

THE SCOTTISH COUNCIL FOR DEVELOPMENT AND INDUSTRY

RESPONSE TO ABERDEEN CITY AND SHIRE DRAFT STRUCTURE PLAN

Introduction

1. The Scottish Council for Development and Industry (SCDI) is an independent membership network that strengthens Scotland's competitiveness by formulating policies to encourage sustainable economic prosperity. Its members are drawn from businesses, local authorities, trades unions, educational institutions and the voluntary sector from across Scotland. This response is based on discussion with and input from SCDI members in the North East and it has been approved by SCDI's North East Committee.
2. The strategic, clear, accessible and action-orientated layout of the Draft Structure Plan is refreshing. SCDI recognises that the aim is not to cover all planning issues, but rather to explain the rapidly changing economic, social and environmental context which makes a new Structure Plan necessary to meet current and future needs. However, this makes it all the more important that detailed local plans are rapidly developed to establish how the vision for sustainable economic development will be delivered in each area. For example, the Strategic Development Plan (or Masterplan) for the re-development of Aberdeen City Centre needs to be finalised in order to begin stimulating and directing substantial investment over the next 25 years.
3. A "can do" attitude and improved engagement will be needed in the implementation of the Structure Plan, supporting sustainable development by businesses in the region and more fully recognising the benefits to the regional and Scottish economies, to employment and to all sections of the community.

Influences on the Plan - National and Regional Context

4. SCDI has welcomed the statutory basis that is being given to the National Planning Framework 2 (NPF2). In its response to the Scottish Government's consultation on the draft NPF2, SCDI said that it should inform the planning hierarchy from top to bottom so that regionally important projects can benefit from a more strategic planning process. While final NPF2 has not yet been put into legislation, it is a positive sign of progress on planning reform that the Aberdeen City and Shire Draft Structure Plan has been written with it in mind.
5. In order to engage its members in the consultation on NPF2, SCDI staged a series of four workshops with its members throughout the country in March and April, including one in Aberdeen. SCDI members in the North East told us that they believe that promoting sustainable economic growth must be the key purpose of the planning system. The focus on Scotland's city regions in NPF2 is sensible and reflects how economic prosperity is created, but SCDI argued that there should be greater priority for the growth corridors between

them. NPF2 must also ensure that there is an appropriate balance to development across Scotland and that no geographic area is hindered or constrained by a lack of suitable development. In relation to peripheral areas, the role of NPF2 should be to ensure that development is facilitated to enhance their long-term continuity and survival. SCDI would therefore support the spatial strategy which is set out in the draft Structure Plan, with Aberdeen one of the strategic growth areas, strategic growth corridors from the City along the A90 towards Dundee and the A96 towards Inverness, and the regeneration priority areas on the Banffshire and south-eastern coasts of Aberdeenshire.

6. SCDI members felt that the draft NPF2 document lacked ambition, especially for regions outside the Central Belt, and suggested improvements. It will be important that the final Structure Plan is updated to reflect the final NPF2. In the meantime, SCDI would highlight the following comments in its submission on the draft NPF2 which may impact on the draft Structure Plan.
7. As the draft Structure Plan notes, except for grid reinforcement to support renewable development, no national developments have been identified in the area. However, SCDI members have identified several major projects in the North East that could be designated nationally significant projects. In the main these are transport projects, underlining the significant need for investment in the region's connectivity. Projects such as A90 improvements would provide an even greater strategic benefit because of the link to the 'Energetica' initiative in the Aberdeen to Peterhead strategic growth area. The projects are:
 - A96 corridor
 - A90 improvements
 - Aberdeen Crossrail
 - Aberdeen Airport enhancement
8. SCDI welcomes the increased attention given to electricity grid reinforcement in NPF2. This is a significant improvement from NPF1. However, the gas distribution network is also in need of investment, including the St Fergus terminal, and NPF2 should give it a higher priority. With the opportunities for the North East from indigenous gas, new import facilities, and Carbon Capture and Storage technology, this is also a weakness of the draft Structure Plan.
9. SCDI also suggested that some aspirational projects, perhaps looking over a longer timescale than the 2030 period, should be introduced to allow proper analysis and debate to be carried out and help instigate eventual delivery.
 - a high speed internal and external rail network to improve Scotland's connectivity both within and outwith its borders
 - a vastly improved electronic broadband communication network. This would require an assumption of planning support for improvements to local and regional telecoms networks. This would improve productivity, support sustainable working and improve accessibility to electronically provided services.

