



## SCOTTISH EXECUTIVE

---

Development Department  
Planning Services

Victoria Quay  
Edinburgh EH6 6QQ

Telephone: 0131-244 7528

Fax: 0131-244 7555

[alan.denham@scotland.gsi.gov.uk](mailto:alan.denham@scotland.gsi.gov.uk)

<http://www.scotland.gov.uk>

Your ref:

Our ref: ZPP/10/2

11 January 2002

Dear Sir/Madam

### **NATIONAL PLANNING POLICY GUIDELINE 2: ECONOMIC DEVELOPMENT**

I enclose a consultative draft copy of NPPG2 revised. When finalised, it will replace NPPG2: *Business and Industry* which was issued in 1993. The title has been changed to reflect changing economic circumstances and, in particular, the contribution now made to the economy by non-manufacturing sectors.

The revised NPPG deals with how planning can assist economic development whilst taking account of important social and environmental agendas. It therefore focuses on four key planning objectives - providing a range of development opportunities, ensuring that development takes place in sustainable locations, protecting the environment, and promoting better dialogue between local authorities and business.

Our view is that the proposals contained in the draft will not increase the regulatory burden on businesses or the voluntary sector and therefore no Regulatory Impact Assessment has been prepared. However, if you have any comments on the likely impacts these should also be sent to us and will be given full consideration.

**Comments on the contents of the draft NPPG are sought by 10 May 2002 and should be e-mailed to [NPPG2consultation@scotland.gsi.gov.uk](mailto:NPPG2consultation@scotland.gsi.gov.uk)**

Alternatively, comments may be posted to Lynn Jameson, Scottish Executive Development Department, Planning Services, 2-H, Victoria Quay, Edinburgh EH6 4SN. Copies of responses will be made available to the public on request. Please indicate if you wish your comments to be treated in confidence.

Further copies of the NPPG are available from Lynn Jameson (telephone 0131 244 7540). The document is also available on our web site: [www.scotland.gov.uk/planning](http://www.scotland.gov.uk/planning)

Yours faithfully

**ALAN DENHAM**



**NPPG 2** Revised 2002

**ECONOMIC  
DEVELOPMENT  
CONSULTATION  
DRAFT**



**SCOTTISH EXECUTIVE**

Development Department

## **National Planning Policy Guideline**

**NPPG 2** Revised 2002

# **ECONOMIC DEVELOPMENT**

# CONSULTATION DRAFT

January 2002  
© Crown copyright  
ISSN  
ISBN

# Planning Series:

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

Statements of Scottish Executive policy contained in NPPGs and Circulars may, so far as relevant, be material considerations to be taken into account in development plan preparation and development control.

## Contents

	Paragraph
<b>Summary</b>	
<b>Policy Guidelines: General Principles</b>	<b>1</b>
<b>Providing a range of development opportunities</b>	<b>9</b>
Nationally significant sites	14
Clusters and science parks	20
Headquarters	23
Small businesses	24
Rural development	27
<b>Encouraging development in sustainable locations</b>	<b>29</b>
Integration of transport and economic development	29
Brownfield development	35
ICT, satellite offices and home working	41
<b>Safeguarding the environment</b>	<b>44</b>
Design quality	44
Environmental protection	48
<b>Promoting a dialogue with the business community</b>	<b>52</b>
<b>Implementation</b>	<b>55</b>
Development Plans	56
Simplified Planning Zones	58
Development Control	59
Notification arrangements	60
Environmental impact assessment	61
<b>Conclusions</b>	<b>62</b>
<b>Notes</b>	<b>64</b>
<b>Annex – Hunterston Large Industrial Site</b>	



## Summary

The policy in this NPPG can be summarised as follows:

The Executive's vision, set out in the *Framework for Economic Development in Scotland*, is that "economic development should raise the quality of life of the Scottish people through increasing economic opportunities for all, on a socially and environmentally sustainable basis." The focus is on enhancing Scotland's economic prosperity by creating a successful, increasingly knowledge-based economy which can meet the challenges of a highly competitive global environment. This does not mean that traditional forms of inward investment or locally driven economic activity will be given less recognition.

The planning system should provide strong support for economic development, both new and expanding businesses, where it is consistent with other national and local policies, in particular the promotion of social justice and sustainable development.

Many sectors of the Scottish economy have experienced changes in response to the global economy, and international trends. Further changes can be anticipated, although the nature and pace of some of them cannot be forecast with certainty. The planning system should recognise and respond positively to market requirements and other aspirations for the economy, for example, the increased focus on research, design and development in support of the move towards a knowledge-based economy, but be sufficiently flexible to respond to new challenges and unpredicted demands.

