

RESPONSE FROM SCOTTISH FINANCIAL ENTERPRISE TO THE SCOTTISH EXECUTIVE'S WHITE PAPER: MODERNISING THE PLANNING SYSTEM

Scottish Financial Enterprise (SFE) is the independent organisation, formed in 1986, that supports and represents the interests of Scotland's financial services industry. Our members encompass all sectors of the industry including banks and building societies, general insurance, life assurance and pensions, investment managers, asset servicing, corporate finance and broking services, professional advisors and support services.

Scotland is a major European financial centre and the second largest financial centre in the UK, next to London. The financial services industry is of major importance to the Scottish economy. It includes both Scottish companies that are leaders in global markets and international companies that are investing in bases in Scotland. In the last five years (1999 Q3 to 2004 Q3) financial services in Scotland grew by 36.5% while the overall Scottish economy grew by 9.5% and the whole of the UK financial services industry grew by 17.5% in the same period. The financial services industry accounts for one in 10 Scottish jobs, with over 108,000 people directly employed in the industry and over 100,000 more employed in support services. The industry also accounts for £5bn (nearly 6%) of Scotland's GDP (measured as Gross Value Added).

As we have stated in previous submissions on planning to the Scottish Executive, it is clearly in the interests of the industry, the people who depend on it for their livelihoods, and the overall Scottish economy that Scotland provides a competitive business environment to retain existing and attract new financial services investment. To improve its attractiveness and competitiveness as a business location, Scotland needs a more efficient and effective planning system that encourages business development and economic growth.

We welcome the recognition of this in the White Paper. The review of Scotland's planning system provides an opportunity that must not be missed to put in place a new approach that meets the current and future needs of business as well as those who live and work in Scotland.

We also welcome:

1. The undertaking to move to a quicker and more predictable planning process that is managed effectively with clear targets and milestones.
2. The proposed new planning hierarchy - providing that the realisation of this ensures that major infrastructure requirements of national significance, such as long-term transport and communications developments, can be decided, protected and delivered promptly and efficiently.
3. The intention to provide greater certainty and predictability for businesses about the timescales for plan revision by requiring an annually updated development plan scheme to be prepared and making this publicly available.
4. The new emphasis on development management rather than development control - providing that a genuine change in approach and measurable improvements are achieved.
5. The proposed research into best practice among local authority planning departments in understanding and responding to the needs of business.
6. The intention to make the planning system more transparent and inclusive.

7. The recommendation against introducing third party rights of appeal, which we strongly believe would have a damaging impact on the economy by adding to delays and uncertainties and deterring investment.

In addition, we would like the Scottish Executive to address the following concerns:

Planning Aid for Scotland

We support the Scottish Executive's aim of providing people with the opportunity to engage constructively in the planning system, but want assurance that pro-active efforts will be made to engage a representative cross section of opinion on planning proposals, as well as the views of those whose objections will be captured and addressed through the formal process. We believe that a clear framework and guidance for public engagement must be established, and should be resourced and delivered by the public sector to ensure objectivity. We do not believe that it is an appropriate use of public funds to resource lobbying organisations to provide advice and advocacy support to local community groups and individuals, and therefore question the Scottish Executive's provision of nearly £150,000 over three years to Friends of the Earth Scotland for its Citizen's Environmental Defence Advocacy (CEDA) programme.

Fee structure

There are potential cost and savings implications attached to the proposed changes, including the intended improvements to training and resourcing of planning teams to enable delivery of the new system. How the changes would be funded is not made clear in the White Paper. We want the onus to be on delivering efficiencies by leveraging new technologies, utilising electronic communications, minimising bureaucracy, accelerating best practice and creating standard processes and platforms, rather than on raising money through increased fees. We would like the Scottish Executive to establish clear guidelines on fee structures for major planning applications and for the Scottish Executive to ensure that fees are proportionate, fair and do not prohibit development.

Framework for improving delivery in the planning system

The planning framework must be transparent. We want the Scottish Executive Development Department to make public the findings of the proposed series of audits of local authority planning departments in addition to the existing public performance data. We agree that the quality of the resources within the planning teams needs to be improved, and efficiencies identified and rolled out across Scotland to maximise public spend, however this has to be subject to public scrutiny.

Conclusion

The White Paper sets out a number of high level aims and strategies with the intention of creating an efficient, modern planning system for Scotland. SFE, on behalf of its members, will follow the progress of the Planning Bill to ensure that the Scottish Executive fulfils its stated ambitions to create an improved environment for business that will deliver sustained economic growth, and ensure an innovative, competitive and thriving international financial services industry in Scotland, underpinned by world-class infrastructure and universally recognised as a leader on the global stage.

Further comment and information

Scottish Financial Enterprise would be very pleased to provide further comment on the issues we raise in this response. Please contact Amanda Harvie, Chief Executive, Scottish Financial Enterprise, 91 George Street, Edinburgh EH2 3ES, Scotland, U.K. Tel: +44 (0)131 247 7700; Fax: +44 (0)131 247 7709; E-mail: <mailto:info@sfe.org.uk>.

For more information about SFE and Scotland's financial services industry, please visit our website at www.sfe.org.uk.

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