10. The draft Structure Plan refers to the identification within the draft NPF2 of the east-coast corridor from Aberdeen to Newcastle as a potential scenario for spatial development. SCDI members at the Aberdeen workshop were unconvinced that such an integration could be achieved, especially without a high-speed rail link. Several different future scenarios for Scotland's spatial development are included in the draft. SCDI has suggested that it would be useful if the final NPF2 were to provide a view as to Government's preferred option, a discussion of the choices required and how they will be addressed.
11. SCDI fully recognises that it would be impossible to include every project in NPF2 as nationally significant. SCDI has suggested that a gap may exist between these projects and large sub-national projects that are too big for any single, or group, of local authorities to deliver. A list of these major sub-national projects may sit within NPF2 but outwith the list of national projects.
12. The draft Structure Plan lists the other regional strategies and plans which have an important influence on this plan. SCDI also made the point in its submission on NPF2 that all strategies and plans will have to interlink and these too must support sustainable economic growth. But there is concern that, despite Government assurances, there will be a lack of coherence between these strategies and plans risking inconsistency and confusion. In particular, recent comments from Scottish Government Ministers have placed serious doubts over whether the full Aberdeen Crossrail project will get the go-ahead which would mean that not all the public transport improvements envisaged for the Huntly-Laurencekirk strategic growth corridor would be achieved.

The Vision for the Plan

13. SCDI endorses the vision for a successful and sustainable future. SCDI would not disagree with either of the main aims and any of the supporting aims of the plan. It notes that the plan says that the importance given to each of the aims will be balanced when decisions are reached on development proposals. SCDI does not believe that this is a sufficiently strong and clear framework to guide, support and enable developers and the private sector with major investment decisions. A clearer indication of how Government would resolve conflicting objectives and where the balance lies between them would be beneficial.
14. The Scottish Government's single overarching Purpose, as stated in the Government Economic Strategy, is: "To focus government and public services on creating a more successful country with opportunities for all of Scotland to flourish through increasing sustainable economic growth." SCDI believes that the Structure Plan should restate this overarching Purpose for the planning system.

The Spatial Strategy

15. The spatial strategy in the draft Structure Plan states clearly that: "All parts of the North East are important for the future of the area." SCDI is aware of comment and criticism that development in the three strategic growth areas, above all the 'Energetica' initiative between Aberdeen and Peterhead, will

take place at the expense of other areas of the region, especially the Banffshire coast. SCDI believes that this fundamentally misunderstands the 'Energetica' concept and, indeed, the nature of private sector investment decision-making. Business has identified this location, specifically its energy and transport infrastructure, as potentially offering the opportunity for a £1.5bn strategic investment, which would generate £500m per annum for the local economy. The role of government and the planning system is to facilitate and enable this private sector investment which would otherwise, in all probability, be made in another country, with the benefits lost to the regional economy as a whole. The public sector is not in a position to distribute this money around the region and it is right that new housing will be built near the new business assets.

16. The comparative lack of house-building in Aberdeen in recent years as opposed to Aberdeenshire has resulted in significantly increased traffic congestion around the City. SCDI supports the aim of rebalancing housing supply in the region, with substantially more building in Aberdeen. A 50-50 split in new development between the City and Shire seems to be reasonable. An expanded City should be supported by more effective public transport.
17. As has been noted, SCDI is concerned that the reported rejection of Aberdeen Crossrail will to an extent undermine the Huntly-Laurencekirk strategic growth area. Should this be the case, it will be essential that as many of the benefits as possible of the original scheme are delivered, such as the construction of a new station and a passing loop at Kintore. Timetabling changes could increase the number of trains running between Inverurie and Stonehaven at peak times, and these must be publicised to commuters.
18. Local growth and diversification has been identified for much of Aberdeenshire. The emphasis is on "local needs" and "providing smaller homes to buy or rent", although it does acknowledge that the need will vary from place to place. SCDI accepts that this should be the priority for the countryside. However, there is a significant cluster of high-growth businesses in the Westhill area which would also fall into the local growth and diversification area. It is important that sufficient, high-quality housing is available in the West Aberdeen area to meet their growing needs for skilled employees. Public transport improvements and park-and-ride are also needed.
19. While supporting the designation of the regeneration priority areas, SCDI believes that the Structure Plan should be more positive about their prospects. It does recognise the need to improve the economy, the competitiveness of business and transport infrastructure, and to develop tourism in some coastal locations. But it should also highlight the continuing importance of traditional industries, particularly fishing, and the potential for modern, up-to-date, high-speed telecommunications to support start-ups or attract new businesses.
20. This is a draft Structure Plan for Aberdeen and Aberdeenshire. But SCDI would like to have seen a little more thinking about how the Aberdeen city-region will relate to the Inverness and Dundee city-regions. The A96 corridor is also a priority for towns in Moray and the East Highlands. The north coast regeneration priority area should extend along the Moray coast to Buckie and

