OFFICIAL REPORT
AITHISG OIFIGEIL

Economy and Fair Work Committee

Wednesday 11 May 2022

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

Wednesday 11 May 2022

CONTENTS

ECONOMY AND FAIR WORK COMMITTEE
13th Meeting 2022, Session 6

CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

DEPUTY CONVENER

*Colin Beattie (Midlothian North and Musselburgh) (SNP)

COMMITTEE MEMBERS

*Alexander Burnett (Aberdeenshire West) (Con)
*Maggie Chapman (North East Scotland) (Green)
*Jamie Halcro Johnston (Highlands and Islands) (Con)
*Fiona Hyslop (Linlithgow) (SNP)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)
Colin Smyth (South Scotland) (Lab)
*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Euan Leitch (SURF—Scotland's Regeneration Forum)
Stephen Lewis (Scottish Property Federation)
Craig McLaren (Royal Town Planning Institute Scotland)
Adrian Watson (Association of Town and City Management)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Economy and Fair Work Committee

Wednesday 11 May 2022

[The Convener opened the meeting at 09:32]

Town Centres and Retail

The Convener: Good morning, and welcome to the 13th meeting in 2022 of the Economy and Fair Work Committee. We have received apologies from Colin Smyth. Fiona Hyslop will join us later, as she has another commitment.

Our first item of business is to continue evidence gathering for our town centres and retail inquiry. The broad theme for today is keeping town centres alive, with a focus on town centre living and property stock. I welcome our panel: Euan Leitch, chief executive of SURF—Scotland's Regeneration Forum; Stephen Lewis, vice-chair of the Scottish Property Federation; Craig McLaren, director of the Royal Town Planning Institute in Scotland; and Adrian Watson, chair of the Association of Town and City Management. Thank you for joining us.

As always, it will be helpful if members and witnesses can keep their questions and answers concise. Each witness should understand that they will not be invited to answer every question, but they will all have the opportunity to contribute at some point.

Michelle Thomson (Falkirk East) (SNP): Good morning everyone, and thank you for your submissions, which give the committee extra pause for thought. That may take us to what I see as the heart of the issue: we are trying to do something complex with multiple stakeholders, financial challenges and historical precedent.

The SPF's submission correctly talks about the need for

"a clear vision of what a resilient town centre is"

and distinguishes between town and city. It talks a lot about Glasgow and Edinburgh. I would like each panellist to frame their vision of a resilient town centre, perhaps adding some colour and flavour to that and saying not only what it is and what it looks like but what it feels like for the disparate range of people who might use it. We should take cognisance of disabilities such as blindness, and we have heard comments about women who work in retail not feeling safe in town centres. I might be asking that deliberately because our panellists are all men. Forgive me for that.

I would like you to set out what you a resilient town centre looks like. I am sure that our session will then lead on to the problems of getting to that vision, and I will let others pick that up. Stephen Lewis, would you like to go first, as I have referred to your submission?

Stephen Lewis (Scottish Property Federation): Absolutely. Thank you for the opportunity to be here.

The first question is actually about the purpose of town and city centres. Ultimately, it does not matter what we want the purpose to be; we need to consider what it is. We can shape it, but ultimately it is about a mixture of uses that bring people together, whether that is for work, play or leisure, or to stay.

If we consider the residential element first, we need to have more people living in our town centres, and that applies across all ages; all types of housing, including student, mid-market and affordable housing; and all tenures. Bringing people back into town and city centres will support the other uses, including retail and leisure, and the other reasons why people go there. We also need to get our offices back, because that is a focus of daytime use. By increasing both of those things and stopping the decline that we have seen to date, we can create vibrant town centres. That will be the catalyst for people to be in town centres and use the amenities and services that they bring.

The SPF submission is right to differentiate between towns and cities, because their outputs are very different.

If we consider the changes to the office environment, the reduction in office use and the possible reduction in demand for large city-centre offices due to a move to a hub-and-spoke arrangement, although we are not seeing that yet, there are real opportunities. For them to be realised, however, towns need to have vibrant office stock that will meet the needs of local people, and they need to be able to use active travel to get there. Active travel is a large part of that vision. We need to consider people's reasons for going to town centres and how they can get there sustainably.

All of that is encompassed rather nicely in the 20-minute neighbourhood concept, which articulates what a town or city should be, as we note in our submission. One of the challenges is the differing definitions of a 20-minute neighbourhood. A 20-minute neighbourhood in Edinburgh may be different from one in Glasgow, which may be different from one in Aberdeen. It comes down to the definition. If someone travels

by bike, they will travel three or four times as far in 20 minutes as someone who walks. As we set the vision, there is a real need to understand what we are aiming for.

In general, however, a city or a town is a collection of people with a collection of uses, and we need to give people reasons to come back.

Craig McLaren (Royal Town Planning Institute Scotland): I agree with a lot of what Stephen Lewis said. To me, our town and city centres have to be places that people enjoy, places that have a vibrancy to them and places that people want to spend their time in. Their attractiveness, the safety aspects and their accessibility are all incredibly important. It is important that town and city centres are accessible, but also that there is accessibility within them. As has been said, active travel is really important and we must allow people to wander around town and city centres.

