Local Government and Communities Committee
Planning (Scotland) Bill
Submission from McCarthy and Stone

1. Do you think the Bill, taken as a whole, will produce a planning system for Scotland that balances the need to secure the appropriate development with the views of communities and protection of the built and natural environment?

The Planning Bill provides an opportunity to place Scotland as a leader in the development of much-needed specialist retirement housing. However, the Bill, as drafted, fails to reflect the work of the independent planning review. The 2016 review noted that “future proofing is needed to ensure the needs of Scotland’s ageing population are met”. In addition recommendations 16 and 24 called for “a proactive approach to expanding homes for the elderly” and “using conditions, rather than planning obligations in some circumstances” for Section 75 obligations.

Indeed, the existing Bill and accompanying policy documents make no mention of older people’s housing as a policy priority.

This is despite the fact that within a generation, a third of all Scots will be aged over 65, increasing from almost one million people to 1.8 million by 2039. Those aged over 75 will have nearly doubled from 0.44 million to 0.8 million. But there is a significant shortfall in the number of retirement properties available.

The data shows Scotland is not building enough retirement housing to meet the needs of a rapidly ageing population. There are only about 20,000 sheltered and very sheltered housing dwellings provided by local authorities and just more than 4,500 available for homeowners. There is therefore substantial under provision of owner occupied retirement housing which is highly desired amongst the older population.

Without urgent action, many older people will continue to be trapped in unsuitable and often oversized properties which are difficult to heat, expensive to maintain and often unsuitable for their care needs.

The updated 2014 Scottish Planning Policy (SPP) identified the need to plan for older people’s housing for the first time; however experience suggests that this has had little impact in increasing supply in either the public or private sector.

Given the increase in population further action is needed to address the shortfall in suitable retirement housing. The Planning Bill provides ideal opportunities to address this imbalance and meet the needs of the ageing population.

We urge the committee to support amendments to the Planning Bill that give specific consideration to specialist older people’s housing. These are to:
1. Requires local authorities to prioritise specialist retirement housing: it should be regarded as important as the need for, or equivalent to, affordable housing.

2. Sets a clear national target for new build housing exclusively for older people: across a range of tenures over the next 10 years including Extra Care, sheltered and retirement. Delivery against these targets should then be monitored in yearly statements by the Scottish Government. Should NPF4 set regional housebuilding targets then within those targets a figure for older people’s housing should be included.

3. Provides guidance to identify and protect suitable sites for older people’s housing in local development plans: sites are in short supply but high demand for a wide range of commercial, leisure, and residential uses including self-build homes. In particular, central brownfield sites between 0.25 to 0.5 hectares in size, close to shops, services, and transport links should be protected and a presumption given in favour of consent for specialist retirement housing, including sheltered housing and Extra Care accommodation and across all tenures.

4. Clearly exempts specialist retirement housing from paying affordable housing contributions: ending current inconsistency in requirements across local authorities and ensuring this form of housing can be delivered. Research shows such contributions seriously constrain specialist retirement housing development due to its unique design and build features that make it more expensive and complex to develop.

5. Provides guidance for local authorities: to help categorise specialist retirement housing, including criteria such as housing which is age-restricted for occupation by older people and supported accommodation that provides on-site care and communal facilities.

6. Bring forward an amendment to categorise retirement housing within its own planning Use Class to differentiate this specialist form of housing from mainstream residential.

2. To what extent will the proposals in the Bill result in higher levels of new house building? If not, what changes could be made to help further increase house building?

As noted above we do not believe the Bill, as draft, will support the level of house building required to meet the needs of older people. Again, we recommend the following amendments to be made to the Bill:

1. Requires local authorities to prioritise specialist retirement housing: it should be regarded as important as the need for, or equivalent to, affordable housing.

2. Sets a clear national target for new build housing exclusively for older people: across a range of tenures over the next 10 years including Extra Care, sheltered and retirement. Delivery against these targets should then be monitored in yearly statements by the Scottish Government. Should NPF4 set regional housebuilding
targets then within those targets a figure for older people’s housing should be included.

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Incorporating these asks will help to encourage a major programme of house building for older people in Scotland, which has been proven to provide the following benefits:

- Will reduce pressure on health and social care spending which is currently estimated to rise to nearly £8 billion by 2031 – around 10% of the total Scottish budget
- Enables older people to remain independent for longer, within their own homes, helping to meet Scottish Government targets
- Can avoid or delay a move to full-time residential care saving up to £30,000 per annum, or reduce hospital admissions saving over £3,800 per week
- Helps to promote wellbeing and reduce loneliness and isolation, improve security and companionship and create a better living environment for older people - 92% of residents are very happy or contented in retirement housing.¹

We noted the recently published UK Government Housing White Paper which clearly emphasised the need for specialist retirement housing, and recommends a new statutory duty through the Neighbourhood Planning Bill to produce guidance for local

¹ Institute of Public Care, Oxford Brookes University, McCarthy & Stone, Local Area Economic Impact Assessment; Housing markets and independence in old age: expanding the opportunities, Professor Michael Ball, May 2011, and a Better Life, Private Sheltered Housing and Independent Living for Older People, Opinion Research Bureau, 2008 and ‘Fit for Living Network (2010) Position Statement, HACT’.
planning authorities on how local development plans should meet the housing needs of older people. We believe this is a positive step forward. The Scottish Government has a unique opportunity to ensure Scottish policy makers go as far, or even much further to support the development of more specialist retirement housing.

