

CBI SCOTLAND'S RESPONSE TO THE 'NATIONAL PLANNING FRAMEWORK FOR SCOTLAND 2: DISCUSSION DRAFT'

GENERAL

1. CBI Scotland welcomes the opportunity to comment formally on the Scottish Government's second National Planning Framework (NPF2). We have appreciated the opportunity to contribute to the Scottish Government's deliberations on the revised framework, through the opportunities the Planning Directorate itself has provided and through our own roundtable discussions with senior officials, most recently through the CBI Scotland Planning Group¹.
2. The draft NPF2 is a comprehensive document, in that it sets out well the present situation and likely future trends, and provides clarity on the aspirations and long-term approach needed to meet the challenges and opportunities for spatial development and infrastructure investment for the period to 2030.
3. CBI Scotland has consistently argued that planning is of crucial importance to Scotland's economy and its future prosperity, and that greater weight should be given to the needs of the economy within the planning system. Indeed, previous CBI Scotland research² has estimated that Scotland's cumbersome planning system costs the country £600 million a year through a combination of deferred benefits of infrastructure investment, lost turnover from delays to commercial investments, the impact of higher housing costs on salaries, and the opportunity cost of lost investment. This message has recently been endorsed by the First Minister's new Council of Economic Advisers, which considered as its first item of business the state of the planning system.

¹ CBI Scotland's Planning Group was established in October 2007 and consists of members from the house-building, commercial property development, transport and finance sectors.

² 'Planning for growth: the business agenda for planning reform', CBI Scotland publication, 2004

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4. We welcome the Scottish Government's positive ambition to raise the growth rate of the economy, and the draft NPF2 is crucial to achieving this and to helping underpin successful planning reform. Planning for growth must be the priority. The fact that the NPF is being continually monitored and updated every five years is sensible, and provides the opportunity to ensure that the aims and objectives are being delivered.
5. However, we recognise too that in many respects the situation in Scotland is in advance of that south of the border. It is therefore important that, in terms of developing a coherent approach to infrastructure planning that targets and stimulates private and public sector investment, the final NPF2 is informed by the policy considerations of the UK Government, especially where investment is necessary for cross-border development, such as the upgrading of the transmission networks. The English Planning Bill currently before the Westminster Parliament will introduce long overdue reform to the way major infrastructure projects are planned for in England and Wales and, if enacted, will include powers for the establishment of national policy statements (NPS) across the transport, energy, waste and water sectors. The Scottish Government should pro-actively ensure that any risk of disconnect resulting from a lack of co-ordination between the final NPF2 and emerging thinking on the future nature and content of NPSs is limited as much as possible, otherwise uncertainties are likely to develop for promoters of nationally significant infrastructure projects which will be of detriment to both the growth prospects of Scotland and the UK as a whole.

POPULATION & HOUSING

6. We welcome the fact that the draft NPF2 is explicitly orientated towards planning for sustainable economic and population growth. It is right that it should be founded on the positive premise that Scotland in 2030 will have a bigger, more diverse and more dynamic economy, and a larger, growing, wealthier and more active population.
7. The Scottish Government's welcome target for population growth³ is reflected in the document, which is right to note that current household projections are likely to underestimate the number of households that are likely to form. However, there is no mention in the document of specific area targets, and it is thus unclear what

³ As set out in the Scottish Government's Economic Strategy 2007

contribution each local authority area, for example, should make to the overall national target for population growth. Without such area targets, how will the Scottish Government ensure local authorities and key agencies plan for population growth?

8. Including such area targets in the finalised NPF2 will give a clear direction to stakeholders throughout the planning system that they must also systematically plan for population and household growth in their City Region and Local Plans. Such plans should also take into account travel to work times, which if lengthy can act as a constraint on economic development. We commend West Lothian's vision as an excellent example of where the local authority is planning for sustainable population growth, and where the private sector is meeting the challenge of delivering the projects. This joined-up approach ought to be replicated everywhere in Scotland.

DIRECTION TO AGENCIES

9. NPF2 provides a valuable opportunity to help deliver the Scottish Government's aim of aligning all of the public sector behind the key purpose of enhanced levels of economic growth.
10. The NPF should be 'owned' widely across the public sector, and not just by the stakeholders directly involved in the planning system. To ensure that the right infrastructure (transport, water and sewerage, waste, energy, etc) is in place in a timely fashion to meet and facilitate development demand, all government and non-departmental public agencies and bodies should be directed – rather than advised - to align their business plans and budgets with the targets set out in the finalised NPF2. The presumption should be that well planned, sensitively thought through sustainable development is a positive thing, and that public agencies should attempt to promote such initiatives and should not use their powers to block this activity. Without such direction we remain to be convinced that the aspiration of a coherent and connected approach will be delivered, and that NPF2 will impact in practice on the actions of publicly-funded agencies and bodies.
11. City Region Plans and Local Plans must accord with NPF2, and state how each Plan will meet the economic and population growth targets. This direction ought to be included in the finalised NPF2.

12. CBI Scotland believes City Region Plans should be updated and approved within two years of the introduction of the finalised NPF2, and subsequently Local Plans within two years of the City Region Plans. The necessary capacity to undertake this work can if necessary be outsourced to the private sector. With the city regions rightly seen as the main drivers of the economy, the drafting of the City Region Plan should involve a regional reference group including the private sector and economists.
13. Where City Region Plans and Local Plans fail to accord with NPF2, or where they are not updated and approved within the timescales set out, then sanctions ought to be applied. In the event that Local Plans fail to deliver the NPF vision or are late, then there must be a presumption in favour of any planning application that accords with both the NPF and the City Region Plan, and which has met the necessary community consultation requirements. If a key agency fails to contribute to the development of a Plan then it should forfeit the right to be allowed to frustrate an application.