The experiential aspects of town and city centres is really important. I live on the south side of Glasgow and I quite often walk into the city centre just to wander around. It is not necessarily about shopping or doing transactional things; it is about the quality of the experience, the buzz and the excitement of the place. For me, the key things are attractiveness, accessibility and the creation of places that people feel that they want to spend time in.

Euan Leitch (SURF—Scotland's Regeneration Forum): There is not much to disagree with in what my fellow panellists have said. I suppose that the additional thing that I would mention is that affordability is a major issue in some town centres with regard to both accommodation and food. We have food deserts where people who live in certain parts of some cities find it difficult to access food at a reasonable cost. That is an additional element that you might want to think about.

SURF hosts the 20-minute neighbourhood practice network, and over the past year we have been investigating what a 20-minute neighbourhood is. As Stephen Lewis said, there are varying descriptions of that, and I think that that has been widely debated in the Parliament in relation to the national planning framework 4. It is obviously an on-going issue. I strongly support the view that it is an urban concept. However, 20-minute neighbourhoods have been in Scottish planning policy since the then Scottish Executive published the Scottish planning policy 1 in 2002, with a focus on mixed-use neighbourhoods that are walkable and affordable and where everyone feels comfortable and welcome.

We have yet to see those policies being fully implemented in city centres. Some of the issues that were raised in previous sessions around safety are associated with poverty. They are things that are dealt with not directly by the physical environment but by how we support people who are experiencing poverty and deprivation and some of the things associated with that.

Just this week, I had a meeting with somebody from the University of Glasgow who is meshing data around 20-minute neighbourhoods. What is interesting is that they have found that 70 per cent of urban Scotland falls within a 20-minute neighbourhood description, in terms of the physical assets that are there and the availability and frequency of transport. About 100 per cent of areas of multiple deprivation comply with some form of description of 20-minute neighbourhoods, in terms of physical assets and accessibility.

However, what that does not measure is care and maintenance. Craig McLaren talked about attractiveness. Care and maintenance of our buildings and the public realm by a range of stakeholders from the public and private sectors is key to making somewhere attractive, and that is one of the major areas where we are falling down in many parts of towns and cities in Scotland.

Michelle Thomson: Thank you for that additional insight. I suspect that one of my colleagues will want to pick up on that, because it is an interesting thread. Does Adrian Watson have anything to add to what has been covered so far?

Adrian Watson (Association of Town and City Management): Being last, I am tempted to say, "All of the above"—

Michelle Thomson: That is okay.

Adrian Watson: But I will add a little bit more. I think that being experiential was mentioned; town centres need to be inclusive, accessible and safe, too. We also need to have cultural hubs in towns and cities. There is much there already; it is not all pessimism. There is some really good stuff to work on, and that includes our cultural sector.

We understand that we are going through a very difficult transition. Something else that was alluded to was the challenge that exists because our staple day-to-day diet, which is the office sector, is not there. Dare I say that we need macro and national-level support to try to encourage that back in, safely, so that cities and towns can thrive, in Scotland and beyond? Retail will change—we understand that—and hospitality needs to be there. It is that mixed use that we need to see and, whether or not that is driven through town and city masterplans, we need a vehicle of delivery, and that is why we are here today.

Michelle Thomson: Thank you for that. You have given us a lot of the "what", but the "how" will be the challenge.

The Convener: As Michelle said, there is the "what" and the "how". The job of the committee is to understand the situation and to come forward with proposals and ideas that we think could ease some of the pressures that are being faced.

The submissions from the Property Federation and the Royal Town Planning Institute both talk about national planning framework 4 and the Planning (Scotland) Act 2019, and I think that they both referred to masterplan consent areas. Does anybody want to say a bit about the changes that are on the horizon—some of the things that you identified such as the town centre first principle—and how they can be enforced? How do we strengthen things that are already in place and things that are coming through? That would be helpful for the committee, as would your thoughts on anything that is missing. Is there anything additional that could be done?

Craig McLaren: I am happy to answer that. I will start with the national planning framework, which is in draft at the moment, as you might know. The consultation and the parliamentary scrutiny have just finished. The draft includes a number of useful and interesting things that should help town centres, one of which is a presumption against out-of-centre development and a sequential approach to ensure that new development is put in the centre first. If there are no sites in the centre, development should be moved sequentially further out. That approach has been very useful.

The framework talks a lot about the 20-minute neighbourhood principle, which we have already heard about. The important thing to bear in mind is that they are about a 20-minute walk for your daily needs, not for every need that you have, so in some ways that makes them easier to achieve. We need to put 20-minute neighbourhoods at the forefront and make sure that more of our town centres work on that principle.

The framework also alludes to the town centre first principle, which we must have had for seven or eight years now—maybe even more than that. One of my issues with that is that I do not know whether it is working. I do not know whether anybody is collecting any data on it.

09:45

The Convener: The committee sees that it is not working. I do not want to comment on Stirling Council's decision, but approval was given for the out-of-town development near its city centre. You expressed in your submission that there is no enforcement of the principle or clear understanding of what it means.

Craig McLaren: We have said for quite some time that more transparency is needed about how the principle is applied, how local authorities make decisions and why they make them. That could probably be done by looking at council reports, but a national review is needed to see how the town centre first principle has been used or whether it has been used at all. There should be rigour attached to it, as well.

We talk about operationalising the town centre first principle so that councils have to go through steps to show that they have made decisions based on evidence and by asking particular questions. That could make the principle stronger.

