

6. The planning system has a critical balancing role to play when competing interests emerge in the consideration of future development. It is essential to recognise that planning issues, by their very nature, will often bring differing interests into opposition and disagreement and the resolution of those issues will inevitably disappoint some parties. The planning system cannot satisfy all interests all of the time. It should, however, enable speedy decision making in ways which are transparent and demonstrably fair.

CORE PRINCIPLES

7. The legislative framework for the planning system in Scotland has recently undergone a major change through the Planning etc (Scotland) Act 2006. Secondary legislation implementing key parts of the Act came into force in 2009⁵.
8. The Government believes that the following broad principles should underpin the modernised planning system:
- The system should be genuinely **plan-led**, with succinct development plans setting out ambitious, long-term visions for their area. They must be kept up to date, and provide a practical framework within which decisions on planning applications can be made with a degree of certainty and efficiency.
 - The **primary responsibility** for the operation of the planning system and service is with **local and national park authorities**.
 - **Confidence in the planning system** needs to be reinforced through: the efficient and **predictable** preparation of plans and handling of applications; transparency in decision-making and reliable enforcement of the law and planning decisions.
 - The **constraints and requirements** that planning imposes should be **necessary and proportionate**.
 - The system should operate to **engage all interests as early and as fully as possible** to inform decisions and allow issues of contention and controversy to be identified and tackled quickly and smoothly.
 - There should be a clear focus on the **quality of outcomes**, with due attention given to the sustainable use of land, good design and the protection and enhancement of the built and natural environment.
9. Successful operation of the planning system will only be achieved if all those involved – applicants, planning authorities, agencies and other statutory consultees, communities, representative organisations, public bodies, the Government and the general public – commit themselves to engaging as constructively as possible in development planning and development management, so that the planning system contributes effectively to increasing sustainable economic growth. Partnership working and dialogue with the private sector is an important contributor to the delivery of business, development and conservation opportunities. A range of government and non-governmental organisations can offer expert advice on specialist matters and this expertise should be utilised wherever relevant.

DEVELOPMENT PLANS

10. The development plan comprises a local development plan supported by supplementary guidance. In the 4 largest city regions, the development plan also comprises a strategic development plan which addresses land use issues that cross local authority boundaries or involve strategic infrastructure.

⁵ See www.scotland.gov.uk/planning for full details of secondary legislation linked to the Planning etc. (Scotland) Act 2006

planning system are established through legislation⁸. Advice on community engagement in the planning system, linked to the National Standards for Community Engagement⁹, is provided in PAN 81 *Community Engagement*.

32. Everyone has the right to comment on any planning application which is being considered by a planning authority. Legitimate public concern or support expressed on a relevant planning matter should be a consideration in planning decisions. Planning authorities must ensure that communities are given the opportunity to get involved in the preparation of development plans. Planning authorities and developers should ensure appropriate and proportionate steps are taken to engage with communities when planning policies and guidance are being developed, when development proposals are being formed and when applications for planning permission are made. Individuals and community groups should ensure that they focus on planning issues and utilise available opportunities for engaging constructively with developers and planning authorities. Close working with communities can help to identify and overcome sensitivities or concerns associated with new development. Liaison committees can have a role in offering communities greater involvement in the operation of mineral extraction sites and other similar developments.

SUSTAINABLE ECONOMIC GROWTH

33. Increasing sustainable economic growth is the overarching purpose of the Scottish Government. Fifteen national outcomes¹⁰ explain in more detail how sustainable economic growth will be delivered. The Government Economic Strategy¹¹ sets out how sustainable economic growth should be achieved, and identifies five strategic priorities that are critical to economic growth – learning, skills and wellbeing; supportive business environment; infrastructure development and place; effective government; and equity. The planning system should proactively support development that will contribute to sustainable economic growth and to high quality sustainable places. Achieving sustainable economic growth requires a planning system that enables the development of growth enhancing activities across Scotland and protects and enhances the quality of the natural and built environment as an asset for that growth. Planning authorities should take a positive approach to development, recognising and responding to economic and financial conditions in considering proposals that could contribute to economic growth.

