

## Local Government and Communities Committee

### Planning (Scotland) Bill

#### Submission from Malcolm Fraser

**Aims and Tools:** while the ambition – to achieve or return-to a “Plan-led system” from the current one, led by opportunistic, market Speculation, with Planning at best a brake but often a displacement activity – is laudable, the tools for making any substantial progress towards this are absent. The flowing tools are available:

**1. Housing and Infrastructure:** there is nothing in the Bill to challenge the current privatised model, where land speculation forces the release of land for housing with huge sums going to the speculators and landowners, with funding for infrastructure therefore squeezed, strangling delivery, raising prices and causing land-banking. These tools are proposed:

**1.1 Land Value Capture:** infrastructure funding is recognised as a key barrier to creating new communities and will remain so until the wealth generated by residential land designation is directed away from land speculation and towards funding the public services (Schools, health services, transport infrastructure etc) that new communities require.

<https://www.localgov.co.uk/UK-missing-out-on-185bn-due-to-mechanism-for-capturing-landvalue/42896>

**Proposal:** when industrial or agricultural land is newly-designated for housing the huge uplift in value currently goes to the landowner and their agents and advisors. Instead these windfalls should be harvested and invested in infrastructure, as has been the case in the past and is, today, in successful European and Asian economies.

**Policy:** reform of the Land Compensation (Scotland) Act 1963 so that Local Authorities can buy redesignated land at existing use value (or, maybe, a modest multiple, say x1.2 or x1.5, if some order of landowner profit is still desired), with the consequent major rise in value borrowed-against to pay for the infrastructure ready for developers to build homes. The result would remove the volume housebuilders' major block on development, allowing early, public-led infrastructure progress without the current, contested drip of “Section 75s” and similar Infrastructure alternatives.

**Outline:** <http://allofusfirst.org/tasks/render/file/?fileID=5FEADA10-D411-3CE4-E6CED0096D144CA2> and <https://www.localgov.co.uk/UK-missing-out-on-185bn-due-to-mechanism-for-capturing-land-value/42896>

**1.2 Compulsory Sales Orders for Stalled Sites:** many well-located sites with extant Planning Permissions and huge potential to supply new homes and communities lie undeveloped, having been traded speculatively up to a level where a dip in the market means development is not economic until house prices jump again.

**Proposal and Policy:** leverage is required to reduce the values of such land-banked sites to developable levels so: introduce Compulsory Sales Orders for undeveloped and/or land-banked sites with the Local Authority compelling the sites to a public auction which would establish a lower, developable market value with consequent immediate economic activity.

**Outline:** <http://eprints.gla.ac.uk/111504/1/111504.pdf>

*(It is noted that both 1.1 and 1.2 are being considered under Land Reform legislation; but it is not right that National Policy develops in silos, and the Planning Bill should note, recognise and support initiatives that may well be led elsewhere but have the ability to enact major and positive change through Planning.)*

**1.3 Diversification of Supply:** we need public rental, as funded by national investment through the new National Investment Bank and partnerships between a national Investment Company and Local Authorities, to provide more homes, to complement the volume housebuilder/mortgage/debt combination that it is clear will not fulfil our needs. We should also diversify the ways we build, to expand the market and routes into the market, such as co-housing, self-build housing, intergenerational, sheltered and extra care housing and other new forms of communities. Those who would take the lead for such development would be the people who would eventually occupy them, ensuring a level of commitment, vision and drive for innovation and quality lacking in the private developer model. It has been noted at 1.1 that Land Value Capture gives Local Authorities the financial levers to enable such initiatives; but, in any case, L.A.s should seek to identify, encourage and enable all such groups and set-aside land for them.

**Example:** Collective Self-build is an innovative, sharing form of commissioning and developing with lower debt/borrowing costs – conventional housebuilding carries the developer's borrowing costs plus a householder mortgage while self-build only needs the mortgage. It empowers local groups to obtain land and commission design, resulting in more innovative architectural solutions than the market currently delivers.

Pioneering Edinburgh example: <http://www.self-build.co.uk/blog/planning-breaking-ground>

Right to Build Toolkit: <http://righttobuildtoolkit.org.uk/case-studies/#>.

Demonstration Projects through the Planning and Architecture Division.

**2. The Appeal System:** it is unarguable that the current right of Appeal, as extended to developers but not communities, is inequitable; but it is also unarguable that Appeal processes greatly slow the system, only enrich lawyers and consultants and, almost inevitably, damage the quality of building and placemaking that result – all these being things that the Bill seeks to help, not hinder. The simple, radical answer is to level the playingfield by removing the right for developers and thus *for all*, thus focussing minds on a leaner system which gets things right upstream.

**3. Planning by Communities:** there is talk of communities having the right to produce their own plans. It is noted that such things already exist, including the

Government's favoured Charette model, but that, having won a community's input and raised their expectations the results of these are often set-aside by Planners, granting permission to proposals which ignore or pay lip-service to them. It is essential that such bottom-up planning is treated with respect as a "Material Issue".

### **Final Word: the Purpose of Planning**

Given the existential emergencies of climate change, resource depletion and the like, the opportunity should have been taken to place the built environment as part of a continuum with the natural, whose wellbeing we share. The UN's Sustainable Development Goals (SDGs), which the First Minister has committed Scotland to achieving, state the need to "Make cities and human settlements safe, inclusive, resilient and sustainable", and we might take the opportunity to place this at our masthead.

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