The Scottish Government also has something called the place standard, which is a similar idea. It is a great idea to bring together people from different levels of Government to try and see how all of the different programmes and financing streams fit a place. However, again, it is a principle, and we need to consider how we can operationalise it and attach some rigour to decision making.

The national planning framework is strong on low carbon and zero carbon, and on trying to articulate town centres in that context. That has not always been done, if I am being honest, so the framework has been really useful. The contributions that town centres can make to it are also useful.

The ambitions for town centres in the national planning framework are good, but we have two issues with it, and addressing them could help to embed how we approach planning in our town centres.

The first is that the wording of the of the policies in the national planning framework is a bit woolly and we need something much more robust. When I talk to communities, Heads of Planning Scotland and developers, they always say that they want certainty and predictability from the planning system, so it would be useful if we had policies that give that. I am not sure that we are there yet, and we made that point in our submission. Having the right policy frameworks is all well and good, but we need to deliver them, and an issue—from a planning perspective—is that although planners tend to plan and provide a vision, delivery is reliant on others in the private and public sectors. The public sector has a role to play in facilitating development through infrastructure provision, making sites ready and derisking. It is not quite doing that yet.

The national planning framework is a vision document. We have always said that there should be a link between it and a capital investment

programme that allows for the vision of the national planning framework to be delivered through Scottish Government funding. It works in Ireland.

The Convener: Is that what Ireland did?

Craig McLaren: Yes. I was in Dublin yesterday, because I cover Ireland for the institute. I was talking to the chief planner there, and they said the link with funding is particularly useful and works well because it allows visions to be backed up with infrastructure or capital funding from the state.

A similar approach here would benefit town centres. It seems like a simple concept, but I am sure that it would be more difficult to put in place. However, we should not shy away from it, because it could make a transformational change in how we reinvigorate our town centres.

The Convener: Stephen Lewis, do you want to come in and talk about masterplan consent areas? I think that they formed part of the Planning (Scotland) Act 2019, but I do not think that they have been introduced in any areas yet. Is that correct?

Stephen Lewis: I will touch on that and the local development plan framework.

We need to recognise that there is an evidence-based approach in NPF4. Although that is welcomed, the local development process is front loaded and I think that an extra 60 additional duties have been given to planners—Dave Melhuish will keep me right on that—which raises questions about resource.

Adrian Watson mentioned vehicle delivery earlier. Having a framework is, as Craig McLaren has just said, fine, but it needs to be delivered. The up-front part of delivering that on the ground is done by planners, and there is a real resource question in that respect, predominantly in the quantity of planners that we have but also in the quality, given the diverse range of planning stuff that we need.

The predictability point is also correct. The sustainability target in NPF4 is huge, and Michelle Thomson talked about the complexity in delivering some of this. Sustainability is a massive issue; it is more complex than ever before and more resource is now required. Under NPF4, every local authority could have a different measure of sustainability, and that is something that we need to resolve if we are to give certainty to developers and have a consistent approach. SPF is looking at the issue in discussions with Heads of Planning Scotland; indeed, that is happening more locally in Glasgow through the very proactive discussion that HOPS, the development community and SPF are having on how we work together to set some of those targets and try to keep them consistent across Scotland.

Another big question is the speed of delivery. Assuming that the planners can be resourced, we have to get planning decisions out quickly to ensure that the projects thereafter, whether they be infrastructure based, property based or otherwise, can be delivered.

The Convener: Adrian, do you want to comment on any of these issues? Does your organisation see anything positive on the horizon? What more needs to be done?

Adrian Watson: As has been said, there needs to be a recognition of the challenge of delivery as we move forward with the planning framework. I do not really have much more to add, because the issue has been well covered—I just wanted to highlight the delivery aspect and how we see this through.

The Convener: Stephen Lewis mentioned capacity in planning departments, and I note that one of the submissions refers to retiral rates for and the shortage of planners. Is that an issue?

Adrian Watson: It is an issue across the country. The challenge with planning and having the opportunity to progress the stuff that needs to be progressed has certainly been experienced in the north-east. I apologise for being local, but it has been a real challenge for Aberdeen City Council and it needs support in order to move things forward.

The Convener: Euan, do you want to comment not just on the national planning framework but on the 2019 act and what needs to be done to make them a reality?

Euan Leitch: I am very happy to do so.

I want to go back to your first question, which was about why the town centre first principle has not been fully operationalised. I should say that I studied planning, love it and find it a fascinating area, although I am not a planning practitioner like Craig McLaren.

The planning system is discretionary and is all about balancing competing interests. The town centre first principle has not been operationalised, because with the sort of out-of-town-centre proposal that you have heard about and which brings, say, 150 new jobs, that provision of employment ticks one of the boxes for the planning system. However, it still leaves a hole in the town centre.

In the chamber debate on NPF4, Graham Simpson said that when he read the planning policies he found them to be all things to all people. There is always the kind of get-out clause that says, “You should do town centre first, but if

you don't, you should perhaps mitigate some of the downsides of using greenfield sites." My experience over the past 15 to 20 years that I have been working around the planning system is that landowners are very patient. I am sure that we are all aware of land that has been owned for a very long time, and the landowner might have a very long-term intention of doing something on it that the planning system currently does not allow. To meet national housing standards, a local authority will eventually comply and allow that site to be developed. It might not be the best site as far as the planning system is concerned, but it delivers homes. There is no getting away from the fact that we need homes, but it also undermines the town centre first principle, as brownfield sites are perhaps more difficult to develop in city or town centres.

