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*improving living in scotland*



RESPONSE TO  
**PLACES, PEOPLE AND PLANNING**  
SCOTTISH GOVERNMENT CONSULTATION ON THE FUTURE OF  
THE SCOTTISH PLANNING SYSTEM

**4 APRIL 2017**

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## ABOUT HOMES FOR SCOTLAND

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Homes for Scotland is **the** voice of the home building industry.

With a membership of some 200 organisations together providing 95% of new homes built for sale in Scotland each year as well as a significant proportion of affordable housing, we are committed to improving the quality of living in Scotland by providing this and future generations with warm, sustainable homes in places people *want* to live.

Visit [www.homesforscotland.com](http://www.homesforscotland.com) for further information and follow us on twitter @H\_F\_S

## PROCESS

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Homes for Scotland represents members on a wide range of issues affecting their ability to deliver much needed homes.

Our views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from member companies.

This consultation response has been discussed, drafted and approved by the Homes for Scotland Planning Policy Committee, following extensive engagement with our wide network of home builder and associate members.

**RESPONSE TO THE *PLACES, PEOPLE AND PLANNING*  
CONSULTATION ON THE FUTURE OF THE SCOTTISH PLANNING SYSTEM**

**Contents**

1	INTRODUCTION	4
2	KEY MESSAGES: THEMES, PROPOSALS AND OMISSIONS	6
3	MAKING PLANS FOR THE FUTURE	8
4	PEOPLE MAKE THE SYSTEM WORK	18
5	BUILDING MORE HOMES & DELIVERING INFRASTRUCTURE	25
6	STRONGER LEADERSHIP AND SMARTER RESOURCING	36

## **1 INTRODUCTION**

- 1.1 Homes for Scotland is the voice of the home building industry in Scotland, with a membership of some 200 organisations together providing 95% of all new homes built for sale across the country as well as a significant proportion of affordable housing. We welcome the opportunity to provide input into the ongoing review of the Scottish planning system and, in particular, the detailed questions and specific proposals now set out in Places, People and Planning.
- 1.2 Homes for Scotland has been an active participant throughout the planning review process. We responded to the initial call for evidence. Our planning team and many members contributed to the Scottish Government's working groups. More recently, over 100 of our home builder and associate members took part in our own task groups and regional discussions where we sought to understand how the overall package of proposals and ideas in the consultation paper might help or hinder home-building.
- 1.3 The overall mood within the Scottish home building industry is one of great disappointment and frustration that the consultation paper does not reflect or address the main planning barriers to delivery, including very well documented failings in development planning. It fails to paint a reassuring picture of how infrastructure delivery will be improved, and it focuses significant attention on particular modes of community empowerment, localism and means of resourcing planning services that we feel will work directly against the stated aim of delivering more homes.
- 1.4 This consultation comes at time when the market for new homes in Scotland is improving but the struggle to secure planning permission and other consents is harder than ever. Recent statistics show that new starts are down significantly (14% year on year). This reflects what our members and data tell us: that completions are increasingly coming from larger sites that are built out over time and the supply of implementable new sites is reducing. This directly counters the argument, still pursued by many local planning authorities, that

the failure to increase the delivery of new homes is down to the market rather than the planning system. It is certainly true that there are other barriers to development, but planning policy and practice is one of the biggest and at present the situation is getting worse rather than better.

- 1.5 This review and the forthcoming Bill must address the root causes of these planning delays. 'How will this assist the delivery of more new homes?' should be a constant question - a golden thread running through every chosen reform.

## 2 KEY MESSAGES: THEMES, PROPOSALS AND OMISSIONS

- 2.1 A strong unifying thought emerging from the industry is that the Scottish Government has selected a set of key themes and objectives that cannot be equally serviced by the detailed proposals that appear in the paper. In particular we believe many of the proposals would work against the objective of delivering more homes.
- 2.2 In terms of the package set out across the four sections of the paper, we would highlight the following thoughts and key concerns.

### **Making Plans for the Future**

Scotland has a plan-led system. Support for this is a key point of unity amongst planning review participants. The desire to simplify and strengthen development planning is a good one, but the consultation paper does not address the major current threat to the plan-led system: **Plans are failing to fulfil their remit on planning for housing**. Across Scotland, plans are falling far short of housing supply targets, meaning housing need and demand can only be met if a significant number of unallocated sites can successfully be negotiated through the development management system. We are seeking a more **collegiate approach to development planning** at all levels, with home builders playing a stronger role in the preparation of plans, reflecting the major role that they already play in their implementation. We also want greater leadership from the Scottish Government with **clear housing targets set out at the national level** and greater monitoring of the way local planning authorities play their part in **meeting housing need and demand in full**.

### **People Make the System Work**

Communities should be helped to develop a **better understanding of the purpose of the planning system and the way it functions**, including the importance of **each community playing its part in meeting Scotland's housing need and demand**. We can best achieve this by giving them a more central role in the preparation and monitoring of development plans, not by hiving them off to make their own plans whilst local planning authorities continue to get on with theirs. **We should not fragment the Scottish planning system through the introduction of local place plans**. The Scottish Government and Local Planning Authorities should be more open and **positive about the important role unallocated sites play in meeting housing need and demand**. Measure should not be introduced which give the wrong message that unallocated sites can't make a positive contribution to plan implementation. Plans are more than the sum of their sites, they contain broader policy objectives and targets that will not be achieved through site allocations alone. The important and independent role that DPEA reporters play in the planning system also needs to be better communicated – and must be retained. **Placing the burden of major housing appeals on local politicians would likely result in fewer new homes being permitted and delivered**. This would not serve the national interest, and would make the planning system more adversarial, less delivery-focussed and less effective.

## **Building More Homes and Delivering Infrastructure**

The package of ideas in this section **does not recognise the key barriers to the delivery of homes and infrastructure**. Current operational weakness limiting the ability of the industry to deliver more homes include the closed nature of **Housing Need and Demand Assessments and performance monitoring**, the loophole allowing LPAs to **set targets which are lower than need and demand**, a generally **poor understanding of the generosity allowance and the limited impact of the SPP presumption in favour of sustainable development**. There must be a clear commitment at national and local levels to **closing the gaps between housing need and demand and housing supply targets, and between housing supply targets and the delivery of new homes**. This can only be achieved by shifting the focus from simply identifying potential development land on paper to **responsibly considering the extent to which housing targets are expected to be matched through delivery**, and identifying instances where **a new approach or other interventions are needed**. In relation to infrastructure, the proposals do not overcome the two key barriers of (a) **insufficient commitment to delivery** by all local authorities and partners and (b) **insufficient overall funding** being committed. The consultation paper recognises the fact that **infrastructure is the most significant challenge for planning at this time** but goes on to say that **this is not the right time to create an infrastructure agency at the national level**. It is silent on how we can otherwise achieve the required seismic change in timely infrastructure delivery.

## **Stronger Leadership and Smarter Resourcing**

No matter how the planning system is configured, what it achieves in practice will be greatly affected by **the cultural approach of all involved**, and the strength of **leadership at the national and local levels**. We hope to see a clear national strategy on embedding a positive and enabling culture, supported by strong leadership. This should sit alongside any programme of legislative and policy reforms and Homes for Scotland would be happy to contribute further to this area of work. **Greater use of multi-party or round-table discussions** would help, as would the collegiate approach to development plan making and monitoring which we have promoted throughout this paper. Whilst it is clearly **vital that the planning system is properly resourced**, this cannot be achieved solely through fees and other charges applied to applicants for planning permission. Planning is an activity that takes place because it is in the public interest. There is, and there will continue to be, a **significant reliance on the private sector to deliver the new homes and other developments that Scotland needs**. It is essential that the Scottish Government takes a step back to **review the overall cost burden** that the proposals in this consultation paper (and elsewhere) will have on the applicant and developer community. If there really is an ambition to increase housing delivery, **the costs of applying for and implementing planning permissions must remain viable**.

### 3 MAKING PLANS FOR THE FUTURE

- 3.1 This section sets out Homes for Scotland's response to the Making Plans for the Future consultation questions set out on page 15 of Places, People and Planning. Throughout this section (and elsewhere) we have promoted a **collegiate approach to planning**. This approach, which has been discussed and supported during Scottish Government's development planning working group sessions, sees the work of preparing and monitoring development plans shared between a partnership of key stakeholders such as home builders, key agencies and community representatives. This serves the twin challenges of ensuring development plans are more deliverable, and giving communities a better role in and understanding of the planning system. This approach could work at all levels but has particular potential to improve local development planning which is too focussed on local planning authorities whilst delivery is dependent on the means of others. To be fully effective the collegiate approach would need to be supported by new governance arrangement.

**Key Question A: Do you agree that our proposed package of reforms will improve development planning? Please explain your answer.**

- 3.2 No. The proposed package of reforms will not improve development planning as they do not fully address the most significant operational and outcome issues currently arising from the failure of Scotland's development planning system.
- 3.3 Most importantly, the consultation paper does not recognise or seek to address the fact that Ministers and reporters at the Department for Planning and Environmental Appeals (DPEA) have too limited a role in development planning, and there are no provisions within the system that can be called into play in instances where Local Development Plans (LDPs) fail to make full or even adequate provision for effective housing land. The need for such provisions is not theoretical. It is evidenced by the recent succession of city-region LDPs which have been adopted despite DPEA reporters having agreed they have a shortfall of effective housing land which is contrary to the relevant Strategic Development Plan (SDP).
- 3.4 Those reporters for the Edinburgh, Glasgow and Fife LDP examinations all found those LDPs to conflict with the relevant SDP in relation to housing land. None felt able to fully resolve this through the examination process. In letters to both the City of Edinburgh Council and Glasgow City Council, the Minister acknowledged and criticised the significant housing land shortfalls but nonetheless determined that the LDPs could be adopted. This highlights a clear fragility in Scotland's development planning system. Neither DPEA reporters nor Scottish Ministers feel able to remedy situations where LDPs conflict with SDPs (contrary to statute), fail to make adequate provision of effective housing land (contrary to Scottish Planning Policy) (SPP), start their lives with a shortfall in the 5-year housing land supply and fail to put local authorities in any better a position vis-a-vis paragraph 125 of SPP and the presumption in favour of sustainable development.

- 3.5 The planning review provides a perfect opportunity to address this issue but the consultation paper is silent both on the problem and the means of resolving it.

**Question 1: Do you agree that local development plans should be required to take account of community planning.**

- 3.6 Communities should have a better understanding of the purpose of development planning and they should have a role in it, as should home builders and the wider development industry. But development planning should not be subordinate to, or slowed down by, community planning or subject to a veto by Community Planning Partnerships. LDPs are a vital means of ensuring each local authority area plays its part in delivering what Scotland needs in development terms, from the national to the local level. It is essential that a better public understanding is reached that development and growth are required to service genuine needs, and that without it we create more problems than we solve.
- 3.7 Greater clarity should be provided on what community planning is (as opposed to more general community engagement) as this would greatly help the understanding and input of those not currently involved in formal community planning processes or represented on community planning partnerships.
- 3.8 There may be double working going on in both community and spatial planning just now because they are working so separately, but it doesn't make sense that they would work independently of one another and not be linked through a more collegiate approach to development planning. The lead role of the development plan should be retained, but there is significant scope to take a more collaborative approach to producing it and monitoring its implementation.

**Question 2: Do you agree that strategic development plans should be replaced by improved regional partnerships.**

- 3.9 Homes for Scotland has highlighted the weakness of SDPs in their current form and in particular the failure of the SESplan SDP to have a marked and beneficial impact on planning for delivering new homes in the Edinburgh city region. There will be a continued need to guide and monitor the individual and combined role of each Local Planning Authority (LPA) in planning for and delivering the right proportion of the country's housing need and demand. This points to a need for stronger leadership at Scottish Government level, both in terms of clear national and regional policies and targets for implementation at local level, and close and challenging scrutiny of LDPs with means of intervention both available and in use whenever needed. A clear mechanism will be needed for translating national or regional targets into targets for LDPs.

**2 (a) How can planning add greatest value at a regional scale?**

- 3.10 To function effectively as a collective, individual local planning authorities will need a shared strategy and targets to work towards. The SDP model, particularly in the SESplan region, has shown that putting these things in place simply through a loose fellowship will not necessarily result in concerted efforts to implement that strategy and hit those targets at the local level, especially if there are no meaningful sticks or carrots in the system to incentivise it.
- 3.11 Local authorities clearly need to have a role in building the strategy and targets for their regions, and in apportioning regional targets for building (for example) by LPA / housing market area but they shouldn't have sole charge of doing so. A collegiate approach is needed. Those involved in delivering on targets (including home builders), in delivering the infrastructure needed to support development and growth (including relevant key agencies), and communities (in the widest sense) all need to be involved in development planning at all levels. We advocate a collegiate Regional Planning Conference (RPC) model where the RPC submits regional planning guidance to Scottish Government which they then scrutinise before issuing it as their document.

