

ANGUS COUNCIL

PLANNING AND TRANSPORT POLICY COMMITTEE  
ECONOMIC DEVELOPMENT COMMITTEE

7 MARCH 2002  
25 APRIL 2002

SUBJECT: NATIONAL PLANNING POLICY GUIDELINE 2 (REVISED 2002)  
ECONOMIC DEVELOPMENT – CONSULTATION DRAFT

REPORT BY DIRECTOR OF PLANNING AND TRANSPORT IN CONSULTATION WITH  
THE CHIEF EXECUTIVE

**Abstract:** This report reviews the updated guidance contained in the consultative draft of National Planning Policy Guideline (NPPG2) (Revised 2002) Economic Development. When finalised it will replace the existing NPPG2 : Business and Industry which was issued in 1993. The report also summarises areas of particular relevance and interest to Angus.

## 1 RECOMMENDATION

1. It is recommended that the Planning and Transport Policy Committee agree this report as the basis of the Council's response to the Scottish Executive, highlighting:-
  - (a) land use planning matters outlined in paragraph 4.9 which require further clarification in the NPPG;
  - (b) concerns arising from the absence of a locational framework providing spatial land use planning guidance at national and sub national levels within the draft NPPG.
2. It is recommended that the Economic Development Committee note the terms of the proposed guidance contained in the draft NPPG and take this into account as appropriate in the preparation of the updated Economic Development Strategy for Angus.

## 2 INTRODUCTION

- 2.1 The Scottish Executive published a draft revision of NPPG2 : Economic Development on 11 January for consultation purposes. The consultation period ends on 10 May 2002.
- 2.2 The revised NPPG reviews the principles and practice of allocating sites for economic development purposes. The new title 'Economic Development' is indicative in a broadening of the basis of the NPPG beyond business and industry and promotes the role of the business community in developing land use policy. There is a call for increased flexibility to respond to business needs whilst maintaining sustainable development, protection of the environment and social inclusion.

- 2.3 This report highlights the main points covered in the guidance and considers the policy implications for Angus Council. The content of the guidance when finalised will be of relevance to the review of the Angus Local Plan. The new guidance also reflects some of the recent policy development in the Finalised Dundee and Angus Structure Plan.
- 2.4 A copy of the draft revised NPPG is available for reference in the Members' Lounge.

### **3 KEY POINTS FROM DRAFT NPPG**

- 3.1 The consultative draft NPPG is sub-divided in six sections as follows:-
- Policy Guidelines: General Principles.
  - Providing a range of development opportunities.
  - Encouraging development in sustainable locations.
  - Safeguarding the environment.
  - Promoting a dialogue with the business community.
  - Implementation.
- 3.2 The key points for each section are summarised below. The draft NPPG also contains a policy summary and this is reproduced as Annex 1.

#### **Policy Guidelines: General Principles**

- 3.3 This establishes the context for the new NPPG and sets out economic development's land use requirements within the wider context of government policy. The links between land use planning and social justice, community planning, sustainable development, transport, design and the environment are highlighted.
- 3.4 The changing nature of the economy and the impact of national (Framework for Economic Development in Scotland) and European (Regional Policy) policy will require a flexible response from planning policy to support Scotland's economic competitiveness. 'In particular, marketable land should be provided in sufficient quantity and quality to meet the diverse range of industrial, business and commercial requirements including the expansion and growth of indigenous firms.'
- 3.5 The draft NPPG focuses on four objectives:-
- providing a range of development opportunities – to ensure that there is range and choice of sites for new employment opportunities throughout Scotland;
  - securing new development in sustainable locations – to improve integration between transport and locations for development and to encourage more sustainable forms of development;
  - safeguarding the environment – to make sure that new development contributes to a high standard of quality and design and that the natural and built heritage is protected; and

- promoting a dialogue between Councils and business – to encourage a positive culture of engagement and understanding of the priorities of the business community and the role of the planning system in enhancing economic competitiveness.