With the discretionary nature of the planning system, the sort of flexibility that it offers allows some good and imaginative things to happen sometimes, but it is intrinsic to the undermining of certain policies. A lot of the feedback on NPF4 related to the need for a clear hierarchy of the things on which there is no flexibility and local authorities cannot negotiate. Without going into detail on it, I would say that, with the Stirling example, the local authority will have seen an employment opportunity, even though it undermined other aspects of planning policy.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I want to ask about the empty properties in our town centres, many of which have long been vacant, for 10 or 20 years. The Federation of Small Businesses said in its evidence that the commercial property market "is not working". One piece of evidence that it highlighted was that the price of occupying empty units is not falling. Why is that and what do we need to change?

Stephen Lewis: I am not sure that I necessarily agree. There are instances of long-term vacancy, but the average vacancy would certainly not be anywhere near the length that you mentioned.

We need to dispel the myth that landlords sit on vacant property waiting for the pot of gold at the end of the rainbow. Consider the extensive costs that the landlord has to bear on vacant property. Vacant rates are a significant issue. There is a 90 per cent tax even when a property is unoccupied. They have insurance to pay, which is only going one way. They also have utilities to pay. I had a utility bill for which the provider wanted to charge us £300 a day in standing charges, because the unit was vacant. Because the provider was not getting the consumption, it increased the standing charges.

The suggestion that landlords have a desire to hold on long term when they have zero income from a property and face the burden of costs that I described is not always right. However, I accept that there are a few instances in which there are absentee landlords who might not even know that they hold vacant property and the information is lying in a vehicle or wherever.

We have to be very nervous about compulsory purchase orders or compulsory sale orders, which have been discussed down south. The principles of those are understood but, generally, CPOs are not used, and the test for their use must remain high. There will be instances in which it is correct to impose such an order, but the bar must still be high.

We address some of the issues in our submission. Vacancy is an issue in town centres especially, but it is also an issue in city centres. A report by Ryden for the Glasgow city centre task force, which was funded by the Scottish Government, has shown that fragmented ownership, and not just vacancy, is often a problem. When there is multiple ownership in a small block, that is very different from Buchanan Galleries or the St Enoch centre, where there is a single owner of scale who can repurpose the retail centre, because they have the full ownership and the financial resource to do it. It is much more difficult to do that along Sauchiehall Street with fragmented ownership.

Gordon MacDonald: What is the direction of travel of commercial rent levels? Are they increasing or decreasing year on year? What is the average position on rent levels across Scotland?

You rightly highlighted the fact that there are holding costs for vacant properties. What proportion of vacant properties have an existing commercial lease in which the former tenant has vacated the property but is still responsible for the lease?

Stephen Lewis: There are multiple parts to that question. There is clearly a distinct two-tier market. In vibrant city centres and town centres, the market operates and rents are charged because there is a demand. The supply and demand balance works and, where that happens, rents invariably increase.

We must remember that much of the property in the United Kingdom and certainly in Scotland is owned by pension funds. There is a rent review or an increase in rents, because that is how the market performs and that is what funds the majority of people's pensions. Therefore, rent increases are not bad by nature. Where the market performs correctly, they are right.

However, the other part of the picture is that, where supply and demand are not in balance—where there is significantly less demand than supply—rents fall. The demand for office space is

down about 15 to 20 per cent—that was generally accelerated through the pandemic. However, when you look into that figure, you find that, actually, demand for high-quality space is up, but demand for lower-quality space is significantly down, and the situation is the same in retail. The decrease might be 20 per cent on average, but it could be 40 or 50 per cent across the grade B or lower-quality space, so those are the assets that we will have to repurpose.

There are some residential and other opportunities in that, which I am sure we will come on to discuss. Planning policies are mixed into that as well. However, I go back to the point that it makes no sense for a landlord to hold a property vacant. If a landlord thinks that they can squeeze another 5 or 10 per cent out of the rent to ameliorate the situation, they will do so, given the holding costs, even in the first couple of months of a vacancy.

Gordon MacDonald: The committee visited Dumfries, where there were a number of properties that had been lying empty for upwards of 20 years. We are going to Hamilton next week, and I believe that there is a similar situation there.

10:00

Stephen Lewis: There absolutely are such instances. You asked what percentage is vacant. Offices are more my expertise than retail is, and I know that there is zero availability of grade A offices in Edinburgh. I am sure that the retail percentages are relatively low across the board—the other guys on the panel might have an idea about that.

The issue is having poorer-quality stock, less-favourable locations or the wrong size of store. Retail has changed—we do not need Debenhams or large House of Fraser department stores. Requirements are changing, which is why I referred to changes that have occurred in places such as the St Enoch Centre, Buchanan Street and other places.

There are transitions. How people shop has changed, as has the experience that they want, which affects the type of retail unit that is wanted—people want volume and height and want shopping to be much more experiential, which the other panellists have talked about. There is a need to transition the space.

Gordon MacDonald: Does Adrian Watson want to comment on the amount of empty properties in the town centres that his members represent? What impact is that having?