## **2 (b) Which activities should be carried out at the national and regional levels?**

- 3.12 To improve the rate at which new homes can be delivered across Scotland, the following should all take place at national level:
- Setting ambitious and clear home building targets for Scotland (not loose ranges) which reflect need and demand in full and which do not suppress the ability of private sector home builders to maximise delivery rates in line with market changes over a plan period.
  - Apportioning those targets by region and – depending on any regional structures that may be in place – apportioning a required target to each LDP / housing market area to ensure the patchwork of development plans across the country will collectively provide for what Scotland needs. LPAs should be required to provide compelling evidence where they wish to under-meet these targets – demonstrating why it would be inappropriate to fully plan to meet them and how the shortfall will be met elsewhere (which should be in binding agreement with other LPAs). Any such evidence should be open to scrutiny and challenge, perhaps through the proposed LDP gate-checks.
  - A consistent means of ensuring the development planning system's flexibility is used wherever necessary, with a clear means of determining when it is time to actively welcome and support alternative and additional sites to maintain an optimal rate of delivery of new homes. The Scottish Government should set out a nationwide 'maintenance of supply' policy enabling additional land to be released. This should act as a lead consideration in all situations where the LDP is not giving rise to a delivery rate of new homes that will enable an area's need and demand to be met on time.

- 3.13 Local authorities and other local and regional organisations and partnerships can achieve this by working together in a positive and collegiate way, with an ambitious, can-do attitude, at all stages of development planning from national to LDP level. Once national and regional strategies and targets have been set, they should maintain the 'collegiate' approach by working together on a partnership-based delivery programme that will best ensure the changes that take place in an area over a plan period reflect the objectives, targets and strategy of the plan itself as well as delivering the level and type of development that the area needs and that is required in the wider national interest.

**2 (c) Should regional activities take the form of duties or discretionary powers?**

- 3.14 There needs to be a balance of the two. Scotland relies on every local authority and community to play its part in welcoming and making space for the development and growth that is required to house our increasing population, contribute to the country's economic growth and ability to support itself and sustain existing communities. Making every effort to make a full contribution, and working in partnership with other authorities to make sure that happens, should not be something that any authority can opt out of.
- 3.15 For this reason, local planning authorities need to operate under a clear and properly policed duty to work in partnership with each other (in closer liaison with developers, communities and infrastructure providers) to deliver the development needs of their local area and make a full contribution to what is needed to make Scotland function. There is room for flexibility in how different regional partnerships deliver what is required – but there should be a duty in place to ensure what is needed is delivered. The public sector should not hide behind the fact that it does not have perfect control over what the private sector delivers. It should do everything it can to ensure it is never a contributor or silent witness to delivery not keeping pace with need and demand.

**2 (d) What is your view on the scale and geography of regional partnerships?**

- 3.16 There would be merit in enabling regional partnerships to work at the functional scale, for example on the basis of housing market areas / commuting patterns. If the need for duties and clear delineation of authority-by-authority responsibilities prevents this, there should at least be strategies in place that bear a sensible relationship to what happens on the ground.
- 3.17 By way of example, the SESplan attempt to use the wider city-region to help meet housing need and demand arising in Edinburgh, if continued, should be supported by a clearer and more binding strategy for ensuring that housing land releases in surrounding LPAs are focused on locations that are commutable to Edinburgh and which have strong enough markets to deliver at the required scale and rate. This would suggest a tighter focus, a fresh look at

land allocations across the region and a commitment to better reflect market realities in the development planning process.

**Question 3: Should the National Planning Framework (NPF), Scottish Planning Policy (SPP) or both be given more weight in decision making.**

- 3.18 Both the NPF and SPP should be given greater weight in decision-making, and this should extend to the preparation and examination of development plans and the measurement of performance. LPAs should have no need to fear this sensible strengthening of the system if they are committed to and recognise their essential role in delivering on national interests at the local level.
- 3.19 Where the Scottish Government sees the need to provide strong leadership on how planning activity at regional and local levels should be focused, this should be clearly articulated in the NPF and LPAs should be required to comply. The current NPF gave a rare and clear steer to the SESPlan Strategic Development Plan Authority (SDPA) and its constituent LPAs that a greater and more concerted effort was required to deliver a generous supply of housing land. That has had little bearing on what has happened in practice.
- 3.20 The SPP presumption in favour of development that supports sustainable development (presumption in favour of sustainable development) also needs to have much greater influence on plan-making and decision-making. The criteria in paragraph 29 of SPP put too strong an emphasis on considerations which might result in the refusal of sustainable opportunities which could contribute to housing supply without causing disproportionate harm. In theory, the presumption should be acting as a strong incentive to LPAs to get LDPs in place which have a generous supply of effective housing land which they are able to maintain at all times. In practice, LDPs are regularly coming through the development plan system with very significant shortfalls. According to SPP, this should mean all LDP policies relating to the supply of new homes are rendered out of date immediately and all decisions on planning applications for housing development are strongly guided by the presumption in favour of sustainable development. Based on decision-making practice at local and DPEA levels, it seems clear that the presumption is not making a significant difference to the way in which applications for housing developments are determined, so it is not fulfilling its intended role as an aid to delivery in the same way that its English counterpart does.
- 3.21 A strengthened SPP could helpfully set out clearer policy on how the effectiveness (or deliverability) of housing land should be scrutinised and how performance on the supply of land and delivery of homes should be measured. There is still considerable variation on practice on this. This undermines the presumption in favour of sustainable development, masks the need for positive interventions at the national and local level, restricts the supply of new land and homes, and is a major cause of debates on housing numbers. With housing delivery a key aim of the review, this should be reflected in SPP procedural policy and not delegated to guidance or advice.

- 3.22 Homes for Scotland's planning team and members devote considerable resource to the preparation of audits and our input is not always used or even reflected in published audits which are then assumed to be 'agreed'. Tidying up on procedures and roles in audit preparation and giving Homes for Scotland a formal role could help improve practice and delivery and make this part of the system more collaborative. We remain committed to helping improve current procedures and partnership working and will be resuming discussions with Heads of Planning Scotland shortly.

**3 (a) Do you agree with our proposal to update the way in which the National Planning Framework (NPF) is prepared?**

Homes for Scotland should play a role in the preparation of the NPF, in particular in relation to regional (and alter local) housing supply target setting and scrutinising any evidence used to argue that housing need and demand should not be met in full.

**Question 4: Do you agree with our proposals to simplify the preparation of development plans?**

- 3.21 Not entirely. See details below.

**4 (a) Should the plan review cycle be lengthened to 10 years?**

- 3.22 No. LPAs and their partners should have a strong long-term vision for their area but the LDP should just be a relatively short term tool for achieving that vision. LDPs already become out of date fairly soon after adoption, certainly in terms of housing land supply, and this undermines the concept and function of a plan-led system. We recognise the need for more focus on implementation but this could happen alongside plan-making and review, particularly if a long-term vision is in place. A benefit of the 5 year cycle is that plans are now more up to date than they were pre 2009. This is one of the few areas where performance is better than in England and we should keep hold of this advantage.

**4 (b) Should there be scope to review the plan between review cycles?**

- 3.23 Yes. LDPs should be monitored more often, more thoroughly and in a way that involves all those contributing to its delivery, including representatives of the home building industry. This would help not only with identifying the need for a full or part plan review but also with identifying other new actions that could be taken to get delivery more on track. There should be formal trigger points for reviewing all or part of an LDP. One of those triggers should be an audit showing there is (or will soon be) a shortfall in the supply of effective housing land. Sites should identify long-term or reserve sites to help (but not be the sole means of) overcoming shortfalls before they arise.

**4 (c) Should we remove supplementary guidance?**

- 3.24 Yes. LPAs should only be able to prepare and reply on supplementary guidance in very limited circumstances. It should never be used to add additional policy and financial burdens on development over and above those included in the development plan. Where it is used, there should be a gateway assessment to confirm whether new guidance on a particular topic is both justified and reasonable, it should be the subject of a proper viability assessment and it should have the same consultation and examination scrutiny as an LDP. This would discourage the common practice of adding to LDP policy when all parties outwith the LPA thought the policy landscape was settled and the cost of a development could reliably be estimated. A strengthened SPP could helpfully state that any non-statutory / ad hoc guidance produced by councils should have very limited weight in planning decisions.

**Question 5: Do you agree that LDP examinations should be retained?**

- 3.25 Yes, without question. Examination is a vital independent check and balance on the plans that LPAs and SDPAs prepare. DPEA reporters play an essential role in development planning as an independent and experienced professional. Their role and powers need to be strengthened to enable them to address the very significant failings that are now regularly coming through in LDPs, particularly in city-regions. The ability of LDPs to proceed to adoption without complying with a relevant SDP, without making full provision for an effective and deliverable land supply and immediately becoming out of date in terms of housing supply policies is seriously undermining the plan-led system.

**5 (a) should an early gate check be added to the process.**

- 3.26 Yes. This would be of most benefit if undertaken in two parts. An initial factual check (e.g. of the correct local interpretation of housing supply targets set out at the regional and local level) and a more detailed mid-point check which could look at whether – on the basis of the policy burdens and developer contributions required by the emerging LDP – the suite of sites identified is likely to be deliverable.

**5 (b) Who should be involved?**

- 3.27 The full range of parties involved in the preparation and delivery of a plan. This would include representatives of the home building industry. Scottish Government officials could also be involved to ensure the NPF and SPP are being appropriately followed.

**5 (c) What matters should the gate check look at?**

- 3.28 The gate check could usefully be focussed on those matters that routinely result in an examination hearing. The delivery of new homes should be at the centre of any gate check as this is a frequent area of disagreement

throughout the plan making process, whilst also being a matter of national importance.

#### **5 (d) What matters should the final examination look at?**

- 3.29 The final examination should have a wider remit than at present, though hopefully other reforms (including the collegiate approach to plan making and the introduction of gate checks) should see them finding fewer significant faults in LDPs.
- 3.30 DPEA reporters should have a fuller role in scrutinising whether an LDP has fulfilled its key requirements, including in making full provision for the level of home building that is required of it in contribution to regional or national targets.
- 3.31 The examination should be concerned with whether or not a plan in its final form is fit for purpose. Where it finds it is not, for example because of a significant shortfall in the supply of effective housing land, reporters should have powers to make more significant modifications to plans. They should be able to add additional sites – which may require a further consultation or information gathering stage), or to require the LPA to go back to an earlier stage of plan preparation.

#### **5 (e) Could professional mediation support the process of allocating land.**

- 3.32 Homes for Scotland cannot comment on this in detail as no information has been provided on what this might involve, how it might ensure plans are more deliverable or whether it would replace existing parts of the process. On the basis of the information provided we feel it is unlikely that mediation would be a more effective option than improving the rigour of independent plan examinations.

#### **Question 6: Do you agree that an allocated site in a development plan should not be afforded planning permission in principle.**

- 3.33 A meaningful change is required to provide allocated sites with a strong status that reflects the plan-led system and ensures a smooth and quick transition to delivery. At present allocated sites often fare little better than new proposals during discussions at pre-application consultation or in matters debated at committee. Planning permission in principle (PPiP) could perhaps work on an opt-in basis with site owners or promoters providing additional information at the plan-making stage if they want to enjoy the same status as PPiP. If this is not taken up in the planning review then alternative changes should be made to help sites make a smooth transition from allocation to delivery of new homes.

Discussion with Homes for Scotland members have identified some potential limitations on the benefits of securing PPiP through the development plan process rather than through a planning application, which may limit take up of an opt in arrangement. Overall our feeling is that PPiP for allocated sites is worth considering further as an option for site promoters who are able and willing to invest more at the plan-making stage in return for a faster route to delivery post-adoption. But it is unlikely to make a marked difference to land supply across the country and should not be relied upon as a game-changing reform for increasing housing delivery. Alternative ways of re-establishing the status of sites allocated in development plans could be a clear national policy presumption in their favour, and a 'fast track' route through the development management process, for example with no requirement

**Question 7: Do you agree that plans could be strengthened by the following measures:**

**7 (a) Setting out the information require to accompany proposed allocations.**

- 3.34 Not if this makes it harder to get new sites into plans. All allocations – new and continued – should be subject to the same level of consideration by the LPA. The bar for new sites should not be higher than that for sites brought forward from previous plans. If sites were gaining greater legal status (for example through deemed PPiP there would be a case for greater information requirements. But introducing too high a burden without better supporting the delivery of allocated sites could undermine the plan-led system by weakening the commercial case for following the development plan route to delivery.

**7 (b) Requiring information on the feasibility of a site to be provided**

- 3.35 Not if this places a higher burden on new sites that those carried forward from previous plans. It is important to remember that the feasibility of a site will be greatly affected by policy burdens and developer contributions, so any early information on feasibility would be indicative only. As above, the information burden for new sites should not be higher than that for old sites, particularly if the newer site already has a home builder involved (itself a good indicator of feasibility) and the older sites has never been released to the market or progressed through the development management system.

