



OFFICIAL REPORT  
AITHISG OIFIGEIL

# Local Government, Housing and Planning Committee

Tuesday 1 February 2022

Session 6



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**Tuesday 1 February 2022**

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**LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE**  
**4<sup>th</sup> Meeting 2022, Session 6**

**CONVENER**

\*Ariane Burgess (Highlands and Islands) (Green)

**DEPUTY CONVENER**

\*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

**COMMITTEE MEMBERS**

\*Miles Briggs (Lothian) (Con)

\*Graeme Dey (Angus South) (SNP)

\*Meghan Gallacher (Central Scotland) (Con)

\*Mark Griffin (Central Scotland) (Lab)

\*Paul McLennan (East Lothian) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Anthony Aitken (Scottish Property Federation)

Nicola Barclay (Homes for Scotland)

Tony Cain (Association of Local Authority Chief Housing Officers)

Andrew Fyfe (Scottish Housing with Care Task Force)

David Stewart (Scottish Land Commission)

**CLERK TO THE COMMITTEE**

Euan Donald

**LOCATION**

The David Livingstone Room (CR6)



## Scottish Parliament

### Local Government, Housing and Planning Committee

*Tuesday 1 February 2022*

*[The Convener opened the meeting at 10:00]*

#### Interests

**The Convener (Ariane Burgess):** Good morning and welcome to the fourth meeting in 2022 of the Local Government, Housing and Planning Committee. I ask members and witnesses to ensure that their mobile phones are on silent and that all other notifications are turned off for the duration of the meeting.

Agenda item 1 is a declaration of interests. I invite our new member, Graeme Dey, to declare whether he has any interests relevant to the work of the committee. In doing so, I welcome him to the committee and say that I look forward to working with him.

**Graeme Dey (Angus South) (SNP):** Thank you, convener. I am not aware of any interests that have not already been declared in my entry in the register of members' interests.

**The Convener:** Thank you very much. It is good to have you with us.

## Deputy Convener

10:01

**The Convener:** Agenda item 2 is choice of deputy convener. First of all, I put on record my thanks to Elena Whitham for her work as deputy convener on the committee. It has been a great pleasure to work with her, and I wish her all the best as she begins her new role as convener of the Social Justice and Social Security Committee.

The Parliament has agreed that only members of the Scottish National Party are eligible for nomination as deputy convener. I invite members of that party to nominate one of their number for the post.

**Paul McLennan (East Lothian) (SNP):** I nominate Willie Coffey.

*Willie Coffey was chosen as deputy convener.*

**The Convener:** Congratulations, Willie. I look forward to working with you in your new role.

**Willie Coffey (Kilmarnock and Irvine Valley) (SNP):** Thank you.

## Decision on Taking Business in Private

10:02

**The Convener:** Agenda item 3 is a decision on taking in private items 5, 6 and 7. Item 5 is an opportunity for members to consider the committee's response to the Finance and Public Administration Committee on the medium-term financial strategy; item 6 is a chance for the committee to agree its approach to scrutiny of the Coronavirus (Recovery and Reform) (Scotland) Bill; and item 7 is an opportunity for the committee to agree its approach to scrutiny of the Scottish social housing charter. Do members agree to take items 5, 6 and 7 in private?

**Members** *indicated agreement.*

**The Convener:** It looks like we have agreement. I will move on

## National Planning Framework 4

10:02

**The Convener:** Agenda item 4 is the third of our five evidence-taking sessions on the draft of the fourth national planning framework—or NPF4, as we will probably refer to it for the rest of the morning. The focus of today's session will be housing. We will look at local government issues next week, and we will hear from the minister on 22 February.

I warmly welcome to the meeting Tony Cain, who is policy manager at the Association of Local Authority Chief Housing Officers; Andrew Fyfe, who is the chair of the Scottish housing with care task force; Anthony Aitken, who is vice-chair of the planning and development committee of the Scottish Property Federation; David Stewart, who is policy lead at the Scottish Land Commission; and Nicola Barclay, who is the chief executive of Homes for Scotland.

We will move straight to questions. If the witnesses wish to respond or contribute to the discussion, they should put an R in the chat box.

We have a range of questions to get through, and not everyone needs to respond to all of them. Our practice tends to be to direct questions to one or two people initially, but if you really want to come in with, say, a point that has not been covered, you are welcome to do so. However, I might have to cut you off; if I do, please do not take it personally—we just want to ensure that we cover all colleagues' questions.

I will start off. I will direct my question initially to Tony Cain and David Stewart but other witnesses are welcome to come in.

Our focus is on housing. I am keen to hear whether the witnesses believe that the draft NPF4 will lead to homes being built in appropriate places to meet the demand across urban, rural and island communities in Scotland. If not, I am keen to hear the detail. Some conversations that we have had in evidence sessions have been quite high level and it will really help the committee in our scrutiny if we can understand some specifics of what needs to be outlined in the framework that would help to meet the demand.

**Tony Cain (Association of Local Authority Chief Housing Officers):** NPF4 will not hurt, is the obvious answer. I am not entirely convinced that the planning system is the only or principal driver of where and how many houses are built in Scotland. The activity of developers is probably more important and they are not driven necessarily by the same objectives and concerns as the planning system. However, within obvious

limitations, the NPF sets out a sound overall approach to planning for housing. It is, broadly speaking, an extension of previous approaches. There is not too much in it that is radically different, other than the location of some of the decision making for early stages of planning.

NPF4 will not obstruct the process. However, the principal problems that we have with delivering the right home in the right place are not related to the planning system. It is a framework within which we can all work and local authorities will use it as best they can to deliver the best housing for their communities.

**David Stewart (Scottish Land Commission):** Our view is that the objectives of NPF4 are right—delivering 20-minute neighbourhoods, supporting rural repopulation and developing town centres, for instance—but, as we do not have the delivery programme yet, there is still a real question about how Scotland can make the fundamental change that is needed in the way that we deliver housing to meet some of those objectives.

Work that we did on a review of land for housing found that, at the moment, land is delivered through the market and private developers. As Tony Cain hinted, developers' objective is to mitigate risk and make a profit for shareholders. I argue that, if we are going to deliver on some of the objectives in NPF4, we need housing land market reform and more public interest-led development of the type that we saw at the Commonwealth games village in Glasgow, with the public sector playing more of a role in assembling land for development and enabling development. That could reduce the risk for the private sector and enable it to develop in places such as town centres or rural Scotland.

**Nicola Barclay (Homes for Scotland):** You asked for detail and specifics, convener. Unfortunately, we believe that the draft NPF4 is likely to reduce the number of homes that are delivered, thereby exacerbating the crisis in housing delivery.

We know from reading "Housing to 2040" and the Scottish Government's population strategy that there is a real desire within Government to deliver more homes so that everybody has a home and we can meet housing need. I am sure that we will get into the detail of the minimum all-tenure housing land requirement, but the way that it is currently designed excludes large sectors of the population that are in housing need. I am happy to go into the detail of why that is the case now or later.

**The Convener:** That will come up a little bit later.

I see that Tony Cain wants to come back in but I will bring in Graeme Dey, who has some

questions. Perhaps Tony can come back in on them.

**Graeme Dey:** My first question is about the changing nature of national planning policy as a consequence of NPF4, where we see an increased focus on issues of place, liveability, wellbeing, and emissions reduction. I am interested in whether the witnesses think that the existing planning system is set up in a cultural and practical sense to deliver on the outcomes and, of course, the changes that are going to be needed.

Do you want me to ask my second question now, convener, or shall I come to that?

**The Convener:** You can come back to that.

**Graeme Dey:** Thank you.

**The Convener:** Was there anyone in particular that you wanted to answer that question?

**Graeme Dey:** I think that David Stewart and Tony Cain are the obvious people to go to initially.

**David Stewart:** As I said in my answer to the previous question, to deliver these quite major changes, there needs to be more of a focus on delivery within the planning system. Also, as Tony Cain said, other mechanisms or approaches could help and I would argue for implementing some of the recommendations of the vacant and derelict land task force, which the Land Commission was part of, and also for reform of the housing market.

In our review of land for housing we talk about public-interest-led delivery. To make these changes and deliver on places where, at the moment, the market does not deliver, because there is too much risk or it cannot make a return, we need to see a fundamental shift and a focus on delivery.