Adrian Watson: That has been a challenge, as you can imagine. Confidence has been knocked. The difficult transition that others have talked about is symptomatic of where we are and has not been helped by the pandemic, which has been liberally quoted as accelerating the pace of decline.

Let us be clear that the decline is not just down to Covid—for many a year, we have moved away from the traditional Woolworths approach of the large department store, which has freed up a lot of space in cities. Many of us came with town and city master plans with a view to moving people in and consolidating office sectors in towns and cities to fill the space, but Covid has also changed that to an extent. We need to repurpose the model in moving forward, because the need for office space might well change under hybrid models and all that goes with them.

The expectation that such space could be filled with office accommodation was sensible at the time, but that need might not be there now. We can look at other strands, such as bringing people in for city living. That is not without challenge, either, but we need to keep going. New entrants are still coming on to the high street—the position is not all negative—but the challenge is that the high street needs to find a market, to be profitable and to have support.

Gordon MacDonald: I ask Euan Leitch how we bring long-term abandoned buildings back into use.

Euan Leitch: SURF's experience includes the SURF awards, which have run for almost 25 years. If we look back quickly through the award winners, we see examples of town centre living through the conversion of everything from police stations to churches and church halls. All those buildings have come back into use as housing and particularly as affordable housing, which is of note from the SURF perspective. That might involve a housing association or council housing.

Chapelpark school in Forfar provides a good example. It was a town centre school just off the high street, and there was long-term community interest in the site. Turning that building into council housing has had a good impact on the town centre. That development worked there, in a settlement of that scale.

Bringing residential use back to town centres is desirable, but it is challenging if there is a lack of care and maintenance in a settlement. Some town centres also lack green space. Do we want children to live in such areas? Is it safe and easy for them to go out and play in a town centre? Town centres are maybe not the ideal family location, but there is still a demand and need for housing there.

On the changing use of retail, there is a residential use on our office's doorstep in Govan. Govan is a deprived area, but a lot of money has

gone into it. In 2013, Plantation Productions was a SURF award winner. It has taken over four shop fronts and is providing a creative approach to intergenerational learning and inclusion. It gives people digital and employability skills. Sunny Govan, which is the local radio station, is run from that location, and kids go there to learn how to rap. That brings people together and addresses social isolation.

Some of the retail units in the area have been turned into places that offer a really good community and public function—there is a dentist and a series of functions. In the Pearce Institute, we have a cafe that pays a peppercorn rent. People in the area cannot afford to pay for lattes in the way that people in other parts of our cities might. The cafe is on a very low rent so that people can afford to meet there for a bacon butty and a cup of tea. The local authority, which owns the building, subsidises the cafe. It takes a series of stakeholders to make the decisions that support a community's use of such spaces.

Gordon MacDonald: You touched on the properties that have been turned to residential use, such as police stations, church halls and so on. Do you have good examples of commercial properties being brought back into residential use?

Euan Leitch: I suppose that the Midsteeple Quarter is doing good work in Dumfries, but you have already been there.

Gordon MacDonald: There is nobody in those buildings.

Euan Leitch: Nobody is there yet—it is at an early stage. The design of commercial properties with deep floor plans can militate against their being easily used for residential purposes.

Without being flippant, if you think of the First Minister's residence in Charlotte Square, the buildings there were built as houses and they have functioned as houses, hotels, hospitals and printing houses—they are a fantastic example of long-life loose-fit properties. However, in the 20th century, we began to build buildings that are very specific to their nature. The very deep floor plans of retail properties, with no access to light, militate against their being used in ways that would be appealing for residential use. For example, the St James centre, which has been referred to, is a mixed-use project, albeit with affordable housing that has been put elsewhere and not in the centre.

There is residential use there but, in the long term, the question is whether retail units could be turned into something else. They could not be residential because of their layout, but they could have other uses—they could be printing houses, for example. It is not necessarily always desirable for commercial to go to residential. We might want to become a productive circular economy through reuse of the assets that we already have in our home. As we address climate change and become a less consumptive economy, other uses for those assets might be put to us—we could reuse some of the small things that we have and have somewhere to take them.

Gordon MacDonald: Craig McLaren, you highlighted in your evidence that there might be a need for general town centre use class. How do we bring that in so that we can get the mixed use of properties without overprovision of one particular type such as charity shops, betting shops or whatever?

Craig McLaren: From a planning perspective, there is growing recognition that we need to reduce the designated frontages for retail to provide that flexibility, particularly at the edges. As Stephen Lewis said, the quality is lower at the edges, so we can probably have much more flexibility there.

The town centre use class, which was proposed in the original town centre review, is worth considering, but we need to be very careful with it. Use classes are designated uses within places, which have a certain impact—the impact is the important thing here. We would need to see how that could be made to work flexibly and at the same time ensure that the impacts do not affect communities, particularly if we want to get more people living in town and city centres.

To be honest, we do not want the approach that has been taken in England, in which the use class order has been amended so that changing from office to residential use is a permitted development. Although that sounds good on the face of it, it does not work particularly well because, going by what has happened in England, the quality of the housing that comes out at the end of the process is generally fairly poor.

It also means that there is no control over the ability to get a section 75 agreement—which brings in money that can then be invested in the community, particularly for affordable housing—and we do not want that. A general use class order has some attraction, but we need to handle it carefully, because it could have unwanted repercussions.