SUSTAINABLE DEVELOPMENT

34. The Planning etc. (Scotland) Act 2006 introduced a requirement that functions relating to the preparation of the National Planning Framework by Scottish Ministers and development plans by planning authorities must be exercised with the objective of contributing to sustainable development. The 2006 Act requires planning authorities to have regard to guidance on this requirement issued by Scottish Ministers. This section (paragraphs 34 – 40) is guidance under section 3E of the 2006 Act. The principles of sustainable development outlined in this section are embedded in national planning policy.

⁸ The Planning etc. (Scotland) Act 2006, the Town and Country Planning (Development Planning) (Scotland) Regulations 2008 and the Town and Country Planning (Development Management Procedure) (Scotland) Regulations 2008

⁹ National Standards for Community Engagement (Communities Scotland, 2005)

¹⁰ www.scotland.gov.uk/About/scotPerforms/outcomes

¹¹ www.scotland.gov.uk/Publications/2007/11/12115041/0

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35. The Scottish Government supports the five guiding principles of sustainable development set out in the UK shared framework for sustainable development¹². The five principles are:

- living within environmental limits,
- ensuring a strong, healthy and just society,
- achieving a sustainable economy,
- promoting good governance, and
- using sound science responsibly.

Achieving a sustainable economy, promoting good governance and using established science responsibly are essential in enabling a strong, healthy and just society and living within environmental limits. The fundamental principle of sustainable development is that it integrates economic, social and environmental objectives. The aim is to achieve the right development in the right place. The planning system should promote development that supports the move towards a more economically, socially and environmentally sustainable society.

36. The Scottish Government's commitment to sustainable development is reflected in its purpose of creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. This is set out in the Government Economic Strategy, supported by the fifteen National Outcomes. Sustainable economic growth means building a dynamic and growing economy that will provide prosperity and opportunities for all, while respecting the limits of our environment in order to ensure that future generations can enjoy a better quality of life too.

37. The planning system has an important role in supporting the achievement of sustainable development through its influence on the location, layout and design of new development. Decision making in the planning system should:

- contribute to the reduction of greenhouse gas emissions in line with the commitment to reduce emissions by 42% by 2020 and 80% by 2050, contribute to reducing energy consumption and to the development of renewable energy generation opportunities,
- support the achievement of Zero Waste objectives, including the provision of the required waste management installations,
- protect and enhance the cultural heritage,
- protect and enhance the natural environment, including biodiversity and the landscape,
- maintain, enhance and promote access to open space and recreation opportunities,
- take into account the implications of development for water, air and soil quality, and
- support healthier living by improving the quality of the built environment, by increasing access to amenities, services and active travel opportunities, and by addressing environmental problems affecting communities.

38. Decisions on the location of new development should:

- promote regeneration and the re-use of previously developed land,
- reduce the need to travel and prioritise sustainable travel and transport opportunities,
- promote the development of mixed communities,
- take account of the capacity of existing infrastructure,
- promote rural development and regeneration, and
- prevent further development which would be at risk from flooding or coastal erosion.

¹² *One Future – Different Path: The UK's Shared Framework for Sustainable Development (2005)*

39. Decisions on the layout and design of new development should:
- encourage the use of and enable access to active travel networks and public transport,
 - promote the efficient use of land, buildings and infrastructure,
 - encourage energy efficiency through the orientation and design of buildings, choice of materials and the use of low and zero carbon generating technologies,
 - support sustainable water resource management,
 - support sustainable waste management,
 - consider the lifecycle of the development,
 - encourage the use of sustainable and recycled materials in construction, and
 - support habitat connectivity.
40. The settlement strategy set out in the development plan should promote a more sustainable pattern of growth for an area, taking account of the scale and type of development pressure and the need for growth and regeneration. The most effective way to plan for change will depend on many factors, including geography, environmental sensitivities, landscape character and infrastructure capacity.