Lossiemouth. Montrose is about the same journey time by road and rail from Aberdeen as the Huntly end of the strategic growth area. In preparing the final Structure Plan, the opportunities for co-ordination should be fully considered.

21. All major development requires materials in the form of aggregates, minerals and other construction materials. The role of quarries must be properly recognised. These facilities must be allowed to expand to meet the substantial increase in demand for their outputs from domestic and overseas sources.

Economic Growth

22. The North East has the 15th highest GDP per head of 268 EU Regions. “Building on Energy: Delivering the Vision for 2025: The Economic Action Plan for Aberdeen City and Shire” sets a target growth rate over the period of the plan of 2.5% per annum gross value added (GVA) to build on this success, an increase from 2.3% per annum in 2002-06. With the Scottish Government Economic Strategy establishing a target for Scotland to match the average growth rate of small EU states by 2017, it may be that ACSEF’s regional target will need to be revised higher. But given the need to align strategies and plans, at present, SCDI believes that the final Structure Plan should reproduce as a priority the ACSEF target of 2.5% per annum growth rate in GVA.
23. The ACSEF plan sets the strategic priority of establishing Aberdeen City and Shire as the location of choice for company headquarters, with specifically, 30% of Scotland’s top 100 companies based in the region. It is therefore imperative that there is always a sufficient supply of land available for businesses throughout the region. Faster than expected take up in land has recently caused an imbalance between supply and demand with the inevitable consequence of a dramatic increase in land price. This has made the region less competitive for inward investment. The commitment to ensure at least 60 hectares of land supply available for businesses within the City and Shire at all times is necessary to improve their attractiveness for international investors. High quality telecommunications infrastructure is a significant attraction to corporate investment and Aberdeen will need to be able to offer competitive transport, utility and communications connectivity with this land supply.
24. SCDI strongly supports the ‘Energetica’ initiative to promote investment. For instance, SCDI would highlight the potential, given its geographical location and infrastructure, for the North East to provide an LNG site/base for Scotland. New gas import facilities are being urgently constructed in the UK, but projections suggest that there will be a need for more after 2015. The Shokman gas fields in the Barents Sea contain 30% of the world’s known gas reserves and are currently being developed, and LNG will be shipped from there around the world. The UK is now competing for import supplies and LNG cargoes are more often than not diverted on their journey to the UK to inflated price destinations such as the Far East. With its closer proximity to the shipping route from the Barents Sea, the Peterhead power station and the National Grid gas network, Peterhead Port would be well-placed to attract investment for such an import facility in the UK should the necessary

infrastructure improvements be implemented. Representations are being made to include such an opportunity in the final NPF2 and the Structure Plan.