TRANSPORT

14. CBI Scotland welcomes the transport projects designated within the draft NPF2 as being of national importance, many of which we have consistently lobbied for.
15. However, we are concerned that several transport infrastructure projects of strategic importance are not contained within the draft NPF2, and as such may therefore not be deemed of national significance nor deemed urgent. Examples of such projects were outlined in our recent manifesto⁴, and include:
 - The upgrading of the M8 to a three-lane motorway;
 - Construction of an M8 spur to Edinburgh Airport;
 - Complete dualling of the A9 from Perth to Pitlochry, with increased passing opportunities north to Inverness.
16. We are similarly disappointed that the draft NPF2 has as yet been unable to draw upon the published findings of the Scottish Government's extensive Strategic Transport Projects Review. However, we understand that the STPR will be completed this summer

⁴ 'The Scottish Economy: The Priority of Priorities', CBI Scotland manifesto, 2006

and will presumably therefore form part of the finalised NPF2 document.

ENERGY

17. We are supportive of the energy-related infrastructure projects ear-marked as National Developments within the draft document, indeed CBI Scotland has actively lobbied for many of them. However, we do have concerns about the apparent lack of provision for certain replacement sources of energy generation. This must be addressed by the Scottish Government when it publishes its finalised NPF2 to ensure there is an appropriate and convincing long-term strategy for maintaining adequate and diverse sources of electricity. If this is not done, Scotland's economy could suffer from a lack of competitively priced power.
18. The draft NPF2 document, for example, appears to omit a comprehensive appreciation of the significant contribution made by base-load (as opposed to intermittent) power generation, and the likely location of individual power plants in the future. The finalised NPF2 needs to draw upon the expected new base-load generating capacity as identified by the country's leading power generators, acknowledging the lengthy lead in times to bring such plants to fruition.
19. The Scottish Government is right to highlight the potential of renewables, but is wrong to rule out new low carbon nuclear energy capacity in Scotland in the future. CBI Scotland believes the Scottish Government should enter into a proper dialogue with business and industry in Scotland on how our future energy needs will be met securely and economically, rather than what appears to date to be an out of hand dismissal of what is currently around a third of existing generating capacity north of the border. The publication of the Scottish Government's forthcoming energy overview is an opportunity to address this.
20. New nuclear energy generation need not be at the expense of renewables and other low carbon sources - both have a role in delivering the country's energy supplies, and both ought to be adequately provided for in the finalised NPF2. Some new forms of renewables and environmentally-friendly technologies related to energy production face significant technical and commercial hurdles. Their feasibility and financial viability is yet to be proven, and

indeed may only do so many years in the future. Tried and tested means of base-load generation must therefore remain a part of the energy mix, especially given the proven volatility of wholesale global energy markets and concerns over security of supply.

21. We acknowledge that the Scottish Government is currently opposed to new nuclear. However, we recognise too the transient nature of political administrations. As a result, and to ensure proper contingency planning has been undertaken should a future administration wish to alter policy, we believe that potential sites for new nuclear power generation should be identified and allocated now and provided for within the finalised NPF2. New nuclear generating capacity would meet the criteria⁵ which Ministers have identified in order to determine national developments. Failure to make adequate provision along these lines for the future could put at risk Scotland's future as an exporter of electricity and provider to business and industry of competitively priced energy.

22. We support a strong emphasis on renewable forms of energy generation. However, there remains a perceived lack of linkage between the ambitious national policies set by the Scottish Government and implementation at a local level. There is no mention in the draft document of specific area targets, and it is thus unclear what contribution each local authority area, for example, should make to the overall national target for renewable generation. Without such area targets, how will the Scottish Government ensure local authorities and key agencies plan accordingly?

CONCLUSION

23. It is right that there is and should continue to be extensive opportunity for individuals and communities to be involved in the development of planning policy. Indeed, it can be argued that there are more such opportunities, guaranteed under law, for public involvement in planning policy and decision making than in any other area of devolved public policy.

24. Recognising this, CBI Scotland believes that the finalised NPF2 provides a unique opportunity for the devolved government to deliver on their top priority and plan for growth, founded on the premise that Scotland in 2030 will have a larger and more dynamic

⁵ National Planning Framework Newsletter, No.3 Autumn 2007

economy, with a growing and wealthier population. This will help the Scottish Government realise its Economic Strategy and enhance the global competitiveness of Scotland as a business location.

25. The finalised NPF2 must underpin the successful reform to the planning system that CBI Scotland has long-called for, providing for a fit-for-purpose planning system that facilitates much needed commercial and public infrastructure investment and which breaks the cycle of frustration and delay that has bedevilled the system for too long.
26. The fundamental challenge remains the need for continued political leadership, both at national and local authority level, to drive forward the agenda so that all public agencies and bodies are responsible for and contribute to meeting the aspirations for growth. Failure to successfully reform Scotland's planning system and make a success of NPF2 could put at risk the Scottish Government's own welcome and ambitious targets for economic growth.
27. We would welcome any further opportunities to contribute to the consideration of the finalised NPF2 document, and to the drafting of the detailed action programme that will be published subsequently.

CBI Scotland
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