



Annual Planning Survey 2016

A blueprint for the future of planning Scotland summary report

October 2016

FOREWORD



David Melhuish
Director
Scottish Property Federation

The timing of this first Annual Planning Survey by GL Hearn for Scotland could not be better. The survey comes just over a year since the then Scottish Planning Minister, Alex Neil MSP, called for ‘game-changing’ ideas for reform of the Scottish planning system and established an independent planning reform review panel, which included the then SPF Chairman John Hamilton of Winchburgh Developments. One year on and the Scottish Government is now committed to a new Planning Reform Bill and has earmarked a series of initial steps that seek to bring about the game-changes to perception and performance of the planning system desired by the industry.

The Scottish Property Federation is fully engaged in all six strands of the Scottish Government’s planning reform process, covering leadership, skills and resources, development planning, development management, housing, infrastructure and community engagement. Scottish Ministers have been clear that they need to see a focus on delivery in their reforms and one of the most powerful comparators made in this survey is the sheer difference in activity apparent between Scotland and the English regions in terms of making major planning decisions. Simply put, fewer major planning decisions are taking longer on average to determine. This gives us in Scotland serious pause for thought in terms of our offer to the wider investment community.

Speed is not everything in the planning system and the emphasis must be on supporting appropriate development in the right place, at the right time. To support this ‘can-do’ culture, planning authorities must be resourced adequately and show strong leadership to encourage investment. In line with the views of our members, the SPF has consistently argued that the sector would be prepared to pay higher fees if we can achieve a tangible improvement in service. However, these improvements need to be measurable and clearly identifiable. Neither should it be forgotten that the private sector already contributes enormous sums to technical studies and community engagement – so a headlong rush to raise Scottish fees without evidence of improvement would not be acceptable.

An efficient and effective planning system is an important aspect of making Scotland an attractive place for investors who have so many options on where to place their capital. This survey takes stock of our planning system in Scotland and with its English survey equivalent provides a hugely influential benchmark of our current performance and the perceptions of the users of our planning system. The fact that we are embarking on a significant programme of reform of our planning system makes the extension of the Annual Planning Survey this year to Scotland all the more important and I commend its findings to your attention.



THE LARGEST INDEPENDENT ASSESSMENT OF THE PLANNING SYSTEM IN THE UK*:

The findings of this report are based on the Annual Planning Survey 2016 and a review of major planning application determinations during 2015-16.

MAJOR PLANNING APPLICATIONS

An annual feature of the planning calendar in England since 2012, over the last 5 years we have reviewed more than 7,000 individual major planning applications.

For the first time this year we also reviewed major application determinations in Edinburgh and Glasgow. This report focusses on the findings from these two cities. An alternative report is available on findings from England.

ANNUAL PLANNING SURVEY

This year a record 385 private applicants & advisers and Local Planning Authority (LPA) professionals took part in the Annual Planning survey, sharing their views on the planning system. Over the last four years, over 1,300 professionals have completed the Annual Planning survey. With consistent year-on-year growth in the number of participants, the Annual Planning Survey remains the largest independent assessment of the planning system in the UK*.

This report focusses on the 38 professionals from Scotland who took part. Please note that due to the sample size, the results of the Scottish Annual Planning Survey are indicative only. Nonetheless, the proportion of respondents compared to the England figures (10%) is in line with the respective populations of the countries, and represents a very positive response from the Scottish planning and development community to the first year of inclusion in the Survey.

*Correct to the best of our knowledge at the time of writing.

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1. TAKING STOCK

i. Volume of major planning application determinations

This is the first year that Edinburgh and Glasgow have been included in our review of major planning application determinations. Between April 2015 and March 2016, 49 major planning applications were determined across the two LPAs: 31 in Glasgow and 18 in Edinburgh.