**Tony Cain:** I agree with David Stewart. The ambition for a plan-led approach is absolutely right but we are a long way away from where we were 40 or 50 years ago, when local authorities and public agencies were definitely drivers of development and delivery within the planning system. They are not that now. They are not resourced to do that, and they are not necessarily skilled to do it either. The delivery process is now largely led by the private sector, so if we want to change the way in which the process is led, we need to re-equip local authorities, in particular, and give them the confidence that they can take decisions locally and that those decisions will stick. I do not think that that is where the sector is at the moment; it is not currently in control of what gets built. The process is essentially passive. A plan will be approved and then councils will, for the most part, wait and see what appears in the planning inbox. Nothing in the NPF will change that.

**Graeme Dey:** Let me just pick up on that point. Does that then lend itself to a situation in which planners are risk averse or lacking in innovation, because they are fearful that, if they go out on a limb a little bit, they will not be supported by the regime in which they are working?

**Tony Cain:** I am not sure that there is a concern about planners not being supported by the local authority. However, it is not always clear that central Government will support locally determined actions. Confidence in those decisions is important—I would put it no more strongly than that.

If you want to control development, you have to control land. Local authorities and the public sector do not control the supply of land or the decisions that are made about sites; those things are largely controlled by the private sector—the interests that determine the starting point for discussions about any particular site. If you want to change that, you have to change the approach to land ownership and land control.

**Graeme Dey:** My second question is about some of the submissions that the committee has received in which concern has been raised about the wording of national planning policies on issues such as 20-minute neighbourhoods, community wealth building, carbon emissions and human rights. The assertion is that the wording is insufficiently clear for decision-making purposes. Do the witnesses agree with that? Is it more about the language that is used or is it the substance of what is being said that is the problem?

**The Convener:** Is there a specific witness that you would like to answer that question?

**Graeme Dey:** I will just throw it open.

**The Convener:** Okay. Who would like to answer? If you could put an R in the chat function, that would be helpful.

**Tony Cain:** I will defer to Nicola Barclay, because my response has gone out of my head.

10:15

**The Convener:** All right.

**Nicola Barclay:** There is lack of clarity in description. In the glossary in the appendix, there is no definition of community wealth building, so people have to make an assumption about what that means. I go back to the previous question about planning departments. Not only do applicants not necessarily understand fully what that term means, but planning officers have to use their own judgment to work out its meaning.

This will be the first time that an NPF will be part of the development management process. NPF4 will be required to inform the decision making on

applications that come in. Previous NPFs were high-level documents, but this one will be really embedded, and it will have real bite. People will have to rely on the words in it to decide whether an application is approved, rejected, amended or whatever. If the wording is too loose, they will end up arguing, and every single planning officer in every authority will have their own interpretation, just as every developer and applicant will have theirs. Clarity in the language is fundamental if we want the new NPF to be successful.

**The Convener:** Tony, have you remembered what you want to say?

**Tony Cain:** Yes—I apologise. I agree with Nicola. There are a number of points where the language in the document is not as clear as it needs to be. It is not as directive as it might be. Words such as “should” and “may” appear more often than perhaps is helpful, and being a bit more directive would be helpful.

I also think that there are points at which some of the conceptual approaches are confused. The one that really jumped out for me was on page 15, which talks about affordable homes being provided to

“offset the impact of second home ownership and short term lets”.

I do not think that that is why we are providing affordable homes in rural areas, and there is something deeply problematic about simply giving up on the impact that second homes and short-term lets have. We are investing £200,000 per home to make up for the fact that the market is driving properties away from availability to local communities.

There is some woolly thinking in the document and one or two key areas where the language is not properly defined or developed.

**The Convener:** Thank you. That specificity is really helpful. I do not see anyone else wanting to come in on that question, so I will move on.

How well does NPF4 link with other Scottish Government policy and investment priorities, particularly around housing? That issue was brought up in the previous session. There are lots of policies that are already in play, and in that sense they do not link, but this question is around housing. I will open this up for any of the witnesses to respond to, because some have not yet had a chance to speak. Have you noticed that a certain policy is linking well, or does the framework undermine or step over it, or not even acknowledge that it exists?

**Andrew Fyfe (Scottish Housing with Care Task Force):** I will speak specifically to senior housing, which is my area of expertise. In terms of



linking through with other policy, it is important to start with legislation.

According to the Planning (Scotland) Act 2019, the Scottish ministers have a duty to report every two years on housing need in respect of older people and on how the planning system helps us to build more housing that addresses that need. The Scottish Government publication “A Scotland for the future” says that NPF4

“will also need to fulfil a statutory obligation to set out how it will support homes for older people and disabled people, as a result of the Planning (Scotland) Act 2019”.

Following that logic through to NPF4, we see that it has only three references to older people in 131 pages, and two of those references are in the annexes. It is similar with “Housing to 2040”—there is very little mention of independent living. To my mind, that does not equate with some of the previous policy or consultation documents.

**The Convener:** That is helpful.

**Nicola Barclay:** On a similar theme, I have looked through NPF4 and there is no reference to the Government document “Housing to 2040”, yet that is the core document for delivering the housing that we need over the next 20 years.

In addition, the Scottish Government's first population strategy, which was produced last March, talks about the lack of adequate housing and an inability to live near extended family as reasons why the birth rate has reduced. That document talks about how we can change the demographics of the country, have more people of working age and increase the birth rate. It makes clear the impact of housing on our population, but NPF4 does not refer to that at all. There is a real disconnect between that document and wider Scottish Government policy.

NPF4 is the spatial manifestation of Government policy. It should be showing us, in physical form, how Government policy will be implemented. Rightly, it clearly recognises the climate emergency, and it clearly references the nature crisis. Housing should be the third leg of that stool. We have a housing crisis, but that is completely disregarded.

All three of those crises are of equal importance. They do not sit together particularly comfortably; however, the job of Government and of everybody who is working in the Scottish environment is to work out how we strike a balance between all three. Given the way in which NPF4 is drafted at the moment, housing will not be delivered for the people who need it, and that is of fundamental concern.

**The Convener:** Thank you for that, Nicola. Tony Cain wants to come back in.

**Tony Cain:** I agree with the last statement from Nicola Barclay. However, I also agree that there are weaknesses in the link between the document and some other strategies that either are in place, should be in place or will be in place.

It does not deal directly enough with the population challenges that we face. The 2020 projections, on which it is not based, raise some genuinely worrying concerns about what Scotland is going to look like in 30 or 40 years. The pattern of population decline that is becoming established is focused in west central Scotland—particularly in the Ayrshires, in Inverclyde, and in Argyll and Bute. There is a massive overconcentration of development and housing wealth in the east, around Edinburgh and the Lothians, which is hugely problematic.

The overriding part of the housing crisis, if we are to use that language, is affordability. Nothing in the document will bear down on the problems of rising land prices and rising house prices, which are distorting the economy. The housing sector sucks in investment—particularly, for example, around private renting, in which excessive profits are available—and deflects it from other more productive places in the economy, from which we would benefit more. There are lots of challenges around connecting.

I also agree that “Housing to 2040” does not appear in the document, and neither do the principles that underpin it, which are powerful.

**Miles Briggs (Lothian) (Con):** Good morning to the panel. Thank you for joining us. I have a few questions about the minimum all-tenure housing land requirement. First, what are your views on the process and methodology that have been used to establish it? I will start with you, Tony Cain, as you have touched on issues about housing in Lothian. If anyone else would like to come in, I ask them to type R in the chat function.

**Tony Cain:** The methodology that has been followed around the minimum all-tenure housing land requirements has been established as part of the overall approach to assessing housing needs and demands for 20 years—the HNDA approach. It is as sound as any other approach that I have worked with.

However, we have to acknowledge that many people have expressed concern about the numbers that the HNDA process has produced, because they seem very low in some areas. That is being driven by the demographics, but it also points to the fact that having more homes is not necessarily the principal concern. It is not obvious that there is a shortage of homes in Scotland, but it is clear that there are access problems and substantial affordability problems. Those are the areas on which we need to focus.

As a platform for allowing local authorities to make decisions around their local needs, properly connected to their ability to sustain their local economies and meet local community needs, the approach is fit for purpose. Let us be honest—it is an art, not a science. The important point is how we translate the numbers into land allocations and ensure that those allocations are built out in the right way.