Planning Authorities should:-

- Provide a range and choice of marketable and quality sites for their area to meet the diverse range of developments; safeguard high amenity sites and the Hunterston large industrial site in the national interest; support the development of clusters and science parks, where appropriate identifying new locations; respond positively to firm proposals for corporate headquarters; and provide positive support for existing and new small businesses, and development in small towns and rural areas, including rural diversification.
- Secure sites for economic development in sustainable locations, by identifying key accessible locations for business development and, working with other partners, support their delivery; promote the re-use of previously developed sites and buildings where these meet the requirements of particular sectors ; and take account of the capability of ICT and the promotion of home working to reduce the need to travel.
- Safeguard the environment, requiring that new development should be of a high design quality, and ensure the protection of the natural and built heritage.
- Promote dialogue between all those involved with business development, by engaging with business interests, the Enterprise Networks and Local Economic Forums, and by deciding planning applications in an efficient and consistent manner, on the basis of positive and up-to-date development plans.

# Policy Guidelines: General Principles

*Framework for  
Economic  
Development in  
Scotland*  
June 2000  
SE/2000/58

1. Land use planning for economic development takes place within the wider context set by the *Framework for Economic Development in Scotland* (FEDS). This provides an integrated approach to the promotion of Scottish economic development over a 5 to 10 year horizon, and encourages dynamism and increased productivity rather than the retention or creation of a specific economic structure. The Framework highlights the importance of international competitiveness, enabling all regions in Scotland to contribute and benefit, and stresses that development should be undertaken in a sustainable manner. It acknowledges the importance of physical infrastructure - transport, buildings, land and utilities - and the role of the planning system in enabling economic development to take place.

2. As well as FEDS, planning policy relating to economic development must have regard to Executive policies and initiatives on social justice, community planning, sustainable development, transport, design and the environment, as well as European Regional Policy. The Executive's Digital Scotland and E-Commerce initiatives will also be relevant.

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

3. *Social Justice: a Scotland Where Everyone Matters* sets out the Executive's long term strategy for tackling poverty and injustice. There are social and economic inequalities between areas and, as far as this NPPG is concerned, it will be important to ensure that disadvantaged communities and groups are able to benefit from better access to employment opportunities.

4. European Regional Policy, and the associated arrangements for financial assistance through the programming of Structural Funds for the 2000-2006 period, will have an important influence on locational decisions. The Fund programmes have been constructed in partnership with economic development agencies, local authorities and others. They are designed to assist economic and social development with a particular emphasis on supporting areas undergoing economic transition. Development plan policies should be consistent with opportunities for making the best use of the Funds available.

5. Many sectors of the Scottish economy have experienced change in recent years and further changes can be anticipated (see box on next page). Ministers have indicated their support in moving towards a knowledge-based economy with an increased focus on research, design and development in both indigenous and inward investment. However, this does not mean abandoning traditional forms of inward investment or that the importance of locally driven economic activity will be given less recognition.

6. Planning policy should therefore support Scotland's economic competitiveness in a way which is consistent with other policies of the Scottish Executive. The dynamic nature of the economy means that the detailed nature and timing of some of the changes remains unpredictable. Given the uncertainties, the planning system should be

## Recent Economic Changes and Economic Development Trends

### Global Connections

- Scotland is in **global competition** with many locations which can offer lower labour costs and/or achieve higher productivity.
- The composition of **economic output** has changed. Manufacturing industry's share of Gross Domestic Product (GDP) has fallen dramatically over recent years to just over 20%. Within manufacturing, output in traditional industries has declined and is being offset by growth in sectors such as electronics and chemicals.

