

Scottish Government Planning and Architecture – Draft Advice on Net Economic Benefit and Planning

Dundee City Council: Comments on Draft Advice

General

Dundee City Council welcomes the publication of this draft advice which seeks to assist all relevant parties in assessing and giving due weight to the net economic benefit of proposed development.

Comments:

Para 1: The intention of helping developers and planning authorities capture in a meaningful way the contribution of development proposals to the economy, while also recognising the potential impacts, and to take account of this in planning decisions is welcomed.

Para 2: The recognition that “*where economic benefit is relevant to the decision making process it needs to be set alongside the other guiding principles of sustainability and good placemaking and any other material considerations*” is important and should underpin this advice.

Para 3: The clarity provided that this advice does not create an expectation that the assessment of net economic impact should be carried out in the circumstances referred to is helpful. It is also beneficial that the advice states that “*the flow chart at Figure 1 gives an overview of the relatively limited circumstances where an assessment of net economic benefit should be prepared*”.

Para 4: It would be helpful if para 4 was more definitive as to when the advice is relevant rather than the statement “*likely to be relevant*”. As it is it may leave the interpretation of when to apply the advice too open to individuals to decide. There is also a concern that the implication of stating that “*the advice is likely to be relevant in assessing the impact of applications that are contrary to the development plan or where other material considerations indicate that the decision on whether to grant planning consent is finely balanced*”, may be that the economic benefits should carry more weight than the relevant policy or the other material considerations. The most difficult element for the planning authority in this assessment process will be to know how realistic the evidence base and assumptions provided by the developer are.

Para 5: Whilst it is accepted that, any assessment will involve both assumptions and as a result is not an exact science, there is the legitimate concern that there needs to be some clear parameters set to allow for consistent decision making. The recognition that “*it is important that the level of detail of any assessment is kept proportionate to the likely scale of the net economic benefit, and that assumptions made are completely transparent, evidence-based and as accurate as possible*”, is welcomed. However, it is likely that this is where most of the challenge in carrying out this process will occur. Some clearer guidance over and above that in the examples, and which relate to more actual circumstances would be helpful.

Para 6- 10: No comments

Para 11: It is helpful to provide a clear definition of what is meant by net economic benefit. However, the challenges will come in operating such an approach and the capacity building for Ministers, councillors, officers, developers/agents/consultants and communities to utilise/operate/understand it.

Para 12: No comment

Para 13: Although the explanation of the concepts of 'displacement' and 'deadweight' effects are helpful there are likely to be some issues with developing expertise, and understanding and applying these approaches which will include additional time and resource commitments.

Paras 14-16: The ability to carry out cross boundary work and assessment may be challenging and may raise issues of displacement between authorities where the weight of economic benefit may be seen positively by one authority and negatively by the other. There is the potential for an authority to narrow the scope to avoid taking into account the displacement effects of a neighbouring authority.

Para 17-26: The skills to be able to properly assess the economic assessment will need to be developed by officers dealing with this type of application. Clearly, these calculations and assumptions have the potential to be very detailed and require a detailed understanding of the development process including building costs and market conditions etc. This could be both challenging and time consuming and may lead to decision-making slowing down as questions/arguments go back and forward between the developer and the planning authority. The authority may be at a disadvantage in not feeling confident enough to properly challenge assumptions and arguments put forward. This may lead to ongoing and detailed debate over assumptions and interpretations of costs and benefits. It will also be difficult to try and balance economic benefits against environmental costs which may be long term.

Para 28-29: It will be important that the proportionate approach is actually carried through as there is a great temptation to get pulled into more detailed economic arguments in order to justify a proposal. It may be helpful to link to the actual parts of the HMT's Green Book referred to or include them as an appendix.

The Example Scenarios: These are helpful in providing guidance on the approach that could be taken. However, the issues will be less in the process or broad assumptions but in the actual figures used and more detailed assumptions that lie behind the evidence provided and how it is used to support the argument. It is unlikely that a developers supporting case would show anything significantly negative to the development or likely to undermine their proposals. This may undermine the credibility of their argument.

Conclusion

The publication of more detailed guidance on the assessment on net economic benefit is both welcomed and helpful. While the general advice is clear and logical there are likely to be challenges in the practical application of this advice in dealing with actual planning applications. It will be necessary to keep this advice under review to establish whether there needs to be further revisions as a result of experience of operating it.