We have a huge problem. There is almost a booming economy in Edinburgh, the Lothians and the south and east of Scotland, while there are huge challenges with population and economic decline in many rural areas, many island communities and in the west beyond Glasgow and in Ayrshire. The whole of Ayrshire is projected to have a falling population within four or five years, based on the 2020 population projections. That is an enormous economic challenge. I understand that the economic strategy is being developed. Those things need to be tied together.

**Nicola Barclay:** It might be helpful if I explain my understanding of how the process has happened. The housing need and demand assessment generated initial numbers for each authority. The local authorities were then asked to review the numbers, consider them against local evidence and make any adjustments that they wanted, and they were given three months to return them to the Scottish Government. If a local authority is doing an HNDA in the normal way, it usually takes between six and 12 months, so some authorities did not have the time or resources to do very much. That is why some of the numbers did not change. However, other local authorities were already about to start their HNDA process. The Tay Cities Deal and Argyll and Bute Council both did primary research, because they were already planning to do that and they had funding and resources in place to do the work. That is why we have that disparity when comparing what went out with what came back. We need to make sure that all councils have both the time and the resource to do the work properly, because the HNDA number underpins everything that happens afterwards.

The national dataset on housing need—that HNDA number—takes a very limited view of what constitutes housing need. Only two, very acute, forms of need are counted: one is homeless households in temporary accommodation and the other is overcrowded households that include at least one concealed family. However, a large number of forms of need—at least six that I know of—are not included. I will give you a flavour, but I will not tell you them all just now because it is quite detailed. I am happy to put it into a written paper after the meeting.

For example, a household that is a family with two children, a boy and a girl, living in a house that is overcrowded because it has only two bedrooms will not be counted as having any need. The adults in single-person households of adults living together as friends in a shared flat are not counted as having any housing need. Single adults who have had to go back and live with their parents are not counted, although if it was a couple living with parents they would be counted. There is a huge sector of the population who are not in the houses that they want and who are unable to grow, start families or have all the things that my generation took for granted because we are not counting them at the beginning of the process.

We need to get the process right. HNDA needs to be reviewed, root and branch, to make sure that we are creating the baseline numbers for which we can then provide. Then we can have the conversations about where and of what type and tenure the housing should be. Unless we have the numbers right in the first place, we are on a hiding to nothing and we will be planning for decline. That is not, I think, what the Scottish Government wants to do.

I will stop there, although I could go on.

**The Convener:** Thank you, Nicola. I appreciate that. Andrew is next.

10:30

**Andrew Fyfe:** Nicola Barclay has articulated that brilliantly and has highlighted that, for many of these HNDAs, the definition of need is far too narrow.

Another party that is not considered in the context of the HNDA is, for example, an older person living in a four-bedroom house, which may well not be appropriate for them in terms of accessibility and other matters. It is important to consider senior housing, because if older people are not considered within housing need, local authorities think that there is no need to build any other form of accommodation for that type of person. We have a gap between mainstream housing and going into a care home; there is nothing in between. If we do not do better and offer more housing choice to that type of person, they are stuck between a rock and a hard place, because they are not ready to go to a care home but they are finding it difficult to live in mainstream housing. We should not underestimate the benefits of providing better housing choice in that space.

Ultimately, if we can provide that choice for someone, it gives them the confidence to go and live somewhere where they have a chance to interact with loads of people, feel less lonely and have a better quality of life. That is not only great

for that person but it frees up that four-bedroom house for a couple who want to move into that house to start a family, and it goes even further down the line, because the couple's flat would then become available for a first-time buyer. Without having to build more housing, you are freeing up two lots of housing down the chain. That is an important point to consider.

**David Stewart:** I echo what people have said so far about the importance of getting the numbers right, but I would caution against focusing too much on just the numbers on their own. Our review of land for housing found that, under the current system, we are not delivering enough homes that are suitable for older people—as people have said. We are also not really meeting the needs of young people. That has been a problem since the 2007 recession, when a lot of small to medium-sized enterprises that could perhaps have developed flats in town centres went out of business.

We need to go beyond thinking just about numbers and think more widely about meeting need and delivering housing that better serves the wider needs of the population.

**Anthony Aitken (Scottish Property Federation):** Good morning. I believe that the minimum all-tenure housing land requirements are not set high enough. Unfortunately, we often find that, with minimum housing requirements, there is little compulsion for local authorities to provide more housing—very often, due to the fact that providing housing and carrying out more housing development is difficult for councils to undertake. There is often quite a bit of politics involved, to state the obvious.

If the planned housing numbers are too low to meet population needs, housing affordability gets worse. If there is too much demand for available supply, the price increases. Those are real issues.

The numbers discussed in the draft NPF4 include the building of 200,000 houses for Scotland over the next 10 years. As Nicola Barclay alluded to, that would be substantially below what we currently provide annually. A new NPF4 that has real teeth but that proposes less housing than the local development plans have provided for previously is quite worrying.

I will not get too technical, as Nicola Barclay has gone through the HNSA process. We are here not just to point out discrepancies but to provide the committee with solutions. In that regard, I will give a very simple solution. As Nicola Barclay alluded to, there was only three months or thereabouts for local authorities to come back with the figures, and the figures were so low because there has not been a need for the HNSA process to be undertaken fully. The committee might wish to

recommend that an NPF4 policy requirement should be that councils must undertake a full and robust housing needs survey. In that way, we would be able to provide a number of houses for each of our communities over the next 10 years of NPF4.

I hope that that is helpful.

**The Convener:** Thank you.

**Tony Cain:** I have a couple of observations. The risk with housing needs assessments is that we end up going down a rabbit hole. In my experience of working on such matters in local government, it probably does not matter very much whether the local need is for 2,332 or for 4,598 affordable houses or houses for those with particular needs if only 320 houses can be built. We need to ensure that the 320 that are built serve a purpose and meet a need in the community, and judgments need to be made about which needs are most pressing. It is an art, not a science, and we can disappear down a rabbit hole if we are not careful.

Housing for older people is a fundamental issue in the owner occupier sector. The vast majority of people over 60 are owners and about 90 per cent of people over 70 are owners, and the owner-occupier sector will need to meet their needs as they age, because the public sector simply cannot meet all those needs. That means that we have to look at what is being built in the owner-occupier sector and the extent to which that is meeting the needs of older people and creating opportunities for them to downsize.

I echo what David Stewart said about the lack of attention that is being paid to the housing needs of young people. When we talk about young people, we tend to talk about students and the university path through student accommodation. We do not talk about how young people who do not go to university move on and secure housing. What about apprentices, young people who have jobs and those who are at college, not university? We do not have a pathway or a clear approach for them. We do not even have a service strand in the public sector to ensure that we meet the needs of younger people as they form new households. That is definitely a gap.

**Miles Briggs:** I thank the witnesses for those answers. Tony Cain is right that it is an art form, and not necessarily a science.

Homes for Scotland's useful briefing ahead of today's meeting talked about flexibility and what that should look like. It highlighted that alternative sites could be given planning permission for housing if those that are allocated in local development plans prove not to be deliverable. If there is no change in how the estimates are formed, what would such flexibility look like? How

can we direct new developments to where they are needed? What are the witnesses' thoughts on that? I will bring in Nicola Barclay, as I mentioned Homes for Scotland's call for flexibility.

**Nicola Barclay:** You are right. Under policy 9(b), there is a mechanism for bringing forward sites that have already been identified. We need to go back to first principles. One of the biggest challenges for the planning system is keeping the communities that will be impacted by new developments up to date, so that they are able to comment on suitable sites. We are keen to ensure that, when sites come forward for housing, communities already know about them.

The policy says that longer-term sites can be brought forward early if some of the shorter-term sites are not delivering as planned. A fundamental issue with that is that the chances are that longer-term sites have been identified as such for a specific reason. It is probably because there is a wait for the delivery of a big piece of infrastructure that is in, say, Scottish Water's capital spending plan and will not be done for another five years. Such sites cannot be brought forward quickly—it just does not happen like that. The question is whether we need a bank of other available sites that communities are aware of and which can be fed in.

