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# CEC's Non-Statutory Planning Guidance on Student Accommodation

## **SPF Consultation Response**

Submitted on 16 May

# SCOTTISH PROPERTY FEDERATION

The Scottish Property Federation (SPF) is the voice for the real estate industry in Scotland. As a part of the wider British Property Federation, we include among our members: property investors, including major institutional pension and life funds; developers; landlords of commercial and residential property; and professional property consultants and advisers. Our members build Scotland's workplaces, homes, shops, schools and other facilities and the infrastructure that serves them. Our industry is therefore a core component of the Scottish economy.

## CONSULTATION SUMMARY

We would like to thank the City of Edinburgh Council for providing us the opportunity to respond to this consultation. This response is formed on the basis of our previous response, concerns that have been raised from our members since February after the Scottish Government issued the letter to the council to not adopt the supplementary guidance. We also collected strong feedback from our consultation drop in session conducted on 8 May 2025.

Our response focuses on issues highlighted by our members mainly on-

- Procedural Concerns and Legality
- Transparency and Accountability
- Impact on Development Viability
- Balance between Flexibility vs. Certainty
- Appeals and Enforcement
- Overall Developer Frustration and Uncertainty

If you have any questions about our response or would like to discuss any of the points, please contact us at [spf@bpf.org.uk](mailto:spf@bpf.org.uk).

## OUR RESPONSE

4. The Council proposes to approve the guidance as non-statutory planning guidance. This takes into account the consultation responses and any resultant amendments that were considered and approved by Planning Committee in December 2024. Do you agree with this approach?

Our members are strongly opposed to this guidance being adopted as non-statutory planning guidance in its current form. It is inadequate to use this guidance as a material consideration for processing applications without addressing the various concerns expressed by the industry in the consultation response that ran between 24 July and 17 September 2024; and from the letter issued by Scottish Ministers to not adopt the guidance. Also, the CEC Planning Committee meeting held on 11 December 2024 and the FOI release by the Scottish Government on this matter reinforced to the council the need to consider the implications of this guidance on development viability while assessing sites. The level of contributions being the main concern impacting development viability for housing.

We understand that the council had concerns with the statutory status of supplementary guidance in a relatively short time frame (i.e. before the 31 March 2025 deadline). However, since that is not the case anymore, we strongly suggest the Council should revisit the content of consultation responses received in Summer 2024 and take appropriate steps to amend the guidance to address the key issues raised by respondents.

We emphasise that we are amidst a housing emergency with continuing and increasing challenges for development viability, including the cost pressures and capacity of the construction sector. The guidance should support house building to increase housing supply by only applying reasonable interventions where necessary and it must consider the proportionality of contributions associated with developments. In our previous response to the last summer's consultation, we have highlighted concerns about education, transportation and healthcare contribution and other bodies have relayed similar concerns over the methodologies of these contributions.

We strongly encourage the council to adopt this supplementary guidance as an Appendix to the City Plan 2030, as this approach would allow for a formal public consultation on the revised draft and ensure independent scrutiny by an appointed reporter before it is formally adopted.

5. We are not proposing any changes to the guidance other than removing references to its status as statutory Supplementary Guidance. Do you agree that this is a reasonable approach?

As explained in our response to Question 4 above, the majority of our members do not consider this to be a reasonable approach. As the development sector responses from last summer's consultation and the Minister's direction were not taken into consideration

We are of the opinion that transparency and the proportionality of contributions has to be taken into further consideration. One of the key concerns is the level of education contribution, as these contributions are double compared to an equivalent in England. There

is a wide concern that contribution levels (e.g., for schools or healthcare) may undermine project viability, developers face stacked policy burdens of affordable housing, biodiversity net gain, energy standards, and more—all of which erode viability, especially on brownfield or complex and constrained sites. "Gold-plating" standards (e.g., Passivhaus school specs) can drive up the costs unnecessarily so the council should take an informed decision on the infrastructure required to enable these developments. This guidance should be reassessed in light of the key concerns highlighted during the previous consultation, to ensure that the required contributions are fair and do not compromise the viability of urgently needed housing developments in the city given the ongoing housing emergency affecting both the city and Scotland as a whole.

We recommend the council to develop a standardised approach for viability assessment framework considering flexibility for phased development as well. There is an issue of the huge up-front cost for major developments to enable infrastructure, the front loading of this process can prove to be unviable for some projects. We do understand the pressure on council resources to manage these additional viability tests but early engagement with the development sector and stakeholders will be helpful.

On flexibility and changing market conditions, if there can be provision to come back to existing section 75 agreements and review them with changed circumstances will or contributions where actual infrastructure delivery does not occur (e.g., contributions sitting unused in perpetuity). There should be a timeline to review the infrastructure payback period, in the guidance the 30 years timeline is mentioned which is a long time for money to be stuck in the system.

6. As non-statutory planning guidance, this will be subject to review in the annual review of guidance report to Planning Committee.  
This would allow relevant updates to the guidance to consider the most up to date information for example on capital cost estimates or the outcome of pertinent appeal decisions, and updates to the Housing Land Audit and City Plan 2030 Delivery Programme. In any case, at the point of assessment of a planning application we will take into account any relevant material considerations, including relevant appeal decisions.  
Do you agree with this proposed approach to review periods?

There is a fundamental challenge between flexibility to address key changes in costs, needs around a development, its area and market changes, and the need for certainty for applicants.

We do have concerns about the procedural aspect of these reviews, as this could cause uncertainty for developers on costs, types of infrastructure and other changes that can come through without proper scrutiny or consultation. We are not sure from the Council's comments at what point these reviews would be conducted and implemented. There must be clear and well-communicated Council leadership on potential reviews of this guidance and strong collaboration with private sector investors who will be earmarking significant sums potentially towards developer contributions and will need to know when, how much and where these contributions will be expected and delivered.

7. Do you have any other comments on how to consider the status of this guidance?

As previously stated, in this housing emergency we would encourage the council to be as flexible, supportive and transparent for developers as possible. We consider this non-statutory guidance should be a supportive measure for development and not a cause of delay, deterrence or refusal of positive development applications.

**8. Do you have any other comments on the document?**

We are deeply concerned that the currently proposed high level of developer contributions could make many sites coming forward through City Plan 2030 unviable. Transparency, rigour, and legal clarity are required to ensure confidence from the development sector. To ensure that allocated sites are developed in a timely way and help the Council meet its targets, there needs to be a more balanced and site-specific approach to what constitutes proportionate contributions. If viability becomes a major issue in planning decisions, this could slow down the approval of key housing projects across the city, delaying much-needed regeneration and the creation of sustainable communities. Development viability is more difficult to achieve than has been seen in many years and we believe that requirements for developer contributions must consider market conditions, land values, cumulative policy burdens; and project phasing and build-out rates. As mentioned earlier in the response the previously tight timelines for adoption no longer apply, we strongly recommend that the Council take the time to thoroughly review feedback from the Summer 2024 consultation and revise the guidance to reflect more realistic and proportionate contributions.

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