### **Providing a Range of Development Opportunities**

- 3.6 The draft NPPG emphasises the need for Scotland to be able to compete in an international knowledge based economy to create, attract and retain skilled jobs. Part of this competitiveness will be based on provision of a choice of well located sites which can range from brownfield sites in town centres to greenfield business parks. These new sites should be set within the settlement strategy for an area and take account of the location of future housing land provision.
- 3.7 In terms of nationally significant sites demand is increasingly for small scale, higher value manufacturing plants which means identified sites have greater capacity than previously anticipated and some may accommodate more than one unit. The range of existing safeguarded nationally significant sites include:-
- High Amenity Sites (9 Central Belt Locations) – to be kept under review.
  - Large Industrial and Business Sites (Hunterston) – no additional sites required.
  - Large Petrochemical Sites (Developed or in Development Plans) – no additional sites required.
- 3.8 Clusters and science parks are seen as ways to encourage innovation and academic research into commercial viability. Nine locations are identified for protection, including the Dundee Technology Park extension. A deficiency in this type of provision is identified in the Glasgow Conurbation.
- 3.9 Headquarters (Corporate) proposals are identified as prestigious projects which should be encouraged and accommodated.
- 3.10 Small business contribution to the economy, particularly the rural economy, is recognised. Planning constraints, however, are perceived as a concern to the small business community. It is suggested that the planning system should be establishing better dialogue between the business community and Councils, leading to more supportive development plan policies. This includes positively encouraging start up businesses in residential areas, identification of locational opportunities, efficient processing of planning applications and fostering mixed use developments.
- 3.11 Although NPPG 15: Rural Development (1998) already establishes the national planning framework for rural development, the draft Economic Development NPPG also recognises and comments on opportunities for economic development and diversification in rural areas. It is suggested that in conjunction with the Enterprise Networks positive policies should be developed with greater flexibility in their application to favour rural development and diversification where this creates sustainable employment opportunities.

### **Encouraging Development in Sustainable Locations**

- 3.12 Integration of transport and economic development helps support a successful economy, sustainability and social inclusion. Whilst city and town centres have a key role in accommodating high trip generating uses, larger greenfield sites are also required. Such sites, identified through development plan allocations and development proposals, should demonstrate accessibility for walking, cycling and public transport. Transport links for delivery and supplies is increasingly important as 'just in time' practices become widespread. Airports provide potential for economic development in their own right, although environment and accessibility issues require to be addressed. Sites within easy reach of airports provide further opportunity for economic development.
- 3.13 Brownfield development can contribute to the overall supply of sites and support the principles of social justice, economic regeneration and physical renewal where economically viable sites can be achieved. The redevelopment of brownfield sites and redundant buildings should be promoted through the development plan system. To achieve this Local Authorities should:-
- encourage the recycling of buildings;
  - adopt a more pro-active approach to the re-use of obsolete buildings;
  - make greater use of land assembly and compulsory purchase powers to consolidate redevelopment opportunities; and
  - consider a more focused approach in certain areas, such as town and city centres.
- 3.14 Improvements in information communication technology (ICT) will reduce locational constraints on some businesses and can provide opportunities for sustainable employment opportunities which will be a particular benefit in rural areas. There is scope to incorporate ICT, satellite and home working within residential areas provided amenity is not adversely affected.

### **Safeguarding the Environment**

- 3.15 Design quality is not just in the appearance but also the function of a building such as energy conservation and waste management. As such good design contributes to the built heritage and sustainability, and makes economic sense through reducing long term costs. Planning authorities should provide design guidance through development plan policies, supplementary guidance and development briefs to promote high design standards in new development and to maintain and enhance existing industrial and business areas.
- 3.16 Environmental protection and enhancement is a key part of planning policy. Whilst in exceptional circumstances economic or locational requirements may override protection, the priority is the recognition and enhancement of the environment particularly in designated sites and areas. Mitigation of adverse impact, waste generation and recycling are some of the issues development proposals should address.

### **Promoting a Dialogue with the Business Community**

- 3.17 Promoting a dialogue with the business community (particularly via local authority representation on Enterprise Councils and the local economic forums) will have a key role to play, including providing a regional economic perspective for development plan preparation.

### **Implementation**

- 3.18 Development Plans should recognise the needs of the business community and enterprise networks and ensure policies and proposals for land allocations reflect current and likely future requirements. Development Plans should therefore:-

- include a supply of sites offering a choice of size, location and environmental amenity;
- safeguard national and other key sites;
- set out enabling policies to provide for market uncertainty;
- reallocate unmarketable sites; and
- identify supporting action, for example on infrastructure provision, environmental improvement or town centre management that can assist the delivery of economic development.

- 3.19 The potential advantages of simplified planning zones are highlighted as is the need for reliable, consistent, speedy and efficient development control decisions. The draft NPPG concludes that 'with better dialogue, more responsive and forward looking plans and a commitment to prompt decision making, the planning system can play a significant role in achieving a competitive Scotland that is also confident and compassionate and which is committed to the principles of sustainable development'.

## **4 DISCUSSION**

- 4.1 The draft NPPG recognises that the land use planning system continues to have an important supporting role in providing for new economic development and contributing to economic prosperity. This can be achieved through up-to-date and positive development plans and by establishing effective dialogue with the business community.

- 4.2 When finalised the revised NPPG 2 Economic Development will replace the 1993 NPPG Business and Industry and represents a significant shift in policy. The existing NPPG focuses primarily on the need to provide an adequate range and choice of marketable land to meet the demands of general industry and business uses. The revised draft NPPG emphasises a more flexible response to the business sector needs. The scope of the draft NPPG has also been broadened to incorporate retailing, town centres and tourism activity within economic development, although the need to refer to each specific subject NPPG where appropriate is stated.

