

NOW IS THE TIME TO INVEST IN THE SUCCESS OF THE NORTH EAST, SAYS SCDI

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A 20-year Plan for the North East should speed-up investment from the private and public sectors, according to the Scottish Council for Development and Industry (SCDI).

In a response published today to the Aberdeen City and Shire Draft Structure Plan, SCDI says that the North East economy is performing well in the economic downturn and this is the time for business and the Scottish Government to sustain and build on its success story.

SCDI believes that it should be stated in the Structure Plan that the overarching Purpose for the planning system is increasing sustainable economic growth. ACSEF's Action Plan has set a target of 2.5% per annum growth rate and SCDI argues that this should be a priority in the Structure Plan. The case for investment in the North East was made at an SCDI dinner last week with the Cabinet Secretary for Finance and Sustainable Growth John Swinney MSP.

In its response, SCDI also takes issue with the criticism that the 'Energetica' initiative strategic growth area will take place at the expense of other areas of the region. SCDI says that this misunderstands the 'Energetica' concept and the nature of private sector investment.

SCDI North East Manager Ian Armstrong said:

"Clearly, these are very difficult times for the Scottish economy, but the North East generally continues to perform strongly. More than ever, Scotland needs to support more investment in this region by the private and public sectors if it is to achieve Government economic targets.

"Every area of the region should be supported with sustainable economic development. However, business has identified the Aberdeen-Peterhead corridor as potentially offering the opportunity for a £1.5bn strategic investment, generating £500m per annum for the regional economy. The role of government and the planning system is to facilitate and enable the private sector investment in the 'Energetica' initiative which would otherwise, in all probability, be made in another country, with the benefits lost to the regional economy as a whole.

"The commitment to ensure a sufficient land supply available for businesses at all times is necessary to attract more corporate headquarters. The region will need to be able to offer competitive transport, utility and communications connectivity with this land supply. SCDI believes that the section on transport is inadequate when the region's ambition is to be the best connected in the UK. Infrastructure improvements should be a higher priority and should attract investment from the Scottish Government. SCDI is concerned that the reported rejection of Aberdeen Crossrail will undermine the Huntly-Laurencekirk strategic growth area."

Commenting on the need for housing and retail development, Ian Armstrong added:

"SCDI members tell us that attracting, retaining and developing skilled people is their top priority for the economy. A lack of high standard, affordable housing, especially in Aberdeen, has been a significant barrier. Increasing the supply of housing, especially within the City, will help to address this problem. Brownfield sites are being used up and more development will therefore be on greenfield sites. The planned review of the greenbelt will be welcome.

"A significant barrier to increasing housing output is the major contraction in the housing building industry. While the market remains relatively strong in the North East, companies working across the UK have had to cutback their skilled staff and supply chain. Planners will need to agree with the industry what targets for volume, environmental quality and design, and developer contributions for infrastructure, services and facilities, are suitable for the new market conditions. They will need to work together to explore all ways to deliver growth.

"Aberdeen City Centre has stood still over a number of years as other UK city centres have more forward. SCDI welcomes the retail developments now taking place, but questions

whether the Masterplan being developed will show enough ambition. The problems will not be solved by retail alone - 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."

Highlighting the need to deliver on the plan, Ian Armstrong concluded:

"SCDI welcomes the development of an action programme to support this plan. Effective implementation will require improved engagement, a "can do" attitude and support for development by planning authorities, business and communities, recognising the benefits to the economy, employment and society. It will also need increased resources for the system."

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