### Growing Businesses

- A transition is taking place towards a more **knowledge-based economy** where the quality of place is important in retaining and attracting firms. The value of companies derives increasingly from intangible assets such as service, ideas, and brand identification, rather than fixed physical assets such as property. Manufacturing industry will focus on higher value products, skills, research and development. The potential for future growth will also come from cluster sectors, such as biotechnology - both indigenous firms and selected inward investment.
- The **service sector**, which accounts for around two thirds of Scotland's total GDP, has been the key source of new jobs in recent years and will continue to act as an engine of growth. New types of businesses including software designers and call centres have developed. The distinction between manufacturing and service business has blurred, partly as a result of the 1997 Use Classes Order. There have also been changes in supplier relationships – more outsourcing of work to suppliers, greater use of 'just in time' delivery patterns and consequential reductions in storage space.
- Because of market uncertainties and faster economic and business cycles many companies operate within **short time horizons**, in some cases little longer than 2 years. This presents a challenge to the planning system to respond more quickly if Scotland is to remain a competitive and attractive place.
- The reuse of previously developed land and other sites close to city and town centres will continue to have an important role in meeting **locational needs** particularly in the service sector. The use of greenfield sites for some sectors - eg manufacturing and distribution - will continue to be important where they offer advantages in terms of accessibility and lower costs.
- Although total **employment** has risen over the 1990s, there have been significant shifts in its composition; in particular, a rise in the female employment rate and in part-time employment. There has also been an increasing emphasis on smaller businesses and flexible and home working.
- The **rural economy** is experiencing significant change, and innovative approaches to diversification, some tourism and leisure related, can be anticipated.

### Learning and skills

- **Skills needs** are changing. Inward investment which maximises employment requiring low skills is no longer a priority. Aided by good transport and communication systems, including airports, the key is to attract and retain skilled labour.
- The significance of **higher education and research** is now as prominent as place in shaping locational decisions. Initiatives, such as the University Challenge Fund and the Science Enterprise Challenge, seek to improve the commercialisation of university and academic research.

responsive and sufficiently flexible to accommodate the particular requirements of mobile inward investment, growing indigenous firms and other major investments. In particular, marketable land should be provided in sufficient quantity and quality to meet the diverse range of industrial, business and commercial requirements including the expansion and growth of indigenous firms.

7. Though the provision of sites and premises remains essential, the changing market context means it is only one of a number of considerations. Many businesses will be seeking a pleasant environment, good transport and a skilled labour supply and these factors will be equally influential in determining business locations for new and expanding enterprises.

8. Therefore, this guideline focuses on 4 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 better understanding of the priorities of the business community and the role of the planning system in enhancing economic competitiveness.

## Providing a range of development opportunities

9. Planning authorities should ensure that there is a full range and choice of marketable and quality sites in accessible locations to meet future employment requirements in their area. While the objective is that all areas of Scotland should contribute to and benefit from economic growth, the potential and scale of opportunity will vary between different areas. With the decline in manufacturing industry, and the blurring of the distinction between service activities and manufacturing, the service sector has emerged as the key source of new jobs in recent years. Further growth is expected with a significant proportion in the cities and surrounding urban areas. In other parts of Scotland growth is likely to be on a smaller, but still locally significant, scale. It will remain important for planning policy to provide the locational framework for employment and development opportunities which reflects the particular circumstances of an area.

10. ‘A Smart, Successful Scotland’ sets out the Scottish Executive’s direction and priorities for the Enterprise Networks. The vision is for a Scotland where creating, learning and connecting faster is the basis for sustained productivity growth, competitiveness and prosperity. The intention is to move manufacturing industry up-market and to focus more on skills, research and development activities, as part of the transition to a knowledge based economy. In future, inward investment will be more concerned with higher value, highly skilled projects, which are likely to be smaller in scale than previously.

11. An objective of the Scottish Executive and Enterprise Networks is to reduce the outward migration from Scotland of talented and skilled people by providing jobs that will be attractive to them. The policy also encourages people with useful skills and experience to return to Scotland. The achievement of higher innovation rates and the increased commercialisation of research, including bringing it to the market place in suitable locations, have a role to play in support of this policy objective. Planning authorities should work with universities, colleges and research institutions to provide for the expansion of existing, or the provision of new, science and research parks linked by good transport and communications.

12. The locational advantages of city and town centres and other accessible key locations will enable them to accommodate some additional employment opportunities, particularly in the service sector. Furthermore, within cities and towns there may be opportunities to create business parks and other mixed developments on previously developed sites, linked to improvements in the quality of the urban environment. The development of business parks on greenfield sites will also be acceptable where they are consistent with other policies including access by public transport. The supply of larger employment sites, particularly for manufacturing industry could be more problematic in the built-up areas of the cities and larger towns. Wider city region areas will therefore have a role in contributing to the overall supply.

13. Development plans should anticipate the need to provide a range of sites and opportunities. These should be set within the settlement strategy for an area and take account of the location of future housing land provision. Local authorities have a significant role in providing for local economic development needs and should collaborate with the Enterprise Networks in identifying and rectifying any deficiencies.