Although Tony Cain said that we should not go down the rabbit hole of housing numbers, if we get the housing numbers right to start with and allocate enough land to be able to deliver those houses, we will need less flexibility. It is the constraining of supply that is stopping us delivering the houses that we need, because if one site that has been allocated cannot deliver the houses and there is nowhere else to go, we cannot meet the needs of the local population. We need to look at flexibility. It is a little too simplistic to rely on longer-term sites, when we think about the technical reasons why sites do not come forward quickly.

**The Convener:** I want to bring in Tony Aitken, who I know wanted to come in on the previous question.

**Anthony Aitken:** I do not want to go down the rabbit hole of housing numbers today, but if a local authority says that 1,000 houses will be needed in its area over the next 10 years, there has to be a requirement to deliver those 1,000 houses, because if that does not happen, we will have failed to deliver the homes that our communities need. That is the main point that I wanted to make. We must focus on ensuring that houses are delivered in full, so that we do not fail our communities by failing to provide the homes that they need locally. It is not about going down the rabbit hole of housing numbers; it is about trying to deliver the homes that our communities need.

Nicola Barclay talked about short and long-term sites and the need for alternative sites to be available to meet supply requirements if there are difficulties with sites coming forward. That is an important issue.

**Tony Cain:** We are talking about the planning process as if it were some kind of straitjacket around what can be developed and where. It is and always has been the case that what is built over a planned period will include development on a significant number of windfall sites—small sites that appear and which are often developed opportunistically by smaller construction companies. Some areas have more windfall sites than others. In the local authority area where I work, we can typically expect a quarter or more of the housing output to be on back-land sites and windfall sites. It is not the case that only the land that is allocated is built on. Given how the system works and how the use of buildings changes, there is always the opportunity for additional sites to come forward.

Pipeline is about good planning. If a site is there longer term, it is a longer-term site for a good reason.

There is a rather glib reference to de-allocating sites that are not being brought forward. De-allocating a site that is included in a local plan is difficult. The only sites that I have known to be taken out of a structure plan or a local plan have been publicly owned sites; de-allocating a privately owned site always involves a contest with the owner. A reality check is needed about the way in which the system works in the real world.

**Miles Briggs:** Thank you. Convener, I am happy to hand back to you, given the time.

**The Convener:** Thank you. Paul McLennan has a supplementary question on the same theme.

**Paul McLennan:** I want to explore the points that Nicola Barclay and Tony Aitken made about deliverability, which is key, and flexibility. Are mechanisms in place for local authorities and the Scottish Government to review delivery? We can produce a plan, but various things can happen—for example, there might be infrastructure issues, or demand might drop. Is there a requirement for a formal review to ensure that what was set out was delivered, given that, if we fall short, we will exacerbate the problems that we have been talking about?

10:45

**Nicola Barclay:** The primary way of checking whether sites are coming forward for development is through the housing land audits that every council does every year. Paul McLennan will know about that from his council. I would need to

double-check whether that has to be reported back to the national Government and whether it checks on housing numbers that are delivered locally. I do not think that it does, but I would not want to mislead you on that point, so I can come back to you on it.

One positive that we must mention is that the NPF4 talks about housing delivery. It focuses far more on deliverability than the previous NPF did, which has to be welcomed. We now need to ensure that that can happen, and that the rest of the document does not block it from happening, which is a whole different ball game.

**Paul McLennan:** I think that the key thing is to make sure that we can do that. You are right that, from a council point of view, the key thing is how the Scottish Government ties into that and ensures that there is deliverability. We need to deliver—

**Nicola Barclay:** Another issue is whether the funding is there to support much of what is in the NPF. I totally endorse the idea of brownfield first, but who is paying for it? A lot of brownfield sites have no value because of the amount of remediation that would be required to bring them up to a safe standard to put houses on and have gardens. That is a big challenge.

**Paul McLennan:** I think that we will touch on that in some of the later questions. No doubt it will come up.

I ask Anthony Aitken to come in on that.

**Anthony Aitken:** The focus on deliverability is important. On mechanisms for ensuring that we hit the targets, quite a few local authorities have fairly well developed development plan policies that have safeguards and checks in place. If sufficient housing numbers are not coming forward, there is a policy safeguard in place through which other sites have to come forward. Some local authorities proactively plan for that. I recommend to the committee that words of that nature should be included in NPF4, because I do not see them there currently. I would warmly welcome that, as it would give an extra layer of flexibility and focus on deliverability to ensure that, whatever the eventual number is—we have had a little bit of debate about that—it is delivered on the ground.

From my professional planning experience of 25 years or thereabouts, I know that, if we do not deliver enough homes, that disproportionately affects some sectors of our community. It was rightly mentioned earlier that it is particularly hard hitting for young people and for people who are less well off. The reality is that there should be flexibility to ensure that the housing land requirements are met in full, and words in the NPF4 to bring home that point would be warmly welcomed.

**Tony Cain:** Almost all of the major sites in any local development plan will have a developer associated with them, and that developer will be good at understanding deliverability. Generally speaking, local authorities and developers are good at working together to understand deliverability concerns and work through them. Issues around infrastructure are likely to be the most pressing element, and we still do not have a properly effective approach to delivering infrastructure first. Some of the work that Dave Stewart and his colleagues have been doing on land value capture and how to fund infrastructure is genuinely important. There will be emerging issues around the electricity grid as we shift away from fossil fuels and put more demand on the grid, so we probably ought to be worrying about that.

I draw a distinction between deliverability and viability. In the world of social and affordable housing, one of our frustrations is that affordable housing requirements on sites are often the first thing that is sacrificed against viability. We should be clear that the public policy objectives are not negotiable on the viability question. The developer's responsibility is to ensure viability within the whole public policy framework, and if the developer cannot bring forward a site that is viable within that policy context, it needs to go away and have another think about where it wants to develop. We should never negotiate away social housing and other community infrastructure requirements off the back of the profitability—that is the word that we are looking at—of sites.

**Paul McLennan:** That is very helpful. Thank you.

**The Convener:** Paul, you are up next. Your main question has been partially covered, but I think that it would be great to ask it anyway.

**Paul McLennan:** Yes. It is for Andrew Fyfe, who mentioned the delivery of housing to meet the needs of older and disabled people and touched on some of the issues with that. Are there any specific changes that you would like to see in NPF4 that you believe would help with that? I think that you are right, given that we have a growing elderly population. What changes would you like to see that would make it easier for local authorities to provide such housing and help us to meet our national targets?

**Andrew Fyfe:** Targets are the first thing that I would like to address. We have the MATHLR, which outlines targets for local authorities for more general housing, but it is important that, somewhere in the document, we have targets for senior housing. I use the phrase "senior housing" as a general catch-all that encompasses the public, private and voluntary sectors. What I particularly advocate is, to use the most recent terminology, integrated retirement communities. I

am talking about retirement villages that come with services on site.

To give you a flavour of how far behind we are compared with some of the leading nations in the world, I note that the likes of New Zealand, Australia and the USA have about 5 per cent supply of housing with care versus the number of over-65s in their countries. In Scotland, the level of supply is well below 1 per cent. Based on some figures that the Scottish housing with care task force has produced, we are looking at a gap of approximately 40,000 homes. That is the number of homes that we need to be built in order for Scotland to come up to those standards.

**Paul McLennan:** Will you clarify how you got to that figure, so that we understand that? As you mentioned, it is important to understand what the demand is. This takes us back to Nicola Barclay's point about the HNDA. We need to understand the demand and the need for extra housing with care. Will you give us a little bit of background on how you got to that figure?

**Andrew Fyfe:** Yes. We established how many housing with care units there are in Scotland from a mixture of studies by the Housing Learning and Improvement Network, data from the Elderly Accommodation Counsel and some good data from Knight Frank. That landed us with a figure of about 2,500 units, I think. I am happy to clarify that later, because I am trying to balance a lot of things here. We looked at the population of New Zealand and where supply stands there, and we calculated the gap between how many units it has and how many we have. That is how we reached the figure. It is certainly open to debate, but the broad point is clearly that there is very little housing with care in Scotland. We see that as a failure of the system.

On what we would like to see in NPF4, there are a few mechanisms that would help to bring sites forward and, crucially, make them viable. One of the big things is a separate use class order. Housing with care is a difficult type of housing to clarify because it is somewhere between mainstream housing and care home provision—between use classes 8 and 9. A separate use class would allow local development plans to allocate specific sites, which could then be brought forward.