CLIMATE CHANGE

41. The need to tackle climate change, and in particular reduce emissions of the greenhouse gases that contribute to it, is a principal challenge of sustainable economic growth. Section 44 of the Climate Change (Scotland) Act 2009 requires all public bodies to act:
- in the way best calculated to contribute to the delivery of the emissions targets in the Act,
 - in the way best calculated to help deliver the Government's climate change adaptation programme, and
 - in a way that it considers is most sustainable.

The Act sets a target of an 80% reduction in emissions by 2050, with an interim target of a 42% reduction by 2020. Achieving these targets will require coordinated action and a significant commitment to adapting the built environment to reduce energy and other resource requirements, to reducing the need to travel, and to providing for active travel and travel by public transport.

42. The need to help mitigate the causes of climate change and the need to adapt to its short and long term impacts should be taken into account in all decisions throughout the planning system. Development plans should promote a pattern of development which reduces the need to travel and encourages active travel and travel by public transport, taking into account the likely availability of public transport in rural areas. Development plans should also require the siting, design and layout of all new development to limit likely greenhouse gas emissions, particularly by limiting resource and energy requirements.
43. The design of new development should address the causes of climate change by minimising carbon and other greenhouse gas emissions and should include features that provide effective adaptation to the predicted effects of climate change. The changing climate will increase the risk of damage to buildings and infrastructure by flood, storm, landslip and subsidence. Development should therefore normally be avoided in areas with increased vulnerability to the effects of climate change, particularly areas at significant risk from flooding, landslip and coastal erosion and highly exposed sites at significant risk from the impacts of storms. When designating land for new residential, commercial and industrial development, planning authorities should consider the energy and heat requirements of these new developments. New development should be planned to make use of opportunities for decentralised and local renewable or low carbon sources of heat and power wherever possible.

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Ministerial Foreword

On 22 March 2010, the Scottish Government published the discussion paper *Towards a Low Carbon Economy*, which outlined the Scottish Government's plans to move towards a low carbon economy in Scotland, as part of the overarching Government Economic Strategy. It identified the key dimensions of a transition strategy towards a low carbon economy, proposed an approach and timeframe and invited key stakeholders to engage in the development of the strategy. I am pleased that many partners took up that invitation and I am grateful for that input which has been invaluable in ensuring we set out on the right road to a low carbon future. The Strategy has been developed in partnership with the Joint Working Group of the Scottish Strategic Forum

and SEPA and I will look to them to work with the Scottish Government to ensure the streamlined and coordinated delivery of public sector support, to aid the transition to a low carbon economy.

As I have stated previously, the transition of Scotland's industries and firms to low carbon processes, products and services is both an economic and environmental imperative, and offers the potential to stimulate and exploit rapidly expanding global markets. At the same time, over and above our world leading legislation in the field, Scotland must also adapt economically and socially to the uncertain, yet inevitable, consequences of climate change. Moving to a low carbon economy is essential to both capture the opportunities and mitigate the threats.

As Ian Marchant Chair of the 20:20 Climate Group said 'Low carbon is a way of thinking, behaving and operating that minimises carbon emissions while enabling sustainable use of resources, economic growth and quality of life improvements'

We need to be sure that every opportunity is taken to place Scotland in the most advantageous position so that the benefits of the shift to low carbon are felt across the economy, at local and national level, in the private and public sector and in our communities. This is more important today than ever before as we face very challenging economic times in the coming years and I know this can only be achieved by building partnerships across all sectors.

This Low Carbon Economic Strategy builds on the responses from Scottish business, industry and research base, and in particular will provide a framework to complement the work of the 20:20 group. It provides a Scottish focus, alongside UK Government initiatives, on what action is required to transform Scotland's industries and infrastructure, into exemplars to the world of what can be achieved in the pursuit of a low carbon economy. I know that by working together we can make it happen.

A handwritten signature in black ink, appearing to read 'John Swinney'. The signature is written in a cursive style with a long horizontal stroke at the end.

John Swinney
MSP, Cabinet Secretary for Finance and Sustainable Growth

What does this mean for Scotland – the Opportunities?

