

JANUARY 2024

# SPF VOICE



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## SPF Annual Conference 2024 Creative Places for a New Economy



Technology & Innovation Centre,  
University of Strathclyde, Glasgow  
Wednesday 24 April 2024

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**Maria Francké**

SPF Chair

Director Maria Francké Planning

## Happy New Year!

Welcome to our first SPF Voice of 2024. It has been a fast start to the year in terms of representations to central and local government, with many of you already participating in our engagements this year. Thank you for this positive support – as you will have seen in our regular updates, in the first three weeks of the year, the SPF team has responded on issues as divergent as rent controls, building standards enforcement, co-living guidance and the LBTT additional dwelling supplement. Your engagement with this detailed work is hugely important and I ask as many of you to engage with the SPF team as possible – it is in all of our industry's interests!

This year we set out a programme of in person events and focused meetings and I thank all of our members who have kindly agreed to host these key events. We have secured strong government and regulatory engagements in these meetings already covering planning, tax, commercial and tenancy reforms. I am delighted as well with the really strong contributions we have had from our new Futures Committee members.

This month we have expert insights from the National Planning Improvement Champion Craig McLaren on his new role, and from our former Chair, Robin Blacklock, on the controversial rent reforms and the need for more homes to be

delivered in Scotland. This also comes as the Scottish government has unveiled its interim measures for rent adjudication between now and the implementation of a long term system of PRS rent controls in Scotland.

I am delighted as well that we are now taking registrations for our forthcoming sixteenth annual conference which is themed 'Creative Places for a New Economy'. We have again secured a superb range of speakers and will tackle issues of town and city centre regeneration, planning, sustainability, residential investment and the challenges and opportunities of our modern economy. Many of you will have heard Mark Allan, BPF President and CEO of Landsec make an excellent speech at our October annual dinner in Edinburgh and I am pleased to say Mark will again address us as a keynote speaker in Glasgow on the 24 April for our annual conference. Full details of the event are inside and I encourage you to register and join us for this popular SPF event.

And I wish you all a most successful and prosperous new year!

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# INDUSTRY INSIGHT



## Championing Improvement in Scotland's Planning System

**CRAIG MCLAREN**

National Planning Improvement Champion  
Scottish Government

Since taking up post in September I have engaged with many organisations with a stake in planning – including SPF – through meetings, presentations, an open ‘call for ideas’ and workshops about what a high-performing planning system looks like.

A full summary of findings will be published imminently but there are some high level messages. For example, there was no overall agreement on what successful planning looks like. Private sector respondents tended to prioritise speedy decisions on planning applications, or at least more certainty in the timescales for decision-making. Public, third and community sector organisations were more inclined to identify good placemaking, quality design and the need to tackle the climate emergency as the important ambitions of planning.

However, there was agreement that reduced resources available to planning authorities and statutory consultees was a key issue. There were strong calls to ensure that there are enough planners in place and to support upskilling, and, for income generated through planning fees to be automatically reinvested in supporting planning. There was no notable support for financially penalising planning authorities who did not demonstrate acceptable performance, however, developers and applicants pointed to the need to ensure that increased planning application fees resulted in tangible improvements.

Many applicants pointed to a need for a better user experience and customer care with a need for planning authorities to engage more proactively and collaboratively. Good pre-application discussion was seen as vital.

The transition towards using the new National Planning Framework 4 (NPF4) was seen by many as an immediate issue that was impacting on confidence in decision making. Respondents highlighted the importance of effective leadership that promotes a ‘can do’ and solutions-focused culture and provides confidence, certainty and

consistency across planning authorities. Elected members who were fully up to speed on their roles, responsibilities and powers was seen as important, as was the need for proportionate approaches regarding information required to support planning applications, section 75 agreements and conditions. Planning authorities also highlighted the need for good quality submissions to help speed up planning application assessment.

The evidence gathered from the call for ideas and wider engagement has been used to inform the development of a pilot National Planning Improvement Framework (NPIF) that will monitor planning authorities’ performance and support improvement. Based on a ‘collaboration for action’ concept, the key principles of NPIF are to:

- better use planning authorities’ self-assessment to inform an improvement action plan.
- replace Scottish Government marking with peer review involving the National Planning Improvement Champion, other planning authorities and stakeholders.
- incorporate indicators that better assess impacts, outcomes achieved, and the quality of the service provided.
- focus on assessment against the attributes of a high performing planning authority such as having the tools to do the job; engagement; people; culture and place.
- recognise that planning authorities depend on other people and organisations in delivering their service.
- be proportionate and not add to the demand on planning authorities’ resources.