3. Do the proposals in the Bill create a sufficiently robust structure to maintain planning at a regional level following the ending of Strategic Development Plans and, if not, what needs to be done to improve regional planning?

It is hoped strong regional partnerships can be created at Strategic Level between Local Authorities to ensure some consistency in planning decision making and to enable cross boundary developments to be considered appropriately. Much will rely on the National Planning Framework to provide the structure for regions to form such partnerships.

4. Will the changes in the Bill to the content and process for producing Local Development Plans achieve the aims of creating plans that are focussed on delivery, complement other local authority priorities and meet the needs of developers and communities? If not, what other changes would you like to see introduced?

McCarthy & Stone recognises the importance of increasing local participation in the preparation of local development plans (LDPs), however Housing policy needs to recognise that different sections of the community have differing housing needs and we believe there is a need for increased emphasis in Community Plans of the housing needs of the elderly, as well as affordable housing.

As noted above the Independent Planning Review called for “a proactive approach to expanding homes for the elderly”; yet there is no note of this in the Bill. We believe LDPs must identify and set aside suitable land on which housing for the elderly can be built. Without active and ongoing support from planning authorities, it will be increasingly difficult for suitable retirement housing sites to be secured for development.

No targets exist for specialist retirement housing; an increasingly growing section of the population.

In order for the Scottish Government to deliver its aim of good quality places to live, it is our view that more attention needs to be given to assessing and delivering a range of housing to meet the needs of the entire community, including older people. Housing for older people should be given the same priority as affordable housing and other specialist forms.

Appropriate land must be set aside in LDP’s for specialist retirement housing. Councils should identify suitable sites for such housing – in increasingly short supply but high demand – within local plans. Developments must be located close to local shops, services and transport links in towns and town centres. Due to the economics of retirement house building – where the development has to be completed before any unit can be sold and where there is a greater degree of non-saleable space such as communal living space and managers accommodation – these sites are often lost
to competing developers who can lodge significantly larger bids for other commercial, leisure or retail uses. These are not subject to the same affordable housing contributions or housing uses, including growing competition for self-build.

5. **Would Simplified Development Zones balance the need to enable development with enough safeguards for community and environmental interests?**

We are supportive of SDZs and consider that sufficient parameters can be set to safeguard both the public and environmental interest. Successful schemes have been operated in Renfrew Town Centre and Hillington in Renfrewshire and it is understood development and investment has consequently increased in these areas. Greater support should be given to Local Authorities, who already have competing resource challenges, to promote these zones given the costs of setting up the legislative framework and legal costs associated.

6. **Does the Bill provide more effective avenues for community involvement in the development of plans and decisions that affect their area? Will the proposed Local Place Plans enable communities to influence local development plans and does the Bill ensure adequate financial and technical support for community bodies wishing to develop local place plans? If not, what more needs to be done?**

While we welcome the principle of communities in having a major say about how their community should develop we are still concerned that the time spent in developing local place plans may delay the development of an LDP. The scale of the task of producing place plans for Scotland is immense. In a city such as Edinburgh there may well be upwards of 50 recognisable and self-identifying communities. No doubt a minority of these communities will have the capacity to develop a local place plan themselves, but the majority of communities will need more than simply written guidance. Many communities will need greater –and ongoing-support. Consequently there will be significant costs involved in helping communities prepare a local place plan. Given the ongoing reductions in local authority budgets here will this resource come from?

While the intent is to ensure that “local place plans are used to promote appropriate development rather than as a vehicle to prevent it” it should be recognised that experience following the introduction of the 2011 Localism Act in England is that the majority of place plans produced thus far have been shown to be broadly “anti-development”. In short local place plans should be a means of promoting development rather than a vehicle to prevent it.

The absence of a local place plan should not be allowed to delay the completion of an LDP
7. Will the proposed changes to enforcement (such as increased level of fines and recovery of expenses) promote better compliance with planning control and, if not, how these could provisions be improved?

The level of increase in fines is likely to act as some additional deterrent to breaches in planning control however again the enforcement powers can only be exercised if there are resources within Local Authorities to carryout these functions. It is McCarthy & Stone’s experience that local council planning departments are generally under resourced which impacts negatively on the processing time of applications from pre app through to issuing legal agreements.

8. Is the proposed Infrastructure Levy the best way to secure investment in new infrastructure from developers, how might it impact on levels of development? Are there any other ways (to the proposed Levy) that could raise funds for infrastructure provision in order to provide services and amenities to support land development? Are there lessons that can be learned from the Infrastructure Levy as it operates in England?

The Scottish Parliament should carefully consider whether an infrastructure levy similar to the Community Infrastructure Levy in England and Wales is the best mechanism for securing collective funding for strategic infrastructure.