### **Nationally significant sites**

14. As part of the requirement for a marketable land supply, there continues to be a need for nationally safeguarded sites. Bearing in mind the trend towards higher value, smaller scale manufacturing projects, no additional sites are required in the national interest for large-scale manufacturing. In addition, a more flexible approach to the use, and possible sub-division, of some of the existing single user sites will also be appropriate.

### **High Amenity Sites**

15. These sites were originally identified for single user, high technology inward investment. The existing supply of safeguarded sites (see margin) will also be able to meet the requirements of other industrial sectors and activities including software and biotechnology, leading to benefits for the Scottish economy in terms of jobs, investment and spin-off activity.

- Langlands West, East Kilbride
- Eliburn, Livingston
- Linhouse, Livingston
- Calais Muir, Dunfermline
- Robroyston South, Glasgow
- Woodhall/Faskine North Lanarkshire
- Raith Interchange, South Lanarkshire
- Mosside, Kilmarnock
- Pollok Ryatt, East Renfrewshire

16. To ensure the supply is responsive to market conditions, provision will be kept under review. New sites will be considered and proven sites removed where they no longer meet anticipated requirements. This process, which assesses marketability, engineering and site constraints, and planning and environmental issues, involves local authorities, Scottish Enterprise and the Scottish Executive. Proven sites which require a high standard of amenity and offer exceptional economic benefits should be safeguarded in development plans. Additionally, Scottish Ministers should be notified if the planning authority propose to grant planning permission for all or part of a proven high amenity single user site, or for development on an adjacent area of land site which might prejudice the site's potential.

17. The special qualities of those high amenity sites already developed and occupied should be taken into account should the reuse of the site become necessary following closure.

### **Large Industrial and Business Sites**

18. Linhouse (Livingston) is safeguarded as a high amenity site, and the two platforms have the potential to accommodate more than one development. A large part of Newhouse (North Lanarkshire) has been developed as part of the EuroCentral project and continued safeguarding is no longer appropriate. The policy in relation to Hunterston remains unaltered. The site should continue to be safeguarded for particular uses that require deep-water access. The policy is set out in more detail in annex 1.

### **Large Petrochemical Sites**

19. The previous version of NPPG 2 safeguarded a number of sites for large-scale petrochemical development. The sites have either been developed or are now safeguarded in development plans. [When this NPPG is finalised, the Notification Direction will be amended]

## **Clusters and science parks**

*Our Competitive Future: Building the Knowledge Driven Economy*, DTI, 1998

20. The 1998 UK Competitiveness White Paper highlighted the need for the planning system to provide for and support cluster developments. Recognising that cluster development can contribute to Scotland's competitiveness by promoting innovation and improved business practices, Scottish Enterprise has undertaken a detailed evaluation of a number of industrial sectors, including biotechnology, food and drink and electronics. For some sectors it is considering the establishment of applied research centres. As well as new sites, some of the safeguarded single user and large sites will be suitable for multiple use and/or cluster development, as could some of the science and innovation parks. Planning authorities should seek to respond to identified deficiencies in supply in a manner consistent with the guidance in this NPPG.

- Pentland Science Park, Penicuik
- Biomanufacturing Campus, Gowkley Moss, Penicuik
- the proposed Edinburgh Biomedical Research Park
- Aberdeen Science & Technology Park
- West of Scotland Science Park
- Dundee Technology Park extension
- Stirling University Innovation Park
- City Science, Glasgow

21. Science and innovation parks will have a key role in supporting the commercialisation of research and innovation. To be successful science parks need to be reasonably accessible to the associated academic institution. However, many academic establishments are in urban areas often with insufficient capacity to expand. The existing sites (see margin) are expected to meet short to medium term needs.

22. Planning authorities should work with the Enterprise Networks and the academic institutions to consider the opportunities for continued long-term development at the existing science parks. Deficiencies in provision should be met through expansion of existing science parks or the identification of new locations which are consistent with wider planning and transport policy. It is recognised that there may be a particular deficiency in the Glasgow conurbation, where early action by Planning Authorities and Scottish Enterprise, working with academic institutions, should be taken to bring forward potential new sites.

## **Headquarters**

23. *The Framework for Economic Development in Scotland* acknowledges that the presence of corporate headquarters is beneficial to the Scottish economy in that they create high quality employment and

generate a strong demand for business services. The planning system should therefore respond positively and promptly to a firm proposal for a new headquarters. Where possible it should be located within the existing supply of safeguarded sites. A new greenfield release may be justified on the basis of a strong economic case and the particular locational requirements of the company. In these exceptional cases good access including public transport should be provided, and the design of buildings and surroundings must be of a high quality. Reversion to less significant uses should be restricted by appropriate legal agreements. Purely speculative proposals for headquarters development on greenfield sites should be resisted.