There are strong growth opportunities for Scotland across existing businesses and industries as well as in the emerging low carbon environmental goods and service sector (LCEGS). Low carbon employment in Scotland could increase by at least 60,000 by 2020, specifically:

- 26,000 jobs in Renewable energy, including wind, wave and tidal, biomass, geothermal, hydro and photovoltaic energy generation and the services that support them, including renewables consultancy;
- 26,000 jobs in Low carbon technologies, including alternative fuels for vehicles, carbon capture and storage, building technologies, energy management and carbon finance;
- 8,000 jobs in Environmental management, including energy, carbon and broader environmental consultancy, air pollution control, environmental monitoring, marine pollution control, waste management, recovery and recycling; as well as the service industries that support environmental management.

Globally, LCEGS markets, illustrated below, are forecast to increase in value from £3 trillion in 2008/09 to £4.3 trillion by 2014/15, making them three times the size of the aerospace sector and growing by 5.3% each year¹⁰. Scotland has a GDP of around £100 billion with a LCEGS market of just around £8.8 billion which is predicted to grow to around £12 billion in 2015/16, 10% of the economy¹¹.

'We treat a new product, service or process as low-carbon if it leads to an absolute reduction in GHG emissions or improves the carbon intensity of an activity'. (The UK Climate Change Committee – in defining low Carbon).

In addition to opportunities in renewable energy around 50% of LCEGS sales are expected to occur in 'emerging low carbon' sub-sectors including sustainable transport, sustainable buildings, energy management, carbon finance and carbon capture and storage. Furthermore there are opportunities right across the whole economy. The main ones likely to arise are:

- Resource efficiency – (energy, water, waste, materials) and sustainable business practices;
- Environmental and Clean Technologies – sustainable transport, building technologies, recovery and recycling, water and waste water treatment, environmental monitoring ;
- Food & Drink – waste management and re-use, local sourcing, reducing carbon in supply;
- Tourism – 'green' tourism products and services, promotion;
- Financial services – green financial products and carbon trading;
- Life sciences – sustainable health, telehealth and clean technologies;
- Chemical sciences – renewable fuels, bio-based feedstocks;
- Aerospace – lighter and more fuel-efficient materials/technologies;
- Textiles – functional textiles with higher tolerance/resistance to heat and water;
- Forest industries – wood fuel and biomass for renewable heat and power, locally-sourced timber for construction;
- ICT – data centres, energy management; and,
- Agriculture – grow wider range of crops, produce new plant/animal based products.

¹⁰ Innovas (2009) Low Carbon and Environmental Goods and Services: An industry analysis www.berr.gov.uk/files/file50523.pdf

¹¹ <http://www.theccc.org.uk/reports/low-carbon-innovation>

What are the Risks to the Economy of doing nothing?

Climate change brings with it high level risks that could impact across the Scottish economy including:

- Disruption to communications systems;
- Flooding leading to loss of, or damage to, premises, assets and stock;
- Disruption to energy sources, raw materials or other supplies;
- Inability to deliver services to customers as a result of extreme weather events and their aftermath, either through direct impacts or reduced transport links;
- Reduction or complete loss of water supply, either through drought or flooding of critical national infrastructure;
- Instability in the global financial markets as a result of climate change pressures;
- Increases in costs, or complete loss of supply, of principal imports as a result of climate change pressures elsewhere in the world.

Why is Action Necessary?

Global energy demand is expected to increase by more than 50% by 2030, with China and India alone accounting for 45 % of the increase. Global oil production may have already passed the point of maximum output ('peak oil'¹²) and entered a long period of slow decline. It is likely that oil prices will rise significantly in the next decade. There will be greater competition for a whole range of minerals and primary resources that are needed as part of developing and industrialised economies.

The transition to a low carbon economy must mitigate against these risks as set out in our Climate Change Adaptation Framework¹³. The transition must also include maintaining effective supply and affordability of energy and other key resources at the same time as migrating to low carbon fuels. The focus of central and local government, public and private sector, has to be on alignment of the regulatory framework setting clear ambition and focusing on interventions to incentivise low carbon investment and maximise competitive advantage. This will involve:

- leadership to drive the development of the low carbon economy;
- changing behaviours and adapting to climate change impacts;
- renewable electricity generation;
- developing clean and abated thermal base-load with carbon capture and storage;
- energy efficiency investments; electrification of transport infrastructure and greater use of sustainable bio-fuels;
- sustainable land use; sustainable cities/ neighbourhoods;
- extracting secondary resources from Scotland's waste stream to recycle into economic activity.

