

RESPONDENT INFORMATION FORM AND LIST OF QUESTIONS

Please Note this form **must** be returned with your response to ensure that we handle your response appropriately

1. Name/Organisation

Organisation Name

Homes for Scotland

Title Mr Ms Mrs Miss Dr Please tick as appropriate

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3. Permissions - I am responding as...

Individual

Group/Organisation

Please tick as appropriate

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please tick as appropriate Yes No

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please tick ONE of the following boxes

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

Yes, make my response and name available, but not my address

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please tick as appropriate Yes No

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?

Please tick as appropriate

 Yes No

DEVELOPMENT DELIVERY CONSULTATION QUESTIONS

Consultation question 1a: Do you think the current planning system supports or hinders the delivery of development and infrastructure?

Strongly supports

Mostly supports

Does not influence

Mostly hinders

Strongly hinders

Don't know

Please explain why you have chosen your above answer.

Homes for Scotland members operate across the country. They experience a wide variety of approaches being taken by individual planning departments and staff to deliver the current system. Homes for Scotland does not believe that the continuing issues that our members experience are a result of a failure of the system, itself. It is the individuals operating the system that can either hinder or support development delivery.

There are many examples of our members coming up against resistance to housebuilding, from within planning authorities, as well as from local communities. Even where planning officials support growth, they are trying to operate within a system that does not support this industry, and does not appear to recognise the possibilities of social, economic and environmental benefits that can be achieved through new development.

On a broader level, a large proportion of housebuilding in Scotland is delivered by national plc developers, and the Scottish Government and local authorities must be aware that there is competition from other parts of the UK for their business. The policies at national and local level impact on the investment decisions of these companies and it is not in Scotland's best interests to deter developers, either through a lack of understanding of the benefits associated with new development; or by penalising them financially in comparison to other parts of the UK, through excessive developer contributions requirements.

One of the aims of the new planning system was to provide certainty, by delivering up-to-date development plans across the whole country. The speed of delivery that was expected with the planning reform has not been forthcoming across the board. The delays to the production of the new LDPs is extremely disappointing, and whilst there are obvious examples of plans being delivered quickly, ie Aberdeen City, it is frustrating that other councils have not yet published their Main Issues Reports. The Scottish Government identifies this as a continuing challenge in the 'Planning Reform – Next Steps' paper, but does not appear to have the tools to ensure that those local authorities who are falling behind can manage the process of preparing new plans more effectively.

Consultation question 1b: What additional measures could be taken to support development and infrastructure delivery?

Local Development Plan Delivery

There is currently no accountability to deliver the Plans on time, or in compliance with Scottish Planning Policy. We believe there is a missing link between the system at Scottish Government and local authority level. It might be helpful if there was an additional short stage included within the plan process, prior to the publication of the Proposed Plan. Scottish Government, and possibly others, should have the opportunity to confirm at this stage that a Plan complies with SPP. This would ensure that no LDP would get to examination stage when it was fundamentally flawed in policy terms.

Consultation Process

Consultation exercises are carried out by both developers (for sites) and local planning authorities (for policies; supplementary guidance and advice notes etc). Both exercises are time-consuming and can have a significant knock on effect on the outcomes. However, they are recognised as an important part of the democratic process of land use planning and are therefore accepted as standard procedure.

One major difference between the two types of consultation exercise is that developers must demonstrate that they have listened to the concerns of others and amend their plans accordingly before submitting an application, whereas local planning authorities have the ability to proceed on the basis set out prior to consultation.

This has led to a perception that consultation by local authorities is a tick box exercise and the views of consultees are not taken on board. This does not foster good relationships or partnership working, and makes it more difficult to deliver culture change. Homes for Scotland endorses a collaborative approach to consultation, but this requires an element of compromise on both sides to be successful. These skills of negotiation and compromise must be learnt by everyone involved in the consultation process if the outcome is to be perceived as a responsive and collective result.

Timescales for delivery on site

One of the main frustrations of the development industry is the time it takes to get from initial pre-application discussion to handing over a completed home to a customer.

If Scottish Government policy of growing a sustainable prosperous economy is to be achieved, the culture change which we are beginning to see in some local authorities must become the norm. There is a real need for project managers within local planning authorities to champion the delivery of development, in line with policies set out in support of this approach in LDPs. They must be pro-active and help to find solutions to issues that arise during the consultation process, and should be measured on performance of delivery of the entire process, not just the initial planning decision. They must be equipped with the skills to negotiate with key agencies, other council departments and developers to drive forward delivery of development plan objectives.