The crucial point is that there seems to be a misunderstanding or misconception among Scottish planners and the Scottish ministers that operators of housing with care can compete on sites with mainstream house builders. Indeed, we have seen that in some recent decisions. For example, when a recent planning decision on Milltimber was appealed, the Scottish ministers said that there was no reason for any difference between what a housing with care operator and a

mainstream house builder could pay for a site. That showed a fundamental misunderstanding, given that build costs for housing with care operators are 25 per cent more expensive and that they also have to put in all the services to make the site run as it should. Those sorts of things have to be addressed in NPF4.

It is also crucial that we have clarity at national level on establishing need in line with the Town and Country Planning (Scotland) Act 1997 to ensure that local authorities are not, in effect, making up their own policies. That has to happen across the board.

Those are the crucial issues. I could go on, but I am conscious of the time.

**Paul McLennan:** Before I ask others to come in, convener, I should declare an interest as a serving councillor on East Lothian Council. I forgot to mention that at the start.

I see that Tony Cain would like to respond.

**Tony Cain:** With regard to housing with care, there is, I suppose, an interesting question about how public policy is developed. We in the world of affordable and social housing have made it pretty clear that care is one thing and housing is another, and our objective is to deliver homes that meet needs and care that is flexible. We do not build housing with care projects, because we deliver the care flexibly around the homes that people are in.

In fact, that has been the policy position for 30 years now, other than with relatively specialist and broadly speaking congregate provision that has very often been driven by economics, which is problematic when it comes to delivering high-quality care and housing. Although it is cheaper to deliver care to four or five folk together in one place, it is not necessarily better for the people who are getting the care. It is a difficult balance to strike.

One might make a distinction between housing and care that are delivered in a public policy context and the whole private sector market in housing with care. In the public sector, we look to commission care as care and distinct from the way in which we commission and produce housing, while the private sector has developed different business models. I do not think that we have ever really debated the issues of principle around which of them we necessarily prefer and how we balance the two things. It is certainly the case that big chunks of the care sector are operating in price ranges that the public sector cannot match. There are issues with the pricing in the national care contract, but the fact is that the public sector does not pay the rates that are charged by private providers and which, as is perfectly reasonable, some wealthier older people are able and prepared to pay.

There is a policy debate to be had about how those two elements of the system work, but I just want to point out that, in the public sector, we deliver care to the homes that people choose to live in, and we commission it independently from the way in which we commission housing.

**Paul McLennan:** I think that Andrew Fyfe wants to come back on that.

**Andrew Fyfe:** I would like to respond briefly. I totally accept the distinction between the public and private sectors and fully agree with Tony Cain that it is important that we work together. As has been said, for many people, the types of housing with care that we see down south—for example, the likes of Audley Villages and Inspired Villages properties, which come with bells and whistles—are just not affordable for a lot of the population.

I would also note—and I will read this, so that I get it correct—that 68 per cent of older housing in Scotland is in the social rented sector, while 73 per cent of people over 65 privately own their own homes. There is therefore a clear lack of private housing. There is demand; indeed, Age Scotland has shown as much in surveys that it has carried out, and in my own research with the University of Aberdeen, we asked loads of people about the types of housing that they would like to move into in the future. It is important to clarify that there is demand for this type of product, that it needs to be built and that care and housing can very much exist together.

It is an issue that falls within the remit of NPF4. If we are talking about sustainability and cutting travel times, I would argue that it is more sustainable to have someone on site in a housing with care development and providing care without having to drive from house to house than it is to have someone provide care in loads of different people's homes. In the context of the 20-minute neighbourhood, housing with care is great at delivering services on site that allow people to live really good lives in close proximity.

The public and private sectors very much need to work together, with social care, to establish solutions. There is definitely a need for more private sector stock.

**Paul McLennan:** Thank you.

11:00

**The Convener:** We will move on.

**Meghan Gallacher (Central Scotland) (Con):** I refer members to my entry in the register of members' interests: I am a serving councillor on North Lanarkshire Council.

Good morning, panel. We have talked about the wording of the national planning policy on 20-

minute neighbourhoods; I want to discuss the implementation of such neighbourhoods in practice. A couple of panel members talked about the need to meet community needs. Will the policies in the draft NPF4 direct appropriate development in our cities, towns and local centres, or will we continue to see approvals of out-of-town developments? That is for Tony Aitken, in the first instance.

**Anthony Aitken:** Out-of-town retail developments were a phenomenon of the 1980s and 1990s, and the market in that regard is on the wane. Such developments are not required as much.

In many respects, the 20-minute neighbourhood concept is sound, but when I read about it in the draft NPF4 I thought that it had a city and town centre focus. A lot of the population of Scotland live in suburban areas, so we need the ability to adapt the approach sufficiently so that it can apply in such areas, to ensure that they have the right range of facilities and community resources.

A lot of new commercial real-estate development helps to provide facilities in such communities, such as new schools and hospitals. Members of the Scottish Property Federation help to deliver such facilities. New development can improve 20-minute neighbourhoods outwith the most urban areas, which is one of the challenges. A broad definition is required—panel members talked about that earlier.

This takes me away from housing for a moment: although out-of-town retail development is on the wane, there is a big requirement for storage and distribution facilities on the edges of our towns and cities, given how we live our lives now. The pressure that comes from our wanting things to be delivered within a day or two of ordering them means that such facilities are required. We have to plan positively for such facilities, because that market will not change any time soon—if anything, it is getting more competitive.

I do not see much reference to the issue in NPF4; the Scottish Property Federation would like to see more. As a North Lanarkshire member, you will be well aware how successful Eurocentral has been. Where in our national planning framework is reference to our next Eurocentral—the next big storage and distribution facility, which can provide the capacity that the market needs? That is a challenge that lies ahead, which we must meet.

New development can help to deliver 20-minute neighbourhoods, as can active travel links and good place making—we all subscribe to that.

**Meghan Gallacher:** Thank you—

**The Convener:** I am sorry to interrupt you, Meghan. David Stewart, Nicola Barclay and Tony

Cain all want to respond. That was a popular question.

**David Stewart:** I am keen to respond to the question, because in some ways it gets to the heart of the ambitions of the NPF4 and to the real challenge of how we deliver on its objectives and reform what we do at the moment. If we do not provide support for delivery and look at issues such as land market reform and how to reuse vacant and derelict land, I suspect that we will not meet the ambitions.

For development in town centres, there will be higher costs and more risks. There is the issue of assembling land where there are different landowners. I know that North Lanarkshire Council has a welcome focus on developing services and housing in town centres.

I will suggest a couple of ideas from the Land Commission's work that could help to deliver development in town centres. We previously proposed the idea of compulsory sales orders. Where land is vacant and is not being used, there could be a compulsory sales order and someone who had a development planned for the site would be able to buy it. We also recently provided advice to the Scottish Government on tax reform relating to land. One idea that was developed in the course of that research was to introduce incentives to encourage development of brownfield sites or vacant buildings. For example, council tax might not be charged for the first three years after a new property was developed.

We need to get to grips with those sorts of issues if we are to fundamentally change where we deliver homes.

**Nicola Barclay:** I will follow on from David Stewart's points. Our members certainly have no issue with 20-minute neighbourhoods. They like the concept, but they would probably like a bit more detail on how they deliver that in new places. Although there is a big push for reusing brownfield land, that will not meet all of our housing need, so we have to ensure that any new greenfield releases are connected as well.

We have to remember that housing is not delivered in isolation. The majority of the people who live in the houses then go to a place of work. Tony Aitken touched on Eurocentral. Policy 16 in the NPF4 is on land and premises for business and employment, but it does not refer to 20-minute neighbourhoods. People move from their house to their work and home again, so let us join up the policies. If we are going to have 20-minute neighbourhoods as a key plank in the document, we should make sure that it feeds across policy areas beyond housing. That is my key ask.

The public and private sectors need to work together. Many of the policy objectives will be

delivered outside the site that is owned and controlled by the developer. If there is a need to put in active travel linkages, that tends to be on land that the developer does not own, so the developer cannot do it. I note that the City of Edinburgh Council is currently introducing compulsory purchase orders for a lot of land to the west of Edinburgh in order to put in active travel routes. We need a much more streamlined and connected approach to deliver the policy objectives. It does not fall on any one person to do it.