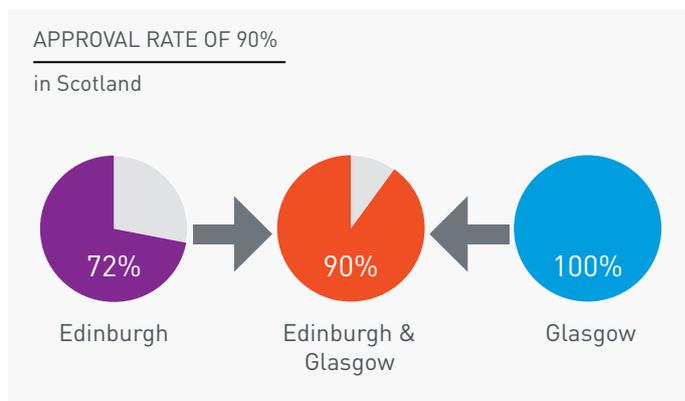
Placing this in context, Greater London determined 772 major applications over the course of the last year, 25 times as many as Glasgow and 43 times as many as Edinburgh. Initially, this seems like a huge disparity.

However, it is important to take the current size of the cities into consideration. London, home to 8.5million people, is around 15 times bigger than Glasgow and Edinburgh. On a per capita basis, Edinburgh and Glasgow are therefore determining about half the number of major applications compared to London. Meanwhile Bristol – with a population size comparable to both cities in Scotland – determined 37 applications, similar to Glasgow.

Whilst this leaves significant room for growth it also highlights that Edinburgh and Glasgow are both thriving cities with a strong pipeline of major developments.

ii. Number of applications approved

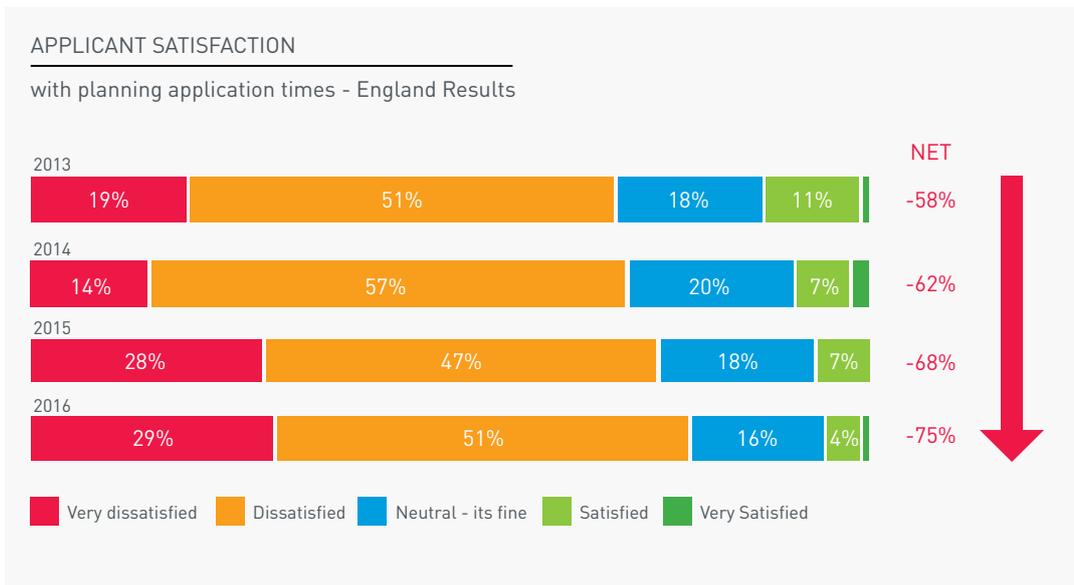
Overall approval rates for major applications across Edinburgh and Glasgow stand at 90% - a figure that is consistent with averages across English regions. However, it appears to be easier to obtain planning permission in Glasgow where all major planning applications this year were approved, as opposed to Edinburgh where only 72% were successful.



iii. Determination periods

Arguably the biggest frustration with the planning system from an applicant point of view is the time taken for applications to be determined. Some 8 in 10 Scottish applicants (80%) are dissatisfied with the typical amount of time that a planning application takes to be determined.