**7 (c) Increasing requirements for consultation for applications relating to non-allocated sites.**

- 3.36 No. Unless development plans consistently do a better job of identifying and allocating enough effective and deliverable land to meet housing supply targets in full, there will be a continued reliance on non-allocated sites to satisfy housing need and demand. Giving these sites a higher consultation

burden would give out the wrong message as it would imply there was something less acceptable about non-allocated sites – whereas in fact non-allocated sites are a legitimate means of achieving the wider targets and aspirations of policy from the local to the national level.

**7 (d) Working with key agencies so that where they agree to a site being included in the plan, they do not object to the principle of an application.**

- 3.37 Yes in principle, but care must be taken that this does not reduce key agency support for development plans and result in unintended reductions in the number of sites which key agencies agree to.

**Question 8: Do you agree that stronger delivery programmes could be used to drive delivery of development?**

- 3.38 Yes. Stronger action programmes or delivery programmes (we are not convinced the name change is needed) are needed both to:
- (a) demonstrate the reasons a local planning authority is confident an LDP can be delivered in terms of site implementation and wider target achievement and;
  - (b) provide a strong tool for project management during the plan monitoring and implementation phase
- 3.39 In a delivery focussed system it makes no sense for LDPs to be the subject of consultation and examination without concurrent scrutiny of the actions programme that will be used to implement the plan. Current practice shows that many action programmes are not very detailed and rely on actions being undertaken by parties who have not been involved in their preparation. On infrastructure requirements they could simply say ('to be provided alongside development'). On site implementation they may say 'by development industry' – even where the home building industry has questioned the deliverability of a plan through the consultation and examination process. Clearly this adds no value.
- 3.40 To help overcome current limitations, these programmes should not be the reserve of the LPA. All those both within and external to the local authority who will be responsible for an action set out in the programme should be asked to confirm that the action is realistic and that they will endeavour to fulfil it. Where an action needs to be review due to unexpected changes in circumstances, the responsible person or organisation should provide information on why it is no longer possible and work with the wider development planning 'college' or partnership to identify what alternative actions are required.

## 4 PEOPLE MAKE THE SYSTEM WORK

- 4.1 This section sets out Homes for Scotland's response to the People Make the System Work consultation questions set out on page 27 of Places, People and Planning.

<b>Key Question B: Do you agree that our proposed package of reforms will increase community involvement in planning?</b>
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- 4.1 No. Taken as an overall package, these proposals would introduce fractures and factions into planning that would not produce positive delivery outcomes and that would create false expectations. If more people are to be engaged positively in planning, and in helping increase the delivery of new homes, this should be done in a way which brings people together in a collegiate way.

### **Question 9: Should communities be given an opportunity to create their own place plans.**

- 4.2 No. It is unclear what the additional outcome and delivery benefit would be of introducing an optional additional layer of development plans at the neighbourhood level. These plans would be resource intensive for both communities and LPA and would divert resources away from the comprehensive local development planning work that will need to continue at the LPA level (or preferably in the collegiate way elsewhere in this response).
- 4.3 It is unlikely that a comprehensive layer of local place plans would be put in place and there is no proposal in the consultation paper to require this or to manage the timing of any local place plans that did come forward. LDPs would still need to play their full role in planning for housing. It is therefore hard to see what positive difference a local place plan would make to land supply or housing delivery. If they put additional barriers to delivery in place they would have a negative impact on the LPA's ability to maintain an effective land supply. They could allocate additional land for development but is this likely to be a motivating factor for any/many communities?
- 4.4 There are alternative options available which would better serve the dual ambitions of involving communities more in planning and delivering more homes. For example:
- The proposed collegiate approach to plan-making at all levels, as outlined in our response to the 'making plans for the future' questions.
  - Bringing a form of community prospectus into play at the early plan-making / evidence-gathering stage. This would be focused on the broad outcomes communities would like to see supported through planning – rather than being binding on what happens and how on a site-by-site basis. The role of the national / regional / local plan-making collegiate partnership would be to balance this with other important considerations, including the need to best ensure housing need and demand can be met in full.

**Question 9 (b) Does Figure 1 cover all of the main considerations?**

- 4.5 No. Figure 1 looks very much like the current system of neighbourhood planning in England, replicating its weaknesses including its procedural clunky-ness, imperfect model of broad community involvement, risky lack of close examination scrutiny and viability testing, and an absence of a reliable mechanism for ensuring these new plans do not undermine the deliverability of sites supported in the allocations and broader policies of the relevant LPD. There is no indication of how local place plans are expected to fulfil the broad planning review aim of increasing the delivery of new homes with a strong possibility of local place plans being a direct threat to that aim. There is also limited prospect of them improving public trust in planning if they result in small groups banding together to plan in a way that is separate to, and in reaction to, the ongoing development planning activity of LPAs.

**Question 10: Should local authorities be given a new duty to consult community councils in preparing the statutory development plan?**

- 4.6 Whilst there is no obvious harm in doing this, it would be at risk of being a 'tick box' exercise given the limited resources available to community councils. A statutory duty to support community councils in contributing to development planning and understanding the development requirements of an area as evidenced through HNDAs etc. may be more helpful but it is unlikely local planning authorities would be able to resource this new burden at the current time.
- 4.7 The need for stronger community involvement in development planning could be better supported through a collegiate approach to plan-making, with community representatives forming part of a diverse range of partners (which would also include home builders) charged with development planning at all levels – with new governance arrangements in place to support this.

**10 (a) Should local authorities be required to involve communities in the preparation of the Development Plan Scheme.**

- 4.8 Not if development planning remains fully in the hands of the LPA. The Development Plan Scheme should just be a communication and project management document showing what work will be undertaken at what stage and when there will be requirements for stakeholder involvement.
- 4.9 If development planning becomes a shared responsibility undertaken by a wider partnership of stakeholders in a collegiate way then that wider group of people should be responsible for devising the Development Plan Scheme.

**Question 11: How can we ensure more people are involved?**

- 4.10 Through the proposed collegiate approach to plan-making (see paragraph 3.1).

**11 (a) Should planning authorities be required to use methods to support children and young people in planning.**

- 4.11 Local planning authorities should seek to engage all sectors of the community in planning, including children and young people. This should extend to young couples and families and any segments of communities that are likely to be served positively by ensuring the delivery of new homes can take place in the places people want to live - and at the times when evidence shows it is required.

**Question 12: Should requirements for pre-application consultation with communities be enhanced? Please explain your answer.**

- 4.12 The purpose of pre-application consultation is to enable communities and developers or site promoters to discuss proposals before a planning application is submitted. It allows applicants to be forewarned of any concerns or objections that may be raised at the application stage and to make any adjustments as they see fit and are able to accommodate these whilst retaining a viable scheme. Pre-application consultation should not be overly-complicated beyond what is needed for this simple exchange of information to take place. A full charrette or other resource-heavy approach would be disproportionate.
- 4.13 Something that is missing from the pre-application stage at present is the opportunity for any changes to be taken into account as material considerations at the planning application stage. See response to 12(a).

**12 (a) What would be the most effective means of improving this stage?**

- 4.14 Improving the material weight given to the fact that pre-application consultation has been undertaken, and to any changes made or information provided at the applications stage that reflects any issues raised. The development plan should of course remain the lead consideration in determining the application, with consideration being given to removing the need for PAC for allocated sites.

**12 (b) Are there procedural aspects of PAC that should be clarified?**

- 4.15 LPA's should not be entitled to dictate the form in which this engagement takes place. It is in the developers own interests to use a form is effective and appropriate in each circumstance.

**12 (c) Are the circumstances in which PAC is required still appropriate?**

- 4.16 A differentiation should be made between allocated and non-allocated sites which are the subject of an application for planning permission in principle. There is little scope for discussions at the PAC stage to be limited to matters of detail and it is therefore arguable that this gives communities an invitation to challenge the principle of development on an allocated site when this should not be up for debate once the planning application is being

determined. Local authorities could help by providing a factual overview of what has already been established through the development plan. Local authorities should be prepared to explain the site allocations contained in plans and clarify their status, rather than leaving this to the developer or site promoter, and it could be helpful to have a local planning authority representative present.

**12 (d) Should the period for the serving of the Proposal of Application Notice for PAC to the submission of the application have a maximum time limit?**

- 4.17 Informal guidance on maintaining momentum would do no harm but there shouldn't be a statutory limit as this would reduce flexibility by reducing the time available for applicants to reflect or respond to PAC discussions in their application. It would also create red tape and a risk of consultation fatigue if the time limit were missed due to other matters arising and the community had to be consulted again just to tick a procedural box prior to an application being submitted.

**Question 13: Do you agree that the provision for a second planning application to be made at no cost following a refusal should be removed.**

- 4.18 No. This is a long-standing and sensible feature of the planning system that ensures applicants are not punished for making adjustments to a scheme to address reasons for refusal or to respond to issues raised by planning officers whilst a proposal is being considered. It also provides good scope for sensible negotiation and procedural give-and-take.
- 4.19 The free second application is particularly important where planning permission is refused by a committee following an officer recommendation for approval as the applicant could not in that instance have reasonably anticipated the need to make amendments to the proposal. The same would be true in cases where there is poor communication between the LPA and the applicant and a refusal is issued without an opportunity to consider and respond to any issues. More positively, it provides scope for an application to be withdrawn and reconsidered in good spirit when unanticipated issues arise whilst an application is being considered, perhaps as a result of comments from a specialist consultee. In such instances, an applicant can hardly be accused of being 'at fault' for trying to come forward with an amended and supportable application.
- 4.20 It is important that the purpose of the free second application is properly articulated so that communities can understand their role in the planning system.

**Question 14: Should enforcement powers be strengthened by increasing penalties for non-compliance with enforcement action?**

- 4.21 Homes for Scotland has no comments on this.

## **Question 15: Should current appeal and review arrangements be revised:**

### **15 (a) for more decisions to be made by local review bodies**

- 4.22 No. It is questionable whether Local Review Bodies (LRBs) have the capacity, expertise or independence required to objectively scrutinise large or complex development projects, particularly where there is pressure from the communities which local politicians represent. Local politicians may be less able to set aside the simple strength of expressed public feeling in favour of the development plan and other material considerations. LRBs allow LPAs to be both judge and jury and there is already a tension in the system arising from the fact that smaller housing developments are currently dealt with by LRBs.
- 4.23 Home building is one of the development types that can give rise to significant levels of community comment and there is a strong risk that determining more of these applications through LRBs would result in fewer developments gaining consent - and thus fewer homes being built. It is very hard to see how this serves the Planning Review's key aim of delivering more homes.
- 4.24 We doubt all LPAs would welcome the use of LRBs to determine appeals for larger, more complex or controversial applications than they are already charged with considering. It is clear from recent development planning practice, for example the preparation of the Edinburgh development plan, that allocating new land for housing development can be an uncomfortable experience for local politicians.
- 4.25 Homes for Scotland has previously raised concerns over resourcing at the DPEA unit, particularly given the stalled start to a number of major housing appeals. It is disappointing that this issue has not been acknowledged or addressed in the consultation paper as this is a clear and unacceptable delivery barrier.
- 4.26 There is a risk that taking more appeals through LRBs could make the planning system more litigious in nature as those with particularly high stakes proposals face the absence of recourse to independent scrutiny of a refusal.

### **15 (b) to introduce fees for appeals and reviews?**

- 4.27 Any new barrier (financial or otherwise) to delivery needs to be considered very carefully – and should be looked at in the round with other cost burdens being proposed through the planning review. Applicants should not be financially penalised in circumstances where they are required to submit a planning appeal because an application which should have been supported has been refused. For this reason, any new fee for appeals should arguably be the subject of an exemption in circumstances where an application has been refused against officer recommendations. Appeals against non-determination should also be exempted from any fee as they occur only in circumstances where an authority has failed to deliver on its statutory timescales for determining an application. Consideration should also be given

to ensuring any appeal fee introduced is payable by the losing party (which could of course be the LPA).

- 4.28 Consideration should be given to increasing the award of costs against local planning authorities, particularly where lessons from previous appeals are not being heeded or when the same behaviours are repeated. An example could be where housing supply shortfalls are not acknowledged and, in consequence, the presumption in favour of sustainable development is not properly applied. Applicants should not have to stick their necks out and specifically seek an award of costs in circumstances where clear procedural rules have been established through policy or a body of decisions. Consideration should be given to an automatic award of costs in cases such as this.

**15 (c) for training of elected members involved in a planning committee or local review body to be mandatory?**

- 4.29 Thorough training is absolutely essential for any decision-maker and this will be an even greater truth if local politicians are to be the final decision-makers or larger applications which will have a significant impact on whether or not housing need and demand can be met at the local, regional and national level. To maintain confidence in the system – particularly amongst the applicant community – LRB members would need to demonstrate their ability and willingness to set aside political pressures and interests and the simple volume of public representations and make a decision purely on a professional and reasonable interpretation of development plan policy and other material considerations.

