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Housing Regeneration Directorate
Social Housing Division
1H(S) Victoria Quay
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Dear Sir/Madam

Response to Firm Foundations: The Future of Housing in Scotland

I have pleasure in enclosing a copy of our response to Firm Foundations: The Future of Housing in Scotland made on behalf of Banchory & Leggart Estates.

Yours faithfully

Neil Sutherland

Encs

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Firm Foundations – The Future of Housing in Scotland

**Response to the Consultation Paper
on behalf of Edinmore and Banchory
& Leggart Estates**

RESPONSES TO QUESTIONS

This Section provides responses to the questions set throughout the Paper that relate to land use planning and provision of a wider range of housing.

Question 1: Do you agree that aiming to increase the rate of new housing supply in Scotland to at least 35,000 a year by the middle of the next decade is a sensible and realistic ambition, and that this will help set a necessary political context for acceleration in housing supply?

Response: Agree. This is a fundamental requirement to meet housing demand and requires a move away from the 'predict and provide' model used at this time. The current development plan process is too inflexible to enable such delivery in a short period of time and alternative means such as use of Supplementary Planning Guidance should be promoted. A more robust methodology is required to establish housing requirements across Scotland. The means to deliver must also be provided as these are inherently linked. Direction must come from Scottish Ministers on this matter to give it the weight that it requires. What is not clear at this moment in time is by what mechanism the extra 10,000 houses would be delivered each year as each plan will only consider its area and not the national whole. The obvious solution would be for the Scottish Government to keep running totals and direct additional housing to be included in plans where necessary.

Question 2: Do you agree that, to give practical effect to the ambition, local authorities should co-operate regionally in setting realistic housing targets for housing market areas, and in enabling the delivery of these targets? If so, what arrangements should be put in place to support and provide incentives for such co-operation between relevant local authorities?

Response: Agree. Strategic housing targets should be set across identified housing market areas for longer time periods to enable greater certainty in the housing market and allow for co-ordinated delivery of strategic infrastructure requirements. The development industry must also be given the opportunity to input into such discussions. This could take the form of Strategic Housing Market Boards for the emerging Strategic Development Plan areas. The incentive of delivering sufficient land for housing of all tenures and the consequences of failure should be enough for relevant parties to become involved. Without such a mechanism in place there will be an increased risk of housing allocations being made on a political rather than a strategic planning basis.

Question 3: Is there a role for a specialist national function to provide expert support for local authorities in strategic planning for housing? What expertise do you think this function would require?

Response: Such support would be useful. Policy already set out in Scottish Planning Policy 3 must be amended to include a more robust methodology for calculating housing land requirements. Local Authorities are capable of establishing and meeting strategic housing requirements given the proper tools to do so. Such a specialist function could establish additional means of delivering strategic housing requirements, perhaps on the English Partnerships model to ensure that necessary infrastructure is in place or programmed in line with delivery of housing numbers.

Question 4: Even when land has planning permission there are still blockages that prevent new housing being built. What additional arrangements would, or could, accelerate development on and with planning permissions to help ensure that future housing supply targets are met?

Response: The Planning etc (Scotland) Act 2006 seeks to reduce the length of time for a full planning permission from 5 to 3 years. However, planning permissions for housing developments are often held up by the delivery of strategic infrastructure by third parties e.g. drainage or transport infrastructure. Suggestions of developer land banking are unfounded. There are however some instances where multiple land owners have failed to quickly come to agreement on matters such as how to split the funding of infrastructure between them. With the advent of a shorter time to implement planning permissions the minds of landowners will be more focused on securing agreement for fear of allowing the permission to lapse. By taking a more pro-active approach as set out above commitments may be put in place to deliver necessary infrastructure in phase with development. There may be benefits to a central infrastructure fund possibly along the lines of English Partnerships to enable such delivery.

Question 5: We have proposed that much expanded or new, stand-alone settlements may be a valid solution. How should we best encourage the development of new, sustainable communities that are sympathetic to Scotland's landscape and environment?

Response: These are two of a number of solutions to help ease the Scottish housing problem. Stand alone and much expanded settlements are valid solutions. Smaller scale development is also important and can play an important part of the mix of housing delivery, ensuring that the long lead-in time due to major infrastructure works and the time taken to physically build a large number of houses (circa 6,000 houses and above) on large sites can take is avoided. Identification of long term growth nodes or corridors based on well-established settlements with a range of existing facilities or facilities that could be significantly improved is supported. The use of urban and landscape capacity studies would establish environmental capacity of such areas. The use of careful masterplanning based upon sound planning principles and landscape analysis can also assist to deliver sympathetic and sustainable development at a large scale. Community involvement in such schemes is essential. There is also a need to ensure development of strategic physical and community infrastructure is in phase with housing development.

Question 9: How can the private house-building sector play a bigger role in providing, without public subsidy, increased provision of affordable starter homes?

Response: Private house builders already provide affordable housing market products specifically targeted at those in housing need. These may not be considered 'affordable' as, for example, they are not provided by an RSL or do not meet Communities Scotland space standards. The definition of what is considered affordable by the Scottish Government and local authorities should be revisited to recognise the role that private developers can play in this sector of the housing market. A more difficult question perhaps is how best to ensure at least some affordable houses remain affordable?

Question 17: Do you agree that we should subsidise local authorities in areas of need to use their prudential borrowing capacity to build new council houses?

Response: Do not agree. Local Authorities as affordable housing providers already receive HAG subsidy. The approach suggested above may disadvantage local authorities with high affordable housing need and no prudential borrowing capacity thereby placing responsibility for delivery on other third parties.

Question 18: Do you agree that we should introduce large-scale competitions for subsidy?

Response: Agree. This would increase efficiency and effectiveness of delivery by involving the skill and drive of the private development industry.

Question 20: Do you agree that we should subsidise the development of houses for mid-market rent?

Response: Agree. Opportunities should be taken to maximise supply of affordable housing. Access to such subsidy should be made available to private developers and landowners as well as RSLs and Councils.

Question 21: If so, should the subsidy be awarded as part of the competitive regime for awarding HAG that we are proposing?

Response: Agree.

Question 24: Do you think that subsidies for development should be provided to bodies other than registered social landlords?

Response: Agree. The private development industry is equally capable of delivering land and units for affordable housing purposes and should be allowed to