This dissatisfaction is consistent across all of the UK and appears to be growing. Looking at the results from applicants in England, where we have been tracking satisfaction with determination times since 2013, this year's Annual Planning Survey found the highest level of discontent in determination times since our study began.



So how serious an issue are current determination times?

Quarterly data collected by the Scottish Government on all local planning authorities across the country shows that application determination times have been quicker by an average of 6 weeks per application compared with last year. In particular, major housing developments' determination times have improved in Scotland (averaging at 40 weeks as opposed to 41 weeks in 2014/2015).¹

However, examining the data for major applications determined in Edinburgh and Glasgow shows that the process is still much slower than would be desired. Even after excluding a couple of outliers² the average determination times for major applications in the two cities stands at 47 weeks and 39 weeks respectively – over twice the target of four months.

These long timeframes are not incomparable with England. This provides further evidence to suggest that the four-month target is simply unrealistic for major planning applications under the current system. The consistent failure to meet these

apparently unrealistic targets may therefore be partly to blame for the growing discontent.

It is important to note that an increasingly large amount of time and effort has been devoted to the pre-planning process for major applications over recent years. It was hoped that this would facilitate faster and easier application processes post-submission. However, with determination times still too long, there may be a feeling that the pre-application process, and indeed the local authority designation criteria, is not as effective as applicants perhaps hoped and that the pre-planning process is sub-optimal in identifying the relevant issues for the subsequent planning application.

Furthermore, one must also factor in the post-planning determination process of discharging planning conditions and addressing planning obligations that can also add months on to a development project before possible implementation.

¹Scottish Government (2016), Annual and Quarterly Planning Performance Statistics, 2015/16: <http://www.gov.scot/Publications/2016/07/6839>

²This year Edinburgh determined a major application dating back to 2004; whilst Glasgow determined one dating back to 2008. For the purpose of average determination time calculations, these applications have been excluded.



“Some of the cause of lengthy decisions is due to the complex nature of applications, especially in Edinburgh and Glasgow. However, there are also other factors at play. At a time of reducing public sector financing there is no doubt that planning authorities are becoming more stretched. A number of authorities are reducing the opening hours of planning helpdesks and many have introduced pre-application enquiry forms instead of officer contact.

The danger of such efficiency saving measures is that they end up lengthening processes because there has not been full and proper communication between developers and planners. Full cost recovery for applications has been suggested as a means of helping to resource authorities, including raising maximum fees to reflect charges elsewhere in the UK, allowing essential resourcing. Such measures are likely to be welcomed by many developers if matched with a consequent improvement in performance.

Other measures which may speed up decision making include changing the requirements for major development decisions by Planning Committee to enable delegated decisions where applications aren't called in by Members. An allocation of a site in an LDP for a particular land use could also give in-principle approval of that use.”

Steve McGavin

Planning and Development Director, GL Hearn

2. TIME TO FOCUS ON THE MOST EFFECTIVE POLICIES

The planning environment has evolved significantly over recent decades including the introduction of a large number of new policies. In last year’s study, we firmly established a link in the minds of applicants and LPAs between policies that increase planning activity and policies that the industry supports. It is therefore critical that we frequently review existing policies to validate whether or not they are effectively aiding development activity.

i. Examining attitudes to existing policies

Broadly speaking, most policies can be split into two types:

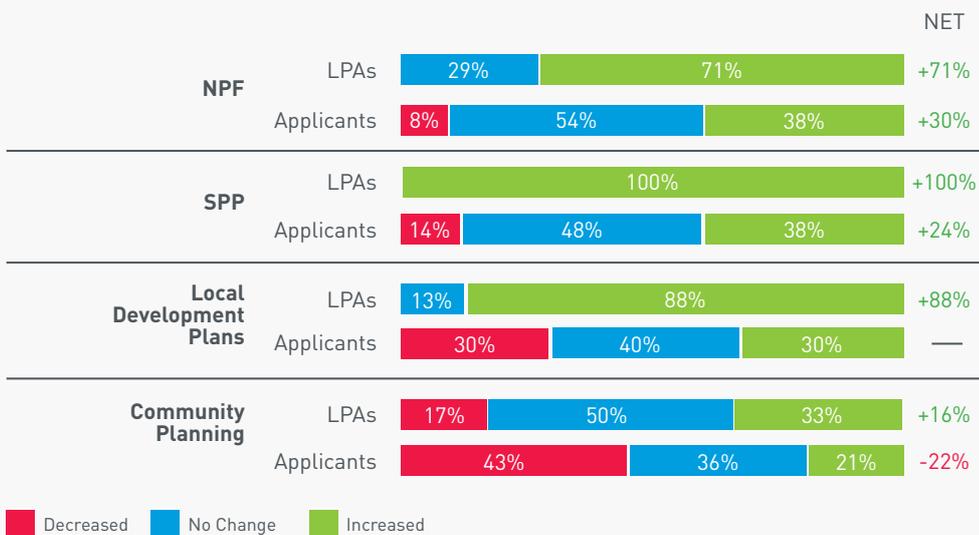
1. Policies aimed at improving **plan-making**
2. Policies aimed at improving **decision-taking**

Plan-making policies

With regards to plan-making policies, the Annual Planning Survey analysed the views of applicants and LPAs towards three specific policies:

1. **The National Planning Framework (NPF)** – designed to focus planning activity on developments that will create sustainable economic growth³
2. **Scottish Planning Policy (SPP)** – a statement of Scottish Government policy on how nationally important land use planning matters should be addressed across the country⁴
3. **Local Development Plans** – designed to set a vision for the future development of a local area⁵
4. **Community Planning** – designed to ensure local people have more influence on how and where development activity takes place so as to best meet the needs of the community⁶

EFFECT OF PLAN-MAKING POLICIES
on level of development activity in Scotland



³Adapted from: <http://www.gov.scot/Resource/0049/00497339.pdf>

⁴<http://www.gov.scot/Publications/2014/06/5823>

⁵Adapted from: <http://www.gov.scot/Topics/Built-Environment/planning/Development-Planning/Local-Development>

⁶Adapted from: <http://www.gov.scot/Topics/Government/PublicServiceReform/CP>

When asked whether these policies have increased or decreased development activity in Scotland, one thing immediately apparent is that LPA professionals tend to be much more positive than applicants⁷. Across each policy, LPA professionals are significantly more likely to say that the policy has increased development activity.

Whilst more muted in their support than LPA professionals, applicants are also broadly positive on the effects of the NPF and SPP. These two national strategy policies appear to be working well and are being received positively by the industry.

In contrast, applicants are split down the middle on the effectiveness of Local Development Plans, with 3 in 10 believing they are driving growth and an equal number that they are restraining development activity. And negative opinions amongst applicants are prevalent when it comes to Community Planning, with nearly half (43%) stating that it is reducing development activity.

A clear split seems to be emerging:

- Policies defining national agendas – the NPF and SPP – are viewed very positively
- Policies placing more plan-making powers into local hands – Local Development Plans and Community Planning – are more divisive, and applicants believe they may threaten development activity rather than fuel it

Overall, at a national level plan-making policies seem to be working well, but careful consideration is needed with regards to how plan-making is conducted at a local level.

“Local development plans can provide clear, strategic, comprehensive ‘place-making’ for towns and cities which should help to speed up decision making. However, complications can arise when decisions fall outside of Planning Authority control, in particular around infrastructure and support services.

More formal partnership and funding arrangements are needed for delivery. There is a need to co-ordinate with supporting infrastructure and service providers perhaps using plans as frameworks for complementary service, investment and funding decisions.