## Small businesses

24. The Executive is determined to foster a spirit of enterprise and encourage an increase in start-ups across a wide range of businesses throughout Scotland. Small firms make a crucial contribution to the Scottish Economy and are particularly important to the rural economy. Providing for the expansion and growth of existing small firms, as well as removing possible barriers to business entry and growth, is therefore important. The Small Business Gateway provides a consistent level of support and advice to start-ups, existing and growing businesses across the Scottish Enterprise area, with Highland and Islands Enterprise providing the same service through their Business Information Source outlets.

25. The small business community perceives planning constraints as a concern. Dialogue between the business community and councils and involvement with local economic forums will be important in reducing the points of concern. The planning system should therefore support small firm development through:

- development plan policies,
- the identification of locational opportunities for small business development, and
- the efficient processing of planning applications.

26. The characteristics of business and industry continue to evolve and there will be opportunities for mixed-use developments where low-impact industry, business and service uses can co-exist with housing. Development plan policies for residential areas should positively encourage economic activity (such as start-up businesses and home-working) that will not impact adversely on the amenity of residents.

## Rural development

NPPG 15: *Rural Development*,  
The Scottish Office  
Feb 1999

PAN52: *Planning in Small Towns*, The  
Scottish Office  
Apr 1997

*Forward Strategy for Scottish Agriculture*,  
Scottish Executive  
August 2001.

27. The Scottish Executive is committed to sustainable development bringing together economic, social and environmental issues to improve the prospects and quality of life of rural communities. NPPG 15 provides a supportive planning policy framework at the national level for rural development. In rural areas development plans should recognise and encourage the potential of small towns to provide employment for the wider local community. As well as service employment, they should provide for small-scale manufacturing and tourist-related developments. A supportive policy framework should also be provided for rural and farm diversification. Further diversification can be expected leading to the development of new lines of innovative economic activity. Ongoing work by Scottish Enterprise on the potential development of the forestry industry could lead to the identification of suitable sites for wood processing industries, including pulp mills.

28. In responding to the need for innovative rural development there is scope for planning authorities to:-

- include positive policies in development plans in favour of rural development and diversification, including tourism, whilst safeguarding the natural and built heritage;
- provide for greater flexibility in the application of policy, particularly in remoter rural areas, where there is a need to increase or maintain population to sustain communities ;
- identify and develop, in association with the Enterprise Networks and other agencies, the economic potential from better links between farming and other rural businesses; and
- identify forms of diversification which satisfy economic and employment needs while conserving and enhancing the environment and minimising unsustainable travel patterns.

## Encouraging development in sustainable locations

### Integration of transport and economic development

NPPG 17: *Transport and Planning*,  
The Scottish Office  
April 1999

29. A successful economy requires an effective and efficient transport infrastructure. The Scottish Executive has embarked on a continuing programme of reinvigorating the transport system. In support of the policy, NPPG 17 provides for improved integration between transport and land-use planning. It encourages development to be sited where there is a choice of transport and the location is not dependent predominantly on access by car. Whilst it will be more difficult to deal with sustainable transport issues in rural areas, the location of economic development should take account of access to services and the overall need to reduce travel.

30. Considerable financial support is being given to maintaining the existing radial based bus and train networks because they provide easy access to city and town centres. These centres have a key role in accommodating further growth in the service sector and will also be attractive for other sectors, such as financial services and software development. Locations close to other high trip generating uses such as commerce, retail and leisure can assist in maintaining the vitality of the centre and providing a firm basis for improvements in public transport.

NPPG17 Addendum:  
*Transport and Planning, Maximum Parking Standards*  
Scottish Executive  
Draft Jan 2002

31. However, not all business and industry will be able to benefit from a city or town centre location, and for some, such a location will be inappropriate. Over the last 3 or more decades, some uses, such as business parks, manufacturing and logistics, have decentralised to the edge of the built-up area to locations which provide larger sites with easy access to the major road network. With land supply tight in many cities and towns, further decentralisation of some employment uses can be expected and planning authorities should anticipate this trend. However, the increasingly congested nature of parts of the strategic roads network means that even decentralised locations may experience severe congestion problems. Therefore, in seeking sites, development plan allocations and development proposals should demonstrate through transport assessments and green travel plans, that such locations are also accessible to walking, cycling and public transport networks. Economic development should also be supported by maximum rather than minimum car parking standards.

