

## **COMMENTS BY THE SCOTTISH PROPERTY FEDERATION ON THE POTENTIAL EXTENSION OF THE PLANNING PROVISIONS IN THE SCOTTISH CORONAVIRUS ACTS**

### **Key Issue**

- **The real estate sector is a key catalyst for jobs, investment and creating places and the SPF is firmly of the view that extending the provisions in the Coronavirus (Scotland Act) 2020 could assist with the recovery from COVID-19 and contribute to rebuilding the economy. Planning related knock-on effects of the development industry being locked down will last far longer than just the emergency period.**

### **Online publication of information**

- Whilst Covid still exists, our members are concerned that there would be continued hygiene risks over multiple people handling paper documents. For example, there would be paper copies of supporting material for a planning application, EIA reports, community consultation reports etc. We therefore consider that allowing statutory reporting requirements to be postponed is justified, until such time as Covid-19 transmission is no longer a public health risk. Our members are also concerned that more generally providing multiple copies of paper reports for public circulation such as EIA is not cost effective.

### **Excluding the public**

- There could be scope to lift the restrictions given that access to public buildings is easing. However, while there remains the need for social distancing, this could impact on the number of public attendees at a committee meeting or LRB review meeting. This could inadvertently end up excluding stakeholders who wished to attend in person. It would also be contrary to the aims of the planning system to be more inclusive and transparent in all of its processes. For this reason, we consider that virtual meetings should still continue until such time people are able to sit next to one another safely without the risk of Covid-19 transmission.

### **Virtual meetings**

- Our members consider that there have been some great examples of pre-application public engagement undertaken by virtual means and some of our members intend to continue with this method of engagement. However, we appreciate that there is never a method of engagement that suits everybody. While virtual engagement may have reached a broader demographic, there is a risk that it could exclude those sectors of the community who are not as IT literate as others and might prefer face to face engagement. However, this should be limited to one event.
- There is a significant monetary cost in undertaking virtual pre-application engagement as typically this has required the expertise of external PR/Communications and Media Consultants to be engaged by applicants to assist in project website development, online survey preparation and feedback. We consider that as restrictions on social gatherings ease, physical public events held inside for pre-application consultation could recommence with some Scottish Government guidance.

### Duration of planning permission

- The SPF believes it is important that the emergency provisions for extending planning permissions are continued. Without this flexibility, we fear several major development projects may fail to be delivered due to being timed out of permissions, potentially risking both the projects and the businesses investing in those projects.
- Development delays as a result of the pandemic could be so extensive that they are not factored into the measures brought forward to deal with planning permissions/deadlines.
- Given the uncertainty and restricted council services, while offices are still closed, our members are concerned about permissions that are due to expire at the year-end (Oct-Dec 2021). They have suggested extending the permission by 12 months to cover all permissions expiring in 2021 at the very least.
- Whilst there may be some tiny green shoots of an economic recovery, the property and construction industry has been deeply impacted by COVID-19 and an extension to the duration of planning permissions for another year is certainly needed by the industry. We note the findings in the Infrastructure Commission for Scotland / Phase 2: Delivery Findings Report which stated:
  - *'In April 2020, the Fraser of Allander Institute estimated a contraction of construction activity by as much as 40 -50% if the pandemic lockdown restrictions were to continue over a 3-month period.'*
- Implementation of development projects will have been put on hold during 2020 for a multitude of reasons such as:
  - vast numbers of property and consultancy staff furloughed which impacted adversely on the ability to mobilise the required personnel;
  - lack of investment capital coupled with inability to raise debt finance as many banks were not lending across all commercial property sectors; and
  - the physical inability (due to Covid-19 movement restrictions) to mobilise consultants and contractors required to discharge planning conditions which required on site survey work etc.
- The economic recovery from this negative impact on development projects will not be instantaneous. It can take many months to discharge sometimes complex pre-commencement planning conditions to enable development to start on a site. Also works will have ground to a halt during 2020 for a wide range of reasons some of which are set out above. Even if the required planning conditions are suitably discharged by a planning authority to enable the lawful initiation of development on a site, many development projects across Scotland will still not have been able to commence due to companies not having the full finance package in place to develop out a site.
- The initiation of development on a site is not the only issue, having the necessary capital in place to enable a project to not only start, but to complete is critical. We note the Scottish Government's advice at paragraph 18 of the Plan which states:
  - *'The cumulative impacts of the COVID-19 and BREXIT shocks will be severe. Scottish Government modelling indicates that ending transition this year would result in*

*Scottish GDP being between £1.1 billion and £1.8 billion lower by 2022 (0.7 to 1.1% of GDP), compared with ending transition at the end of 2022. That would be equivalent to a cumulative loss of economic activity of between nearly £2 billion and £3 billion over those two years. This will clearly hamper recovery from the impact of the pandemic. Scottish companies will be in a much more fragile state and less able to absorb the impact of the end of the transition period because of the need, rightly, for both business and government to focus on COVID-19. Most key sectors of the economy will be adversely affected, coming on top of severe COVID-19 impacts.*

- The SPF notes the six key action themes in the Scottish Government’s Economic Recovery Implementation Plan. The Scottish real estate sector is wide-ranging and not all development projects or sectors have been eligible for the Government’s fiscal support through the various funds and programmes. Our members therefore request that the Scottish Government continues to help and support the industry recover from the impacts of COVID-19 and enable development by extending the “emergency period” for the duration of planning permissions for a further 12 months beyond its expiry on 30<sup>th</sup> September 2021.

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