In addition, whilst the independent planning review has highlighted the need for better community engagement – and some progress has been made on front-loading engagement in plan-making – there can be conflict between wider public policy objectives for strategic development requirements (such as meeting housing needs) and the desires of local communities. These competing objectives will need to be carefully worked through.”

Steve McGavin

Planning and Development Director, GL Hearn

Decision-taking policies

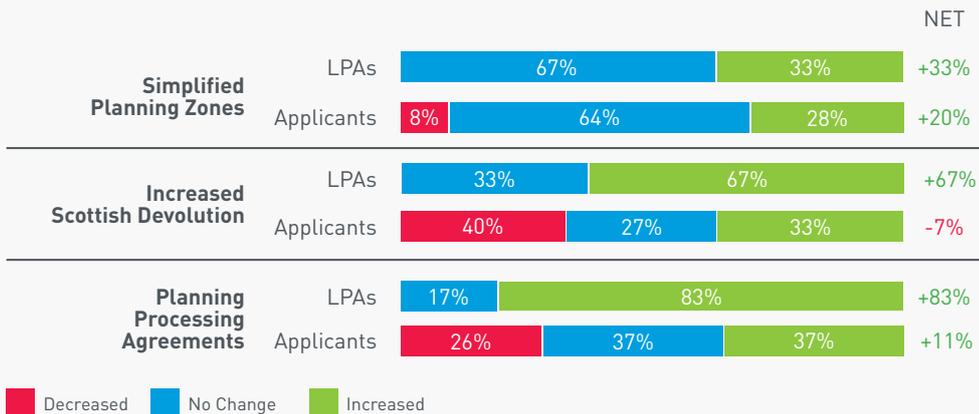
With regards to decision-taking policies, the Annual Planning Survey analysed the views of applicants and LPAs towards three specific policies:

1. Simplified Planning Zones – enabling certain developments to be approved without requiring planning permission⁸

2. Planning Processing Agreements (PPAs) – a project management tool used to agree timescales, actions and resources between the LPA and the applicant⁹

3. Increased Scottish Devolution – placing more power in the hands of the Scottish Government (as opposed to Westminster Government) to determine planning policy¹⁰

EFFECT OF DECISION-TAKING POLICIES
on level of development activity in Scotland



It is again interesting to note here the difference in opinion between applicants and LPA professionals when it comes to increased Scottish devolution. Two thirds of LPA professionals responding to the survey believe that increased Scottish devolution is driving an increase in development activity, whilst applicants in Scotland were more likely to say that it is reducing development activity. The Public Sector in Scotland is eager to take on additional responsibility, but applicants do not yet appear convinced of the benefits.

Meanwhile, Planning Processing Agreements also divide opinion with LPA professionals significantly more positive about their benefits than applicants; whilst Simplified Planning Zones are seen to be driving growth in development activity, albeit with reasonably muted support from both sides.

⁸Adapted from: <https://www.glasgow.gov.uk/index.aspx?articleid=17454>

⁹Adapted from: <http://www.gov.scot/Topics/Built-Environment/planning/Development-Management/Processing-Agreements>

¹⁰Note; Please interpret LPA findings with caution due to small number of respondents

¹¹<https://www.holyrood.com/articles/inside-politics/scotland-facing-housing-crisis>

With applicants and LPAs eager for affirmative action to improve the planning system, these results provide strong justification for pressing ahead in the promotion of the NPF and SPP. They also suggest that the industry sees potential in Simplified Planning Zones and Planning Processing Agreements, although 'tweaking' may be required to optimise these policies. In particular, nearly two thirds of both applicants and LPA professionals (63% each) want set timeframes for agreeing PPAs.