Climate change adaptation will come at a cost. But there is a bigger cost of not adapting. Ensuring that Scotland understands the risks and opportunities presented by a changing climate and is adapting sustainably will require the efficient and targeted use of existing and new sources of funding.

¹² <http://peakoiltaskforce.net/>

¹³ <http://www.scotland.gov.uk/Publications/2009/12/08130513/0>

What is Government doing to Support the Transition to a Low Carbon Economy?

Scotland, the UK, EU and countries around the world are taking serious action on low carbon because they see the economic opportunities outlined above. The UK has an ambition to reduce emissions by 80% by 2050, and as part of the EU also has a commitment to reduce emissions by 34% by 2020. Scotland is going beyond the UK in the most challenging climate change targets in Europe, to reduce emissions by 42% from 1990 levels by 2020, and 80% by 2050.

These targets are enshrined in *the Climate Change (Scotland) Act*¹⁴, forming the sustainability target within the GES and driving the overarching purpose of growing a sustainable economy.

Roles in Maximising the Opportunities

Over the next 10 to 20 years we will witness both the wholesale decarbonisation of existing businesses, supply chains and industries as well as the emergence of new sectors and sustainable business models. By exploiting these commercial opportunities now, Scottish business and industry can maximise competitive advantage as the global economy moves to a low carbon basis.

The role of the private sector is to provide business and industry with the entrepreneurial mindset and foresight to invest in exploiting low carbon opportunities. Business is already leading the way in embracing a low carbon economy, for instance through the work of the 20:20 Climate Group¹⁵. The private sector can not, however, deliver this transition alone. Central and local government leadership and the activities of the

wider public sector and our academic institutions will act as a key enabler of the low carbon transition, tackling market barriers, ensuring an appropriate legislative framework is in place and key policies for investment, infrastructure, international engagement, innovation, leadership, skills and education are aligned with the low carbon ambition.

Government and the wider public sector play a crucial role in:

- setting the long-term strategic direction;
- legal and regulatory framework;
- helping to reduce business risk and uncertainty;
- encouraging long-term investment;
- leading by example, seeking, where possible, to reduce the carbon impact of activities, and using low carbon technologies;
- helping to provide 'first mover advantage' to Scottish business and research and innovation communities in accessing new and expanding international markets in addition to commercial and reputational benefits.

The Scottish Government has also made a commitment to assess the carbon impact of its spending review from 2010/2011. As the country recovers from a harsh economic period and looks to the future, this sends a strong signal to business and industry, and consolidates the direction of travel to a Low Carbon Economy.

Legislation

The Climate Change (Scotland) Act 2009 has set the legislative framework to establish a favourable environment to support long-term investments to develop a low carbon economy and this will be underpinned with measures that will give businesses and consumers strong incentives and the confidence to invest in the technologies skills and behaviours that a transition to a low carbon economy requires. Under the Act, Scotland is

¹⁴ <http://www.scotland.gov.uk/Topics/Environment/climatechange/scotlands-action/climatechangeact>

¹⁵ <http://2020climategroup.org.uk/>

The Scottish Government will play its full role in investment partnerships to ensure necessary infrastructure and frameworks are in place to identify the opportunities and attract international investment. However the challenge is beyond what government can achieve alone, the bulk of the investment required will inevitably come from the private sector.

Nothing less than a full commitment by all players across both the public and private sector will be necessary to ensure that the maximum benefits of a transition to a low carbon economy are realised. In doing so we can position Scotland as the destination of choice for low carbon investment and ensure that Scottish business and industry takes the lead in growing global low carbon markets.

Strategic objectives and immediate actions for government and the wider public sector to are summarised below. The following sections look more closely at the market opportunities in specific parts of the Scottish economy and specify what actions government and wider public sector are taking to support business to take advantage of the opportunities available and drive the development of a low carbon economy for Scotland.