32. Supplier relationships are expected to continue to evolve, with more outsourcing of work to suppliers and greater use of ‘just-in-time’ deliveries with consequential reductions in on-site storage needs. This trend will require distribution sites with easy access to the motorway and trunk road network and, for some developments, either direct rail access or nearby rail freight facilities.

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

33. To meet all these challenges, the identification and development of key sites, highly accessible to an intensive public transport network and by other modes, will have a role to play in meeting the locational needs of some businesses. The prospect of economic development and new employment should not be lost just because improvements to accessibility can only be achieved retrospectively. Key sites can be within the existing urban area or part of a planned and co-ordinated expansion of the urban area. Where such sites have been identified in development plans, active measures should be taken by local authorities, in partnership with transport and other economic development interests, to secure their development and new businesses encouraged to locate there.

34. The maximum benefit and contribution to the economy should be sought from the continued growth and expansion of Scotland’s airports. As well as providing important transport nodes and supporting wider economic growth, they are important economic generators in their own right, both in terms of direct and indirect employment. Site constraints and safety requirements will result in most development taking place on sites detached from, but within easy access to, the airports. The competitive advantages of the airports will however require to be reconciled with environmental and accessibility considerations. Transport links to nearby major towns including the scope for improved public transport, and the impact on the national road network, will be an important issue. The anticipated economic development and employment growth in West Edinburgh, including the growth of Edinburgh Airport, will be addressed in future guidance.

## **Brownfield development**

35. Previously developed land (often referred to as brownfield land) can contribute to the overall supply of sites for economic development. Development plans should therefore promote their reuse where marketable and economically viable sites can be achieved.

*Social Justice. a  
Scotland Where  
Everyone Matters*,  
Scottish Executive  
Nov 1999

36. The development of previously developed sites can also support the Scottish Executive’s commitment to social justice, economic regeneration and physical renewal – in particular helping to stimulate enterprise in disadvantaged areas. There are various Treasury initiatives in place to help this process, including tax credits to clean up contaminated land, support for converting vacant space above shops into flats, reduced VAT for conversion of properties into homes, and the abolition of stamp duty for property transactions in the most deprived areas.

37. Not all sites can be made available in the short term, but long term planning can identify areas for reuse and redevelopment which will require investment in remediation, infrastructure and environmental improvement so that they can contribute to sustainable renewal, regeneration and improvements to the built environment. In some circumstances compulsory purchase and other remedial action may be necessary. Compulsory purchase has a particular contribution to make in assembling sites of the right size and shape to meet market needs and in providing a ‘clean title’.

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

38. Some urban areas include considerable amounts of vacant and derelict land and Scottish Enterprise supports greater focus in strategic area-based regeneration. Future priorities will be in key areas where under-performance, due to blight, exclusion or infrastructure constraints, is of fundamental significance.

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

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

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

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

## **ICT, satellite offices and home working**

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

41. Developments in Information Communication Technology (ICT) have the potential to reduce the primacy of location as a key consideration for some companies and to assist the development of small firms. For their part developers should incorporate the future requirements for ICT provision as part of the infrastructure provision in their development proposals.

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

*Living at Work,*  
Joseph Rowntree  
Foundation 2000

43. *Living at Work*, highlights the increasing potential for home working. Planning authorities should ensure that development plan policies are not an unnecessary barrier to this. They should provide for satellite offices and more flexible approaches to working from home where the amenity of surrounding residential properties will not be adversely affected by, for example, increased traffic generation, parking and noise. House builders and other providers should be alert to the possibilities of homeworking in the design of new houses and the layout of housing areas.

# Safeguarding the Environment

## Design quality

*Designing Places,*  
Scottish Executive  
November 2001

44. Concern for environmental issues is not only important in itself, it also makes sound economic sense. Good design is not just about aesthetics or appearance and how a development relates to adjoining buildings and spaces. It also encompasses a commitment to energy conservation (including the promotion of energy efficient buildings) and waste management, and careful attention to the quality of the surrounding landscaping. It may also involve considering ways in which sustainable urban drainage systems (SUDS) can be used to improve the environmental quality of developments. Together these factors can contribute significantly to the performance and lifespan of a development and offer important benefits in terms of marketability. Not only does an emphasis on good quality contribute to sustainable development, but it can also help to secure employee satisfaction and an improved return for investors.