With renewed vigour and a focussing of attention, these policies have the potential to drive strong growth in development activity, supported by the industry. However, our survey findings also highlight that there is much still to be done if applicants are to be convinced of the benefits of increased Scottish Devolution and Community Planning.

ii. Tackling Housing Shortages

Overshadowing conversations on the planning system is a potential housing crisis. A political hot-topic in Holyrood debates, a recent report estimated that there are over 150,000 families in Scotland waiting for housing and that 23,000 new homes need to be constructed annually.

It is perhaps therefore unsurprising that the delivery of additional housing tops the list of priorities for both applicants and LPAs taking part in the survey. It may also be unsurprising that the type of housing each party wants to deliver is slightly different, with applicants promoting homes for sale (63% applicants vs. 25% LPA professionals) whilst LPAs champion affordable homes (88% LPA professionals vs. 40% applicants).

It is also noteworthy that in Scotland both LPAs and applicants rate the accelerated delivery of infrastructure as their second highest priority, whilst for English applicants this only comes fourth after homes for sale, affordable homes and rental homes.

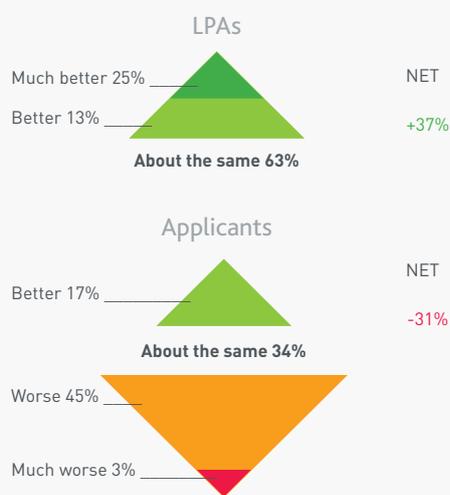


¹¹<https://www.holyrood.com/articles/inside-politics/scotland-facing-housing-crisis>

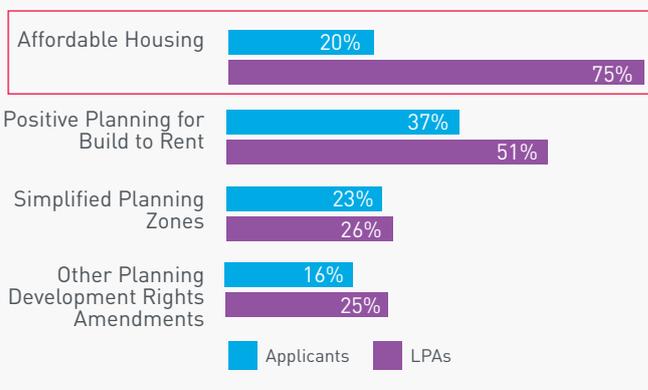
LPA professionals appeared ‘buoyed’ that the potential housing crisis can be tackled effectively with 37% stating that the Government’s approach to planning is making housing delivery better. Applicants are not convinced though, with nearly half believing it’s getting worse.

The disparity appears to stem from differing opinions over affordable homes policies. Whilst three quarters of LPA professionals (75%) believe the affordable housing policy will deliver a significant number of new homes, that view is only shared by one in five applicants (20%).

HAS THE GOVERNMENT’S APPROACH TO PLANNING made housing delivery better or worse in the last 12 months?



LIKELIHOOD OF POLICIES LEADING TO THE delivery of a significant number of new homes



It will come as little surprise to those in the industry to learn that significant attention therefore still needs to be paid to how to accelerate the delivery of affordable homes, but this remains a critical point worthy of highlighting.

An aerial photograph of a residential neighborhood. The houses are mostly two-story, with some having solar panels on their roofs. The streets are paved, and there are green spaces and trees scattered throughout. A purple semi-transparent box is overlaid on the center of the image, containing text.

“Over the last few years there has been significant investment in infrastructure across Scotland such as the Borders Railway, the Aberdeen bypass, improvements to the Glasgow- Edinburgh rail and motorway networks and the new Forth Crossing. All of these will improve connectivity and stimulate development activity.