**15 (d) Do you agree that Ministers rather than reporters should make decisions more often?**

- 4.30 Not unless this would help to clarify any points of national policy that are proving challenging to local authority and DPEA decision-makers. This was the intention when a series of 8 major housing applications were called in for Ministerial decisions in 2015, when it was hoped a narrative would be provided to aid interpretation of the SPP presumption in favour of sustainable development. That anticipated benefit did not arise and in fact fewer homes received a grant of planning permission that would have been the case without the Minister's intervention - and the decisions took longer to make.
- 4.31 Taking decisions to a Minister lengthens the time between lodging an application / appeal and receiving a decision, adding also to the cost of applications and developments. It also involves additional resource within the DPEA unit and the Division for Planning and Architecture, neither of which are sufficiently geared up or resourced to provide certainty on determination timescales or reflect and make timeous decisions.

**Question 16: What changes to the planning system are required to reflect the particular challenges and opportunities of island communities?**

4.32 Homes for Scotland has no comments on this.

### **Third Party Appeals**

4.33 In reference to paragraph 2.40 of the consultation paper, Homes for Scotland strongly supports the clear view of the Scottish Government and the independent panel that a new right of appeal for third parties to challenge development decisions would not be a positive addition to the planning system. This has no potential to help close the gap between housing need and demand and housing supply and it would detract from more positive and unifying reforms which we hope will emerge from this review, in particular our strong call for a more collegiate approach to development planning.

## 5 BUILDING MORE HOMES & DELIVERING INFRASTRUCTURE

5.1 This section responds to the proposals in section 3.0 of the consultation paper and the questions set out on page 39.

<b>Key Question C - Will these proposals help to deliver more homes and the infrastructure we need?</b>
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5.2 No. The package of ideas in this section does not recognise the key barriers to the delivery of homes and infrastructure, and does not provide reassurance that those barriers can be resolved. In some instances, the proposals significantly weaken the ability of the planning system to gear up to delivering more homes.

5.3 The proposed measures do not do enough to enable the timely delivery of sites which have been allocated for housing development. There is no clear commitment to closing the gaps between housing need and demand and housing supply targets or between housing supply targets and the delivery of new homes. In relation to infrastructure, the proposals do not overcome the two key barriers of (a) insufficient commitment to delivery by all local authorities and partners and (b) insufficient overall funding being committed.

### **Question 17. Do you agree with the proposed improvements to defining how much land should be allocated in the development plan?**

5.4 Based on the limited detail provided, it is unlikely that planning for and delivery of new homes through development plans will improve without further measures being introduced.

5.5 On paper the system already has provisions in place to make sure LDPs provide enough land to enable housing need and demand to be met. However, there is a raft of operational weakness which is not currently being kept in check:

- Housing Need and Demand Assessments (HNDAs) are not collaborative enough, the assumptions that inform them can be too subjective and they are not open to scrutiny during consultation or examination.
- SDPAs and LPAs are too often able to argue that housing supply targets should undershoot the need and demand identified in HNDAs.
- There is a poor understanding of the purpose of the generosity allowance, resulting in most authorities seeking the minimum 10% margin and, in many cases, arguing that less generosity is appropriate, despite track records of under-delivery.
- Many LPAs monitor their own performance on land supply on the basis of what land can be identified on paper in plans and audits rather than on

what delivery rates can confidently be anticipated over a given period. This limits the proper and effective use of the SPP presumption in favour of sustainable development in first-instance decisions.

- Interpretation to date of the SPP presumption in favour of sustainable development does not point to it being an effective policy measure in increasing the supply of new homes. It is hard to see what it adds on top of the age-old provision that applications should be determined on their merits.

5.6 On the basis of the above, Homes for Scotland advocates a tightening up and clarification of the current system, addressing these points.

5.7 Reference to debates on precise numbers is anomalous and distracts attention from the key issue which is the vast gulf between the number of homes which we seek to plan for on paper and the number of homes which are supported to delivery through the planning system. We do not debate precise numbers. We debate whether or not it is acceptable for a LDP to begin its life with a shortfall of several thousand homes. The clear answer, with reference to SPP and legislation on LDP-SDP compliance is that this is not an acceptable situation. Yet this is what is happening in practice. It is very disappointing that this is ignored in the consultation paper and that the ongoing struggle to ensure development plans do a better job on housing is again referred to as though it is a petty issue.

5.8 Homes for Scotland does agree in principle with some elements of the narrative set out under Proposal 10:

- A more strategic and aspirational approach is needed.
- It should be clear earlier in plan-making how many new homes are needed (and how much land is required to allow those homes to be delivered within the plan period).
- Housing targets (not just aspirations) should be set nationally (in NPF or nationally-published RPG) and the Scottish Government should provide stronger leadership in ensuring best efforts are made at the local level to deliver on those targets.

5.9 The reference at paragraph 3.6 to 'local and developer priorities and commitments to invest' is unhelpful and confuses the issue at hand which is – do we plan on the basis of wanting to meet housing need and demand in full or do we just (a) let some local areas opt out of that commitment and/or (b) leave it to the market to decide what should be built, where and when. Presumably the Scottish Government does not favour either of these approaches, in which case it needs to be clear on what it is trying to achieve and on what basis planning for housing in Scotland is undertaken. 'Local priorities' should not override national need and demand.

- 5.10 The issues we have addressed above should be the focus of planning reforms. Measures required to tighten up on existing practice include:
- Requiring LPAs, when monitoring and preparing plans, to demonstrate that they have reviewed the reasons targets have not been met and the reasons not all sites have come forward as a planning application or development. LPAs should not limit their plan-making role to topping up a demonstrably ineffective or underperforming supply of land.
  - Clarifying the need to monitor land supply on the basis of what delivery rate can confidently and responsibly be predicted – so the intended flexibility of the planning system can be brought into play as early as possible, as soon as a shortfall is anticipated. LPAs should not have to wait until a problem has already occurred – nor should they try to mask any problem. The release of additional land is not a punishment. It is a sensible means of maintaining the delivery of new homes in line with LDP targets and broader national policy.
  - Clarifying the need to roll forward shortfalls in delivery since the base-date of any target – rather than starting afresh each year.
  - The presumption in favour of sustainable development needs to be reviewed and relaunched to ensure it adds value to the planning system and delivers on its intended purpose as a mechanism for (a) encouraging LDP policies on housing to be kept up-to-date by maintaining the effective housing land supply and (b) allowing housing delivery rates to be maintained / recovered through additional and alternative developments in circumstances where allocated land is stalling.
- 5.11 The proposal to provide an estimated range of homes required over a 10-year period will serve no useful planning purpose if the aim is to increase delivery. If used as an alternative to clear targets this will have the effect of reducing aspirations to meet need and demand in full, unless LPAs are formally monitored on how close the number of new homes actually delivered through the planning system in their area is to the top of the aspirational range.
- 5.12 Achieving a clear target – or on meeting the top of any range of figures – could be incentivised by a mechanism linking local authority grants from the Scottish Government to their success in supporting the delivery of the number of homes their HNDAs tell them are required.
- 5.13 Monitoring should be always based on the extent to which need and demand is being met. Whilst market changes can affect the ability of the private sector to meet that demand without supportive policy interventions, they do not change the requirement for enough new homes to be provided. Setting need and demand aside when delivery is more challenging, and passively allowing supply to underperform, will create problems for both local and national governments.

5.14 To support the plan-led system, LDPs should continue to identify a generous supply of land that the LPA is confident will deliver enough homes within the plan period to meet the housing supply target. It is clear from site allocation success rates that 100% implementation is not something that can reasonably be assumed from any plan. In some parts of Scotland, a high proportion of delivery comes through windfall sites. In other areas, it is particularly hard to achieve high rates of delivery either through allocated or windfall sites. This makes it hard to justify the continuing masking of the demand-supply gap through the Housing Land Audit and planning performance regimes, and the reluctance of some LPAs to make full use of the SPP push for positive and flexible planning. To help overcome this, LPAs should be required to move to the following practice:

- Sites that are put forward for inclusion in development plans should be allocated if there is good reason to believe they will be brought forward within the plan period, unless there is compelling evidence that their development would cause significant and demonstrable harm that is not outweighed by the benefits of delivering the new homes offered and any other benefits. Sites already in the control of developers have the highest likelihood of being developed, and can come forward most quickly.
- Any sites being reallocated from one plan to the next should be closely scrutinised with evidence provided on why they are confidently expected to deliver in the new plan period if they have not come forward to date. The same level of rigour should be applied to old sites as to new ones. In a delivery focused system it is reasonable for an LPA to prioritise sites that have the best prospect of delivering the homes needed. If the overall suite of sites includes a high proportion of older allocations then this suggests a need for a high level of generosity and a higher expectation that windfall sites may make a significant contribution to supply.
- There should be clear recognition – promoted to local politicians and to the public – that the development plan is not limited to a set of specific site allocations and that what happens on the ground will not (and is not expected to) perfectly mirror what is anticipated in those site allocations.

5.15 We have no objection to making housing land audit information more accessible and responsive, providing this does not remove the benefit that the current agreed snapshot-in-time approach provides to the functioning of planning application and appeal decisions. Measures would also need to be in place to ensure audit records could not be manipulated by any party without a clear record of who has made changes and when.

**Question 18: Should there be a requirement to provide evidence on the viability of major housing developments as part of information required to validate a planning application.**

5.16 No. The planning application is absolutely the wrong time to consider viability. Whilst viability is an obvious missing consideration in the Scottish planning system at present, this should be looked at during the plan-making stage, with

the LPA taking responsibility for considering the combined policy asks of its development plan and supplementary guidance documents, together with the infrastructure contributions that will be sought under s75 or any new arrangement. Viability should be about scrutinising a plan to make sure it will enable rather than hinder development – it should be a test of the plan, not of those seeking to implement it. A sensible approach will need to be taken on how much can be ensured at the development planning stage, particularly if developer contributions have not yet been clearly set out (though we have said elsewhere that this issue should be addressed). However, there is no point realising at the planning implementation stage that development has been made unviable as a result of requirements that by then form part of the statutory development plan.

- 5.17 Applicants can more reasonably be expected to provide evidence on viability where they need to demonstrate the full policy asks of a development plan or supplementary planning guidance cannot be met but this does not need to be a validation requirement for all developments.
- 5.18 It is not clear whether this proposal is based on evidence that a significant number of planning permissions are not being implemented because they are not viable, though it relates to a stated desire to close the gap between planning consent and delivery of homes. A better approach to bringing delivery confidence into the consideration of planning applications could be to ask applicants to provide an indicative programme for delivery. It would need to be clear, however, that implementation depends not just on viability, or will, but on getting many other consents in place, negotiating s75 agreements, discharging planning conditions (especially pre-commencement conditions) – and doing all of this within a short enough timescale to ensure the market conditions do not change and investment commitments are not lost. Planners could play a project management role in overseeing these other processes through increased liaison with colleagues and key agencies and by taking an end-to-end approach to supporting development from pre-application through to delivery. Linking performance measurements to delivery (as suggested elsewhere in this response) could help to embed this proactive culture.
- 5.19 The gate check stage of development planning could provide a good opportunity to assess the impact that proposed plan policies and development contribution could have on the ability of home builders to implement the sites that are available as potential allocations.
- 5.20 Development viability also needs to be a cross-cutting consideration in configuring the national planning system and other areas of national policy (e.g. building warrant fees) which affect the cost of development. There are a huge number of proposals in this consultation paper that seek greater contributions from developers and applicants and which risk making Scotland an unviable (or at least a much less attractive) place in which to invest and do business. A detailed and comprehensive assessment needs to be made of how these changes will affect the overall cost of applying for and implementing a planning permission before any of them are taken forward. More consideration also needs to be given to the fact development is required

to serve Scotland's needs, and that there would be a significant negative effect on public interests if application and development rates reduced because of the increasing costs of securing and implementing consent.