25. Aberdeen City Centre has stood still over a number of years as other UK city centres have moved forward. The Aberdeen and Aberdeenshire Retail Study 2004 identified that the city's shortage of good quality modern and large floor space retail units is a major constraint in attracting new retailers to the city centre. There has been a leakage of retail income from tertiary markets, as well as losing out on the city and weekend market in retail. SCDI welcomes the retail developments now taking place, the opportunity to enhance the retail and leisure offering represented by the environmental improvements in the Green area and the moves to establish the city centre as a Business Improvement District and create a Destination Management Organisation. But SCDI questions whether the masterplan being developed will show enough ambition – an inspirational vision is needed of where the City Centre will be in 25 years. The Structure Plan should also make it clearer that the problems will not be solved by retail alone - a range of other activities will also be needed. A target should be to enhance Aberdeen's reputation as the principal cultural centre for the North East and increase the sense of cultural vibrancy and civic pride. There is a need to improve the built environment and urban design with new cultural infrastructure. SCDI supports the creation of the Centre for Contemporary Arts by Peacock Visual Arts, building on the strengths of Gray's School of Art and Scott Sutherland School of Architecture.
26. The diversification of the economy is widely recognised as a priority for the region. The universities and research organisations have a key role and SCDI supports the plans for a Life Science Innovation Centre, Biomedical Campus Development and Scottish Centre for Food and Health Innovation by Aberdeen University and Schools of Life Science, Pharmacy and Engineering, and a new Learning Resource Centre, by Robert Gordon University. There is also significant potential to grow the tourism offering, and, for example, take advantage of the high-value opportunities in food and drink and golf tourism. Improving tourism infrastructure is essential and SCDI, along with all business and tourism groups, has strongly backed the Trump development. While Trump is a once-in-a-generation opportunity for the region, the Structure Plan should encourage further investment in tourism infrastructure.
27. SCDI welcomes the commitment that all new development in the Strategic Growth Areas will use modern, up-to-date high-speed telecommunications networks, and supports the city-region's plans for IT Hotspots and Business Beacons. It is important that the public sector works with the private sector to secure investment. For example, BT's fibre-based broadband will become available for up to 10 million UK homes by 2010 and Aberdeen City and Shire should seek to attract as much as possible for the region to be early in the roll-out schedule. However, while supporting the particular priority given to the areas of most development, SCDI highlights the potential of improved telecommunications to support businesses and communities in regeneration priority areas and areas of local growth and diversification, for instance, tourism businesses. SCDI believes that there is a strong case for extending this target for high-speed networks to all new developments in the city-region.

Population Growth

28. SCDI members tell us that attracting, retaining and developing skilled people is their top priority for the economy. This is especially true for the energy industry. Shortages of people places a strain on many companies, and it can also undermine the ability of a region to maintain high quality public services. These have been eased by the influx of migrant workers to the region and their contribution is widely recognised. Increasing the population further in line with a target of 9% growth to 480,000 by 2030 is welcomed by SCDI. This will be important for sustaining the success of the economy while diversifying, attracting new investment and boosting the cultural vitality of the city-region.
29. That reaching this target will not be easy - in the context of a slowly declining population from 1995 and a recent shallow recovery - is appreciated by SCDI. However, it is worth pointing out that the city region would only have to achieve its proportionate share of the predicted population growth of the UK to 2030 in order to reach its “longer-term ambition” of the population rising to 500,000. Recent figures from Eurostat estimate that the UK’s population will grow by 13% between the 1st of January 2008 and the 1st of January 2030 (61.2703m to 69.2241m). Aberdeen’s perceived geographical remoteness can be regarded as a disadvantage, yet according to evidence from the 1990s, while a Eurocentric location is helpful to growth, peripheral cities can grow just as fast (Scotland’s Cities 2002, p.48). Similarly located, competitor countries and cities are expected to achieve even higher rates of population growth. For “Arc of Prosperity” countries, an increase of 33% is predicted by Eurostat for Ireland (4.4148m to 5.8818m) and of 16% for Norway (4.7372m to 5.5065m). Ireland will also achieve a 26% increase in its working age (15 to 64 years old) population (3.0251m to 3.8263m). The Greater Cork city region had approximately 125,000 fewer people than Aberdeen City and Shire in the mid-1990s. The recently updated Cork Area Strategic Plan projects a 41% rise in the population between 2000 and 2020, from 345,100 to 488,000, overtaking the North East. SCDI also asked for figures from Greater Stavanger Economic Development for its city-region. It has estimated for the largest 9 of the 16 municipalities. This also suggests a more rapid rise than is targeted for Aberdeen City and Shire of 41% from 268,400 today to 378,000 in 2030.
30. Aberdeen’s universities recruit their students nationally and internationally, and are a source of educated and highly-skilled graduate labour for the city-region. They will have a major role in addressing the demographic challenge.
31. Difficulty in sourcing appropriately priced housing has caused problems in recruitment and retention of key workers in both the private and public sectors. A growing population will mean increasing the supply of good quality housing at prices which people can afford. The Scottish Government has set an aim to increase to at least 35,000 a year by the middle of the next decade the rate of new housing supply. SCDI welcomes the clear intention in the draft Structure Plan to increase the number of new homes built each year to at least 2,500 each year by 2014 and to at least 3,000 by 2020. However, with 8.66% of Scotland’s population, the city region will only be building 7.14% of its