Alexander Burnett (Aberdeenshire West) (Con): I have two relatively specific questions. The first is for Stephen Lewis. Yesterday, the British Property Federation trailed views in the media on improving compulsory purchase orders, and the Queen's speech included something on that as well, which would apply in England. Accepting that the bar should be high, I give you the opportunity to explain for the record why councils do not use CPOs effectively or at all.

My second question is for Craig McLaren. I will ask it now, just to give him a moment to think about it, as it is probably quite tricky. We have a number of issues with split-use buildings. You just touched on issues with conversion; some properties are inappropriate for residential use. You have mostly talked about large urban areas and shopping centres, but there are a lot of flats over shops in my constituency, and barriers for one often have an impact on the other, to the detriment of both. Will you share solutions for such situations?

I ask Stephen Lewis to go first, followed by Craig McLaren.

Stephen Lewis: As I touched on earlier, we need to understand why a CPO is needed—what is the scheme? Ultimately, there must be a scheme or rationale for using a CPO; we cannot just say that a building has been vacant so we will use a CPO or put a compulsory sale order on it, as has been suggested down south.

A resource question arises, because CPOs are promoted by local authorities—I am pretty sure that Scottish Enterprise has not enacted or used its CPO powers. There is also a high bar for going through the CPO process, which means that an authority must attempt to acquire the property voluntarily first.

The quantum is another issue. If 20 units in a block require to be compulsorily purchased, how much financial resource does a local authority have to complete all those CPOs? As I said, there are instances when using a CPO is correct, but we must watch that we do not flip to the other side of seeing CPOs as a panacea. Once a property has been compulsorily purchased, a scheme still needs to be delivered thereafter.

I know that the question about flats over shops is for Craig McLaren, but I mention again the report that the Glasgow city centre task force commissioned from Ryden for its property repurposing strategy. That report looks at a number of issues that have been raised today, such as how we convert office stock above retail to residential use, what the opportunities are and what the planning policy challenges are—that goes back to the quality point that Craig McLaren mentioned.

The areas that are covered do not have deep-plan buildings. As Euan Leitch described, the properties were built originally as houses and then converted into offices or for other uses. The properties are ripe for reconversion to residential use, but some do not meet current housing planning standards because of their listed status and configuration.

One output of the Ryden report is a need to look holistically across Scotland at how we amend planning policies to deliver the right quality of houses through such conversions. As it stands, such properties do not tick the box to meet the full planning policy. Planning authorities have a role to come up with routes to address that.

We are very much about the vehicle for delivery and the actions, whereas the report looks at the issue and gives ideas for resolving it. The Scottish Futures Trust or others might have a role in looking at the situation holistically across Scotland; the suggestion is that a project office and some resource should be provided to look at how to repurpose such buildings, which blight high streets equally in towns and in city centres. Dealing with that would provide an opportunity to get more residential property back in city centres; that would not be for the full ambit of the use class, given the lack of public space and green space in city centres, but it could certainly meet a challenge.

The Ryden report is due to be submitted to the Glasgow city centre task force in the next couple of weeks. When it is available to the committee, I recommend reading it.

Alexander Burnett: Will you expand on your comment that resources constrain the use of CPOs? Is that the resource to enact CPOs—the lawyers to track down owners and undertake the purchasing process—or is it the resource to pay for buildings?

Stephen Lewis: The former issue can be solved with financial resource, as the legal stuff can be outsourced; the predominant issue is the second point. The question about why CPO powers are not being used would be best posed to local authorities, which hold those powers. Our view is that the bar is high and that the resource to follow the process meaningfully is an issue, as that means compulsorily purchasing large areas.

I have experience from the Clyde Gateway project in Glasgow, which used CPO powers, although it did the majority of its acquisitions voluntarily—starting with voluntary acquisitions is exactly the way to follow the CPO process. In many cases, the voluntary approach can succeed without the spectre of a CPO. CPOs are invariably challenged. A number of sites were purchased voluntarily for the Glasgow Commonwealth games, but that was with the ultimate spectre of a CPO if a site could not be acquired voluntarily.

The question is best addressed to local authorities, but I suggest that financial resource is a main issue.

10:15

Alexander Burnett: Thank you. My other question was to Craig McLaren.

Craig McLaren: Stephen Lewis has given you some thoughts on the question. I do not think that planning is the main problem for housing over shops, although we need to look at things such as listed building consent and conservation area consent and get a balance on that. We have seen interesting approaches to that through conservation area regeneration schemes and townscape heritage initiatives—places such as Fraserburgh are doing interesting things. Some local authorities have taken the matter seriously and have appointed officers to consider how to make living over a shop a priority—places such as Perth have done good work on that. The issue is perhaps that measures tend to be sporadic rather than embedded.

From the planning perspective, the draft national planning framework 4, which I mentioned, says that local authorities must identify gaps in the supply of housing, particularly in relation to town centres and flats. The hope is that we are at the start of a process for addressing the issue and putting it at the forefront of decision making in planning.

In many ways, the key issue is resources, which I know that we keep harking back to. We have heard from several people today that resource is needed for planners to process planning applications, and we have said on the record several times that about a third of planning staff have been lost from planning departments since 2009 and that budgets have reduced by 42 per cent. Even planning fees cover only about 66 per cent of the processing cost, although new changes might reduce that difference.

