Local Government and Communities Committee
Planning (Scotland) Bill
Submission from the Chartered Institute of Housing Scotland

About CIH

The Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals with the advice, support and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world including over 2,000 in Scotland.

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1. General comments

1.1 CIH Scotland welcomes the opportunity to respond to the Local Government and Communities Committee call for evidence on the Planning Bill. A well functioning planning system is fundamental to the success of communities across Scotland and we think that homes should be at the heart of these communities. Our members are working to supply new homes to meet a range of different needs and to contribute to the Scottish Government’s target to deliver 50,000 affordable homes over the course of this Parliament. A refreshed planning system should support these aims and ambitions.

1.2 The Policy Memorandum states that the Bill will:

- Focus planning, and planners, on delivering the development that communities need, rather than focus on continuous writing of plans that lack a clear route to delivery;
- Empower people and communities to get more involved and to have a real influence over future development;
- Strengthen the strategic role of planning in co-ordinating and supporting the delivery of infrastructure needed to support development, including much-needed housing; and
- Reduce complexity, whilst improving accountability and trust in planning processes and decision making.

1.3 There are some positive aspects in the Bill and we fully support the intentions to streamline the system, encourage more involvement from communities and shift the focus from making plans to delivering homes and infrastructure. However, we do not think that the Bill as it stands will truly transform the way that homes are delivered. The Bill also lacks clarity in crucial areas such as the power to
introduce an infrastructure levy, the details of which are still to be developed. These issues are discussed in response to a number of the Committee’s specific questions below.

2. Questions

2.1 Question 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?

We agree with the need to encourage more involvement in the planning system form a wider group of people and at an earlier stage in the process. Places should be designed and built with people in mind and if our planning system is to function well, it must be supported by the people that it serves. Supporting more people to become involved in the process will help to foster a sense of ownership and should result in people being more positive about development in their local communities.

However, we have some concerns about how proposals for the introduction of local place plans will work in practice. This is covered in more detail under question 6 below.

2.2 Question 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?

Our members regularly tell us that some of the main barriers to developing affordable housing are:

- Delays in the planning process;
- Insufficient funding or planning for infrastructure; and
- Access to and the cost of land.

There are some promising elements in the Bill which could help to address some of these issues but we feel that if the Bill at it stands will not transform the delivery of housing.

Delays in the planning process

Changes to the planning process intended to streamline the plan making process and speed up decision making are welcome. As stated above, we support the aim of encouraging more people to get involved in the planning process and recognise that this could help to foster positive support for development and address concerns at an earlier stage in the process. The question of how to support people to engage in the planning process through the development of Local Place Plans is discussed in more detail under question 6.

Replacing Simplified Planning Zones (SPZs) with modified Simplified Development Zones (SDZs) has the potential to support development if the
provisions are adopted. Clear guidance on the use of SDZs and requirements for engagement would be beneficial.

Insufficient funding or planning for infrastructure

It is not clear how the power to introduce an infrastructure levy will work in practice or how this would work alongside existing Section 75 obligations. A more detailed response to this issue is given under question 8.

Access to and the cost of land

The Bill will not help to address the issue of access to or the cost of land. Small housing associations without land reserves can find it particularly difficult to acquire land, especially if they have to compete with large developers for desirable sites. The cost of land has a direct impact on the affordability of housing and land that is purchased and not developed can have a negative impact on communities.

Under the current system, planning permission creates a significant uplift in the value of land and there is no real incentive to develop homes on land which can increase in value while remaining undeveloped unless the development of that land would achieve higher profits through the sale of homes. CIH Scotland would support further consideration of measures that could promote development such as taxation for undeveloped land which has been zoned for housing (building on the land value tax pilot carried out by Glasgow City Council in 2009 [http://bit.ly/2BpmoK0](http://bit.ly/2BpmoK0)) or land value capture (see question 8 for further discussion on developer contributions).

2.3 Question 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?

We welcome the proposed move to 10 year planning cycles. This should allow more time to focus on development, particularly for ‘national projects’ while working towards a long term shared vision for the future. The move towards longer planning cycles should of course allow enough flexibility for plans to be revised between cycles if required and to allow any changes to local priorities or market conditions to be reflected.

2.4 Question 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 agree with the principle of encouraging greater involvement from communities in the planning process, it is not clear how local groups would be
supported to make plans, leading to a risk that only those with the skills and resources to do so will be able to be involved in this way. It is also unclear what would happen if different community groups put forward conflicting ideas.

There is a risk that the proposed process could make the system more complex by encouraging communities to develop their own plans separately from Local Development Plans. If more people are to become interested in and involved in the planning system, there need to be clear pathways for their involvement and support provided for those that do choose to participate. This area of the Bill requires guidance setting out clear roles and expectations for organisations that will be expected to support community involvement.

It will take some time to determine whether efforts to support more or better engagement with the planning system have had a positive impact on how people feel about the process or on the efficiency of the process itself. It would be helpful for this to be monitored and for the way in which communities are being supported to be reviewed if necessary.

2.5 **Question 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?

As mentioned above, provision of infrastructure is often cited by our members as a barrier to development and we welcome the acknowledgement of this issue with one of the stated policy objectives of the Bill to strengthen the role of planning in co-ordinating and supporting the delivery of infrastructure.

The recent discussion paper published by the Scottish Land Commission ([http://bit.ly/2BpmoK0](http://bit.ly/2BpmoK0)) outlines a number of factors which have contributed to dramatic rises in house prices over recent years, including the fact that the current system allows the uplift in land value created by the granting of planning permission to be realised by landowners rather than local authorities.

Currently, developer obligations through Section 75 are intended to redress this imbalance by requiring developers to contribute a proportion of expected profits to fund local projects such as affordable housing, schools and leisure facilities. However, as set out during the course of the planning review, there are issues with the current system including lack of clarity, lack of consistency in how policies are applied across Scotland and contributions being renegotiated at later stages. The Scottish Land Commission discussion paper also points out that Section 75 contributions tend to make up a small proportion of the value added by planning permission. The paper includes an estimate from the Centre for Progressive Capitalism which states that Section 75 contributions in the Edinburgh City Region amounted to £32 million in 2015/16 compared to a total land value uplift of around £350 million.
We welcome the commitment to explore a more strategic approach to developer contributions. However, without more detailed proposals on how a new infrastructure levy might work, it is difficult to comment on how effective this might be in supporting development. It is also unclear how a new infrastructure levy would interact with the current use of Section 75.

2.6 **Question 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?

We understand that most local government councillors who are involved in planning decisions will undertake some form of training but without requirements in place this is ad hoc and is not consistent across planning authorities. As a professional body, CIH strongly supports the requirement for local government councillors to receive training in planning matters. This will help to ensure that decisions are informed and consistent.

A requirement for accredited training would also help to deliver the policy objective of improving accountability and trust in planning processes and decision making.

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