***It is planned to pilot this new approach in spring so watch this space...***

# INDUSTRY INSIGHT



## 'More Homes More Quickly'

**ROBIN BLACKLOCK**

Managing Director

**Dowbrae Real Estate Consultancy**

In the last days of the 2016-2021 Parliamentary term Scottish Government published “Housing to 2040”, a long term vision for the provision of homes across Scotland.

The need for improved housing is clear, but the publication also recognised that housing is central to tackling the Government’s wider objectives: on poverty and inequality; through creating and supporting jobs; addressing energy efficiency and fuel poverty; the climate emergency; and in the creation of connected communities.

While a critical analysis could find much to dissect, the overall ambition remains laudable.

This document is the forerunner to the imminent Housing (Scotland) Bill.

But while we await the Bill it is worth noting that in the period since Housing to 2040 we have had rent-cap legislation which has stymied investment, three local authorities have declared a housing emergency, and just this month research undertaken by the Diffley Partnership and Rettie & Co identified that 28% of households in Scotland have an unmet housing need.

At the same time, the challenges for delivery have increased. Build cost inflation, mortgage costs, and the Government’s £200m cut to the affordable housing budget all create significant headwinds towards the delivery of new homes.

The need for a Housing Bill that seeks to deliver **More Homes More Quickly** has never been greater...

Despite this, the indications show that the Bill will do little more than enhance tenants’ rights (which is fine), introduce v2.0 of Rent Pressure Zones (but not called Rent Pressure Zones), and fix rents between tenancies.

It is this last point that has created the biggest issue. The fixing of rents between tenancies presents an existential threat to the sector and risks entirely the aims and intent of Housing to 2040.

Government has already recognised the wider social, environmental and economic benefits of a properly functioning and well supplied housing market - The Housing Bill should be the vehicle to achieve this.

To this end, with the support of SPF, SAL, SLE, HfS and UKAA, and working with Matthew Benson at Rettie & Co, we have initiated More Homes More Quickly, a campaign group to ensure that rent fixing is not written into legislation.

We need to raise the debate in the public arena. We need to speak to the woman on the street in Stirling and explain the social benefit. We must appeal to those 28% of all households whose needs aren’t being met. We need to debunk the myth of the ‘big bad developer’ and really emphasise the part that housing providers have to play in addressing poverty and inequality.

The debate around the provision of homes is starting to shift. We need to ensure that we are part of that discussion. We need to inform, educate and influence.

We need to ensure that we help to build the route to housing in 2040.

***More Homes More Quickly is a single-issue industry initiative in response to the threat of rent fixing in Scottish Government’s impending Housing Bill. Please get in touch with [robin@dowbrae.com](mailto:robin@dowbrae.com) to learn more.***

### WOULD YOU LIKE TO RAISE AN ISSUE?

We are keen to showcase a variety of industry topics. If you would like to write for our next Voice, please get in touch with [spf@bpf.org.uk](mailto:spf@bpf.org.uk).

## Rent cap to be replaced by rent adjudication

After a short consultative exercise over Christmas, Scottish Ministers have introduced a rent adjudication system to replace the emergency legislation rent cap from 31 March. This approach effectively supports an increase of up to 6% to be notified to tenants following the end of the emergency legislation if supported by market review. Higher than 6% rental increases will be tapered to a maximum of 12% and again will require to be supported by open market rent review.



This 'interim measure' is designed by the government to avoid tenants facing what Ministers term a cliff edge of potential rent increase notifications come 1 April. We understand that Rent Service Scotland will make the adjudications subject to market reviews in the relevant area. The longer term proposals for rent controls to be introduced in the forthcoming Housing Bill are still being worked up with a key concern the proposed extension of rent controls to 'in-between' tenancies.

The addition of rent controls to in-between tenancies was mooted in a consultation from the government over September and October last year. Since this time, it has been factored in the government's draft business and regulatory impact assessment for the rent reform aspects of the Housing Bill. This has caused significant concern for investors who were perhaps on the cusp of adjusting to Scottish BtR investments with an expected long term system of rent controls. Our concern is therefore that even if we see a system of rent controls proposed in Scotland that investors could work with, there remains the potential that the extension to 'in-between' tenancies will be seen by investors as a proposal too far.

## Business rates frozen for basic poundage but inflation linked for 22,000 other ratepayers

The Scottish Government's 19 December budget statement brought mixed outcomes for ratepayers. The main poundage rate was frozen for ratepayers with a rateable value below £51,000. This was welcome and indeed SPF and many trade bodies had called for the poundage to be frozen. However, the intermediate and higher rate ratepayers were subject to September CPI inflationary increases of 6.7%. This puts the poundage rate up to 54.5p and 55.9p respectively for some 22,000 ratepayers.