There is a need to reinvest in the planning service to make things happen and to do so proactively—not just reactively when processing planning applications. I mentioned conservation area regeneration schemes, which take a proactive master planning approach to make things happen. That gives us the opportunity to bring people together at the start of the process to develop the vision and work out where resources will come from and what role people will play in delivering the vision. That is really important.

On funds for housing, the Scottish Government has control over social housing through the housing association grant, so there might be a way to use that a bit more creatively to get flats above shops. Such funding is not really used for that—it is used for more traditional housing schemes—but there might be ways to look at that as a resource for making flats above shops work.

Alexander Burnett: Thank you—I have no further questions. I just refer members to my registered interest in relation to property.

Colin Beattie (Midlothian North and Musselburgh) (SNP): I would like the witnesses to consider my next question in the context of a larger question. I am concerned about sustainability. There are many excellent projects across Scotland, which benefit and contribute to communities as stand-alone projects. However, I have not yet seen a regeneration project that takes in a whole town. Typically, such projects take place not in more affluent areas, which can support their towns and villages, but in areas where residents have less disposable income.

Money goes into a regeneration project, which will be big bucks, even for a relatively modest town or village. The money is obtained, it goes in and regeneration takes place. My concern is about what happens next. Is the regeneration sustainable? Does it need constant funding from the council, the Government or whatever?

When we visited Midsteeple Quarter—we have also had input from South of Scotland Enterprise and Highlands and Islands Enterprise about this—we heard about the need for financial incentives for repurposing unused and long-term vacant buildings. Do you agree with such an approach? If so, what kind of incentives should they be? How could they work, and how could they contribute to our creating the sustainable solution that we need for our town and village centres? Perhaps Euan Leitch can pick up that question.

Euan Leitch: One of the SURF awards is for most improved place, and it has been awarded to settlements including Fraserburgh, Irvine and Campbeltown that have been regenerated over long periods—say, 10 to 15 years. As an aside, I say that an important aspect of that regeneration is that it has been led over the long term by individuals who live and work in those places.

However, you are right: large sums of money go to such places for something shiny and new. The regeneration capital grant fund is one means of accessing funding—I suppose that that is where the £325 million that we will spend over this parliamentary session on place-based regeneration is coming from—but that money tends to go to capital projects, which are only the beginning of something. They do not guarantee a long-term sustainable outcome, because that sort of thing is affected by wider issues in the economy, such as Covid, which had an impact on a wide range of organisations that thought that they had a sustainable future.

Areas might be made more sustainable if money from the local economy were invested locally rather than extracted. We are beginning to look at community wealth building, which is about ensuring that business practices and the money that comes from them remain in a settlement. As has been said, however, some of the places that

are experiencing dereliction or decay—or even a hot economy—are funded by pension funds, which are extractive. In fact, a lot of us in this room might well be beneficiaries of that extractive economy as a result of rent increases. A move to a more co-operative and social-enterprise-led economy might mean that the profits from those businesses are not as high but, in turn, it might mean that they have better long-term sustainability.

That said, most community-led organisations complain that there is always money for big capital projects while there is no money for the long-term running of the operations that inhabit them. I highlight, for example, Plantation Productions, which is a community-led project that is doing great things for a community in Govan, but its funding is on a yearly or three-yearly cycle and is always under threat. The money comes through Creative Scotland—some might well come from the local authority, too—and the project is no doubt thankful for it, but the funding is always under threat. For such projects to have longevity and be secure, and for the staff to have confidence, there needs to be a longer-term funding commitment to such activities, certainly in areas of deprivation.

Colin Beattie: Stephen Lewis, in areas of deprivation where residents have less disposable income, should there be a subsidy to allow regeneration to continue and be sustainable into the future?

Stephen Lewis: No. An excellent example in that respect is Clyde Gateway, which has a long-term vision and long-term funding and is clearly located in an area of deprivation that covers the east end of Glasgow and parts of South Lanarkshire. The company has taken a holistic approach not just to the creation of infrastructure—it has provided office space for job creation as well as residential properties across a mix of tenures—but to the provision of training and job opportunities. In short, it has tackled the reasons for social deprivation, including health issues. It has done so predominantly through capital funding, but the long-term funding support that it receives from the Scottish Government and others has allowed it to take a long-term view. As I understand it, there is also an element of evergreen, by which I mean that the capital receipts for a successful project, whether it relates to office or residential property, are recycled into Clyde Gateway funding, which allows it to take a much longer-term view. Over time, that capacity building will create jobs, infrastructure—including residential infrastructure—and so on.

With regard to sustainability, which you mentioned, Clyde Gateway has pioneered a substantial district heating network that will provide low-cost high-quality heat in a very sustainable way across the area, but invariably that can be done only with substantial amounts of funding and that long-term vision. The test of how sustainable it is will come at the end of the 25-year period, and I just hope that we do not go back to what happened with the Glasgow eastern area renewal—GEAR—project 25 or 30 years ago. As I was just a boy then, I do not remember it, but I believe that Clyde Gateway is almost a version of that. In any case, there are examples out there that show how such an approach can work without having to continue to receive funding in the longer term.

