects proposals for larger scale housing developments to be supported by a statement of community benefit. Proposals should be in sustainable locations and will only be supported if allocated in the local development plan, unless it is for affordable homes, small scale or rural development, or where there is evidence that build-out is exceeding the timelines set out in the delivery programme.</p>		<p>methodologies of housing numbers. It looks to support delivery of homes over a longer timeframe of 10 years, enabling a more co-ordinated and considered approach, aligned with key drivers of social justice, infrastructure provision and climate change. Resource capacity in future should therefore focus on the quality, location and delivery of new homes and places.</p>	<p>net zero and brownfield land. The views of businesses will be sought further on these issues.</p>
<p><b>Sustainable transport and travel</b></p>			
<p><b>Proposed policy change</b></p>	<p><b>Sector and groups affected</b></p>	<p><b>Benefits</b></p>	<p><b>Cost</b></p>
<p>An updated policy on sustainable transport and active travel. This aims to reduce the need to travel by discouraging applications for significant travel generating uses at locations which rely on the car. Provision of active travel is actively encouraged.</p>	<p>All stakeholders involved in delivering development</p>	<p>Refocuses existing transport policies to specifically draw out how land use planning can build in sustainable travel choices.</p>	<p>There may be additional costs to developers around some of the updated policies, such as those relating to active travel. The views of businesses are being sought on the likely cost implications of the proposed updated and expanded policy approach.</p>

<b>Heat and cooling</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated and expanded policy on heat and cooling requiring LDPs to take into account the area's Local Heat and Energy Efficiency Strategy. Proposals should be designed to connect with existing or future heat networks. Where there is no effective solution available, an alternative low or zero emissions heating system should be provided. Passive or natural solutions to cooling are encouraged.	Developers and housebuilders, Planning Authorities, Key Agencies	Ensures that the planning system supports development that connects to heat networks so that they can achieve zero emissions from heating and cooling buildings and adapt to changing temperatures.	The views of businesses are being sought on the likely cost implications of the proposed updated and expanded policy approach.
<b>Blue and green infrastructure, play and sport</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on blue and green infrastructure, play and sport requiring assets to be safeguarded and seeking opportunities for enhancement. New policies also protect children's outdoor play provision and design-in new opportunities for play in the built environment. Maintenance of blue-green infrastructure should also be	Developers and housebuilders, Planning Authorities, Key Agencies	Ensures that the planning system continues to support and enhance blue and green infrastructure and provides good quality local opportunities for play and sport.	The views of businesses are being sought on the likely cost implications of the proposed updated approach.

addressed in development proposals.			
<b>Sustainable flood risk and water management</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on flooding which aims to build resilience to future climate change. Proposals on the Future Functional Floodplain will not be supported other than in limited circumstances. New infrastructure must build in flood risk mitigation. Impermeable surfaces are discouraged, and proposals must use blue and green infrastructure where practicable for drainage of surface water.	Developers and housebuilders, Planning Authorities, Key Agencies	Ensures that the planning system strengthens future resilience to flood risk by reducing the vulnerability of existing and future development to flooding.	The views of businesses are being sought on the likely cost implications of the proposed updated approach.
<b>Lifelong health, wellbeing and safety</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
A new policy on lifelong health and wellbeing which aims to create healthier places and require a Health Impact Assessment of any proposals considered likely to generate significant health effects, plus national development proposals. Development that will significantly adversely	Developers and housebuilders, Planning Authorities, Key Agencies	Ensures that the planning system supports health, wellbeing and safety, and strengthens the resilience of communities.	The views of businesses are being sought on the likely cost implications of the proposed new policy approach.

<p>affect air quality or generate unacceptable noise is not supported. Local food growing is encouraged. An updated policy on safety setting out requirements to take into account potential impacts of new development on major-accident hazard sites.</p>			
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## Productive places

<b>Land and premises for business and employment</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
<p>An updated policy on business and employment requiring development plans to identify employment land in a way which supports a greener, fairer and more inclusive wellbeing economy. Supporting proposals for home-working, live-work units and micro-businesses.</p>	<p>Developers involved in delivering development for the business sector, Planning Authorities, Key Agencies</p>	<p>Ensures that the planning system supports new and expanded businesses and investment, stimulates entrepreneurship and promotes alternative ways of working in order to achieve a green recovery and build a wellbeing economy.</p>	<p>Proposals to support home-working, live-work units and micro-businesses may have positive benefits for small businesses.</p>