45. Through their policies for architecture and urban design, Ministers have indicated the importance they attach to securing distinctive developments of quality. Although there are examples of excellent design, particularly in business parks and some office complexes, there are greater opportunities for economic development to add to the character of the urban scene and our built heritage. Developers and planning authorities should see new business and industrial development as an opportunity to enhance urban quality.

46. Quality in new development is just as relevant for rural areas as urban. The quality of all building has a contribution to make to the local economy because of the spend of tourists attracted to the distinctive characteristics of our built and rural heritage. Development should recognise the particular building and landscape attributes that make up the character of an area.

47. Planning authorities should provide guidance through development plan policies and supplementary guidance such as development briefs on what is expected from developers. Local plans should set out the higher environmental and design standards required of business parks, campus developments etc. They should also include policies which protect, maintain and enhance the environmental quality of existing industrial and business areas. Where a proposed new development is likely to have a strong visual impact or be of exceptional environmental significance, developers and planning authorities should seek advice from The Royal Fine Art Commission for Scotland.

## Environmental protection

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

48. A key part of planning policy is to protect and enhance the natural and built environment and sensitive areas. New industrial and business development should not be located in such areas unless there is a particular economic or locational requirement where an exception is necessary to maintain Scotland's competitiveness.

49. It is important that the long-term effectiveness of existing green belts is maintained. The release of green belt land will generally be appropriate only within the context of an appraisal of development plan business and industrial land requirements. There may however be circumstances where a green belt location will be required for a firm development proposal that can

make a significant contribution to the national and local economy. To justify such releases, the long-term economic benefits must be clearly articulated and the contribution to promoting a sustainable pattern of land use demonstrated. In such circumstances the design of the buildings and associated development infrastructure should be of the highest standard, and the development should be integrated into the landscape to minimise its environmental impact.

NPPG14: *Natural Heritage*, The Scottish Office  
Jan 1999

NPPG18: *Planning and the Historic Environment*, The Scottish Office  
April 1999

NPPG5: *Archaeology and Planning*, The Scottish Office  
Jan 1994

50. In making provision for economic development and considering proposals, planning authorities should seek to minimise adverse effects on natural and built heritage resources. Particular care should be taken to safeguard national and international natural heritage designations. Such sites are designated for a variety of purposes, and development proposals require to be assessed for their effects on the natural heritage interests which designation is intended to protect. When dealing with site specific designations applying to the historic environment, it will be necessary to consider the relative importance of the resource and the weight which attaches to its preservation. In the case of listed buildings, re-use within the parameters of 'best viable use' (NPPG18) may offer an acceptable solution. For scheduled monuments and archaeological sites other considerations apply. NPPG5 provides detailed guidance.

NPPG 10: *Planning and Waste Management*  
Mar 1996

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

## **Promoting a dialogue with the business community**

52. There are already mechanisms in place – for example local authority representation on Local Enterprise Company boards and the wide range of interests involved with the newly established Local Economic Forums - to encourage greater dialogue. However, more needs to be done. Regular discussions between the business community, private sector investors and the planning authority will be important in promoting a strong, diverse and competitive economy, and in identifying what the business community can expect from the planning system. The aim should be to promote a positive culture of engagement.

53. Participation in the Local Economic Forums will have a key role to play. The Forums are intended to deliver more effective partnership working and local solutions within the national economic framework provided by FEDS. They bring together local business, the LECs, tourism agencies, learning providers and local authorities. By taking part, local authorities will not only be able to influence their work but will also be able to draw on the Forums to provide a regional economic perspective for development plan preparation.

54. For their part the business community has a right to expect development control decisions to be taken efficiently and on a consistent basis. Likewise development plans should provide stability so that investment decisions can be taken in the knowledge that they will not be undermined by inappropriate nearby development.

# Implementation

55. The planning system has a key role in supporting economic development through an inclusive approach to plan preparation which ensures that the particular business needs of an area are recognised whilst taking account of wider community needs; up-to-date development plans to which the business community and enterprise networks have made a positive contribution; and a responsive and efficient development control system.

## Development Plans

56. Development plans, comprising the structure plan and local plan should embrace a wide range of views including those representing economic and investment interests. Planning authorities should therefore work with the business community and the Enterprise Networks to ensure that policies and proposals for land allocations reflect current and likely future requirements. Although some local authorities and the Enterprise Networks already work closely together, it is important that partnership working is extended to other areas to facilitate investment and development.