**Question 19: Do you agree that planning can help to diversify the ways we deliver homes?**

- 5.21 Yes. It is essential that the planning system is used in a way which supports the delivery of homes of all tenures. Private sector home builders supply the majority of new homes and need to be supported in continuing to do so and in growing their delivery rates, if we are to increase the supply of new homes. New ways of delivering homes must be seen as additional sources of supply and not as alternatives to current providers. We need more builders building across all fronts.
- 5.22 A delivery model which has particular potential to make a positive contribution to supply in some parts of Scotland is the **Built to Rent (BTR)** sector, which offers opportunities to deliver large numbers of new homes at speed (as BTR developments are pre-sold and have unique funding models). BTR also adds to tenure choice along with improved quality of professional management for home occupiers. Utilising the advice and work of Scotland's PRS Champion and Working Party (including the 30 January 2017 letter from the PRS Champion to the Chief Planner), the Scottish Government should take quick action to issue strong and positive advice to LPAs on how the planning system can support investment in and the delivery of PRS homes.
- 5.23 If we are to achieve an increase in housing delivery we will also need to increase the number of **smaller builders** who are able to contribute to supply. Efforts need to be made to support those small and medium scale home builders (SMEs) who have managed to stay active, and to recognise and address the difficulties new or returning SME companies will face in seeking to enter the market. Many of the issues we have raised elsewhere in this response (particularly concerns about the increasing costs of applying for and implementing a planning permission, from fees to infrastructure contributions) will particularly affect SME home builders. SMEs need a simple regulatory system, assistance with financing, and access to a generous supply of small and medium sized effective sites. The Scottish Government could look to the UK White Paper *Fixing Our Broken Housing Market* for industry-supported ideas for supporting smaller builders.
- 5.24 Consideration should be given for the need to better enable home builders to contribute to the stock of homes for people of all ages, including the **elderly**. The growing number of demands on home builders can result in trade-offs that can make servicing policies on affordable and accessible homes less viable. This is particularly the case where policies are inflexible on exactly how such needs should be met, including specifying the need for house types which are more land-hungry than others (i.e. bungalows).
- 5.25 **Custom and self build models** may offer a welcome, niche product to some, particularly in island and other remote communities, but they do not have

obvious potential to make a significant contribution towards closing the gap between housing need and demand and housing supply across Scotland as a whole. This sector should not be focussed on at the expense of existing models with higher delivery rates, and should be looked upon purely as an additional source of supply and a means of diversification. Not as an alternative to supporting the wider home building industry in maintaining and significantly growing its output.

**19 (a) What practical tools can be used to achieve this?**

- 5.26 Yes, planning can help to diversify the ways we deliver homes but it must be absolutely clear that **this is not about reducing the ability of current home builders to maintain and grow the contribution that they make towards delivering Scotland's new homes**. New methods and agents of delivery could make up some of the gap between demand and supply and cater for specific needs and wants – but, with delivery currently (and consistently) falling so very short of target, there is more delivery benefit to be gained in focusing on measures that help existing home builders to increase their output and that helps new entrants come to the market (particularly to replace the smaller scale companies that were most affected by the last decade's economic downturn).
- 5.27 We support the emphasis given at para 3.17 to LPAs needing to do more to help unblock stalled and hard to deliver sites – and **not simply allocate land and wait for development to happen** Where intervention will be required, this should be clearly recognised in delivery programmes with clear steps and commitments identified to show how action will ensure sites deliver on time. This information should all be open for scrutiny and comment during the plan preparation and examination process to ensure difficult sites without committed delivery plans are not identified as part of the effective housing land supply.
- 5.28 Homes for Scotland notes the reference at paragraph 3.21 to the commitment to consulting stakeholders on whether a **development land tax** approach would help to tackle issues associated with “sites being held in the hope of improved market conditions”. We have previously outlined our views on this and our earlier submission to the Scottish Government is attached at Appendix 1 to this paper. We do not believe a tax of this nature would help to deliver more homes.

**Question 20: What are your views on greater use of zoning to support housing delivery?**

- 5.29 Proposal 12 presents a very limited picture on what constitutes ‘development ready’ land for housing. It is not clear what type of housing development, or what type of developer, SPZs are expected to assist. They be of some use in relation to custom build – but if housing delivery is to be increased to anything like the level needed to meet need and demand in full, measures need to be put in place to support all sectors and delivery models – including the private sector home builders who currently (and will continue to) supply most of

Scotland's new homes. It is unclear whether the proposal is to use SPZs as a means of providing more commitment to allocated sites, reducing the need for post-allocation consents – or whether they are a possible mechanism through which land could be parcelled and brought to the market. Both of these options would merit further exploration.

**20 (a) How can the procedures for SPZs be improved to allow for their wider use in Scotland**

5.30 Homes for Scotland has no comments on this.

**20 (b) What needs to be done to help resource them**

5.31 If SPZs are seen as a helpful tool for delivering more development in the public good there should be a public sector resource commitment to delivering them. Where they negate the need for a planning application, there may be scope for a modest developer contribution towards their establishment – but this should be agreed formally with any identified delivery partner before financial commitments are made.

**Question 21: Do you agree that rather than introducing a new infrastructure agency, improved national co-ordination of development and infrastructure delivery in the shorter term would be more effective?**

5.32 No. There is nothing to prevent better co-ordination of development and infrastructure delivery now but it isn't happening in a consistent and effective way across Scotland. In some cases, it even feels like local planning authorities are deliberately not being co-operative on the delivery of key infrastructure items such as schools. The Scottish Government should certainly provide leadership in the short term to ensure current practice and co-operation improves, and a group of named agencies could play a part in that. However, a long-term view does need to be taken if we are to move to a position where infrastructure can be relied on to appear on time in the places it is needed. It is not acceptable to allow infrastructure delivery failures to prevent the delivery of new homes as well. This creates additional problems, rather than solving any. Resolving this issue effectively and decisively should not be deferred to a later date, particularly given the Minister's desire to get this planning review right and not need to revisit it in the near future. If the major and commonplace infrastructure barriers to delivery – recognised by the panel and the Scottish Government as "the most significant challenge for planning at this time" do not signal that now is the right time to establish a dedicated delivery agency, when would the right time be?

5.33 There is no point just re-jigging the means by which developers contributions towards infrastructure are calculated and collected if there isn't a clear mechanism in place to state who is responsible for delivering infrastructure and when it should be delivered. Infrastructure delivery failings should not be a reason for preventing housing need and demand from being met. If this is not resolved, the two year planning review process (from evidence to Bill) will not have been effective. Whatever delivery model for infrastructure is

introduced it will have to be charged with a statutory duty and must be adequately resourced (not just by home builders) to drive the change in service delivery that is required.

- 5.34 Part of the solution to infrastructure delivery must be a strong redressing of the gap between the housing delivery sites identified in development plans and audits (and the rate at which they are programmed to deliver) and the market conditions affecting those who deliver the majority of Scotland's new homes. Local authorities, utility companies and other infrastructure providers could then have more confidence in the role development plans are intended to play as a prospectus for investment. This would support more measured risk-taking. The Scottish Government should deliver clear guidance to LPA on planning and education provision.

**Question 22: Would the proposed arrangements for regional partnership working support better infrastructure planning and delivery?**

**22 (a) What actions or duties at this scale would help?**

- 5.35 Any regional partnership working would need to have different governance arrangements in place than those used to manage the SDP process, if they are to be more consistently effective in their role than SDPAs have been. Regional Partnerships would need to be welcomed and supported by local authorities. They would also need to have a degree of influence over what comes forward in development plans – including a scrutiny role in whether a plan has responsibly considered existing infrastructure capacity, gauged additional infrastructure requirements, looked at development contribution viability and programmed delivery realistically. This suggests a stronger and more active partnership than the SDPA model – under which housing supply targets (for example) are set in SDPs but the SDPA then remains silent in situations where the targets are not supported at the LPA level.
- 5.36 Regional Partnerships would be an appropriate platform for the collegiate approach mooted elsewhere in this consultation response. The involvement of community representatives would help increase public understanding of the relationship between development and infrastructure, and the involvement of developers would add to confidence on market realities and delivery programmes.

**Question 23: Should the ability to modify of discharge s75 planning obligations (Section 75A) be restricted?**

- 5.37 No. There are insufficient checks and balances in place at present to ensure policy burdens and developer contributions are viable. If asks are unreasonable and policies are too strictly applied, developers may have little choice but to seek to cooperate (or withdraw their interest in site). If those burdens prove to be undeliverable it is sensible to allow that information to be aired and the developer contributions to be reviewed. This provision is perhaps the only aspect of the development management system in Scotland which is more flexible and delivery-friendly than equivalent part of the English

system. In a delivery-focused planning review it is hard to see what the benefit of its restriction would be. Certainty would be better served by **subjecting policy burdens and developer contributions' policy and guidance to viability assessment.**

**Question 24: Do you agree that future legislation should include new powers for an infrastructure levy.**

- 5.38 No, not on the basis of what is proposed in the consultation paper. Homes for Scotland has previously supported the idea of moving from the use of ad hoc s75 agreements towards a clear and proportionate roof-tariff approach. The outcomes required to make this work would be (a) that there is no remaining uncertainty over what home builders and other will be asked to contribute to (b) that the slow negotiation of s75 agreements ceases to be a barrier to implementation and (c) that developer contributions can be pooled with other sources of funding to enable infrastructure to be delivered (by whomever is responsible for this) in time to serve those moving in to new homes.
- 5.39 The latest review of the Community Infrastructure Levy (CIL) has shown that the English mechanism for such a levy – despite all of its legislative checks and balances – has neither improved delivery nor eliminated confusion and delays arising from individual planning agreements. In Scotland, land values would only enable a CIL approach only work in a very limited numbers of areas.
- 5.40 Homes for Scotland is not convinced that a levy approach would work without strong scrutiny of viability implications, a more effective scaling back of individual obligations that has been achieved in England and without very strong arrangements in place to deliver the infrastructure towards which developers would be contributing. We would support a levy that was viable, proportionate and otherwise reasonable and that removed entirely all infrastructure-related barriers to consent and delivery. That would require one or more other bodies to be given responsibility to deliver infrastructure in line with the pace of residential development. However, with none of these answers currently on the table we support the proposal to only introduce an enabling mechanism at this time.
- 5.41 Whilst a quick move towards a levy approach may not provide a silver bullet to funding infrastructure and clearly requires further thought, something does need to be done in the short term about the current problems arising from (a) ever-increasing lists of infrastructure items that are considered 'fair-game' for developer contributions (e.g. health facilities) and (b) the fact that infrastructure requirement negotiations dramatically slow down the time it takes to get on site (with assessments and negotiations sometimes not starting until a minded to grant decision has been made). In at least one case, a LPA has even told an appeal reporter that it couldn't comment on what would be required through a s75 agreement as it didn't know. A good starting point would be ensuring that performance on determining planning applications is based on the time it takes to issue a permission complete with signed s75. Another would be ensuring infrastructure requirements are fully

assessed during the plan preparation process and that these assessments, and any associated contribution policy and guidance, is fully scrutinised through the plan preparation and examination process.

- 5.42 Any enabling power should ensure measures can be put in place for independent scrutiny of any local or regional levies, that those introducing levies can be required to demonstrate how and by when the infrastructure to be funded through the levy will be delivered and that the continued use of s75 agreements can be effectively restricted and kept to circumstances where what is needed could not possibly have been assessed at the plan-making stage (whether or not the site in question is allocated).
- 5.43 Enabling powers could allow appropriate decisions on scale and type of development exemptions to be made at the local level.
- 5.44 If a levy is to be pursued then discussions on the questions posed at 24(a) (e) should be reprised separately to this consultation.

**Question 25: Do you agree that Section 3F of the Town and Country Planning (Scotland) Act 1997, as introduced by Section 72 of the Climate Change (Scotland) Act 2009, be removed.**

- 5.45 Yes. We agree that this provision adds no value. It creates confusing and frustrating crossover with other streams of regulation and often creates debate where none is needed on emerging LDPs.
- 5.46 On a related matter, Homes for Scotland would urge the Scottish Government to convene with relevant planning stakeholders (including LPAs, home builders, SEPA) to look at whether and how any long-term policy aspirations on **community and district heating** can be reasonably and workably introduced. Mortgage lending and consumer choice also need to be at the forefront of consideration. We will be looking at the separate consultation on this but it does need to be considered in the context of development planning and development management if we are to avoid it becoming a new barrier to development.
- 5.47 Homes for Scotland would welcome an opportunity to join discussions of the **expert group on innovative infrastructure planning**. This could help identify any unintended glitches that could prevent emerging ideas from working in practice.

## 6 STRONGER LEADERSHIP AND SMARTER RESOURCING

- 6.1 This section responds to the proposals in section 4.0 of the consultation paper and the questions set out on page 47.

**Key Question D – Do you agree that the measures set out here will improve the way the planning service is resourced.**

- 6.2 No. As set out elsewhere in this consultation, Homes for Scotland has strong concerns over the degree to which those responsible for funding and delivering the developments that have been supported in development plans are being asked to fund the public sector planning work that takes place in order to direct and shape that development.
- 6.3 We do not agree with the principal of ‘full cost recovery’ as planning is an activity that is carried out in the public interest and not simply an exercise in regulating the activity of home builders and other developers. Seeing a reduction in applications for and the implementation of home building projects is not a desirable option.
- 6.4 We must also reiterate the views expressed in our response to the recent planning fees application that without ring-fencing, additional fee income may not be used to improve planning services and so may not have any positive effect on the delivery of new homes.