new homes by the middle of the next decade. In its response to the Scottish Government's consultation 'Firm Foundation: The Future of Housing in Scotland', SCDI said that local authorities will be most effective in identifying the numbers of houses that should be built in its area through setting and supporting the achievement of locally relevant targets. But it would query if the draft Structure Plan's targets are high enough and accelerating at the necessary trajectory to meet the city region's population growth target.

32. Enabling more people to work flexibly from home using high quality, fast communications can also help with the skills challenge, and reduce any impact from a growing population on commuting, congestion and carbon emissions.

Sustainable Development and Climate Change

33. SCDI supports the Scottish Government's target of reducing carbon emissions by 80% by 2050 and suggested that an interim target - within the period of the Structure Plan - should be set for 2020, based on annual 3% reductions. Five yearly emissions budgets should also be set. Tackling climate change is critical for the economic, social and environmental future of Scotland and Scotland must play a full part in international efforts. North East businesses are aware of their responsibilities and the opportunities of taking a leading role within Scotland, for example through the Aberdeen Renewable Energy Group. The Structure Plan should support a clear pathway to a lower carbon future. The Scottish Government's 2050 target should be stated, along with any interim target, and the regional contribution towards this should be identified.
34. SCDI supports the ambition for new development to use energy and water resources more efficiently. There is a need to influence design at an early stage (perhaps through "design champions") and drive up quality. The objective must be creating sustainable communities and not simply housing estates, and this means not just considering the carbon footprint of new stock, but locating it in areas where employment, services and amenities can be achieved by public transport or shorter car journeys. The draft Structure Plan proposed a target of all new buildings being carbon neutral by 2016. However, given the aforementioned problems in the housing industry, it will be important that this target does not impose unrealistic burdens which undermine its recovery and ability to help meet Government targets. Even at pre-credit crunch levels of development only 2% of the housing stock was new every year. If fewer houses are being built over the initial years of the Structure Plan, then, in addressing sustainable development and climate change, the need to focus more on the energy efficiency of the existing stock will be all the greater and the planning system will need to be more supportive of microgeneration. The public sector has an opportunity to take the lead in establishing best practice.
35. The identification of areas or technology which can contribute to the supply of renewable energy is welcome. The draft Structure Plan also proposes a target: "For the city region's electricity needs to be met from renewable sources by 2020." SCDI can see the merit in setting a target to increase renewable energy in the city-region, but questions the value of this target. Even with substantial growth in renewable electricity, the fact is that the majority of the city-

region's energy needs, particularly heating and transport, will continue to be met by oil and gas. The tables below from the Department for Business, Enterprise and Regulatory showing Regional Energy Consumption Statistics demonstrate that the demand for gas is much higher than for electricity.

Annual Average Electricity Consumption in 2005 (kWh) per meter point				
Aberdeenshire (Domestic)	Aberdeen (Domestic)	Aberdeenshire (Industrial/ Commercial)	Aberdeen (Industrial/ Commercial)	Total
5400 – 5800	4600 to 5000	60,000-70,000	More than 100,000	170,000-180,000+

Annual Average Gas Consumption in 2005 (kWh) per meter point				
Aberdeenshire (Domestic)	Aberdeen (Domestic)	Aberdeenshire (Industrial/ Commercial)	Aberdeen (Industrial/ Commercial)	Total
More than 22,000	19,000-22,000	550,000-700,000	550,000-700,000	1,141,000-1,444,000+

36. The final Structure Plan should refer to Combined Heat and Power schemes and the city-region could take a lead in promoting the use of zero-emission electric vehicles, by adopting such vehicles for their own fleets and by providing plug-in points for electric cars, possibly in conjunction with major shopping centres as has happened in other cities. Such fleets, if powered by renewable energy, could significantly reduce regional CO2 emissions. There is the potential for more biomass and, where it would otherwise be landfilled, SCIDI believes that waste incineration for heat energy is preferable, providing it is ensured that the waste is pre-treated and emissions are tightly controlled