The aims are laudable, but the practical delivery will not be easy. Unless we all get round the table at the start and work out how it is done and who is paying for it all, which is a fundamental question, I worry that the ideas will sit in the plan and will not actually turn up outside our doors, which is what we want to happen.

**Tony Cain:** On the creation of 20-minute neighbourhoods in urban areas by reusing existing land, Nicola Barclay has already made the point that that is expensive and difficult. Ownership patterns can be a major obstacle. Those are the types of developments where a public sector agency is absolutely needed to lead the process. In relation to developing the possibilities for councils, colleagues in the Scottish Futures Trust are looking at building for sale, which is a really useful conversation. It is with inner urban brownfield developments that that could be most effective. We have a substantial problem of dereliction in many of our town and city centres that we need to address.

My other point about 20-minute neighbourhoods is that they also need to start to inform public service delivery and design. If you want a 20-minute neighbourhood within which you also have health services, libraries, a post office, leisure facilities, parks, and the travel system that supports all that, particularly in rural areas where people who do not own a car genuinely struggle because public transport is often woefully inadequate, you have to invest heavily in the provision of public services.

The last 20 years has largely been about the centralisation of public services and stripping them out of local communities. How many communities have a library within three miles? That is broadly the guidance that the library professionals give about access to libraries, and it fits with a 20-minute neighbourhood. We have lost many of our most accessible public services. If you want a 20-minute neighbourhood, you are going to have to invest in it substantially, and that is not happening at the moment.

**Meghan Gallacher:** Thank you, Tony. Thank you, convener. I will hand back to you as I am conscious of time.



**The Convener:** I appreciate members expressing their consciousness of time. We have a few more questions to get through.

**Willie Coffey:** I go back to a point that Tony Cain made earlier. Tony, you were talking about the disparity between housing supply in east and west of Scotland, and you mentioned Ayrshire in particular. Is it fair to expect the NPF4 to address that? Should there be a direct link to that issue in NPF4? We are talking about economic development and regeneration, and housing and land supply will generally follow on from that, will it not?

Also, things such as 20-minute neighbourhoods kind of imply that we need a more distributed, balanced economic policy. You were just talking about it a moment ago there. Could I have your thoughts on that issue, and on Ayrshire in particular? Housing development is pretty much booming north of Kilmarnock and Stewarton, but that is not the case for the rest of Ayrshire. Could I have your thoughts on whether NPF4 is the place for us to address those issues?

**Tony Cain:** There have to be limits on what NPF4 can do. I should say that when I point to the Ayrshires, I am simply picking on a substantial area—and it is not just the Ayrshires; it is a substantial area that goes all the way round to Inverclyde—that has a medium-term challenge in relation to population decline, but there will be areas in there that are booming and where the local authorities are working hard to address the negative impacts of population change. I absolutely know that, so I am not picking on anybody in that sense.

I am also not saying that the economic strategy should be built into NPF4. I was saying that we need a clear connection between our ambitions for the distribution of good quality and well-paid jobs across Scotland, and how we develop a housing system to support that. At the moment, we are at risk of presiding over a differential or two-pace development process in which some quite substantial areas genuinely struggle with the challenges of economic and population decline, while other areas just suck in wealth and investment. We need to balance that, and the economic strategy is clearly a very important part of how we do that.

I understand that the strategy is in development and it is not in this document, but it is not really referred to very strongly in this document either. How do we get jobs into Argyll and Bute, into the Scottish Borders, into South Ayrshire, and into our island communities so that we can sustain and grow those communities in the way that we want to? How do we deliver support for older people in island communities? As island communities decline, it is very often the older people who are

the last to be there. When you see island abandonment, it is, generally speaking, the last two or three older folk who leave because they cannot be certain of getting the care and help that they need. I am pointing to the integration of those different elements of the planning process.

My apologies; I did not quite catch your point about the 20-minute neighbourhoods.

**Willie Coffey:** The concept of 20-minute neighbourhoods kind of implies that there needs to be a broader, more distributed set of services, whatever they are, and also economic opportunities. Is that what you understand by the implications of developing such a policy?

**Tony Cain:** Absolutely. It is a measure of the way in which urban planning has changed. I was brought up in Welwyn Garden City, which is half an hour from London, but almost everybody from all the families around me worked within the Garden City; nobody commuted. It is now a commuter town. The employment opportunities have just ebbed away within the town, which is not a unique situation. Everybody now travels to London. How do you reverse that kind of trend or how do you build a different trend in relation to where quality jobs are located?

11:15

I do not think that the answer to jobs in rural areas is to encourage people with well-paid city jobs to move out to the country and work in IT, for example. It is about how you create jobs that are rooted in those areas, such as jobs in agriculture—jobs that are directly linked to those communities and to that land—but not necessarily jobs in tourism, which features in one or two places in the framework, because jobs in tourism can be insecure and low paid.

It is about how you build sustainable jobs in those local communities and, particularly in rural areas, it is about how you build an economy based on that rural area, whether it is an agricultural economy, a forestry economy, or whatever. The main part of that challenge is not about folk with jobs in the city moving out to work remotely in the country, but is about developing genuinely circular local economies that support quality jobs. It is hugely challenging—there is no question about that.

**Willie Coffey:** Thanks for that. I turn to our town centres and how we encourage and promote housing in an urban setting. Panel members will be aware of many of the issues that we can see in any of Scotland's high streets. How can we address the issue of parcels of derelict land empty, derelict shops blighting the urban landscape?

There is an associated issue, which we heard about from the East Ayrshire Council officials the other week. When trying to encourage housing developments within our town centres, we have to be increasingly mindful of flood risk. That is becoming an increasing problem year on year. Do we need to be pushing for ideas on how to solve that issue if we are serious about redeveloping our town centres and making them the attractive places to live in that we want them to be?

**David Stewart:** It is an important issue and I am aware to an extent of the challenges close to Kilmarnock town centre. We have been involved with some work looking at supporting development.

Vacant and derelict land is a huge issue for Scotland. Work that the Land Commission was involved with found that a third of the population lives within 500m of vacant land. In areas that are higher on the indices of multiple deprivation, that figure goes up to two thirds of the population, so it is a challenge. However, what you can achieve if you can develop on such sites is huge.

The answer to delivery is that you need to have the public interest-led development approach that I talked about before. The market on its own will not deliver on those sites. You really need a range of public agencies to work together on issues such as flood risk and planning at a more regional level.

I believe that the key agencies, which are a group of statutory planning consultees such as the Scottish Environment Protection Agency and Architecture and Design Scotland, have been talking to East Ayrshire Council about the site that you heard about.

The Clyde mission is an example of one of the national developments; it is looking at the land on the Clyde corridor in the round. It is looking at not just development on vacant land but flood risk adaptation and it is taking a more regional view. That is the sort of planning approach that has to be taken, along with, as I said earlier, looking at mechanisms to incentivise re-use of vacant land and buildings.

**Nicola Barclay:** I know from my membership that the kind of developers that are attracted to inner-city redevelopment sites, whether it is conversions or new builds within an urban core, tend to be the SMEs. However, as was mentioned earlier, since 2008, many SMEs have gone out of business. Therefore, the challenges are twofold: fewer people are interested in developing, and those who are still around and working and can do that kind of work are dealing with far more challenges than they were before 2008. The planning regulations, technical consultations and all the additional reports, assessments and surveys that they need to do before they can build

on those small sites—which were their bread and butter, back in the day—make it much harder to do that.

As David Stewart was saying, I think that we need a joined-up approach. I have seen the brilliant work that the Scottish Empty Homes Partnership has done to bring empty homes back into use. Maybe, whether it is for residential or commercial or other uses that have been identified, we have to work in a partnership to bring work on those sites forward. Then we have to bring in the key agencies and the infrastructure providers.

You mentioned flooding, but one of the other bigger challenges is Scottish Water's policy that does not allow you to connect into a combined sewer. It is a fairly technical issue. If you are building a block of flats, you are not allowed to connect them into a combined sewer; you have to create new separate surface water and foul drainage. That is incredibly expensive, and you have to go outwith your site to do it. There should be some kind of flexibility to allow connection into the combined sewer, because whatever was on that site before connected into it. If we had more flexibility, we would see fewer hurdles to overcome to bring brownfield sites back into use. There should be a conversation with Scottish Water, asking why that is a problem and saying, "Let's unpick it". People should be working together to create a solution.