<b>Sustainable tourism</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
A new policy on sustainable tourism supporting growth of the sector in a way which manages impacts on local communities. A new policy to manage short term holiday letting is introduced, and existing facilities which have a viable use are protected.	Tourism industry, Planning Authorities	Ensures that the tourism sector can grow sustainably whilst ensuring that impacts on local communities and the environment are addressed.	Additional costs may arise for businesses wishing to locate in areas where existing tourism provision is having adverse impacts and for businesses that wish to change the use of a tourism facility away from a tourism use.
<b>Culture and creativity</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
A new policy on culture and creativity which recognises the importance of the sector, requires proposals to make provision for public art, encourages creative and cultural uses, protects existing venues, and reflects the agent of change principle.	Culture and creative sectors, Developers involved in delivering development that will impact on these sectors	Ensures that the planning system supports the culture and the creative sectors in recognition of their contribution to Scotland's health and wellbeing and cultural, social, economic and environmental prosperity.	Additional costs may arise for developments proposed in public spaces and for businesses that wish to change the use of their premises away from an arts and culture use. The Agent of Change principle is already applied to decision making so is unlikely to generate additional costs.

<b>Green energy</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
Updated policies on green energy which support renewable energy development other than in national parks and national scenic areas, subject to an assessment of their impacts on a case by case basis. Repowering of wind farms, small scale generation, negative emissions technologies and solar energy should be supported. Criteria for assessing proposals are set out.	Renewables industries, Planning Authorities, Key Agencies	Ensures that the planning system continues to support the expansion of low carbon and net-zero energy technologies as a key contributor to net-zero emissions by 2045.	The views of businesses is being sought on the likely cost implications of the proposed updated policy approach.
<b>Zero waste</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated and expanded policy on zero waste requiring plans to identify locations for new infrastructure and supporting development in line with the waste hierarchy. Landfill and energy from waste proposals will only be supported where there is a demonstrable need and waste heat and / or electricity generation is included.	Waste management industries, Planning Authorities, Key Agencies	Ensures that the planning system continues to support development which reflects the waste hierarchy, prioritising the reduction and re-use of materials, and facilitating the delivery of new infrastructure required to achieve this.	The views of businesses is being sought on the likely cost implications of the proposed updated and expanded policy approach.

<b>Sustainable aquaculture</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on sustainable aquaculture which reflects industry needs whilst taking into account wider marine planning. Requirements to assess impacts are set out including operational effects, siting and design of cages and land based facilities.	Aquaculture industry, Planning Authorities, Key Agencies	Ensures that the planning system continues to support the sustainable growth of the finfish, shellfish and seaweed sectors, including by guiding new development to locations that reflect industry needs and take into account wider marine planning.	Policy is updated but changes are unlikely to result in significant costs.
<b>Minerals</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
Extraction of fossil fuels is not supported other than in exceptional circumstances that are consistent with national policy, and we confirm our position of no support for the development of unconventional oil and gas in Scotland.	Mineral extraction industries, Planning Authorities, Key Agencies	Ensures greater consideration is given to the extraction of fossil fuels and only supports extraction where it can be demonstrated that it can be aligned with national policy.	Policy on fossil fuels is strengthened so that extraction will only be supported in exceptional circumstances. The views of businesses are being sought on the likely cost implications of this approach.

<b>Digital infrastructure</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
An updated policy on digital infrastructure which requires proposals to incorporate appropriate, universal and future-proofed digital infrastructure. New services and technology in areas with no or low connectivity are supported.	Construction industry Telecommunications and broadband providers, Planning Authorities	Ensures that the planning system continues to support the roll-out of digital infrastructure across Scotland, ensuring that policies recognise the importance of future-proofing infrastructure provision whilst addressing impacts on local communities and the environment.	No significant change from existing policy so no additional costs envisaged.

## Distinctive places

<b>City, town, commercial and local centres</b>			
Proposed policy change	Sector and groups affected	Benefits	Cost
<p>An updated policy on city, town, commercial and local centres which aims to support lower carbon urban living.</p> <p>Out-of-town development including new retail is not supported and the policy supports development which diversifies and strengthens city, town and local centres, whilst seeking to avoid the clustering of certain developments that can have</p>	Retail and commercial industries, Housebuilders, Planning Authorities, Key Agencies	Ensures that development is directed to the most sustainable locations to provide communities with easy access to the goods and services they need, whilst supporting the need for urban centres to diversify as a result of the challenges that they are facing.	The views of businesses are being sought on the likely cost implications of the proposed updated and expanded policy approach, including the withdrawal of support for out of town developments.

