

David Stewart MSP
Convener
Public Petitions Committee
The Scottish Parliament
EDINBURGH
EH99 1SP

Your ref/Ur faidhle: PE 1439
Our ref/Ar faidhle: A4704396
10 January 2013

Dear David

PETITION PE1439

Thank you for your letter of 3 December 2012 about the above petition regarding betting shops and cheque cashing/ payday loan type shops in deprived areas.

The Committee asked a number of questions arising from the petition and the response to each is set out below.

- **What plans does the Scottish Government have to review the correlation between the prevalence of betting shops and cheque cashing / pay day loan type shops on our high streets and in our communities and high levels of poverty and deprivation as highlighted in the petition?**

The Scottish Government has no plans for research or a review in this regard, at this time. The key controls in the areas mentioned in the petition are reserved matters for the UK Government. We have called upon the UK Government to highlight aspects of problem gambling and asked them to ensure that research in these areas is properly funded. The Cabinet Secretary for Justice wrote to counterparts in the UK Government specifically on the issue of fixed odds betting terminals (FOBTS), mentioned by the Petitioners in the Committee session.

The Minister for Energy, Enterprise and Tourism has previously written to the UK Minister responsible for consumer credit seeking greater regulation of payday loans, and urging the UK Government to consider a cap on interest rates for high interest and payday lending. The main trade associations in this sector have subsequently introduced a "Good Practice Customer Charter" which sets out enhanced consumer protections for payday and short-term loan customers.

The Minister also recently convened a roundtable meeting with representatives from Money Advice Scotland, the Association of British Credit Unions Ltd, Citizen's Advice Scotland, the Consumer Finance Association and StepChange Debt Charity (formerly Consumer Credit Counselling Service). The purpose of this meeting was to discuss the views and opinions of these stakeholders regarding payday loans. The issues raised at that meeting are currently being considered.

The Scottish Government announced the National Review of Town Centres in September. Details can be viewed on our website at <http://www.scotland.gov.uk/Topics/Built-Environment/regeneration/town-centres/review>. There are no specific intentions to carry out a review of particular types of shop or outlet although there is an acknowledgement more generally that there needs to be diversity of outlets in town centres to meet local needs.

- **To what extent is, or can, the overprovision of betting shops and cheque cashing / pay day loan shops be addressed through the planning process, and is this something that the Scottish Government will consider looking at as part of the work being undertaken in relation to NPF3?**

Planning guides the future development and use of land. Planning is about where development should happen, where it should not and how it interacts with its surroundings. This involves promoting and facilitating development while protecting and enhancing the natural and built environment in which we live, work and spend our leisure time.

The planning system would not normally be used to address matters regulated, or more appropriately regulated, under other legislation. Planning has not sought to control particular uses or services because they might be linked to potential social ills, such as excessive gambling or debt or alcohol abuse, or may have other sensitivities (e.g. sex shops), hence the existence of other licensing and control regimes.

This approach is highlighted by the petitioner's reference to controls on over provision included in legislation on licensing premises selling alcohol, i.e. it is not a matter for planning legislation. As mentioned, key controls on the activities referenced in the petition are regulated under other legislation. Betting shops are subject to licensing under the Gambling Act 2005, pay day loan shops are subject to controls under the Consumer Credit Act 1974 and cashing cheques for third parties to controls under the Money Laundering Regulations 2007. In these cases the legislation is a matter for the UK Government.

While planning controls the development and use of land, it has not sought to control changes in use of premises between activities with similar planning implications. The Town and Country Planning (Use Classes) (Scotland) Order 1997 (the UCO) groups such activities into use classes. It specifies that changes of use within a class do not require planning permission. The main point is that in planning terms, the impacts of these uses are broadly similar – access requirements, compatibility with neighbouring uses and so on – so there is little land use planning justification for control.

Betting shops are specifically mentioned in a use class with financial, professional and other services which it is appropriate to provide in a shopping area and where services are provided principally to visiting members of the public. Payday loan shops and cheque cashing shops are not specifically mentioned, but are likely to fall within the same class. Also included in this group would be estate agents, banks and similar services.

Another use class is shops for the retail sale of goods or the display of goods for sale and also includes certain specific services such as travel agency or post office. While in general the planning system has not sought to control specific activities within broad use classes where the planning implications are similar, retail uses is a specific area where planning control has been used. For example, some new retail developments in out of centre locations may have planning conditions attached relating to the amount of floor space dedicated to comparison or convenience goods. However, these sorts of controls are for land use planning reasons related to high level policy aims of supporting the vitality and viability of town centres.

The Scottish Planning Policy (SPP), rather than the NPF, would set out the Scottish Government's planning policy aims in dealing with particular land uses. The current SPP review will almost certainly be looking at issues around town centres and the mixture of uses. However, the control of the specific uses mentioned in the petition is perhaps more of an issue for the UCO, than the higher level policy aims of the SPP.

The UCO could be amended to remove the freedoms from planning control of certain changes of use of premises. Whether it is appropriate to do so, to try to address the particular concerns behind the petition, is less clear. This is in light of the nature of those concerns, the existence of other control regimes which could address these issues more effectively than Planning (e.g. the Gambling Act 2005 specifically cites its role in protecting children and other vulnerable persons from being harmed or exploited by gambling), and the issues with which Planning normally deals.

- **What are your views on what the petition seeks?**

As indicated, the Scottish Government appreciates the concerns underlying the petition and has approached the UK Government in this regard given controls are largely reserved matters.

We are not convinced that extending Planning controls is an appropriate step in seeking to address the concerns behind the petition. This relates to the reasons set out in the previous section.

We do intend to review the UCO, though we have no specific timetable on this at present. That review will consider further the freedoms from planning control the UCO provides for the activities of concern mentioned in the petition.

I hope this information is of assistance.

DEREK MACKAY