1. Who we are

1.1 The SFHA leads, represents and supports Scotland's housing associations and co-operatives. We want to see a thriving housing association and co-operative sector providing sustainable and affordable homes.

1.2 Housing associations and co-operatives are the principle providers of new build affordable and social rented housing in Scotland.

2. Executive summary

2.1 There is an established outstanding need for affordable housing in Scotland, especially for social rent. A study commissioned by SFHA and partners found an unmet need for 60,000 new homes for social rent in 5 years.\(^1\)

2.2 The Scottish Government has set an ambitious target to deliver 50,000 affordable homes during the current parliamentary term. The target is very welcome – the planning bill, however, provides an opportunity to put in place a system to deliver an increased supply of affordable housing longer term.

2.3 We welcome proposals to introduce Local Place Plans but believe these will only succeed if properly resourced and if all parts of a community are supported to participate.

2.4 While we support proposals for Simplified Planning Zones for Housing, the type and tenure of the homes should meet local needs.

2.5 The Independent Review of Planning was set up with the main aim of increasing housing supply in Scotland; we believe that the Planning Bill can do more to achieve this.

2.6 We are calling on the Planning Bill to make provision for the transfer of land at existing use value in order to increase the supply of affordable housing.

2.7 We are also calling on Land Value Capture (LVC) from land granted planning permission for housing to be used to ensure the increased delivery of affordable housing, the funding of infrastructure and the development of better places.

---

2.8 A recent study by the Black Commission\(^2\) highlighted inequalities in the housing system and their impacts on health and wellbeing, while a report by Audit Scotland highlighted the role that quality affordable housing can play in delivering policy priorities such as economic growth and improved health\(^3\).

2.9 Affordable housing has a significant role to play in delivering the health and social care agenda, and in helping the Scottish Government to meet its social-economic duty by providing secure, quality affordable housing for people on low incomes.

2.10 The Scottish Government’s commitment to deliver 50,000 homes, and the £3 billion public funds made available to support affordable housing, is therefore extremely welcome and will help meet outstanding need and support housing associations to deliver quality affordable homes while also helping to tackle poverty and reduce inequality.

### 3. Main Report

3.1 Our proposals in this submission look at what happens after the 5 year 50,000 homes commitment ends in 2021, and are also written with people unlikely to be housed in social housing but unable to buy a home in mind.

3.2 We believe, that the Planning (Scotland) Bill provides an opportunity to make provision for increasing supply of affordable housing on a longer term basis. Below we suggest some provisions that we believe would help to increase the supply of affordable housing of all tenures.

3.3 We welcome the provision in the Planning Bill to designate Simplified Planning Zones (SPZs) for Housing. For SPZs to meet housing need and deliver wider policy benefits they should be developed based on a local Housing Needs and Demands Assessment that identifies the type and tenure of homes needed in the area, and they should be based on good urban design principles and promote active travel and quality green spaces.

3.4 We also welcome the provision for an instrument to set up an Infrastructure Levy, although we believe that proposals on LVC set out below can do more to increase the delivery homes and better places. Challenges with funding infrastructure can often delay or prevent the delivery of new housing. We support calls for the bill to allow LVC to be used to capture the increased value attached to land that gains planning approval for housing. The uplift in value could be used by local authorities

---


to fund infrastructure and community facilities, and reduce the cost of developing affordable housing. The uplift in value would be redistributed on the basis of need and help the Scottish Government to fulfil its socio-economic duty.

3.5 We are aware from our members that the availability and cost of land suitable for housing development is a significant constraint on the delivery of affordable housing. We therefore propose that the bill should contain provision for land to be transferred at existing use value for development for affordable housing by local authorities and housing associations. This would allow affordable homes to be developed at lower cost, keep rent levels down and allow more land to be made available to increase housing supply.

3.6 Planning approval or the purchase of a site with the intention of the development for housing does not always lead to delivery of homes in the near future. We believe that the use of Compulsory Sales Orders for land that has not been developed, and that has lain empty for 5 years, would help to increase housing supply.

3.7 Finally the SFHA believe that the Planning (Scotland) Bill prevents a significant opportunity to deliver better places and increase the delivery of quality affordable homes – we have therefore become part of the Scottish Alliance for People and Places and support the alliance’s submission on the bill.