37. While accepting that the proposed renewable energy target is notional, SCIDI also considers that it is somewhat unclear and misleading. There does not appear to be a baseline figure for generation in the region. Renewable sources are intermittent and it is not stated whether the target is for installed capacity or actual generation, which can be around 30 to 40% of the capacity. The region is part of a UK electricity grid network with the constant balancing of supply and demand. Nor is it clear whether offshore would be included. The differences, therefore, in what this could mean on the ground are actually quite large. In SCIDI's view, the priority is in providing clean, sustainable energy. Renewables must be an increasingly big part of this equation, but they are only part. If climate change is to be tackled it will need national and international action, with the regions with most clean energy potential benefiting from supplying to other regions. The proposed target seems a little parochial.

38. The Scottish Government has a target of generating 50% of Scotland's electricity from renewable sources by 2020. In the short-term most of the necessary growth will come from onshore wind and both projects and the upgrade of the Beaulay-Keith transmission line must be supported in the planning system. Towards the end of the next decade, offshore wind will expand dramatically and in the following decade marine renewables should come on stream. Studies are currently taking place on offshore cables around

the coasts of the UK and between Scotland and Norway to make the case for private sector investment. The offshore resource will have to come ashore at appropriate locations and it may be the case that connections with the grid are established in the North East. Any options should be indicated in the final Structure Plan. It is surprising that offshore developments and the offshore environment are not more fully referred to in the draft, given their importance to the regional economy. The intention is that the new National Marine Plan will be integrated with NPF2. This should be reflected in the Structure Plan.

39. If the Scottish Government's and Aberdeen City and Shire's ambitious but economically and socially necessary housing targets are to be achieved, it is clear that development in built-up areas on floodplains will continue, and the task will be to minimise the risk. New development in areas where there is not already existing settlement should clearly generally be free from significant flood risk, but should still be considered on a case by case basis. It should also be possible for development plans to require higher flood resilience for new buildings on floodplains which may mitigate the risks. Building on the introduction of the river basin planning system and the advice which SEPA gives to planning authorities, development plans should be informed by flood management plans in areas of risk, but it would be inappropriate to insist that they conform. It should be recognised that they do not have statutory force.
40. The integration will be needed of the Structure Plan and Local Development Plans with the new Area and Local Flood Risk Management Plans, which are being brought forward under the Flooding (Scotland) Bill, and with River Basin Management Planning. There are concerns the devolution of funding for flood risk may make it more difficult to make progress with cross-border strategic flood management schemes as the priority attached may differ between local authorities where a catchment area crosses their boundaries. Co-ordination is essential and the investment must also be aligned with Scottish Water's investment programme in drainage infrastructure and include business input through local stakeholder forums. SCDI has argued that there should be a duty, monitored by SEPA, for all responsible bodies to collaborate to deliver the objectives and measures agreed through the flood risk management plans.
41. Waste management is a significant concern. Together with increasing transportation and treatment costs, waste costs for businesses are predicted to rise by between 400 per cent and 800 per cent in the medium term. SCDI supports the intention to manage waste in an environmentally friendly way, but it does not believe that sufficient attention is being paid to the provision of more accessible and affordable commercial waste recycling, treatment and disposal infrastructure. The trucking of more waste to sites further away will also increase congestion and carbon emissions. The opportunity exists for greater co-ordination between the local authorities and businesses on more integrated approaches and the promotion of markets for materials recycling.

Quality of the Environment

42. The quality of the environment is a key competitive economic advantage for the North East. The City and Shire's built, natural and cultural assets, and

biodiversity, are a major attraction for skilled people to study, live and work in the region and to visitors. This does not mean that development should necessarily be blocked. Indeed, the appropriate development can often enhance the cityscape or landscape, providing that it is sensitive to its surroundings. For instance, SCDI cannot believe that it benefits the City in anyway to preserve the Triple Kirks site in its current dilapidated state.