As a developer in England and Wales, as well as Scotland, McCarthy & Stone has actively engaged with Local Planning Authorities who have prepared and implemented CIL and conversely those who have determined that CIL was not in their best interests.

It is our view that the cost of CIL has been absorbed by developers in the South East and other affluent parts of the country, however in lower value areas where viability is more marginal it has acted as a barrier to development. Many LPA’s have chosen not to impede development and have forgone or delayed pursing CIL on that basis. Affluent LPA’s therefore receive additional funding to supplement existing infrastructure (often already of high quality) whereas deprived authorities with a greater need for investment do not. It is a flawed system.

McCarthy & Stone have actively engaged with Local Planning Authorities across England and Wales to ensure that the ability of specialist retirement housing to support CIL is tested rather than simply assumed. This has been a significant challenge and the company, in tandem with other specialist housing providers, has devoted significant resources and time to this endeavour. Currently in England and Wales testing the viability of specialist housing developments has become established with both viability consultants, LPA’s and the Planning Inspectorate and it is now considered ‘best practice’. This however was not always been the case and there are a significant number of older CIL Charging Schedules which have a disproportionate impact on the delivery of these forms of development as a result.

Should the Scottish Parliament deem it appropriate to pursue a CIL style tariff for new development then it should ensure that all forms of development remain viable and that there is no disproportionate impact on a particular sector or sectors.
Indeed, it is our view that the application of an infrastructure levy should be limited to only the most viable forms of development and that it should not disproportionately impact on wider local or national planning objectives.

Previously developed sites in urban areas are particularly susceptible to higher build costs, have higher land values due to existing uses on site and greater abnormal costs such as land contamination. In our experience in England and Wales the viability of previously developed, urban land is not tested as comprehensively as greenfield urban extensions. This is because most LPA’s focus on testing where the greatest quantum of development will be delivered.

The benefits of redeveloping previously developed land are well known and as such it is a key theme in the SPP. It is our view that any infrastructure levy should therefore be limited to large greenfield or strategic sites acting as an incentive to redevelop previously developed sites.

If used incorrectly such measures could be viewed as another tax on the development industry. Such contributions must be proportionate the development proposed and the need for such contributions robustly evidenced. With such critical shortfalls in housing provision a further tax on residential development may only serve to restrict housing supply and force both house and land prices higher.

9. Do you support the requirement for local government councillors to be trained in planning matters prior to becoming involved in planning decision making? If not, why not?

Yes. Whilst there are some elected members with a robust workable knowledge of the planning system, it is indisputable that those involved in planning committee or local review bodies would benefit from training.

All newly elected councillors should be given mandatory training in the mechanics of the planning process and what factors should, and should not, be pertinent to decision making. Members who sit on Development Management Committees should undertake more detailed and ongoing training.

Planning Committee members should be given the opportunity to visit suitable specialist retirement housing developments. For example, we were happy to host a visit by the Edinburgh Council’s Development Management Committee to our Lyle Court Assisted Living development in Barnton, Edinburgh. Assisted Living is a relatively new concept in Scotland and by visiting Lyle Court councillors gained a real understanding of the concept.

10. Will the proposals in the Bill aimed at monitoring and improving the performance of planning authorities help drive performance improvements?

The Scottish Planning Policy (June 2014) advises that “As part of the HNDA, local authorities are required to consider the need for specialist provision that covers accessible and adapted housing, wheelchair housing and supported accommodation, including care homes and sheltered housing. This supports independent living for elderly people and those with a disability. Where a need is
identified, planning authorities should prepare policies to support the delivery of appropriate housing and consider allocating specific sites” (para 132).

Despite this requirement to consider the housing needs of older people, it is our view that the overwhelming majority of Local Development Plans and Housing Need and Demand Assessments do not plan proactively to meet the diverse housing needs of older people.

As such, we believe the bill must be more prescriptive about the role planning authorities have in the delivery of specialist retirement housing accommodation. This will force Local Planning Authorities that were previously reluctant or reticent over older person's housing to consider this matter in more detail.

MCS welcome the appointment of a performance director, however, ultimately planning authorities require more funding to fully resource planning and recognise the economic benefits to enabling development within their respective areas.

11. Will the changes in the Bill to enable flexibility in the fees charged by councils and the Scottish Government (such as charging for or waiving fees for some services) provide enough funding for local authority planning departments to deliver the high –performing planning system the Scottish Government wants? If not, what needs to change?

McCarthy and Stone is happy to pay for some ancillary services such as pre application discussions with Local Authorities but only if the financial outlay is proportionate to the service received. We have experience of paying £1000 plus and receiving a very good pre application services such as Highland Council and other areas where we pay the same but receive a very poor service which results in minimal advise and delays.

12. Are there any other comments you would like to make about the Bill?

McCarthy and Stone welcome the ambitions of the Planning Bill to speed up the planning process and facilitate more development however we are disappointed not to see more emphasis being given at a statutory level to support specialist housing for the elderly given the well documented need and would hope more detailed consideration to this aspect is encompassed within the next National Planning Framework if not this current Planning Bill.