

improving living in scotland



**Comment on
Homes for Scotland's People
A Scottish Housing Policy Statement**

Introduction

Scotland cannot, and will not, fulfil its true potential unless there is a radical change in attitude to the private housing sector. The over protection of land, the blind commitment to high density brown field development in our towns and cities and the expectation that private house builders are a bottomless source of funding for community gain all combine to curtail the contribution the industry could make to creating a "Smart Successful Scotland". Combined with the apparently entrenched anti-development attitudes within planning authorities throughout Scotland and the growth of "nimbyism", all contribute to stifling Scotland's potential.

Homes for Scotland is concerned that there is little recognition of the vital role that the home building industry plays in achieving a healthy Scottish economy. Scotland's home building industry contributes some £5bn to the economy on an annual basis, employs 50,000 people directly and a further 60,000 people indirectly. A strong home building industry makes a major contribution to growing the Scottish economy.

Home Ownership

Despite the recognition that Scottish home ownership is at record levels and the recognition that "most people want the opportunity to own their own home", the vast majority of the Executive's housing policy statement is targeted at the provision of social housing. Homes for Scotland recognises that socially rented housing will always have a role to play in Scotland but is concerned that there appears to be little evidence of similar detailed thinking as how to help satisfy the aspirations of the majority of the Scottish people to own their own home.

Homes for Scotland welcomes the statement that the Executive recognises “*the pressing need to expand investment and introduce new ways of giving more people the opportunity of home ownership*”. Similarly we welcome the Executive’s determination to develop a variety of mechanisms, including the new “Homestake” initiative, to enable young couples and those on low incomes to secure access to the housing market. We are disappointed, however, that there is less detailed discussion as to how upward house price pressures can be mitigated by bold action by the Executive.

And while a good deal of consideration is rightly given to issues of affordability, the policy statement is silent on the Executive’s expectation in respect of the way the market is expected to meet demand across all market sectors.

Planning Reforms and Land Supply

Homes for Scotland welcomes the Executive’s commitment “*To modernise the planning system, making it more proactive in releasing land through the development plan process and faster in the handling of applications for housing development*”. We responded to the Executive’s consultation paper “Making Development Plans Deliver” and hope that the Planning White Paper, due to be published shortly, will build on the commitment given over a year ago.

We remain to be convinced, however, that, without the threat of sanctions, local authorities will change their current policies and become proactive in making more land available. We are particularly concerned about the short to medium term consequences of the introduction of proportional representation for council elections in 2007.

We also welcome the Executive’s commitment to ongoing reform of the development control process designed to facilitate the timely approval of planning applications. This commitment does not fit well with the possible introduction of a Third Party Right of Appeal. We trust that recent media coverage indicating that a TPRA will not be introduced in Scotland is correct. Were third party appeal rights to be introduced, other reforms designed to speed up the planning process would be negated. That said, Homes for Scotland recognises the need to involve communities at the plan making stage and in pre-application discussion on major projects.

We believe that the forthcoming Planning Bill will be a once in a generation opportunity to “get things right”. We hope that the Parliament and the Executive will live up to their commitment to make development plans proactive.

Estimating Scotland's Housing Need

Homes for Scotland does not dispute the broad thrust of the Scottish demographic trends outlined in the document. We recognise that despite a declining population the increase in single person households resulting from a growing elderly population and family breakdown will result in a greater number of households.

We welcomed the Barker Report on Housing Supply in the UK. We believe it to be a perceptive analysis of the issues underlying the lack of responsiveness of housing supply in the UK. But we are less reassured by the outcome of the equivalent Scottish review.

While welcoming the recognition that there are a wide variety of regional markets and regional needs across Scotland, we are firmly of the view that the underlying assessment – made explicit in the recent Ministerial statement on Scottish Water's objectives and priorities for the period to 2014 – that Scotland only needs to build 15,000 new homes each year (some 40% less than currently being delivered) is significantly wide of real demand and will simply lead to further market and supply problems in a very short space of time. Such a limited supply of new housing will do nothing to satisfy the pent up demand for home ownership and can only serve to further increase demand and therefore house prices. Furthermore, if the First Minister's Fresh Talent Initiative is to succeed in attracting workers to Scotland it is imperative that more new homes be built.

The contrast between Scotland and the recent experience in the Republic of Ireland is stark. In the Republic they are building 75,000 houses a year to serve a population that is only four-fifths of Scotland's, while in this country we are constructing only 24,000 new homes each year and, as noted above, it appears that the Executive is suggesting a housing need figure of only 15,000 a year.

We would urge the Executive to carry forward its commitment to "*build upon the assessments of housing requirements produced by the review*". Further research is urgently required and we would be pleased to work with Scottish ministers, MSP's and officials to help design further research.

Edinburgh
May 2005