43. Tourism can benefit from perceptions of environmental quality. Many products and services sold to visitors are to some degree dependent on its portrayal as a “clean and green” place. Tourism is a sector where that status and can be used as an aspect of competitiveness and marketing benefit.
44. The Cairngorms National Park is outwith the area of the Structure Plan and has a separate plan, but it may be worth the final Structure Plan commenting on the relationship between it and the Park’s plan and how those parts of Aberdeenshire immediately outside it can act as a gateway to the Park itself.
45. SCDI recognises the intent behind the City’s greenbelt and believes that the most important areas should be preserved. But it does not regard the greenbelt as supporting the sustainability of the City or the environment when residential, business and retail development is simply forced to a ring outside it, and travel distances to the City Centre are increased. SCDI welcomes the review of the greenbelt as part of the local development plan processes.

Sustainable Mixed Communities

46. A lack of high standard, affordable housing, especially in Aberdeen, has been a significant barrier to local people entering the housing market and to migrant workers settling in the area. This is particularly worrying as potential immigration of skilled workers in the private sector or key public service workers may be discouraged or barred from coming to Scotland at a time when labour markets are extremely tight. People have been forced to live further away from services centres within cities and towns, and travel further to their work, and this has consequently increased prices in rural communities. With its two universities, Aberdeen City has a higher percentage of 18-30 year olds than the national average and housing affordability has also been a significant challenge for students and in retaining graduates. The slowdown in the national housing market is likely to have less of an impact in the North East while oil prices remain high and affordable supply is still likely to be a priority. SCDI would suggest that annual Monitoring should involve average house prices in communities and the ratio between them and average incomes.
47. Increasing the supply of housing, especially within the City, will help to address this problem. Over 80% of new housing in Aberdeen over the last 10 years has been on brownfield sites and over 90% in 2004 and 2006, a very high proportion. The results of the Urban Capacity Study show that brownfield sites are being used up and the necessary growth in the level of house-building cannot come from the current levels of brownfield development. The draft Structure Plan proposes that 60% of future development in Aberdeen will be on greenfield sites. SCDI supports the review of the City’s greenbelt.

48. A significant barrier to increasing housing output over the course of the Structure Plan is the major contraction in the housing building industry. While the market remains relatively strong in the North East, companies based in the North East but working across the UK have had to cutback their skilled staff and this has also seriously affected the supply chain. Even if growth returns to 5% per annum, re-building the industry to the levels achieved before the credit crunch is likely to take decades. It is predicted that this will lead to more pre-fabricated construction and a significant proportion of houses being built for private rent. This may have implications for the Structure Plan's ambitions for volume, quality and design, location and percentage of affordable housing. Local authorities will need to work through these issues with the industry, agree what is suitable for the new market conditions and support its recovery.
49. As well as quantity and location, the mix of new housing will be important to ensure an affordable supply. As the draft Structure Plan says, a range of homes will be required. This should be reflected in the targets, plans and strategies. SCDI would support the target to provide at least 25% of affordable housing, but it may be less relevant if private renting becomes more commonplace.
50. SCDI supports the proposal that expanded, or new stand-alone, settlements should be considered where it can be demonstrated that they show benefits over other approaches to new housing. However, these need to be properly planned, co-ordinated and connected, with public transport links, utility connections and public services all considered as part of the development.

Accessibility

51. While supporting the targets in draft Structure Plan, SCDI believes that they are inadequate, particularly in the context of the ACSEF ambition "to be the best connected region in the UK with access to global locations through an integrated transport network with efficient and effective air, rail, road and sea links and transformed gateways to the region." It is acknowledged that the spatial strategy does mention better road and rail links, but it is still inappropriate for a plan with an objective of economic growth over the long-term for the accessibility targets to focus exclusively on walking, cycling and modal shift to public transport. Infrastructure improvements are also a priority. The AWPR is an essential piece of road infrastructure to ease city centre congestion and to improve traffic flow, and, after the public inquiry is completed, attention should turn to "locking-in" the benefits for the region. SCDI has supported the Aberdeen Crossrail scheme in order to integrate more communities inside Aberdeen and Aberdeenshire with the City Centre economy and is concerned about the implications for the Structure Plan by suggestions that it will not be supported by the Scottish Government. Enhanced infrastructure at Aberdeen Airport will be necessary to improve the city region's international connectivity. This will include the runway extension, expanded terminal and new parking and access arrangements.
52. SCDI was of the view that the Union Square project was a missed opportunity to develop an excellent transport hub/ interchange for the city-region. While

pleased to see the progress which is being made on what will be an impressive new retail offering for the City, SCDI remains concerned that the benefits for the City Centre will be limited because vastly improved ways of getting people into the heart of the urban shopping experience have not been implemented. This mistake is on track to be compounded as SCDI understands that there are no current plans to connect the new business district which is being developed behind Union Square to Guild Street (never mind the City Centre) with clean, safe, swift and effective ways which would be attractive to people. In SCDI's view, Union Street Pedestrianisation will make the creation of an integrated transport hub (specifically, a centralised bus/ rail interchange with quality links to the ferry terminal) even more of a strategic imperative.