We probably need a body, whether SFT or somebody else, to lead on how we bring vacant and derelict sites back into good use, whatever that use may be. It might not be development—a site might be turned into a park or landscaped. Development is not always the answer; it depends on where a site is and, often, on what is in the ground—how contaminated it is. That is obviously a huge issue.

**Willie Coffey:** Thanks for that, Nicola. I see that Andrew Fyfe is asking to come in. Andrew, can you also say something about my other point, about derelict shops in high streets and whether we are in with a realistic chance of having housing above the shops? We are all familiar with that concept. What happens if the shops that are underneath a redeveloped set of flats are still in a pretty awful, tarnished, derelict state? I cannot imagine that anyone would be attracted to live above a shop that has been empty for years, with graffiti on windows and vegetation growing out the doors and gutters. How do you think we should tackle that issue?

**Andrew Fyfe:** That is an interesting point. I wanted to raise initially that I certainly understand the obstacles to redeveloping vacant land in town centres, of which there clearly are many, but when I do feasibility studies for older people's housing—

whether that is housing with care or more generally, something such as the McCarthy Stone model or a house builder model—I am looking at the—[*Inaudible.*]—needs of older people—sorry, I just got a bit of feedback on my microphone.

In those cases, what I try to establish is whether there is good access to services and transport. Does the place give that older person residential satisfaction in terms of their needs? Town centre sites have a lot of positives. Obviously, they allow you to still interact with the community and you have close access to all the things that you need.

When it comes to attractiveness, if there was a shop below that was not particularly pretty, I think that that could potentially be problematic, especially at the higher end of the private housing with care market. There are several examples from down south of places, such as Battersea in London, that have extremely expensive versions of housing with care. I am not suggesting that that is the best model for Scotland, but I know that a lot of the developers down south and operators of housing with care are very interested in central sites, particularly in Edinburgh and Glasgow. Perhaps that represents an opportunity to make better use of a vacant or derelict piece of land.

I think that it would be better for someone else to answer your second question about what could be done to address vacant commercial premises.

**Willie Coffey:** Thank you, Andrew. After a final word on that from Tony Cain, I will hand back to the convener.

**Tony Cain:** The difficulty with that whole area is that the way in which our city and town centres are being used is changing and has changed. The pandemic has had an impact on the office and the role of the office, and we are seeing a contraction in town centre areas. Those areas expanded over the years by taking over formerly residential properties and turning them into offices, but now they are tending to contract back. At the moment, that is happening in a very unplanned way.

Assets that were once valuable and productive are becoming worthless and unproductive and, later on, they will become a blight. There is always a question mark about who takes the hit when somebody's asset is simply overtaken by changes in the economy. Entrepreneurs are meant to be risk takers. If you buy something that turns into rubbish, you have rubbish and you should not expect anybody else to bail you out, although that often seems to be the case.

However, even with that attitude, whether people agree with it or not, it is expensive to redevelop and redesign or sometimes demolish and rebuild those properties, so I think that we need a particular focus on that issue. It might help if we had a development agency whose task it was

to drive that process, because there are very particular skills and risks.

However, we also need to be a bit cautious about the way that people's aspirations are changing and how people feel about living in town centres. It is about who wants to live in a town centre and how that town centre operates, functions and meets their needs. Much of the talk in recent weeks and months has been about folk looking to move out of urban areas and buy more space, because they are now working from home, but that is a bit of a niche view. Most people are not working from home, because they do not have jobs that they can do at home; they have other kinds of jobs.

However, there is something about understanding the changing views around those spaces and working with the grain of that change in demand and desire, rather than trying to invent it. It is difficult and it will take time, but there is no question that there are too many derelict and underused or unused buildings in our urban areas, and we do not have a properly effective way of addressing that.

**Willie Coffey:** Thank you, Tony. I thank everyone for their responses to those questions.

**The Convener:** Anthony Aitken wants to come in on that.

**Willie Coffey:** My apologies; I did not see you, Anthony.

**Anthony Aitken:** I have a point to make on that. One manner in which we might ensure less dereliction or vacancy of shops is to increase the flexibility in the use classes order, so that they can go from one use to another. I always believe that a property being utilised is better than it being vacant because, for example, planning policy has prescribed that the use is not acceptable in that area. Greater flexibility in the use classes order could assist that.

Although it is probably for a separate committee meeting, there is also a wider commercial property debate about rates levels for premises in some of our towns and cities. Those levels have been seen as a barrier, which has perhaps increased some dereliction and vacancy rates. It is very complex, but anything that can encourage the occupancy of shops in our towns and cities is welcome and should be thought through fully.

**The Convener:** We are almost at 11:30 but, if it is all right with everybody, we will run over a little bit. I am keen to bring Mark Griffin in to ask a few questions and then see whether there is anything else that we need to ask.

**Mark Griffin (Central Scotland) (Lab):** The draft national planning framework states:

“We want an infrastructure-first approach to be embedded in Scotland’s planning system.”

What do the witnesses think an infrastructure-first approach should look like? Will NPF4 deliver that? If not, what changes would they suggest? That question goes first to Nicola Barclay.

11:30

**Nicola Barclay:** I am happy to take that question. What is infrastructure? It means different things to different people. Is it the road? Is it the water? Is it the railway line? It is all of that, plus it is the provision of education, healthcare and everything else that we need. Some would also say that housing is also infrastructure, but that might be a different debate for another day.

We absolutely support an infrastructure-first approach. One of the biggest challenges to getting sites out of the ground is the lack of infrastructure, and perhaps a lack of joined-up thinking when a site is allocated in the first place. Often, sites are allocated in the plan, the planning application goes in, then the education department says that it does not have any capacity in the school so a school needs to be put on that site as well as housing. That is a very simple example of where an infrastructure-last approach has been taken. It just delays sites, and you end up in years of negotiations, arguing with the landowner, the developers, and the council, and it is not how we should be delivering homes. That is not a plan-led system.

The plan-led system needs to ensure that, for any sites that are allocated, you already know that water is available, that it is not on a flood plain, that there is capacity on the road and in the school, or that you are going to do something about all those things.

It is also important that we programme the sites to tie in with when infrastructure will be provided. I said earlier about how we cannot always bring forward longer-term sites because they are longer term for a reason, which is principally about the delivery of infrastructure.

It is a real issue. I am not convinced that there is enough detail in NPF4 to tell us whether a plan-led system is deliverable. We have not seen a delivery plan yet, although I know that the Government is waiting for a final draft of NPF4 before creating one. It would have been helpful even just to have had a draft so that we could have seen the thinking around that. That is the biggest issue that I have heard about from our members: there is just no route map. How do we get from this document to actually delivering on the ground?

Local authorities are very good at delivery plans, and it would be great if the Scottish Government could produce one now so that we could see it.

Infrastructure is fundamental to getting the communities built that we want, with all the infrastructure that we need, so the Government needs to show us its workings and let us see what it means by them.

**David Stewart:** I fully support an infrastructure-first approach, which is essential to delivering the quality of place that we want, including 20-minute neighbourhoods and active travel. It is too early to say whether NPF4 will deliver that, and I echo Nicola Barclay’s points that, without being able to comment on the delivery plan or programme, it is difficult to say that.

I will briefly mention a couple of ideas from our research that could help to deliver infrastructure on sites. We carried out research into how some European countries deliver housing and place making. Germany and the Netherlands have mechanisms for land value capture or land value sharing. That ensures that the land value from a site is used to fully recover the infrastructure costs, and the infrastructure is generally built first, often by public agencies, before being handed back to developers to build out.

Secondly, following on from our review of land for housing, we proposed the idea of a land agency to start to assemble sites and make them ready for development. Ireland has already instituted that, by setting up the Land Development Agency to make sites development ready, particularly on the brownfield sites in towns and cities that developers might find challenging to take on.