<p>negative impacts on communities.</p> <p>A town centre first assessment is required for all uses that generate significant footfall.</p> <p>Town centre living is supported provided residential amenity can be achieved and commercial uses are demonstrated to be no longer viable.</p>			
<b>Historic assets and places</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
<p>An updated policy on historic assets and places aims to safeguard valued historic assets and places including listed buildings, conservation areas, scheduled monuments, historic gardens and designed landscapes, battlefields, and World Heritage Sites.</p> <p>Demolition of buildings with historic value is not supported. Proposals to sensitively repair, enhance or bring back into use buildings at risk are supported.</p>	<p>All stakeholders involved in delivering development</p>	<p>Ensures appropriate recognition is given to the need to protect and enhance historic environment assets and places in recognition of their important cultural, social, and economic value.</p>	<p>No significant change from existing policy so no additional costs envisaged.</p>

<b>Urban edges and the green belt</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on urban edges and the green belt aims to protect countryside around cities and towns, and limits the circumstances where green belt development can be acceptable to specific uses.	All stakeholders involved in delivering development	Ensures continued recognition of the role of green belts as a settlement management tool around Scotland's towns and cities.	No significant change from existing policy so no additional costs envisaged.
<b>Vacant and derelict land and empty buildings</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated and expanded policy on vacant and derelict land and empty buildings which encourages re-use of land and buildings and discourages greenfield development unless there are no suitable brownfield alternatives.	All stakeholders involved in delivering development	Greater emphasis on using vacant and derelict land and buildings has the potential to deliver significant benefits including sustainable, inclusive growth and reduced emissions. There will likely also be wider health benefits as there is a potential relationship between poor health, inequality and disadvantage, and proximity to vacant and derelict land.	The shift towards a greater emphasis on using vacant and derelict land, including remediation, may have implications on the locational choices of business. This may result in additional costs and the views of businesses will be sought on these.

<b>Rural places</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on rural places which aims to support the sustainability and growth of rural communities and economies. Resettlement of previously inhabited areas is supported where it is consistent with climate change mitigation targets. Proposals for development outwith rural settlements in more remote rural areas are supported in certain circumstances. Proposals in more accessible rural areas are not supported where they would contribute to rural suburbanisation or car-based commuting.	All stakeholders involved in delivering development	Ensures that policies on rural development will positively encourage development that helps to repopulate and sustain rural areas and stimulate rural economic growth and sustainability.	Policies have been updated to strengthen support for rural businesses, particularly small businesses. The views of businesses are being sought on the likely cost implications of the proposed updated policy approach.
<b>Natural places</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on natural places which aims to protect biodiversity and landscape, including protected sites and species. Development in areas of wild land should only be supported where there are no other reasonable locations, or proposals are small scale	All stakeholders involved in delivering development	Continues to ensure that natural assets are managed in a sustainable, regenerative way so they can continue to provide the essential benefits and services upon which people and businesses rely.	A requirement around reasonable locations may introduce the need for additional assessments for development on wild land that may result in additional costs for businesses. The views of businesses are being sought on the likely cost implications

and impacts on the qualities of the area are assessed and mitigated.			of the proposed updated policy approach.
<b>Peat and carbon rich soils</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on peat and carbon rich soils which protects peatland, carbon rich soils and priority peatland habitat from development other than for essential infrastructure, renewable energy where it will maximise the function of the peatland during its operational life and in decommissioning, small scale rural development or peatland restoration. Proposals for new commercial peat extraction are not supported other than in exceptional circumstances.	Peat extraction industry, Whisky industry, Planning Authorities, Key Agencies	Ensures greater protection is given to peat and carbon rich soils in recognition of the role they play in carbon sequestration and climate change adaptation.	The greater protection afforded to peatland may result in additional costs for businesses. The views of businesses are being sought on the likely cost implications of the proposed updated policy approach.
<b>Trees, woodland and forestry</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on trees, woodland and forestry which requires local development plans to link with Forestry and Woodland Strategies, and does not support any loss or adverse impact on Ancient	All stakeholders involved in delivering development	Recognises the role that trees and woodland will play in helping to achieve net zero by 2045 through sequestering and storing carbon and providing essential ecosystem	Greater protection afforded for irreplaceable habitat may result in additional costs for businesses. The views of businesses are being sought on the likely cost implications

woodland, ancient or veteran trees, or adverse impacts on native woodlands, hedgerows and individual trees of high biodiversity value. Proposals for sustainably managed woodland are supported.		services for nature, people and the economy.	of the proposed updated policy approach.
<b>Coasts</b>			
<b>Proposed policy change</b>	<b>Sector and groups affected</b>	<b>Benefits</b>	<b>Cost</b>
An updated policy on coasts which requires plans to consider adaptation to future climate impacts, supports development in areas of developed shoreline provided coastal protection measures are not required, and minimises development in undeveloped coastal areas unless it supports the blue economy, net zero, the economy or communities.	All stakeholders involved in delivering development	Policies confirm how the future development of coastal areas and communities can be achieved in a way that helps them adapt to long term challenges, such as climate change.	No significant change from existing policy so no additional costs envisaged.



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