### **Question 26: What measures can we take to improve leadership of the Scottish planning profession?**

- 6.5 Improving leadership in Scottish Planning is crucial to achieving the aims and aspirations of the planning review. Leadership key to properly realising and supporting the delivery focus that is already meant to be at the heart of the planning system, and aspirations to deliver more homes.
- 6.6 The 2005 White Paper “Modernising the Planning System” and subsequent planning legislation had the theme of culture change running through it. This is understandably a long-term goal; however we are still a long way off achieving the culture change purported in the last planning review. Changing behaviours must remain a central target within this planning reform.
- 6.7 No matter what planning system is in place, leadership is fundamental to the delivery of that system. Leadership is important in demonstrating the necessary delivery focussed approach, and is vital in not only recognising the necessary skills to deliver this new planning system with fresh attitudes and behaviours, but also essential in leading by example, and implementing the necessary training to gain the necessary skills.

### **Question 27: What are the priorities for developing skills in the planning profession.**

- 6.8 There needs to be a better understanding of the interdependence between LPA planners, developers, key stakeholders and others in delivering the targets and aspirations set out in LDPs. The roles of the public and private sectors should be seen as complementary and partnership based, not adversarial. This could be helped by ensuring LPA planners have the skills, support and confidence to take a proactive and enabling project management approach. Planners also need to feel confident that can provide their professional view to senior managers and elected members without fear and that they will be supported by senior professionals in doing so. There is a clear role here for Chief Planning Officers (who should be at a senior level in all LPAs), the RTPi and the Scottish Government Chief Planner.
- 6.9 Commercial awareness is also an essential skill for planners at all levels within LPAs, as the ability of the private sector to implement a site allocation or even a site with full planning permission can be significantly affected by the time it takes to secure permission (either in the first instance or at appeal), to negotiate a s75 agreement, and to discharge conditions (particularly pre-commencement conditions). Having to bring sustainable and deliverable sites forward as windfall sites when they could have contributed to a more deliverable and 'complete' LDP also presents a challenge to delivery. There is a lack of market-awareness and delivery-focus in many of Scotland's LDPs so this should also be a focus for developing skills in the planning profession.

**Question 28: Are there ways in which we can support a stronger multidisciplinary working between built environment professionals?**

- 6.10 Achieving this is essential if any improvements made to the planning system are to have the intended effect of increasing the delivery of new homes.
- 6.11 The Scottish Government could play a significant role in facilitating cross-sector and multidisciplinary dialogue by creating opportunities for public and private sector planners, developers, DPEA reporters and SG officials, key agencies and those responsible for other consenting regimes to regularly meet and discuss practice issues. At present too much of the Scottish Government's interaction with stakeholders seem to take place on a bi-party basis. Whilst this may be needed from time to time, damage can be done by (for example) discussing the same issues separately with (for example) HOPS and the home building industry – or being seen to spend more discussion time and take greater cognisance of the views and interests of local authorities.
- 6.12 There is significant scope for Homes for Scotland to play a helpful role in discussions on performance measurement and other areas of practice where the home building industry has an interest and a perspective that could better be communicated and understood in a round-table setting.
- 6.13 The Scottish Government could establish and support more formal expert groups akin to the Local Plans Expert Group or the CIL Review Team to look at specific areas of practice in Scotland and identify independent recommendations for change. These groups should comprise of people with real practice in the field or a particular insight into a sector of practice. Whilst

the Independent Planning Review Panel followed this approach to some extent it was arguably given to too wide a brief to allow the small team to come up with a comprehensive set of detailed and implementable changes which could easily translate into a White Paper and a Bill. Dividing the task between a broader range of experts could have enabled a more cohesive, clear and workable package of proposals to be put out for policy consultation at the pre-Bill stage.

**Question 29: How can we better support planning authorities to improve their performance as well as the performance of others involved in the process?**

6.14 Homes for Scotland should have a role in arrangements for monitoring the performance of local planning authorities and other organisations that have an impact on the delivery of new homes. Performance should be focussed more on the delivery of new homes, with the reasons for delays more thoroughly scrutinised in order to inform more targeted interventions or planning system / other system reviews. This would be better achieved in a more round-table forum, rather than simply publishing performance data provided by LPAs.

**Question 30: Do you agree that we should focus more on monitoring outcomes from planning (e.g. how places have changes)?**

6.15 No. Whilst we understand the philosophy behind this idea it would be wrong to switch to and devote considerable resource to moving to this softer form of monitoring when Scotland is still so far behind achieving the volume of development which is required to meet the needs of the country as a whole and of each local area. This could send out a very unhelpful and irresponsible message that it is okay to under-perform on delivering the number of new homes (for example) that are known to be required, providing certain soft outcomes are achieved where new homes are built. It is hard to see how this switch in approach would help to increase the delivery of new homes.

6.16 There is a need for better information to be gathered and communication on how new development contributes to creating new communities and sustaining and strengthening existing ones, and this could play an important role in reducing resistance to development where this is based on an incomplete understanding. However this should not be an alternative to pushing hard on ensuring local planning authorities and their partners

**30 (a) Do you have any ideas for how this could be achieved.**

6.17 Homes for Scotland has no comments on this.

**Question 31: Do you have any comments on our early proposals for restructuring of planning fees.**

6.18 We are pleased to note there will be further consultation before any changes to planning fees are introduced, as we have very strong concerns that insufficient consideration has been given to the cumulative impact of fee rises within and out-with planning, coupled with other planning review proposals or

ideas that would significantly and unsustainably affect the cost of applying for and implementing planning permissions and other consents.

- 6.19 A whole-system view of development costs needs to be undertaken and this needs to be done over a sensible time period with input from all relevant stakeholders, including Homes for Scotland and the home building industry.
- 6.20 As it stands, the planning review consultation paper contains a long list of 'opportunities' being considered to increase the fee burden on those seeking planning permission to develop:
- Charging for pre-application discussion
  - Revised maximum fee (first stage – current consultation)
  - Inclusion of advertisement costs in revised planning fee
  - Higher fees for sites not supported by the adopted local development plan
  - Higher fees for retrospective applications
  - Charging to submit revised applications
  - Charging for local review bodies
  - Charging to appeal to the Department for Planning and Environmental Appeals
- 6.21 There are many other current and proposed burdens (e.g. infrastructure levy, preparation and content of s75 agreements, supporting evidence of applications) which increase the costs of applying for planning permission and of developing – as well as of delivering planning services (in the widest sense). One can add to this the fees being introduced or increase elsewhere – for example charges for building warrants, RCC inspections, street naming and numbering. There is no clear sign of significant additional public funding (at the national or local scale) being put into the planning system to assist service improvement or to directly assist the delivery of new homes and supporting infrastructure.
- 6.22 Despite the wider narrative on the need to deliver more homes, there appears to be a significant loss of recognition in Part 04 of the consultation paper (and in the concept of full-cost recovery) of the inherent public benefit of having a planning system and of building new homes. On the assumption that a reduction on planning applications and housing delivery is not an acceptable outcome of the reforms being considered, an urgent strategic-level rethink is needed on whether the suggested ways of better resourcing planning services result in a significant reduction in planning applications and in the developments needed to deliver on Scotland's housing need and demand.
- 6.33 Please see also the Homes for Scotland response to the recent consultation on increasing planning fees. This is attached at Appendix 2 to this response.
- 6.34 In terms of some of the specific ideas listed at paragraph 4.14:
- We have provided our views on the revised maximum fee in response to the separate consultation. We do not support a fee rise which is not ring fenced

and directly linked to better resourcing and performance of development management services.

- If considering a charge for planning appeals, consideration must also be given to ensuring an applicant can fully recover that charge (and other costs) from the LPA in instances where the decision of the LPA is overturned. This should not require the applicant/ appellant to apply for an award of costs. This would help improve performance on getting decisions 'right first time'.
- It is not possible to comment on the notion of giving agencies (or central government functions) the power to charge for their role in planning services as it is unclear how far this would extend, what the cost implication would be, or how the performance of those agencies in supporting home building would be affected.
- Some LPAs already make use of discretionary charges for pre-application discussions (and other services). A general note of caution is needed in relation to discretionary powers: it must be recognised that the economics of the development system have relied for a long time on authorities not all maxing-out their powers to charge for key service.
- Discretionary charging for SPZ establishment could be counter productive if the aim is to remove the planning application hurdle to delivery. It is also important that no-one is charged for the establishment of an SPZ that they have not actively sought and are unlikely to make use of.
- As explained elsewhere in this response, we do not agree with removing an applicant's right to submit a revised or repeat application at no cost as this provision assists the smooth and sensible running of the system.
- Fast track services could be provided a quicker route through development management for those willing and able to pay, but there would clearly be a need to retain a full commitment to determining all applications in good time and in line with statutory provisions.

**Question 32: What types of development would be suitable for extended permitted development rights?**

- 6.35 Homes for Scotland would support the removal of the requirement for the need to seek planning permission for certain applications providing this enabled LPAs to focus on developments that have the biggest impact (including beneficial impact) on meeting local and national needs. Any well intentioned de-cluttering of the system at the national level should not be used as an excuse by local authorities to further reduce staffing numbers in planning departments.
- 6.36 Further consultation may be required on the type and particularly the scale of development to be removed from the development management system. This would enable more informed consideration to be given to any unintended

consequences, e.g. on the attractiveness, functioning and viability of other developments and sites.

- 6.37 Consideration should also be given the bolder and outcome-focussed use of permitted development rights in England in recent years. These include a range of proposals which enable quicker delivery of new homes on certain types of land or through conversions and changes of use of other types of existing development. With the Scottish Government stating a key aim of this review is to increase the delivery of new homes, widening the way in which permitted development rights are used to support this seems within scope and sensible extension of thinking to date.

**Question 33: What targeted improvements should be made to further simplify and clarify development management procedures?**

- 6.38 Homes for Scotland would like clearer prioritisation to be given to applications for new housing developments. This would need to be championed and potentially incentivised by the Scottish Government (e.g. through performance measures focused on enabling housing delivery).
- 6.39 Coupled with this should be a pragmatic and flexible approach to enabling the changes that need to be made to developments once they have secured their first planning permission – for example because of issues emerging on site during the development phase, or in response to changing market circumstances. The use of Simplified Planning Zones could provide a mechanism for this. Alternatively there may be scope for a simplified application type for re-mixing or plot substitution applications. These might attract a similar fee to full applications – but the process should not be as involved, should not re-visit first principles, and should not result in a significant delay to implementations.
- 6.40 The prioritisation of housing applications should not be limited to major (50+ housing developments) as there are parts of Scotland where a greater proportion of delivery is by SME home builders. This cohort of the industry also experience barriers to delivery and can be even more greatly affected by them.
- 6.41 Where a site has been allocated in a development plan it should not have to ‘start from scratch’ in making its case at the planning application stage. Local authorities should put arrangements in place which enable allocated sites to be fast-tracked to decision. This is an essential component of plan-implementation and enabling delivery. There should be strong direction on this in national policy, and take-up could be strongly incentivised through new performance measures on enabling housing delivery. The Scottish Government could assist by providing a model scheme of delegation showing how committee decisions could be reserved for any windfall applications that have attracted in-principle concerns from stakeholders – with the default assumption being that allocated sites are determined by officers, purely on the basis of considerations relating to reserved details. Many of these application

are technical determinations in nature, not dissimilar to non-planning regulatory services.

**33 (a) Should we make provisions on the duration of planning permission in principle more flexible by introducing powers to amend the duration of permission after permission has been granted? How can existing provisions be simplified?**

6.42 Homes for Scotland has no comments on this.

**33 (b) Currently developers can apply for new planning permission with different conditions to those attached to an existing planning permission for the same development. Can these procedures be improved?**

6.43 Yes. The LPA should be tasked only with scrutinising the details that relate directly to the application. Not with fully reviewing the principal of development. Furthermore, these applications should not be used as an opportunity to apply new policy or guidance. This would enable these applications to serve a clear purpose in enabling development to continue in circumstances where it proves impractical or unviable to comply with the conditions that have been used.

6.44 The instances where such applications are necessary could be reduced by ensuring LPAs liaise sensibly with developers over the conditions they are minded to apply to planning permissions.

**33 (c) What changes, if any, would you like to see arrangements for public consultation of application for approvals of details required by a condition on a planning permission in principal.**

6.45 Consultation literature should make it clear that the decision to be taken is limited to the matters relevant to the condition and that any comments on other matters (for example on the principal of development) cannot be taken into account.

**33 (d) Do you have any views on the requirement for pre-determination hearings and determination of applications by full council?**

6.46 Whilst it can be useful to garner the concerns or questions of elected members before an application is determined, care should be taken not to make this too bound in formal process or to add unnecessary delays to the determination of applications, particularly applications for sites allocated in a development plan. Pre determination hearings should not be used to provide for 'display' purposes. They should play a limited and specific role in circumstances when high-level points of strategic principal are at stake and where they have clear scope to assist political and public understanding of a proposal, including its beneficial impacts.