**Tony Cain:** I do not think that we have the tools to run with a proper infrastructure-led approach. Too often, there are delays or hold-ups in planning that. I agree with David Stewart that we need to start looking at some of the Scottish Land Commission’s recommendations and thinking about how we develop those so that we can take better control of the infrastructure delivery process. To be fair to colleagues in the development sector, section 10 and section 75 requirements, which are embedded in the current approach, are cumbersome, time consuming and imprecise. Those are forms of taxation on the development industry, but they are not taxes that you can predict and the issues becomes contested.

I go back to my point that we contest the public policy objectives as a way of trading to deliver a viable site, which seems to be wholly inappropriate. We need to have a serious conversation about how, for example, we can start to use the land value capture options to deliver the essential development.

**Mark Griffin:** Thank you for those answers. Will national or local government structures and

funding deliver some of the outcomes that we are talking about? Do you feel that the Government should produce a capital investment infrastructure plan to deliver on some of the issues that we talked about in relation to the first question? On local government, we have heard concerns regarding planning departments' resources and whether they are sufficient to deliver the outcomes that we would like to see in the draft NPF4.

**Nicola Barclay:** I am happy to comment. I heard the evidence that was given in previous sessions, and many others have said that the lack of resources in planning departments is a fundamental issue for delivering the policy objectives of NPF4. I whole-heartedly agree that that is a massive challenge for all of us. Nobody benefits from having underresourced planning departments.

However, it is not just the planning departments: we have also lost conservation officers, and even having someone in the education department who is able to comment on the capacity of schools is a skill set that is being lost. So many parts of the council have to feed into the process. If they do not have the resources, it slows everything down, which makes delivery difficult. A capital investment plan from the national level would be hugely welcomed, although I am not sure how realistic that is.

To go back to Tony Cain's point, we have been using section 75 agreements for many years. I know that there is talk about an infrastructure levy, which is worth looking at. Unfortunately, we have seen in England that the community infrastructure levy did not work very well, and it is now looking at another one. Let us learn from other countries' mistakes and try to develop from there. David Stewart pointed to other countries that are doing things well—he mentioned Ireland—and it is worth seeing whether there is something that we can work on together in Scotland. Developers are happy to pay, as they already do under section 75. The Scottish Government and developers may have to work together to deliver what is required.

We need to remember that infrastructure often crosses the boundaries of local authorities. We used to have a middle tier of regional councils that would deliver a lot of regional infrastructure, but we do not have an obvious mechanism for doing that now. Housing developments sometimes cross boundaries. We need to be quite creative and not too prescriptive in thinking that it is just about a local authority, or just about Government. We need to look at what is needed across housing market areas, which do not take local authority boundaries into account.

**Tony Cain:** I agree with and reinforce what Nicola Barclay said. The reduction of resources across local government over the past 20 years

has had an impact on a wide range of things that most folk would never notice, but which remain absolutely essential if we are to be able to do the detail of that work effectively. Resources in planning services have thinned out, conservation officers have gone and enforcement activity has faded away.

In addition, in the world of housing, we have lost the capacity to carry out regular housing needs surveys. We have even lost the capacity to carry out house condition studies. We now have almost no reliable evidence, locally or nationally, on the condition of the existing stock. The house condition survey that the Scottish Government runs is having to aggregate three years of data to get one report each year, because the sample is too small to provide regular updates on trends in house condition.

Even things such as the development of play areas have been affected. They have to be maintained to a high standard to make sure that they work effectively. The right kind of play has to be offered for both younger children and teenagers in the right locations.

Those specialist services and activities almost do not exist in local government any more. That is the consequence of what we have seen over the past 20 years. We can debate the niceties of the language, but local government has been stripped of resources and it is now substantially less effective than it was two decades ago.

**The Convener:** That brings us almost to the end of our session. We have a couple of questions that we will write to you about. One is on the consultation process and the other is to do with conservation and retrofitting, which we have learned are issues that have not been picked up well in the framework, even though we are about to embark on a warmer homes process.

I want to give you all a chance to raise any issues that have not been touched on or any specific improvements that you think we need to hear about. I am mindful of the time, but it would be great if you could tell us anything that you really want to convey to us.

**Andrew Fyfe:** I have a specific point to make about policy 9, which is about the concept of providing

"high quality ... homes that meet the needs of people throughout their lives".

Although it is certainly a good thing to make general homes more accessible, the concept is fundamentally flawed, because it is not realistic to create a home that will suit everyone throughout every stage of their life. We can see that just by considering the number of bedrooms in a house. A four-bedroom house might not be suitable for a

single older person. Regardless of how accessible that home is, it will probably not fit their needs as well as another property could do. That concept needs to be reconsidered, because it is fundamentally flawed.

**The Convener:** Thank you for that, Andrew. That level of specificity is very helpful.

**Anthony Aitken:** I have a point to make about brownfield development. The issue has been touched on, but I want to make sure that the committee is aware of it.

Brownfield development often means higher-density development—in other words, flatted development. That is welcome, and the reuse and repurposing of such sites is sound planning. However, that caters for only one sector of the residential property market. There is still a requirement to provide a full range of tenure. Andrew Fyfe touched on the need for housing for the elderly, and I emphasise the requirement for young people and young families to have houses with front and rear gardens. It is important that we continue to plan for that.

From the Scottish Property Federation's perspective, the requirement for brownfield development is, in certain circumstances, producing fewer employment sites. If brownfield sites are used for residential development, there has to be a proper plan for future employment sites. If the development of brownfield land for residential accommodation outstrips the value of an employment site, we must make sure that local jobs are provided and kept, and that we properly plan for future employment on commercial real estate sites. That should be a key plank of NPF4, too.

11:45

**Tony Cain:** I make the point that the plan will not make any difference in the medium or long term to the fundamental challenge that we have in our housing system, which is affordability. Principle 2 in "Housing to 2040" says:

"One decent home per household takes priority over second homes and investment returns on property".

That principle, which underpins the Scottish Government's approach to housing overall, is the right one, but I am not clear how NPF4 will support delivery of that principle or change the way in which the housing system operates so that it delivers genuinely affordable homes.

**The Convener:** We will clearly have to look into that a bit more.

**David Stewart:** [*Inaudible.*]—role of sympathetic rural planning and development—

**The Convener:** Sorry to interrupt, David. Your sound cut out at the beginning. Will you start again? We want to hear everything that you have to say.

**David Stewart:** I want to mention the importance of providing support for sustainable rural housing and the role of sympathetic rural planning and development policies. Another thing to mention is the benefits that in-depth, early community engagement has in helping to deliver better places and securing support for housing.

**The Convener:** Will you expand briefly on what you mean by

"support for sustainable rural housing"?

**David Stewart:** I am referring to support for public interest-led development to help to de-risk sites, develop feasibility studies for sites and address some of the challenges around infrastructure. That could involve a land agency or support for existing bodies such as the Communities Housing Trust or South of Scotland Community Housing.

**The Convener:** Thank you.

**Nicola Barclay:** We have not touched on policy 9(i), which states that new homes on land that is not allocated for house building will not be supported, and which then gives exceptions to that policy. We will certainly be asking for an additional exception to be included so that, if there is no remaining land in the pipeline and the proposal satisfies site assessment criteria, the site may be brought forward. That will make planning authorities have pipelines that are larger than the minimum because, if they allocate too little and it all gets built, they will have to release unplanned sites. The policy could, therefore, work as an incentive for them to allocate enough sites in the first place.

My final point is that policy 30(c) needs to be removed. It would prevent anything other than brownfield sites from coming forward if they are not in the plan. That is too inflexible, especially given David Stewart's comment a moment ago about rural areas, which might not have access to brownfield sites. The policy also seems to be in a very odd place. It is tucked away at the end, in policy 30, but it could cause a lot of issues.

I really appreciate the opportunity to raise those points with the committee today.

**The Convener:** Thank you. I speak on behalf of the committee in saying that we really appreciate your evidence. We have gone over our allotted time because we needed to hear all the good things that you had to say. I appreciate your points and the specificity that we have heard from everyone. It has been very helpful for us to get a clearer picture of what, from your perspectives,

needs to be addressed as we look at the draft NPF4 and take it forward.

Thank you for being with us this morning. As I always say, we could have spent the whole day talking about the subject, which is fascinating. It is clear that everybody wants to do well and make Scotland a better place for everyone to live in.

As the committee previously agreed, we will move into private session to consider our remaining agenda items.

11:49

*Meeting continued in private until 12:23.*





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