- 4.3 The existing NPPG requires an allocation of marketable land to meet estimated demand over the plan period. Given that the needs of business change and development rates vary depending on a variety of local, national and international factors, estimating a fixed hecterage over the plan period is problematic. Local Planning Authorities require flexibility to respond to changing demand over the plan period. The Finalised Dundee and Angus Structure Plan for example has recognised this and utilises a rolling total (eg 10 ha in Forfar) to ensure a range of sites can be available at any one time to meet a variety of employment needs.
- 4.4 The revised draft NPPG provides little in the way of a locational framework or geographical guidance for development. A range of nationally protected sites are identified but there is little guidance on the factors justifying such designation, the scale or type of provision appropriate within a development plan, local authority or even enterprise company context. The concept of flexibility has replaced that of a range of strategically recognised sites. Whilst this has some advantages, as noted previously, the operation of other policies will retain the focus on investment being directed to certain areas, particularly the Central Belt.
- 4.5 Although it is acknowledged that there is already a wide range of initiatives throughout Scotland to encourage participation in land use planning, the draft NPPG reinforces the need to consult with and work alongside the business community to foster economic development, social inclusion and sustainability. It should be noted that the Scottish Executive is currently consulting on 'Getting Involved in Planning' which seeks to review how people can be more effectively involved in the Planning System.
- 4.6 There remains a strong and growing recognition of the qualitative needs of modern employers – accessibility to the workforce, suppliers and customers (and vice versa) is increasingly important. Good location, accessibility and design is also an important aspect of sustainable development and the draft NPPG correctly emphasises these linkages. The need to protect and enhance the environment remains. These elements of the Guidance are a welcome statement on integrated sustainable development.
- 4.7 There is a greater recognition of the importance of the rural areas and small towns (ie under 20,000 population) which comprise most of Angus. Their role, however, appears to remain secondary to the cities and major urban areas. The need for diversification of the rural economy is mentioned but with little direction as to how this should be encouraged in practice. Information technology and communications are perceived as fundamental in encouraging home working and sub offices etc which can be accommodated within existing and new residential property, particularly through mixed use and flexible residential policy. Whilst promoting a range and choice of sites for new employment opportunities 'throughout Scotland' the draft NPPG effectively focuses on the urban areas as engines of growth, location of areas in need of renewal and central to communications.
- 4.8 As a result of changes in the structure of the guidance:-
- there is no spatial framework and no clear locational framework at national and sub national levels;

- there is a lack of specific guidance in what the draft NPPG actually addresses – for example tourism and retailing are major employers and important sectors of the economy but it is unclear how general guidance relates to other NPPGs.

4.9 A number of land use planning matters require further consideration including:-

- a definition of marketable land;
- how office and retailing uses can continue to be encouraged and directed to central urban locations where these may be more difficult to develop than greenfield sites;
- the apparent contradiction between the stated development control objectives i.e. speed versus quality and consultation;
- how to resolve lack of access to broad band networks in areas such as Angus which will constrain homeworking and ICT based employment opportunities;
- mechanisms for developing and promoting brownfield sites for a wide range of employment uses;
- further attention to the economic and employment needs of rural areas and smaller settlements which are inter-dependent with the larger employment centres both in Angus and across Scotland.

## **5 FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising from this report.

## **6 HUMAN RIGHTS IMPLICATIONS**

6.1 Any Human Rights issues arising from the NPPG are a matter for the Scottish Executive but there are no Human Rights issues arising from this report.

## **7 CONSULTATION**

7.1 The Chief Executive, Director of Finance and Director of Law & Administration have been consulted in the preparation of this report.

## **8 CONCLUSION**

8.1 The draft NPPG reinforces the importance of the planning system to a successful economy. There is increased emphasis on dialogue and responsiveness and less on fixed allocations of employment land. Angus Council has already adopted this proactive and flexible approach. The adopted Angus Local Plan stresses the need to respond to development opportunities where and as they arise in the rural area whilst the Finalised Dundee and Angus Structure Plan promotes a rolling system of land release and highlights strategic employment development opportunities

- 8.2 There is a lack of locational guidance or spatial national framework within the draft NPPG. Uncertainty regarding what comprises economic development, inconsistency in regional equality and emphasis in responding to the business community's perceived concerns about the planning system make this draft NPPG less focused than its predecessor.
- 8.3 Finally, the draft NPPG itself recognises that the development plan system is subject to review and that changes to strategic (and therefore local planning) will likely require that the current version be modified.

#### **NOTE**

The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

- National Planning Policy Guideline 2 (Consultative Draft)  
Economic Development – Scottish Executive Development Department

AA/ID/IAL  
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