### **Question 34: What scope is there for digitally enabling the transformation of the planning service around the user need?**

- 6.47 To fully benefit from the opportunities provided by e-planning (and equivalents) consideration should be given to enable alternative service providers to take over work in instances where demand on a particular local authority out-strips what they are in a position to deliver based on current resources. This could extend from more technical technical exercises such as building warrants and roads construction consents through to considering and making recommendations on planning applications. Some local authorities are already using technology to contract some work out to counterparts with greater spare capacity. There is no reason this could not be extended to enable private sector providers to issue technical decisions (with applicants have a choice of whom to apply to) and even to make recommendations on planning applications which will then be determined by LPA officers or members. This could support a step change in local authority performance-conscious resourcing of planning and other consent services (as they will want to retain their fee-paying customer base). It could also make a difference to the issuing of timely decisions and the delivery of new homes.
- 6.48 There could be greater transparency on information and view issued by Scottish Government Ministers to local planning authorities. By way of example, the Minister's recent letter to Glasgow City Council on their LDP is not in an obvious place on the Scottish Government website, for example alongside letters issued by the Chief Planning Officer. These letters provide an important insight on current Scottish Government thinking on practice.
- 6.49 Information on performance could also be displayed and collected in more accessible and collaborative way, with Homes for Scotland and other being invited to play a role in how performance should be monitored, and in commenting on performance data as it is collected. This would ensure a more rounded view is presented of whether or not Scotland's planning system is delivering on its stated aims and targets. A good example of a problem this open approach could help resolve is the significant disconnect between performance data on effective housing land supplies and the reality of what land has scope to deliver new homes within required timescales.

### **ENDS**

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## Homes for Scotland Submission on Development Land Tax

The paper below was first submitted to the Minister for Local Government and Housing in December 2016.

### PROPOSED TAX ON DEVELOPMENT, DERELICT AND VACANT LAND

#### HOMES FOR SCOTLAND RESPONSE TO QUESTIONS POSED AT THE 25 OCTOBER MINISTERIAL ROUND TABLE.

##### 1.0 Background and Purpose

- 1.1 In March 2016 the Scottish Government announced its intention to consult on enabling councils to levy a tax on development, and vacant and derelict land to “reduce land banking and increase supply of homes”.<sup>1</sup>
- 1.2 On 25 October 2016 three Homes for Scotland representatives attended the Ministerial Round Table on the proposed tax. Participants considered a set of questions posed by the Scottish Government. These are set out below along with Homes for Scotland’s views on the matters raised.
- 1.3 Homes For Scotland’s comments relate to residential development land only.

##### 2.0 Summary

- 2.1 Homes for Scotland supports the ambition to increase the delivery of new homes and ensure land in the right locations can come forward when those homes are needed. For the reasons set out in this paper, we do not believe that a tax on vacant, derelict and development land would be an effective means of achieving these aims. We believe it is more likely to restrain the supply of land and so the supply of new homes. We have outlined alternative options, focussing on positive interventions. It is important that a range of measures are used to address the different constraints to delivery between and within the three very different categories of land being considered.

If the Scottish Government does opt to pursue consultation on a tax of this nature, it is vital that this is preceded by a rigorous research exercise to establish (1) what land the tax may be targeted at and (2) what (if anything) is preventing that land from being brought forward. Homes for Scotland would be happy to provide practical support for this work.

##### 3.0 General Comments

- 3.1 The stated purpose of the proposed tax is to increase housing delivery. It is vital that we focus on and gain a clear understanding on whether or not a new tax would be an appropriate and effective means of achieving this.

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<sup>1</sup> <http://news.scotland.gov.uk/News/Council-tax-reform-2347.aspx>

- 3.2 Reducing land-banking is also a policy aim, though no evidence has been provided to indicate land-banking of developable land is common practice within the home-building industry, or that it has negative effects on the supply of land or on delivery rates. This should be examined in detail before a final policy decision is made, and ideally before formal public consultation takes place.
- 3.3 The 2004 Barker Review of Housing Supply<sup>2</sup> considered the influence that different policy levers, including taxes, might have on the supply of houses. Findings of particular relevance to this Scottish Government policy proposal include:
- There is little evidence to substantiate concerns that option contracts or 'land-banking' allow home builders to erect barriers to entry into the market (i.e. that they restrict supply).
  - Whilst tax would increase the relative cost of owning land, the low price elasticities of demand and supply in land markets mean it would be unlikely to yield large behavioural effects. Planning was viewed as the best method of resolving externality problems and affecting developer behaviour.
  - Taxation of any activity, good or service tends to reduce its supply, all things being equal. Therefore, the use of tax measures in relation to the development of land and housing could reduce the supply of both.
  - It is the restrictions of the planning system that are the main constraints on land use for housing.
- 3.4 Imposing a new cost on home builders and landowners will not help in situations where there are physical or procedural reasons why development is not proceeding. A tax would have the effect of punishing the owners for factors out-with their control. It could also prove the 'last straw' in whether or not development on a particular site continues to be pursued – or even whether an entity remains solvent.
- 3.5 Homes for Scotland is not aware of any evidence that effective 'development land' in Scotland is being unreasonably held back or that this is a major factor in Scotland's housing crisis. If there is evidence, is the issue one of land release to the market, or one of developer practice? How much of the allocated land that is not proceeding is in public ownership? Why aren't more local planning authorities using their existing powers to assemble and prepare land for release to the market, if there is such confidence that land is developable? Similarly, why isn't more public land being prepared for development? These key questions should be answered before consultation

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<sup>2</sup> Review of Housing Supply: Final Report – Recommendations, Kate Barker, March 2004  
[http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/17\\_03\\_04\\_barker\\_review.pdf](http://news.bbc.co.uk/nol/shared/bsp/hi/pdfs/17_03_04_barker_review.pdf)

on a tax-based response to an issue which has yet to be evidenced or examined in detail.

- 3.6 Were a tax to be introduced, it would be fair and effective only if combined with other policy initiatives promoting the supply of land, planning permissions and affordable housing. It would make sense to assess the impact of the housing delivery-led review of planning, the housing infrastructure fund and other in-train initiatives before introducing a new tax for which there is no clear supporting evidence.
- 3.7 It is important to consider the impact a new tax of this nature could have on Scotland's ability to continue to compete against England for home builder interest. Many of Scotland's home builders operate elsewhere in the UK and a number of the companies which were first founded in Scotland have been moving into the English market. Equally, there are home builders operating successfully in England who are already deterred from entering the Scottish market. A tax would not help create a more level playing field and could result in Scotland becoming less attractive as a market. This could have a negative effect on Scotland's ability to build the number of homes needed, or to sustain its ability to build more homes per head of population than England. Recent UK Government announcements show a continuing commitment to supporting an increase in new homes of all tenures, with substantial financial support packages to help SMEs to build and enable infrastructure delivery, as well as proposals for central government partnerships with developers to increase home building on public land. Further supporting measures were unveiled in the Autumn Statement. The Scottish Government should focus on identifying measures which enable home builders to build more homes, overcoming the many barriers to delivery that exist across Scotland. Sites that are struggling should be pump-primed rather than taxed.

#### **4.0 Why is land not brought forward at pace?**

- 4.1 Land is being brought forward, often at pace, in line with market demand and where development is supported through the planning system and sites are free of constraints. Summary reasons for instances where this does not happen include:
- Housing land audits presenting an unrealistically positive view of the effective housing land supply – frustrating the release of additional land
  - The requirements of landowners in return for supplying land for development (both at the allocation and the land release stages)
  - Unrealistically high income expectations for development land
  - Market confidence: risks associated with a changeable housing market, worsened by uncertainty
  - Infrastructure and consent barriers to delivery
  - Increasing costs and times associated with gaining planning consent (and a move from developer 'contributions' to an expectation that private development can and should fund all public services)
  - Access to development finance for SME companies

## **Do you think the market in development land functions well in Scotland?**

- 4.2 The function of the market is impaired by the land supply restrictions arising from the planning system.
- 4.3 The planning system seeks to manage the release of land for housing in order to achieve public benefit from home building. It does not and can not dictate whether or not homes actually come to be built on all of the land that has been allocated. That is largely the function of private sector home builders who base their investment decisions on an assessment of risk and rewards. It is also subject to decisions by landowners who may have no short term intention of releasing their land to the market, or who have higher return expectations than the market can satisfy.
- 4.4 A plan which aligns housing allocations with stronger market areas has a much greater prospect of being implemented on the ground. A recent research by Nathaniel Lichfield and Partners, *Supporting Scotland's Growth*<sup>3</sup>, considered the extent to which the location of sites could present a barrier to delivery in the central belt. It found that whilst 42% of housing capacity on proposed allocations across the Edinburgh and Glasgow city-regions is in the strongest market areas with greatest prospects of delivery, 37% of allocations are located within weak market areas, which present higher levels of risk for the private sector and militate against their development. In some instances, this practice is believed to be politically driven, with the only logical reason for retaining long-term, unimplemented sites in successive plans being the avoidance of having to release alternative sites in areas with good market demand but strong community resistance.
- 4.5 Securing an allocation of land does not guarantee its release to the market. If the land considered to be 'land-banked' was analysed in detail it is likely to transpire that much of it is not in the ownership of an individual, company or organisation that is in the business of building homes. Much of that will also be land in public ownership. It is presumed public land would be subject to this tax, were it to be introduced – with local authorities taxing themselves (and other parts of the public sector) for not securing implementation of their own sites? This brings into question whether local authorities would be appropriate or even willing charging bodies and collectors for a tax of this kind.

## **Are the land market issues for housing the same as for other forms of development?**

- 4.6 Access to land at the right price and in the right place is an issue for other forms of development including commercial office development and student accommodation. However, many other forms of development are subjected to

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<sup>3</sup> Supporting Scotland's Growth: Housing: Location as a Barrier to Housing Delivery in the Central Belt?; Nathaniel Lichfield & Partners; June 2015  
<http://nlppanning.com/uploads/ffiles/2015/06/652350.pdf>

less rigorous demands for developer contributions and experience fewer planning and political barriers at the pre-development stage. In many cases they also attract less community resistance.

#### **How would you define development land?**

- 4.7 If this is for tax purposes the focus should be on land which is not being allowed to fulfil its market potential despite having had a consistent planning status for at least two plan cycles. This could be defined as follows:
- 4.8 Land that has been allocated for housing development in an adopted development plan for 10<sup>4</sup> or more years and where one of the following situations arises:
- (a) The land is owned by someone who is not in the business of building homes and who has not promoted it to the market; or
  - (b) The land is owned by someone who is not in the business of building homes and has, through unsuccessful promotion to the market, been proven to have no market interest.
  - (c) The land is owned by someone who is in the business of building homes but who is not progressing towards development despite having fully secured all of the necessary statutory consents.
- 4.9 Where situation (a) or (b) arises there would be good grounds for deallocation in the subsequent local development plan. We believe situation (c) will seldom arise as there is no incentive for home builders to allow land to lie idle if all barriers to delivery have been overcome and where there is a good market.

#### **5.0 Is there a role for an undeveloped, vacant and derelict land tax?**

#### **Could a tax on undeveloped, vacant and derelict land have a role in bringing forward land for development?**

- 5.1 A tax of this type would jar with the wide range of positive and enabling interventions that the Scottish Government is promoting – such as the housing delivery-led planning review and financial measures such as Help to Buy and the Housing Infrastructure Fund. Discussions at the recent round table suggested that the local authorities who would be responsible to raising the tax are more inclined towards positive and enabling interventions, both existing (CPO, for example) and as mooted in the planning review recommendations.
- 5.2 There is no evidence available to suggest that marketable land is routinely being ‘banked’ by home building companies in the manner supposed by some parties. A number of high profile UK-wide studies have investigated this perceived issue over recent years. None of them have found any evidence

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<sup>4</sup> This figure is based on two-typical 5-year development plan cycles.

that land-banking is being used to restrict the supply of homes or housing land, or that it provides any incentive to withhold land in order to raise values or restrict other entrants to the land and development market. The 2004 Barker Review of Housing dismissed the view that home builders land bank (or have any incentive to do so), as did the Calcutt review of 2007. In 2008 an exhaustive Office of Fair Trading study of home building in the UK found no evidence that home builders hoard land. These views have been supported in more recent reports. If there is any evidence that things are any different in Scotland, this should be made available for scrutiny and comment by Homes for Scotland and other stakeholders.

- 5.3 Whilst a tax on land which is perceived to be being 'withheld' would increase the cost of choosing not to develop and provide a financial dis-incentive for holding land without developing it, in reality such a dis-incentive already exists as home builders have no financial reason to allow developable and marketable land to lie idle. A tax would not resolve the main issues that present barriers to housing delivery, such as the slowness of the planning system and other consenting regimes and the need to secure funding for and to deliver infrastructure.
- 5.4 A tax may have the effect of restricting supply further (particularly in weaker market areas), and it would have a negative impact on the ability of home builders to maintain a strategic pipeline of sites. It would make land that has already been allocated for some time unattractive as an investment to home builders even in improved market circumstances, and it would dis-incentivise landowners from seeking an allocation in the first place.