57. Development plans should:

- 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

## Simplified Planning Zones

SOED Circular  
18/1995: *Planning  
and Compensation  
Act 1991 – Simplified  
Planning Zones*

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

## Development Control

PAN40: *Development  
Control*  
Scottish Executive  
Revised Mar 2001

59. The planning system has been the subject of ongoing comment and criticism by the business community, with some of the opinion that it was acting as a constraint to growth. Specific criticisms continue to be made about delays, consistency of approach, and the lack of a strategic plan. Efficient operation of the system is an issue that concerns the Scottish Executive, and improvement in development control performance by local authorities is a key priority, and more so where jobs and investment are concerned. Development control should be reliable, consistent, speedy and efficient. In this way it can reduce uncertainty and thereby increase business confidence. Pre-application discussions to determine information requirements on matters such as the number of jobs to be created, hours of working, transport requirements, noise levels and the layout and design of buildings can assist greatly with the efficient handling of applications.

## Notification arrangements

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

## Environmental Impact Assessment

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

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

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

## Conclusions

62. The planning system has an important supporting role in providing for new economic development and contributing to economic prosperity. Development plans should be based on discussion with the business community and economic development agencies. They should be up-to-date and provide positive support for a range of economic development opportunities. Positive planning also involves a wider community interest and requires effective regulation so that well-founded concerns on environmental and transport impacts are properly addressed. The development control system, through speedy and efficient decision making, is the means for doing this.

63. 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. In fulfilling its role it must respond to market forces and the pace of economic change, providing sites of the right type, in the right place, at the right time so that new and existing enterprise can compete effectively in the global market place.

## Notes

64. [When finalised] This NPPG replaces NPPG2 *Business and Industry*, which has made a positive contribution to facilitating economic development since it was published in September 1993. Its title has been changed to reflect the significant contribution made to the economy by non-manufacturing sectors such as construction, retailing and tourism. However, specific guidance on retail and tourist-related development is given elsewhere (NPPGs 8 and 15).

65. This Guideline sets out the factors to which the Scottish Ministers will have regard when considering development plans, appeals or planning applications coming before them. Planning authorities should take its contents into account when preparing development plans and carrying out

their development control responsibilities. [Proposals to revise strategic planning arrangements, on which consultation was recently concluded, may lead to adjustments to the finalised NPPG in relation to the delivery of policy through structure plans.]

66. Enquiries about the content of the NPPG should be addressed to Alan Denham, Planning Services, SEDD, Area 2-H73, Victoria Quay, Edinburgh, EH6 6QQ (0131 244 7528) or by e-mail to:

[alan.denham@scotland.gsi.gov.uk](mailto:alan.denham@scotland.gsi.gov.uk)

Further copies can be obtained by telephoning 0131 244 7543. The draft NPPG, as well as other NPPGs, PANs and a list of Circulars, can be viewed on the Scottish Executive web site:

<http://www.scotland.gov.uk/planning/>

## **Annex - Hunterston Large Industrial Site**

1. The large area of flat land adjacent to natural deep water makes Hunterston a rare site. Although there is now little prospect of new steel making capacity, there may be opportunities for other large industries, for example, chemicals, pulp and paper, as well as continued coal transshipment, which require deep water access and which would confer a major benefit on the Scottish economy. There is also a need to make provision for potential downstream users of basic products.

2. In view of the long-term uncertainties, the availability of other sites for smaller industries, and the unique deep water access, the Planning Authority should continue to safeguard the site in the national interest, both in development plans and whilst deciding planning applications, in order to:

- provide for developments that require deep water access and prevent those which would undermine the site's key assets;
- ensure that any developments taking place do not prejudice the long-term potential of the site for other future developments which would require access to deep water;
- provide scope for investment in large scale trades and industries such as chemicals, paper and bulk goods transshipment;
- retain a large site to enable the optimum layout for any industrial plant to be achieved and, in particular, locate any development unrelated to the deep water access to the south of the line of the electricity pylons;
- ensure a supply of land for downstream and related activities of primary uses; and
- make sure environmental issues are fully considered and suitable controls are imposed to mitigate any harmful impacts on the natural environment.

Additionally,

- appropriate provision should be made for the restoration and afteruse of the site; and
- arrangements made, in consultation with the Health and Safety Executive, so that new developments and the nuclear power station (including subsequent plants if they should arise) can co-exist and operate acceptably.

3. The safeguarded area is as identified in the North Coast and Cumbraes Local Plan (adopted on 20 December 1996) and includes the whole of the jetty. The local plan should contain, or have associated with it, an outline development brief.