53. Accessibility is not just about people, it is also about goods. The movement of goods within and beyond the region is vital in keeping the economy e.g. sectors such as food and drink, indeed our society as a whole, functioning. Rail freight facilities have been developed at Craiginches and Raiths Farm. But it is disappointing that there are few references to freight within the draft Structure Plan. SCDI would expect to see this addressed in the final document and that it will take proper account of the challenges facing the freight industry and address the reality that the vast majority of freight movements will continue to be by road. Following the publication of the Freight Action Plan, the Scottish Government and Enterprise Networks have been engaging with business, industry, the ports sector and other key stakeholders to determine the need for and location of multi-modal freight hubs, taking account of the strategic economic importance of ports in providing access to international markets. There is considerable potential to distribute more goods by Short Sea Shipping. This should be reflected in the final Structure Plan.
54. One of the main issues for ports in general is obtaining efficient access and integration with the road and rail network to facilitate intermodal transfer of goods and passengers and encouraging greater international connectivity.

Putting this plan into practice: Providing Infrastructure

55. SCDI welcomes the development of an action programme to support this plan, including identifying timescales, responsibilities and funding for major investments; preparing masterplans; preparing supplementary guidance to help development to take place; and regular monitoring and biennial reviews. The Planning (Scotland) Act 2006, which is supported by SCDI, envisages more up-front consultation and decision making that allows development to progress without blockages. Effective implementation will require a change in culture and attitude towards an improved engagement and support for development by planning authorities, business and communities as well as increased resources for the system. Supporting sufficient skilled staffing, perhaps through higher salaries and incentives, will need to be a priority for the local authorities. For example, Aberdeenshire Council's property service, which is expected to deliver £91m of major projects over the next three years, has recently said that it is 22% under-strength in staff across its departments.

56. It has been the case that development constraints have resulted from an inability of utilities providers to connect new developments. Proposals laid out in the Structure Plan and local development plans must be supported by utilities presenting investment programmes which fit with them and facilitate constructive public debate. Substantial progress has been achieved by Scottish Water under Q&S III in removing development constraints due to water and sewerage capacity. This must be maintained in the 2010-14 investment period.
57. The draft Structure Plan is predicated on higher developer contributions early in the land-development process to fund affordable housing, infrastructure, services and facilities. SCDI has supported the use of Section 75 levies to replace arbitrary proportions of housing schemes which are required to be reserved for affordable housing. However, in the wake of collapse of the house-building sector, the Scottish Government has recently postponed the review of the system of developer contributions in Scotland to avoid placing new burdens on development at this time. There is a view within the industry that it will be unlikely to recover to pre-credit crunch levels of output for several decades. It seems likely, therefore, that the level of developer contributions in Scotland will in fact be significantly reduced for many years and that this will create a problem for infrastructure investment plans. Section 75 agreements will need to be realistic in this period in order not to undermine the recovery and be properly set out as early as possible within the planning process. They must not become a blockage to new development due to disagreements between those involved. It also seems very doubtful that the anticipated uplift in land values can be realised. Public sector funding will, as a result, be required at a higher level. Planners, developers and landowners will also need to work together to explore all ways to deliver growth.
58. SCDI would support all the projects which are identified to help achieve the vision for the North-East. SCDI has the following specific comments:
- New community stadium – Of the two locations currently being investigated, SCDI prefers the Loirston site. It is a gateway that would open up the area, is not on common good land and offers the potential for a better funding mix.
 - Third crossing of the river Don – SCDI welcomes the progress which has been made in identifying the preferred scheme for the Haudagain roundabout. However, as work by NESTRANS has identified, a Third Don Crossing would be an integral part of the solution, reduce congestion and improve air quality.

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