We would propose that within the current economic environment, any developer actively

demonstrating a willingness to progress allocated sites should be fast tracked through the system. If a site has been allocated in an up to date development plan, it is in everyone's best interests to deliver it quickly, to ensure that the overarching aims and objectives of the LDP are met. Internal processes should be set up to prioritise these types of applications, perhaps by using processing agreements with 'fast-tracked' timescales embedded within them.

Measures to reduce delays

Developer applicants can encounter delays at every step of the planning application process. The main challenges and suggestions for improvement are listed below:

Pre-application discussions are a useful way of setting out overarching principles, and of involving the key agencies from an early stage. They can also identify any inter-departmental issues within the local authority, especially in relation to requests for developer contributions, or the implementation of the Designing Streets agenda. However, we are aware that some planning authorities don't encourage them and if they do conduct them, they do not hold any weight. These should be mandatory for major applications and should be available on request for other applications. Where possible, the same planning officer who conducts the pre-application meeting should be the lead officer when the application is submitted to ensure continuity and consistency of approach.

Examples of best practice can be found in the Highlands, (albeit at a cost) where a developer will receive a suite of documents from the council and key agencies, which can be relied upon when they submit the application. Edinburgh Council have a positive approach to pre-application discussions, as well as the extensive use of processing agreements and co-ordination of multiple applications relating to one site (ie Planning, Listed Building consent, RCC and licencing).

Major applications should be the responsibility of motivated, experienced planning officers who understand the commercial implications of planning decisions and delays. They should adopt the role of project manager and drive the application forward. There are instances where major applications are dealt with by officers who only work part time. It can potentially then take twice as long to get them processed. It can also be frustratingly difficult to make direct contact with the officers. If staff job share, then the applications should still receive attention 5 days a week – not just when one member of staff is in the office.

Training for planning staff would be useful on a wide range of topics including time management; effective decision making; negotiation skills; interaction with customers (ie the applicant) etc, to ensure that the service is run more like a business. These well trained, motivated and experienced staff should then be able to lever local investment from within the planning system, in line with the economic development principles of the local councils.

Processing agreements have been used to great effect in certain authorities. Homes for Scotland fully endorses their use, and agrees that pro-forma versions should be made available for all authorities to use. Some authorities are resistant to using them and don't

want to be tied down to set dates, but our members have evidence that they are an extremely useful tool, and focus the attention of all departments within the authority, as well as the key agencies. They should be mandatory for major applications, and the amended fees structure should be linked to the milestones contained within them. Processing agreements should also be expanded to cover the purification of suspensive conditions, Section 75 Planning Obligations, Listed Building/conservation area consents and RCCs.

Consultation responses from other departments and key agencies should be taken into consideration, but should not dictate the decision of the planning department. Development management staff should be given the responsibility to take a balanced view, and consider the complete set of responses in the round. Also, if there are considerable delays in responses to consultation requests, the lead officer should be able to take a view in the absence of this information. We accept that time delays are not always the responsibility of the planning officer, and would hope that linking processing agreements to the fee structure would reduce this issue.

The timescales for negotiating **Section 75 Planning Obligations** should be included within processing agreements. They should be managed by planning staff, rather than housing staff (in the case of affordable housing obligations, for example). Our members accept that they can be outsourced to legal firms as an alternative to being dealt with by local authorities' in house legal departments, however, would prefer fees to be capped, and the external lawyers to be well briefed at the outset. A greater use of standardised templates should be encouraged as this will save time and money, and allows the legal framework to be considered earlier in the application process, in line with SPP. Heads of terms should be included with committee reports for planning applications, so that there is complete transparency and understanding of an applicant's obligations in respect of a site.

Agreed timescales for purifying **planning conditions** should be included within processing agreements, and they should not be used to defer decisions on details of applications. They should be minimised, and where possible they should not delay start on site. The current system, which results in numerous pages of conditions (often repeating requests for information already provided), is unacceptable and does not drive forward development. This stage is currently not given the same level of attention by planning officers, as they are measured on performance of delivering a decision notice. Unfortunately our members have experienced lengthy delays in purifying conditions – sometimes taking as long as it took to get the original consent.

RCC applications should be considered in tandem with planning applications (especially given that Designing Streets is national policy). Some transportation departments currently wait until a planning consent is in place before they will even consider looking at an RCC application. This adds further delays to the system, and a concurrent approach would allow planners/roads engineers and developers to reach agreements on roads layouts in a cohesive fashion. Too often roads engineers will not accept planning designed layouts. This is an unacceptable breakdown in communication between roads and planning officers. The developers are stuck in the middle, unable to progress and at the mercy of the local authority.

Consultation question 2: How well do you think the process of seeking developer contributions through Section 75 planning obligations is functioning?

- Process functions well
- Process requires some MINOR changes
- Process requires some MAJOR changes

Section 75 Planning Obligations is not an appropriate process for securing developer contributions

Please explain why you have chosen your above answer and identify what can be done to alleviate any issues raised?

