Local Government and Communities Committee
Planning (Scotland) Bill
Submission from the Mineral Products Association Scotland

To whom it may concern

RE: Call for written evidence on the Planning (Scotland) Bill

The Mineral Products Association Scotland (MPAS) welcomes the opportunity to provide comments on the Planning (Scotland) Bill.

MPAS is the trade association for the aggregates, asphalt, cement, concrete, dimension stone, lime, mortar and silica sand industries. MPA members include SME’s as well as major international companies. Each year the industry in the UK supplies £20 billion worth of materials and services to the economy and is the largest supplier to the construction industry, which has an annual output valued at £144 billion. Industry production represents the largest materials flow in the UK economy and is also one of the largest manufacturing sectors.

MPAS would like to comment specifically on Question 8.

8. Is the proposed Infrastructure Levy the best way to secure investment in new infrastructure from developers, how might it impact on levels of development? Are there any other ways (to the proposed Levy) that could raise funds for infrastructure provision in order to provide services and amenities to support land development? Are there lessons that can be learned from the Infrastructure Levy as it operates in England?

Developers are commonly asked to enter into S75 agreements to upgrade or provide new infrastructure directly associated with and proportionate to, the type of development. For industry, it is suggested that this is appropriate. However, to further apply a levy to fund new infrastructure that is indirectly related to industry, seems unreasonable, particularly taking into account business rates payable and the contribution of industry to the economy and employment.

Whilst an infrastructure levy may be able to be absorbed by commercial developments and housing, its effects on the aggregates industry in Scotland is of particular concern for the reasons which have previously been supplied during the planning review consultation process and which are reiterated below:

- For the aggregates industry, it is suggested that the application of an infrastructure levy would be counter-productive. The industry provides the essential materials for infrastructure development and maintenance. Levies due would be passed on to the customer so there would be no benefit, only an administration cost to all affected parties.
- Minerals are low cost, high quality materials and any additional cost associated with the production of minerals would undoubtedly lead to a rise in costs to developers and therefore undermine the Scottish Governments strategies for growth. For infrastructure improvements required as a consequence of opening a new quarry, companies have historically entered into S75 agreements with local authorities to carry out the necessary works.

- There are generally very few minerals applications submitted in any one year. Applications are based on projected ‘need’ and due to the nature of operations, sites granted planning permission may be operational for a considerable number of years. An infrastructure levy proposed for new sites is likely to make them commercially non-viable and in the long term could jeopardise the security of the minerals supply chain in Scotland.

- Ultimately, the application of an infrastructure levy on the minerals industry in Scotland may open the market for cheaper imports. This would be detrimental to the Scottish economy, impact rural employment and arguably have a negative outcome in terms of global climate change objectives.

The timing of when an infrastructure levy is payable is also of concern. In paragraph 202 of the Scotland (Planning) Bill Explanatory Notes posted on 05 December 2017 it ‘makes provision allowing the regulations to preclude planning permission from being granted, or being deemed to have been granted, until there has been full payment of the infrastructure levy or any associated financial penalty for late payment’. However, in paragraph 89 of the Financial Memorandum, it states that ‘…it is not expected to be payable until the development is completed’. How an infrastructure levy would apply to a quarry is unclear, especially considering the considerable lifespan of most sites and the fact that there may not be full extraction of a site due to unforeseen technical/geological issues or a decline in the market.

Paragraph 95 of the Financial Memorandum states that ‘The research indicated that to ensure certain lower value developments were not adversely affected by the levy, a threshold could be set, below which no payment would be made. This was identified at around £1,250 per metre squared of developed floorspace, for one of the scenarios.’ Whilst this would mean that quarries would be exempt from paying the infrastructure levy under this scenario, it is clear that this relates to buildings only and there would appear to be no detail on how or whether a different ‘scenario’ would be applied to industrial sites unless they would be classed as a ‘new manufacturing premise’.

Thank you again for the opportunity to comment on the Planning (Scotland) Bill. We would be happy to provide clarification on any aspect or discuss the issues with you further.

Yours faithfully

MPA Scotland