There has also been considerable focus recently on City Deals across Scotland following on from the Glasgow City Region Deal, which is now in the delivery phase. However, one of the key challenges that still remains for the planning and development industry is how to provide the infrastructure associated with housing development.

This is an immediate pressure and in order to meet the targets set for housing completions there is going to have to be a significant investment in supporting infrastructure. This will require all parties to work together collaboratively to explore and deliver the most effective means of doing so.”

Steve McGavin

Planning and Development Director, GL Hearn

3. FURTHER FINESSING OF THE PLANNING SYSTEM

Given the prevalent frustrations with the planning system highlighted by this year's survey, it is vital that the industry continuously seeks ways to make the system more effective going forwards. The great news is that within the industry we have the desire, intellect and capabilities to enact positive change, as demonstrated by the fact that the majority of recently introduced existing policies are believed by both LPA professionals and applicants to be driving growth in development activity.

With a view to building momentum going forwards, in September 2015 an independent panel was appointed by Scottish Ministers to review the Scottish planning system and put forward recommendations. Those recommendations have now been reported on and in this year's Annual Planning Survey we looked to the industry to gauge how much support lies behind them.

i. Independent review of the Scottish Planning System

In May 2016, the findings of the independent panel review were published in a report entitled: 'Empowering Planning to Deliver Great Places'¹². The report included a number of recommendations including:

- An Infrastructure First Approach to Planning and Development
- Collaboration Rather than Conflict – Inclusion and Empowerment
- Stronger Leadership, Smarter Resourcing and Sharing of Skills
- Strong and Flexible Development Plans
- The Delivery of More Quality Homes
- Efficient and Transparent Development Management

As part of the Annual Planning Survey, in June and July 2016, we asked both applicants and LPA professionals in Scotland which of these recommendations they considered to be most important.

MOST IMPORTANT RECOMMENDATION

from the review of the Scottish Planning System

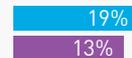
An infrastructure first approach to planning and development



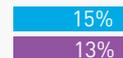
Collaboration rather than conflict - inclusion and empowerment



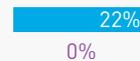
Stronger leadership, smarter resourcing and sharing of skills



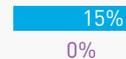
Strong and flexible development plans



The delivery of more quality homes



Efficient and transparent development management



Applicants LPAs

However, applicants are much more divided in their opinions and place 'collaboration rather than conflict' lowest on their priority list; instead favouring recommendations such as the delivery of more quality homes and better leadership and skill sharing, alongside an infrastructure first approach.

Independent reviews of the planning system are vital for ensuring the system is continuously improved. The most recent review has provided a number of valuable insights into improvement areas, but it is vital that the industry – LPAs and applicants – is now engaged to ensure an aligned and effective approach to enacting the recommendations.

¹²<http://www.gov.scot/Resource/0050/00500946.pdf>



“As well as identifying six key themes, the independent panel’s report also sets out 48 recommendations designed to rationalise, improve and modernise the Scottish planning system. Scottish Ministers have welcomed the report and strongly support the six key themes, whilst the government has fully committed to taking forward the review recommendations with ‘pace and professionalism’.

A response was published on 11 July 2016. This recognises that although many of the recommendations will benefit from more detailed consideration, some of the recommendations are already widely supported and may be implemented swiftly.

This is to be welcomed as is the establishment of working groups to address some of the other issues. This is especially true in light of the findings of this report, which highlight challenges such as the delivery of housing, that require immediate and concerted action by all parties if they are to be properly addressed. There is a very real need to see action to back up the findings.”

Steve McGavin

Planning and Development Director, GL Hearn

4. CLOSING REMARKS

Public sector purses are running low and whilst devolution allows the Scottish Government to draw its own priorities for investment separate to the Westminster Government, it still appears unlikely that a major public investment in the planning system will be forthcoming in the near future.