There was further concern in the detailed commentary for retailers. The Scottish government is considering a re-introduction of the public health supplement introduced by John Swinney for three years in 2012. In effect this was simply an additional levy on retailers who sell alcohol and tobacco and used as general revenue. If it is reintroduced, the levy could return in 2026 which is the date of the next Scottish non-domestic rates revaluation.

## New proposals announced to improve building safety

Among a new wave of reforms set to deal with unsafe buildings following the Grenfell Fire, the Scottish government has jointly released a consultation with the UK government on the introduction of a Building Safety Levy. To apply the Levy, the Scottish Government would require new devolution powers, so the purpose of the consultation is to gain feedback on the devolution proposal and an opportunity to provide any evidence of whether it could create market distortions. This follows the recent call for feedback on the introduction of a Cladding Remediation Bill in December 2023 and a consultation on greater enforcement powers and sanctions on owners who fail to comply with the appropriate building standards. You can read our responses to these [here](#).



## SLC reviews Tenancy of Shops Act 1949



In the last year, there has been an increasing focus on the role of the rather obscure Tenancy of Shops Act 1949 in which some claim it is no longer fit for purpose. The historic law was made permanent in 1964 in response to a shortage of suitable retail units after World War II, giving specific tenants the ability to extend their leases for an extra 12 months after expiration to allow time to find new premises. The Act was intended to support small retail businesses, but some are concerned that larger retailers are using it as a 'wild card' in negotiations and that court fees are simply too costly for smaller shop owners. On the other hand, there is concern that the presence of the law can prohibit landlords from finding new tenants or refurbishing properties. There are also some who are reluctant for the Act to change at all. Resultingly, the Scottish Law Commission (SLC) has been tasked with investigating possible areas of reform and consulting with stakeholders to gauge consensus. The SPF Commercial Real Estate Committee met with the SLC to discuss the Act in greater detail, and they outlined their potential reform options. Among some of the options mentioned were making all retail leases the same, restricting the Act to retail businesses that meet the 'micro-entity' criteria, offering a mediation process that does not involve court procedures, or removing the court process all together and limiting the lease extension to six months. The SLC are expected to produce a discussion paper in the next few months followed by a public consultation in April to inform its next steps.

## Planning Reform Update



It has been an interesting past couple of months in the planning sphere, following our update from our November issue on a Government [resourcing in planning workshop](#), a consultation will be published early this year to gauge views on planning resourcing and fees. This will consider further discretionary powers for local authorities to charge for services, as well as proposing changes in fees structures, how to attract more people into the profession and also consider wider resourcing issues including up-skilling planning officers.

Talking about resources, the budgetary cuts have negatively impacted on the digitalisation programme intended to modernise the planning services. With limited funds available this year, officials have informed us that they are hoping some work can be done to prop up the "e-development" system and smooth the online fee payments process. There are other consultations as well that are on the horizon this quarter including - Masterplan Consent Areas, the infrastructure levy, CPOs, and making amendments to NPF4.

Also this month, the Hearing proceedings for the Mossend case took place at the Court of Session. With a significant number of appeals and applications on hold, clarity is needed on application on NPF4 Policy 16(f) in the absence of new style LDPs. With planning approvals and new site starts already down, and an apparent void in policy for updating land supply until new LDPs are in place (around 2027), the impacts on supply, and of course the wider social and economic impacts, will be felt for years to come.

# SPF Annual Conference 2024

## Creative Places for a New Economy

Our conference this year is themed Creative Places for a New Economy and will highlight key issues facing the real estate sector and our public sector partners in Scotland in 2024. With our new colleagues, the UK PropTech Association, we will also address how new working methods are changing the way we work and the role of real estate in the transformation of our economy.

The conference will hear from experts and key stakeholders covering a range of themes including the role of planning in delivering place-making for our new economy; the challenge of adapting our built environment to be net zero carbon emissions; the regeneration of our towns and cities and the need to attract investment to deliver more homes across all housing tenures. To hear from an array of experts in these topics book now!

### Keynote Speakers



Mark Allan  
BPF President &  
CEO, Landsec



Melanie  
Leech  
CEO, BPF



Cllr John Alexandar  
Leader, Dundee  
City Council



Maria Francké  
Chair, SPF & Director,  
Maria Francké Planning

 **Technology & Innovation Centre,  
University of Strathclyde, Glasgow**  
**Wednesday 24 April 2024**

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