

**REPORT TO:** PLANNING AND TRANSPORTATION COMMITTEE –  
29 APRIL 2002

**REPORT ON:** CONSULTATION DRAFT OF NATIONAL PLANNING POLICY  
GUIDELINE 2 “ECONOMIC DEVELOPMENT”

**REPORT BY:** DIRECTOR OF PLANNING AND TRANSPORTATION

**REPORT NO:** 241-2002

## **1 PURPOSE OF REPORT**

- 1.1 To advise the Committee of the comments proposed to be forwarded to the Scottish Executive in relation to the proposed revision of National Planning Policy Guideline 2 (NPPG 2) – Economic Development. However, there is disappointment in the content of the draft NPPG 2 in terms of the absence of clarity and prioritisation.
- 1.2 The NPPG sets a context for the development plan and development control functions of the Council. It is intended that the strategy adopted in the Dundee Local Plan Review will be broadly in line with the draft NPPG 2.
- 1.3 The guidance affirms the principles established in the Finalised Dundee and Angus Structure Plan.

## **2 RECOMMENDATIONS**

- 2.1 It is recommended that the Committee approves the comments of the Director of Planning and Transportation, prepared for submission to the Scottish Executive as the City Council's response to the consultation draft NPPG 2 – Economic Development.

## **3 FINANCIAL IMPLICATIONS**

- 3.1 There are no financial implications arising for the City Council as a direct result of this report.

## **4 LOCAL AGENDA 21 IMPLICATIONS**

- 4.1 The Local Agenda 21 implications of this report cover a wide range of key themes. In particular, the transportation implications for new development affect the issues of sustainable development, access to facilities, services, goods and people is not achieved at the expense of the environment and are accessible to all.

## **5 EQUAL OPPORTUNITIES IMPLICATIONS**

- 5.1 Improved access and distribution of employment opportunities within the City is important in terms of equal opportunities and is fundamental to the strength of the economy. NPPG 2 is important in relation to subsequent development plans and development control functions, as these must ensure that economic development opportunities are provided in line with national policy.

## **6 BACKGROUND**

- 6.1 The Scottish Executive published a draft revision of NPPG 2: "Business and Industry" now titled, "Economic Development" on 11 January for consultation purposes. The consultation period ends on 10 May 2002.
- 6.2 The proposed response of the Director of Planning and Transportation to this document forms Appendix 1 to this report. However, the following points are highlighted.
- 6.3 The revised NPPG reviews the principles and practice of allocating sites for economic development purposes. The new title "Economic Development" is indicative of the new approach away from traditional business and industry and more towards the wider business community. A more flexible approach is to be adopted whilst maintaining the principles of sustainability, protection of the environment and addressing the problems of social inequalities.
- 6.4 The guidance promotes on the development of clusters and science parks. Notwithstanding, there is no definition or explanation as to what actually makes up a cluster, how to encourage their development, or guidance offered on location.
- 6.5 The document indicates that there needs to be recognition of the modern business time-scale and the effect of the market on business. The document fails to reconcile the effects of the market with the planning process. The current planning process is inherently not geared to respond to such short term changes in economic market circumstances.
- 6.6 There is a degree of conflict within this NPPG. On one hand, it seems to suggest that development can go almost anywhere. On the other, there is little consideration given to the integration of public transport and the possible constraints this may have on any proposed development and the potential workforce.
- 6.7 Sustainability needs to be strengthened in all areas within the guidance. A consistent approach is not possible with the guidance in its current form.
- 6.8 The document lacks specific and clear guidance in relation to development plans. The main problem for development plans, will be the delivery of the different objectives and the implementation of the economic development strategy.
- 6.9 There is no best practice guide to encourage dialogue and understanding between the private and public sectors.
- 6.10 There needs to be better linkages to the overall implementation. The document is going in the right direction. However, it needs strengthening.
- 6.11 Once the Scottish Executive have received and considered all comments regarding the draft NPPG 2 the finalised document will be published before the end of summer 2002.

## **7 CONSULTATIONS**

- 7.1 The Chief Executive, Director of Finance, Director of Support Services, Director of Corporate Planning and Director of Economic Development have been consulted and are in agreement with the contents of this report.

## **8 BACKGROUND PAPERS**

- 8.1 Draft NPPG 2 – Economic Development (January 2002).
- 8.2 The Way Forward: Framework for Economic Development in Scotland (June 2000).

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Mike Galloway  
Director of Planning & Transportation

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Keith Winter  
Policy & Regeneration Manager

22 April 2002

KW/SJ/EJ PO 36/1

Dundee City Council  
Tayside House  
Dundee

## **APPENDIX 1**

### **COMMENTS OF DUNDEE CITY COUNCIL ON DRAFT NPPG 2 - “ECONOMIC DEVELOPMENT”**

#### **1 GENERAL**

- 1.1 Generally welcome the ‘modernising and widening’ of this NPPG to bring it up to date and more in line with current thinking. However, it may also be regarded as a missed opportunity as there is no clear prioritisation within the document. There is no obvious direction regarding the protection of the environment as opposed to the creation of employment opportunities.
- 1.2 The document would appear to be confused about what it is trying to achieve. Sustainable development would appear to be the main thrust of the document. However, this is undermined in a number of cases. A statement is required which clearly states what the document is trying to achieve and the manner in which to implement the guidance.
- 1.3 The new document title of “Economic Development” provides a wider remit for its content. However, what is actually meant by economic development requires clarification. A general statement taken from the “Framework for Economic Development in Scotland” document (FEDS) is provided to try and explain in broad terms. For consistency there are a number of terms that require clarification, such as marketable land and business community.
- 1.4 The document takes a lead from the important strategy document, “A Smart, Successful Scotland: Ambitions for the Enterprise Networks.”
- 1.5 Economic development is about jobs and job creation. Within this NPPG there are only four paragraphs where jobs are actually mentioned.