**If a tax was to be introduced how could it be tied to development land?**

- 5.5 A clear statutory definition would need to be provided. A mechanism should be devised to put owners 'on notice' if their land is getting close to being eligible for the tax. A formal appeal system should be available to allow evidence to be provided that there are proper reasons why land cannot be developed and/or that the tax would make development unviable – or that preparations are underway to commence development. Acceptable and unacceptable grounds for such appeals could be defined in policy.
- 5.6 Any tax receipts from this initiative should be ring-fenced for assisting the delivery of the sites from which it has been raised. That spend should not be limited to sites in public ownership or to the delivery of affordable homes.

**If a tax was to be introduced what lead in time would be most appropriate?**

- 5.7 The lead-in time (and the functioning of the tax mechanism itself) would have to relate to the strategic land function of Scotland's home builders. Each company has its own business model and will have a different horizon. Some companies have, entirely reasonably, a supply of land that secures their business for a number of years. Generally speaking this is non-allocated land which the company does not yet own but does have an interest in (as opposed to land owned by home-builder and allocated for

development). Those companies should not be punished for taking a long-term outlook. This points to a lead in time of at least 5 years.

- 5.8 Land should be exempt from the tax in perpetuity if it is the subject of a land deal that was completed before the regime came into force.
- 5.9 The effect of any shorter lead-in time could be softened by the policy itself being linked to plan-cycles and not applied retrospectively. For example a provision coming into force in 2020 could be aimed at 'development land' which passes through two development plan cycles (typically 10 years) without being marketed or developed (see earlier comments on defining development land).
- 5.10 A shorter lead in time may be appropriate for land that is not owned by a home builder.

**If a tax was to be introduced what would be a fair period to allow for a developer to develop a site before tax became liable?**

- 5.11 There is no fair 'one-size-fits-all' answer to this question. See paragraph 4.4. and the proposal for a mechanism to forewarn owners when their land was coming within the scope of the tax. This should 'kick-in' at least 3 years before any tax would become payable (mirroring the amount of time allowed for implement a planning permission).

**6.0 Other ways of meeting the policy objective and their key implications.**

**What financial and other incentives could be used to encourage development?**

- 6.1 Financial incentives could encourage local planning authorities to allocate sites that are deliverable, and to avoid a negative bias in planning decision. These could be based upon the number of new homes actually built in an area, or on delivery against evidenced need and demand (this measure would be preferable to housing supply targets as it is less likely to encourage the adoption of low targets that don't fully reflect need and demand).
- 6.2 A clear policy expectation that land which has been successfully promoted through the development planning process will be released to the market when or shortly after its allocation is confirmed (i.e. when the LDP is adopted). There should be an expectation that an allocation will not be carried forward from one plan-cycle to another if (a) it has not been made available to the market or (b) it has been made available but there is no evidence of market interest.
- 6.3 As private companies will continue to be the major deliverer of new homes, LDP spatial strategies and housing allocations should be better aligned to the strength of market areas. This could be achieved by taking a more collegiate approach to plan-preparation and involving the home building industry as partners in plan production. This would also support the desired move from conflict to collaboration.

- 6.4 Housing delivery-led reform of the Scottish Planning system. Homes for Scotland's views on this are set out in our written evidence of November 2015, our contributions to the September 2016 working group workshops, and our subsequent submission to the Scottish Government of October 2016. In particular speeding up the development management process, setting national targets for local delivery and making home building a stronger national priority, and resolving existing issues with funding and delivering infrastructure (with local authorities taking a more proactive role in resolving implementation barriers).
- 6.5 A longer-term version of the housing infrastructure fund with more resource and a wider remit. Education cannot be excluded as it is the major infrastructure barrier to delivery in many parts of Scotland. Struggling sites that would provide strong public benefits if they were developed should be given financial assistance to enable delivery, not taxed and left unimplemented. Other financial measures could include tax breaks that would make development more viable and which could be passed on to customers.
- 6.6 Significantly more land needs to be made available in areas where people want to live and where there is enough market demand to make development viable.

**ENDS**

**Homes for Scotland Response to the Consultation on Raising Planning Fees**

The paper below was first submitted to the Scottish Government in February 2017

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*improving living in scotland*



**RESPONSE TO SCOTTISH GOVERNMENT CONSULTATION ON  
RAISING PLANNING FEES (DECEMBER 2016)**

**24 FEBRUARY 2017**

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## ABOUT HOMES FOR SCOTLAND

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Homes for Scotland is the voice of the home building industry.

With a membership of some 200 organisations together providing 95% of new homes built for sale in Scotland each year as well as a significant proportion of affordable housing, we are committed to improving the quality of living in Scotland by providing this and future generations with warm, sustainable homes in places people *want* to live.

Visit [www.homesforscotland.com](http://www.homesforscotland.com) for further information and follow us on twitter @H\_F\_S

## PROCESS

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Homes for Scotland represents members on a wide range of issues affecting their ability to deliver much needed homes.

Our views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from member companies.

This consultation response has been discussed, drafted and approved by the Homes for Scotland Planning Policy Committee.

# RESPONSE TO THE SCOTTISH GOVERNMENT CONSULTATION ON RAISING PLANNING FEES (DECEMBER 2016)

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## 2. Introduction

- 2.1 Homes for Scotland is the voice of the home building industry in Scotland, with a membership of some 200 organisations together providing 95% of all new homes built for sale across the country as well as a significant proportion of affordable housing.
- 2.2 Homes for Scotland makes submissions on national and local government policy issues affecting the industry. Its views are endorsed by committees and advisory groups utilising the skills and expertise of key representatives drawn from our member companies

## 3. Homes for Scotland Response

- 3.1 Homes for Scotland does not agree with the proposal to increase the maximum fee level to £125,000 as there is no proposal to ring-fence the fee increase and no mechanism to guarantee planning performance improves. It is our firm position that any fee increase must be accompanied by real and non-negotiable measures to ensure much better performance (in particular on the timely release of planning decisions) and transparent and accountable performance monitoring.
- 3.2 We do not object to the principle of reviewing and increasing fees, but we would expect to see a guarantee of mutual benefits to both applicants and local planning authorities and that is not the case at this time. The only circumstance in which Homes for Scotland could support such an increase would be if it were accompanied by a clear and binding plan of action demonstrating how all local planning authorities would use the increased fee income to directly support an immediate and significant improvement in performance, better supporting the delivery of new homes on sites of all sizes.
- 3.3 We cannot agree to a short-term measure which clearly benefits the general budgets of local authorities but which does not guarantee any benefit to the service users providing the additional revenue. In the context of home building, this short-term proposal would make attempts at delivering additional homes at-scale significantly more expensive, without any guaranteed prospect of better-enabling or speeding-up the delivery of those homes (which is a key objective of the Scottish Government).

- 3.4 To justify the fee increases suggested in this consultation paper, major improvements in performance would need to be delivered. However, under current practice, current performance on determination times for major housing applications is poor and worsening. Planning performance statistics published on 14th December show that the average decision time for the 48 major applications decided in Q2 of 2016/17, the average decision time was 44.8 weeks: more than 5 weeks slower than the previous quarter (when more decisions were made) and a record low. Major housing decisions took even longer to determine – 48.5 weeks on average. And where a section 75 agreement is required, major applications took an average of 76.9 weeks to determine. Disastrously slow.
- 3.5 Almost all housing developments which are granted planning permission are subject to a section 75 agreement and are initially determined on a ‘minded to grant’ basis, which is not a legal consent and which cannot be acted upon. Negotiating that agreement (which should be straightforward if a local planning authority has front-loaded the evidence gathering and policy work) can result in real determination times of over a year and a half.
- 3.6 Ministers have routinely acknowledged that this is unacceptable and Homes for Scotland is aware the Scottish Government has been looking at the causes of the severe slowdown in decision times, which is working against our common goal of increasing and speeding-up the delivery of new homes. To date, no evidence has been provided to suggest the planning fee is the root cause of poor performance, or that the increase now proposed will guarantee a material improvement.
- 3.7 If the maximum fee *is* increased in the short term, Homes for Scotland would expect to see a clear and actionable imperative placed upon local planning authorities to invest the additional income back into development management services. We note that re-investment in planning services would be a requirement of the possible increase in planning fees being considered in England<sup>5</sup>. Ministers clearly believe any fee increase must be linked to sustained improvements in performance. However, the home building industry has no confidence this will happen across the board if we rely on this happening on a voluntary basis. There is a compelling argument for ring-fencing planning fees to fund good development management services to fee-paying service-users, and to support the timely deliver of new homes. Applicants must not be relied upon to covertly subsidise other local authority services (in addition to the increasing use of developer contributions to fund services traditionally paid for through taxation and public budgets). This is particularly the case for Scotland’s home builders who continue to play the pre-eminent role in delivering the homes the country needs – clearly providing an essential public benefit.

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<sup>5</sup> *Fixing our broken housing market* Department for Communities and Local Government. Para 2.45 on Page 37: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/590464/Fixing\\_our\\_broken\\_housing\\_market\\_-\\_print\\_ready\\_version.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf)

2.9 Some parties have raised the differential in the top fee in place in Scotland when compared to other parts of the UK. Homes for Scotland would caution against making this simple comparison without a similar study of planning performance levels and the measures in places to incentivise good performance and support the delivery of new homes.

#### 4. Further Review of Planning Fees

3.1 Homes for Scotland notes that the proposals put forward in this consultation paper are the first stage of a two-step review of planning fees. Based upon the proposals and narrative in Places, People and Planning, one can provide a long list of 'opportunities' being considered to increased the fee burden on those seeking planning permission to develop:

- Charging for pre-application discussion
- Revised maximum fee (first stage – current consultation)
- Inclusion of advertisement costs in revised planning fee
- Higher fees for sites not supported by the adopted local development plan
- Higher fees for retrospective applications
- Charging to submit revised applications
- Charging for local review bodies
- Charging to appeal to the Department for Planning and Environmental Appeals

3.2 There are many other current and proposed burdens (e.g. infrastructure levy, preparation and content of s75 agreements, supporting evidence of applications) which increase the costs of applying for planning permission and of developing – as well as of delivering planning services (in the widest sense). There is no clear sign of significant additional public funding (at the national or local scale) being put into the planning system to assist service improvement or to directly assist the delivery of new homes and supporting infrastructure.

3.3 Homes for Scotland will comment in detail to these proposals in our response to Places, People and Planning. For now, however, it is important to recognise that if fee increases reduce appetite for pursuing new development opportunities, and reduce the number of applications being made, there will be a negative impact on implementing the National Planning Framework and the detailed proposals and aspirations of strategic and local development plans.

3.4 Homes for Scotland will continue to provide constructive suggestions as to how planning reform can genuinely assist with increasing the delivery of new homes. However, we cannot support measures which add to the cost burden of securing planning permission for the delivery of new homes without a clear and guaranteed plan of action for how local planning authority development

management services will improve in the immediate term, including in terms of decision timescales.

- 3.5 Scotland will gain no benefit if those home builders with nationwide reach are discouraged from continuing their operations north of the border, or if those based purely in Scotland are unable to increase their scale of delivery. For this reason, Homes for Scotland will continue to remind Ministers of the need to maintain a level (or even favourable) playing field. There is scope for different approaches to planning – but not for making development in Scotland unattractive or unviable. This would not only affect Homes for Scotland’s members – it would also undermine the aspirations of the Scottish Government on affordable housing delivery, sustainable development and wider economic growth.

#### **4 Collaborating to Ensure that Performance Improves**

- 4.1 In discussion with our members, Homes for Scotland has identified a range of reasonable measures that should be given detailed consideration before any decision is taken, now or in the future, to increase planning fees. This would include Homes for Scotland joining the High Level Group on Planning Performance as a stakeholder member. We would welcome an opportunity to discuss and debate these ideas and will seek a follow-up meeting following the close of consultation where this positive debate can be pursued. We will also elaborate on our ideas on performance improvement in our response to Places, People and Planning.

#### **5 Conclusion**

- 5.1 Homes for Scotland does not support the proposal to increase the maximum fee. The proposal is one-sided, delivering a direct financial benefit to local authorities but with no guarantee of service improvement to the fee-paying applicants.
- 5.2 There must be no fee increase until reliable performance measures have been identified and introduced. Fee increases should also be predicated on local authorities ring-fencing the additional fee income for re-investment in development management services.
- 5.3 Homes for Scotland is ready and willing to engage positively with the Scottish Government and other stakeholders on how a stronger and more supportable package of measures can be put together to improve planning performance and justify a review of planning fees. We would welcome a meeting with officials and Ministers on this matter as soon as this consultation closes.

- 5.4 Further thought must be given to how planning services can better support the delivery of new homes. This would be more appropriately addressed through the wider planning review which is looking holistically at the whole planning system. Any fee increase must be considered carefully in the context of other measures that will affect the cost and viability of development – within current practice and under proposed planning reforms, and considering the delivery and cost impact of other consenting regimes.

**ENDS**