The industry must therefore look to itself for the answers to solve the challenges of modern-day planning and development. We must all take responsibility for driving progress and maximising the productivity of the resources at our disposal.

The planning system, whilst not optimised, is functioning. In Edinburgh and Glasgow just under 50 major planning applications were determined in the last financial year, 44 being successfully granted. That's an average of 22 successful major applications per city, just under the 25 average we see across LPAs in the English study.

Much of the success of the system can be attributed to good policies. Both LPA professionals and applicants highlight the successes of NPF and SPP at driving increased development activity. As an industry, we are constructive, resourceful and resilient.

However, this is no reason to rest on our laurels. Major planning applications still take too long to be determined to the frustration of all involved. And of course there is the hot-topic of a potential housing crisis to contend with.

In light of these challenges, we must come together as an industry. In May 2016 the report from an independent review into the Scottish Planning System was published, highlighting several recommendations. Many of these recommendations resonate with the industry, but with LPA professionals and applicants attaching highest priority to different areas, gaining full support and a concerted effort on enacting the recommendations will require communication and active engagement.

All parties involved in planning and development must collaborate to share the collective power of our ideas to pragmatically drive forwards the recommendations in the most effective way possible.

The next few years will not be easy. The economic and political spectrum is filled with uncertainty at a time when we need clear action. However, rather than looking externally for assistance, the Annual Planning Survey highlights the opportunities from looking within the industry to drive collaborative, positive developments.

In fact, if as an industry, we can make progress with the outlined initiatives, alongside the findings from the independent review, then we will have the blue print in place for a more effective and efficient system.

5. METHODOLOGY

Commissioned by GL Hearn and supported by the British Property Federation (BPF) and the Scottish Property Federation (SPF), the findings of this report are based on the Annual Planning Survey 2016 and a review of major planning applications determined by 74 LPAs across the UK.

An annual feature of the planning calendar in England since 2012, over the last 5 years we have reviewed more than 7,000 individual major planning applications and surveyed in-excess of 1,300 applicant and LPA professionals, making this the largest independent assessment of the planning system in the UK¹³.

This report focuses on the findings from Scotland.

A separate report is available for England.

[The Annual Planning Survey 2016](#)

The Annual Planning survey, conducted online by B2B research specialists Circle Research, is an annual study of LPA professionals and applicants in the UK. We are delighted to announce record participation from 385 professionals involved in planning applications. This year also saw the introduction of dedicated Scottish questions for the first time. Both surveys were conducted during June and July 2016.

LPA professionals and applicants were invited to take part via three sources: promotion to BPF and SPF members, an email to GL Hearn contacts, and advertisements on planning-related websites and social media pages.

[Major Planning Applications Review](#)

Planning application data was sourced from relevant Local Authorities' websites and via Freedom of Information requests for all major planning applications determined between 1st April 2015 and 31st March 2016.

As in previous years this review included major planning applications in Greater London, Greater Manchester and South West England (Bristol-vicinity). This year, we were delighted to also include Edinburgh and Glasgow as well as a number of other urban hubs in England. In total, major applications were reviewed across 74 Local Planning Authorities in the UK.

For the purpose of this review, a 'major planning application' has been defined as being:

- Residential developments with ten or more dwellings or covering at least 500 sqm (0.5 ha)
- Commercial developments covering at least 1,000 sqm (1.0 ha)

We have also excluded s73 amendment applications and instead focused solely on new/primary applications. This comprehensive review provides insights into market trends across key UK hotspots for development activity. Combined with the results of the Annual Planning Survey 2016, the findings provide a valuable snapshot of where we are now, and both planners and developers hopes for the future.

All quoted statistics are published in good faith and to the best of our knowledge. Should you believe that any published statistics are incorrect, please relate this information with supporting evidence to GL Hearn for amendment.

¹³Correct to the best of our knowledge at time of writing



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