#### **2 PROVIDING A RANGE OF DEVELOPMENT OPPORTUNITIES**

- 2.1 The need for Scotland to be able to compete in an international knowledge based economy is emphasised throughout this document. Part of this is being able to provide a choice of well located sites. This is encouraged in Paragraph 7.
- 2.2 The guidance concentrates on the development of clusters and science parks (Paragraph 20). However, there is no definition or explanation as to what actually makes up a cluster or how to encourage their development, nor is there any locational advice.
- 2.3 There is no mention of encouraging development at Ports. With the imminent introduction of the new ferry service at Rosyth, this would appear to have been an ideal opportunity to build upon the opportunities that the development of Port facilities can provide. In conjunction with the advice in NPPG 17, “Transport and Planning”, the development of Port facilities could ease congestion on many roads as freight could be encouraged to use ferry services.
- 2.4 Paragraph 23 acknowledges the benefits of corporate headquarters and where necessary, they should be located on appropriate greenfield sites. However,

NPPG 2 acknowledges that businesses are now working with short-term horizons, and the speed of change is quickening. In terms of the planning system, it is difficult for a local plan to be used as an instrument to attract new and encourage existing businesses to stay. In addition, to provide greenfield sites for such developments outwith the development planning system is not sustainable.

- 2.5 In relation to the further encouragement of small businesses (Paragraph 24) this will be market led. The planning system will not dictate the rate of business development. This guidance needs to acknowledge the role of the market on development and establish the need for the planning system to engage in this.

### **3 ENCOURAGING DEVELOPMENT IN SUSTAINABLE LOCATIONS**

- 3.1 In relation to land supply, the timescales have been removed. Land is to be marketable, of a certain quality and range. However no definitions are actually provided as a result there may be no consistency of approach.
- 3.2 In the existing NPPG 2, the reuse of urban land was regarded as a priority. However, this is not the case within the consultative draft. This document should be reaffirming that reuse is a priority.
- 3.3 There is a degree of conflict within this NPPG. It would suggest that development can go anywhere. However, there is little consideration given to the integration of public transport and the possible constraints this may have on the proposed development and the potential workforce, and there is no reference to National Planning Policy Guideline 8, Town Centres and Retailing and the application of sequential testing.
- 3.4 Sustainability needs to be strengthened in all areas within the guidance. A consistent approach is not possible with the guidance in its current form.
- 3.5 Planning is about balancing priorities, to some extent the protection of the environment will be at the cost to the economy. There needs to be a balance between brownfield and greenfield development. The planning system will have to make the judgement to try and ensure that the benefits of economic development are equally spread and are not wholly concentrated on greenfield sites. To further the principles of sustainability, the optimum use should be made of brownfield sites within local circumstances.

### **4 THE PLANNING SYSTEM**

- 4.1 Paragraph 6 advocates that the planning system is to be “responsive and sufficiently flexible”. However no more detail or information is provided.
- 4.2 There is no distinction between the individual areas that should be covered within Structure and Local Plans. Instead, five points briefly highlight what development plans should include (Paragraph 57). In this list, development plans should “reallocate unmarketable sites”. However, in addition, there is no consideration of speculative land acquisition which then makes the sites ‘deliberately unmarketable’, in the hope of a more valuable development such as has happened at Dunsinane Industrial Estate in Dundee.

- 4.3 The existing NPPG 2 provides a clear indication of what should be included in a Structure Plan and a Local Plan. The lack of such detail in this NPPG may be influenced by the draft proposals in the Review of Strategic Planning. However, this review is to continue over the next 5 years. The main problem for development plans is the actual delivery of the different objectives and the implementation of the economic development strategy.

## **5 PROMOTING DIALOGUE WITH THE BUSINESS COMMUNITY**

- 5.1 Businesses want consistency and efficiency. Many businesses now operate within a two to three year business cycle, and need relatively quick planning decisions. Paragraph 52 therefore, encourages “a positive culture of engagement” between “the business community, private sector investors and the planning authority”.
- 5.2 In general, it is very difficult to establish methods of exchanging information between the different partners involved with economic development. There is no best practice guide as to how to achieve a better understanding of the objectives between the private and public sectors. In practice, this tends to happen informally. This may be an appropriate opportunity for the Local Economic Development Forums’ role to be widened.

## **6 IMPLEMENTATION**

- 6.1 The role of the Scottish Enterprise Network is not mentioned. This needs to be strengthened to further encourage joint working.
- 6.2 There is no guidance in relation to engaging with other public agencies. However, there is advice (Paragraph 53) in relation to engagement with the private sector, through local economic forums. However, should they disband communication is likely to breakdown.
- 6.3 Local authorities are not capable of implementation on their own. The document needs to go further in identifying the consequent implications. The role of the Scottish Enterprise Network and the problems faced by Scottish Water need to be highlighted.

## **7 CONCLUSIONS**

- 7.1 This consultation document is advocating a much more proactive and flexible approach to business. However, to some extent it may be argued that Dundee City Council has already instigated this approach in the adopted Dundee Local Plan 1998.
- 7.2 There needs to be better linkages to the overall implementation. As this report has highlighted, the document is going in the right direction. However, it needs strengthening.
- 7.3 A lot of the initiatives advocated within the NPPG are market led and the Local Plan can only go so far in encouraging their achievement. However, this guidance does not recognise the effect that the market led approach can have on development. It fails to reconcile the effects of the market on the planning process, which is inherently not geared to respond to short term changes in the economic market.

- 7.4 Finally, the NPPG should provide a greater spatial focus to try and avoid competition between the different local authority areas for possible business opportunities.