Our members overwhelmingly support a change to the current system of securing developer contributions. The time and cost of negotiating and signing off Section 75s is a major factor in delaying site starts. They are being used increasingly instead of planning conditions, thus adding to the delays and complications.

The suggestion of a development charge system (Q5) is welcomed by the industry and we believe that a move in that direction would assist the industry to deliver more housing, and will provide greater certainty.

Consultation question 3: What additional measures or support could the Scottish Government undertake or provide to facilitate the provision of development and infrastructure within the current legislative framework?

Continual training of local authority staff should be provided to help them understand development economics and the challenges facing the industry at present. The removal of lending facilities for upfront infrastructure has severely reduced the ability of developers to unlock large, strategic sites. Support from local and national government, in the way of loans, or grants, can facilitate the delivery of infrastructure. Some authorities have been pro-active and are helping to unlock site, whereas others still require assistance to understand that the old models of delivery no longer exist.

A greater understanding of the challenges that face developers to get a development on site, and on time would be useful. The knowledge that their decisions can delay programmes and have knock on effects for costs and delivery could help them to act promptly.

Consultation question 4: What innovative approaches are you aware of in facilitating development and infrastructure delivery and what are your views on their effectiveness?

Aberdeen City and Shire Strategic Transport Fund

This recently created model has the potential to reduce uncertainty and unlock sites, in theory. However, Homes for Scotland has major concerns with the current method of calculating and distributing income.

- There is currently insufficient evidence to accurately assess the cost of delivering the proposed interventions (no STAG appraisals or environmental appraisals have yet been carried out, so the best solutions have not yet been identified), but a cost per house/per sqm of commercial space has been calculated. We continue to argue that this Supplementary Guidance is premature until such time as the interventions are fully appraised and costed.
- There is no recognition of the geographical disparity between building in one part of the Aberdeen City and Shire strategic boundary and delivering infrastructure in another part. There could feasibly be a developer building on a site in the southern strategic growth area (in Stonehaven, for example), yet their contribution will be used to fund an intervention to the north west of the city such as a new station at Kintore, 27 miles away. There is no clear link to mitigating a detriment created.
- There is a requirement for house builders and commercial developers to fund bus improvement measures, which would in turn create profits for the privately owned and operated bus companies. This is unacceptable to our member companies.
- This is currently non-statutory guidance which we will continue to attempt to influence, in advance of it becoming statutory along with the Strategic Development Plan.

Fife example of using developer contributions to lever Prudential borrowings

This is at an early stage, but we are working closely with Fife Council to ensure that their model is workable and acceptable to the industry.

West Lothian Council is to be commended for moving away from a requirement to build new school infrastructure immediately to an approach of reviewing school catchments and capacities, using temporary space solutions, revising specifications and examining alternative procurement methods. These kinds of approach need to be adopted by the major infrastructure agencies. For instance, Scottish Water should look again at what parts of the water and drainage network it expects developers to fund, and Transport Scotland needs to drop its insistence on “no net detriment” to trunk route capacity.

Many Councils recognise the need to try to use prudential borrowing to front-fund infrastructure. Edinburgh, Falkirk, Glasgow and Highland are good examples where they have explored different models. More generally, it is the Councils who proactively seek to use planning and other powers to promote development who are attracting developers to invest in their areas. Glasgow and Dundee Councils are both engaged in long-term economic and physical transformational projects, using public resources and a positive attitude to lever private development in to regeneration and new growth.

This proportionate view must be encouraged in other areas, and additional support of this nature from Scottish Government will be welcomed.

Consultation question 5: Would you be supportive of the introduction of a Development Charge system in Scotland to assist in the delivery of development and infrastructure?

Yes

No

Please explain why you have chosen your above answer.

If a Development Charge system were to provide certainty and fix costs, it would be welcomed by the industry. The difficulty will be in assessing what is required, how much it will actually cost, and who will deliver it. If developers believe that the costs are proportionate and the delivery will not stop them from developing to their own programmes, then we would expect our members to support it.

Those members currently operating in England are experiencing the benefits of the Community Infrastructure Levy. These include:

- Standard rate per square metre
- Staged payments
- Enable progress on site
- Transparent
- Costs examined by an examiner

Affordable housing is still covered by Section 106, but it may be possible for this to be included in the CIL in the future.

The main criteria for a workable solution is one that

- Replaces all off site contributions
- Is rigorously and properly assessed
- Is proportionate and predictable

Consultation question 6: Do you have any information or can you suggest sources of relevant information on the costs and/or benefits to support the preparation of a BRIA?

No comment

Consultation question 7: We would appreciate your assessment of the potential equalities impact these issues may have on different sectors of the population.

No comment