

Dear John,

Draft Advice on Net Economic Benefit and Planning

I refer to the recent publication of the Government's draft advice on the Net Economic Benefit and Planning.

The draft advice was recently discussed at the development management sub-committee of HoPS and I would wish to make the following comments.

At the outset it is important to say that the committee recognise the importance of net economic benefit as a material planning consideration in the determination of certain planning applications. HoPS is mindful of the importance placed in SPP 2014 to the assessment of a proposal, taking into account the contribution it would have to the local economy. HoPS welcome the draft guidance as a comprehensive way to introduce a framework whereby net economic benefit can be objectively assessed in the planning application determination process.

To assist in the finalisation of the advice HoPS would make the following comments.

Firstly, it is noted that it would be incumbent on a planning authority evaluating the assessment as provided by the applicant.

Reference is made to the HM Treasury's "Green Book" as underpinning the economic assessment of activities. It is fair to say however that many planning officers in local government will not have sufficient skills as an economist to meaningfully assess submissions by applicants, particularly in the context of "The Green Book". Any assessment by a planning authority would have to be robust to stand up to views of objectors in recommending approval of an application, or at a public inquiry where planning permission is refused. In particular where a fine balance exists between the economic benefits of a proposal and the associated environmental disbenefits, a very detailed and robust scrutiny of both perspectives would be required and there may be no in house economist in a local authority who would be qualified to carry out the assessment.

The ability to scrutinise the authenticity, robustness and accuracy of figures supplied with any submission, and thereafter to draw firm conclusions about the economic benefits of a proposal, requires the skills of an economist. While local authority economic development services do generally have a high degree of knowledge about their local economies and labour markets, in specific instances the council may require a submission to be professionally reviewed to provide a comprehensive assessment of the case. Analogous to the submission of, say, a detailed retail impact assessment, that service may be better provided externally. Any such costs should be met by the applicant.

Councils are in agreement with Scottish Government that the amount of submissions accompanying a planning application ought to be streamlined and proportionate. Thus clear guidance should be provided setting out which applications ought to be accompanied by a statement of net economic benefit. After discussion it was felt that it may be appropriate to make such a submission only mandatory with major applications that are contrary to the development plan. A process of screening, and scoping, would set out instances when local applications need not require to be accompanied by such information. If a local application accords with the development plan and, importantly, it is not a schedule 3 (Bad Neighbour) application then the need for a statement of net

economic benefit may not be required. A specific requirement to submit an assessment of economic benefit ought to be included in an amendment to the development management regulations.

Clarity of drafting will be an important part of any final guidance and phrases such as “particularly” and “not usually”, as exemplified in paragraph 4, should be avoided; there is a conflict in the draft with regard to the role of temporary construction jobs between paragraph 4 and paragraph 18; there are numerous references to technical terms and a glossary would be helpful. Moreover in the examples cited in the draft guidance, and in particular that on onshore renewable technology, wording can be open to interpretation, setting a precedent.

I trust that you will take these points into consideration in the finalisation of the advice; HoPS would welcome further discussions on the drafting of the finalised document.

Finally HoPS consider Scottish Government assistance with the understanding of the document and its significance to planning decisions to be important to the implementation of this guidance and would support any training to be made available to both planning and economic development staff.

Yours sincerely
Steve Rogers
Chair
Heads of Planning Scotland