On your point about financial incentives, the rates burden is substantial. We need to look at the costs of repurposing. At the SPF, we have talked about the rates on refurbishment and whether an incentive can be put in place that does not involve any new money but which uses the tax burden to facilitate the refurbishment of properties that are invariably expensive to refurbish. Our submission talks about that, too.

Colin Beattie: What is Craig McLaren's view on incentives? Who should pay, and are they necessary?

Craig McLaren: From a planning perspective, a long-term approach is really important, as Stephen Lewis and Euan Leitch have said. For me, it shows the necessity of having a plan and not doing this sort of thing ad hoc, because that allows you to build in that thinking.

In the examples in which there has been good practice, there has been very early engagement with all the stakeholders, communities and funders in order to establish the vision for what a place will look like in 20 to 25 years and to develop a route map from that. It is almost what might be called backcasting—you look at who will play what role, who will provide what level of resource and when, and how everyone can make that work, and as the place develops, you start to have a conversation. That really important and useful approach has been taken with some of the charrette models that have been introduced in Scotland over a number of years. The hope is that, although that approach will not totally get rid of friction, it will reduce it to some extent.

The important things that can facilitate such an approach include, first of all, the infrastructure first idea, in which you use infrastructure to de-risk sites and make them attractive and much more viable. You can do that creatively by, say, putting infrastructure into more disadvantaged areas to make them a more attractive investment.

Secondly, there is the place principle, which I mentioned earlier and which, if applied and operationalised, could be a really interesting way of ensuring that you do not need to wait for initial

capital funding to make something happen. For example, different community planning partners could come together to think about maintenance needs and the on-going costs of delivery on the basis of that place-based approach.

With regard to Irvine, which Euan Leitch mentioned, I was part of the SURF judging panel the year when that award was made. What was being done in Irvine was really interesting, because all the different departments, funding and resources were brought together to make things work for that particular place.

This is something of an aside, but it is probably important to push it into the discussion: how, from a planning perspective, do you measure success? Just now, planning officers are under pressure to deliver decisions on planning applications very quickly. I understand the reasons for that, but should it be the key measure of success in planning? I do not think so. Instead, we should think more about the outcomes that are achieved on the ground. We have done some work with the Scottish Government and across the United Kingdom and Ireland on a new performance management system for planning authorities that is based on outcomes rather than inputs and outputs. That would go some way towards changing our mindset about how we treat our places over the longer term.

Colin Beattie: I want to ask Adrian Watson a slightly different question on the same area. It seems to be generally accepted that there is an oversupply of commercial property in most of our towns and villages. Does that mean that we need to focus on repurposing some commercial premises?

We have talked about the difficulties around repurposing for residential use, although I have seen that being done quite successfully in various towns and villages. The scale of that could be quite substantial. In some places, there might not be an appetite to purchase or rent in the town or village centre—that is probably unproven at this point. What kind of incentives should be in place to facilitate that repurposing?

10:30

Adrian Watson: That goes back to the last point, too. First, we need to get buy-in from the communities. We also need governance for longer-term strategies to move things forward. You are right that we need to repurpose properties in villages, towns and even cities and that we need to incentivise a move towards residential and mixed use.

Business rates have not yet been mentioned. The challenge in that regard is that they feel very punitive. We understand that we can work only with the money that we have in the envelope, but there might be opportunities to revisit that issue and move beyond what the Barclay review suggested, towards a sales tax or a digital tax, which others have alluded to in their reports. We need to ask whether there are opportunities to lighten the fiscal burden on some of the developments in city centres, which would allow us to make that transition.

The Convener: My question relates to business rates. Changes will be introduced in 2023, but the issue keeps coming up. What additional changes do you want to see?

Adrian Watson: I understand that the question of business rates—and everything that has been said about them—is really challenging. We want to go beyond business rates. We think that we should level up bricks and mortar with a digital tax. We have spoken about the transition that has taken place: people's shopping habits have changed and sales have moved online. There should be some levelling up in terms of taxation, because that could offer longer-term support and might take some of the burden off people who are paying business rates in the bricks and mortar industries.

I know that it is not easy. I have read some of the background on digital taxes, so I appreciate that there will be challenges. However, something needs to be done to offset the business rates that we find ourselves facing in our towns and cities across the country. That is the number 1 issue that I hear about through the association and locally, in Aberdeen.

Maggie Chapman (North East Scotland) (Green): Good morning, and thank you for your comments so far. I want to dig a bit deeper on issues such as master planning and local development plans, which were discussed earlier.

Craig McLaren talked about town centres needing to be places where people want to be. That needs to apply to a range of people: to go back to one of Michelle Thomson's points, all people need to feel safe. What do you think about the value of local development plans? How important should they be? How do we link the different master planning and visioning exercises? How do we feed those into development plans in a robust way that means that developers cannot override them and things cannot be changed on what often appears to be a whim?

It is crucial in this whole process that we ensure that we are listening to the right people rather than taking a majoritarianism approach, so that we develop places where everyone wants to be, not just the people with loud voices, those who have resources or those who have access to having their voices heard.

Craig McLaren: We touched on elements of that earlier. The planning system needs to be much more front loaded and proactive. You would think that that would be obvious, given that planning is about the future, but the system at the moment is rather reactive and depends on developers coming up with ideas rather than the planning authorities coming up with them. We want to change that. As I said earlier, in a front-loaded system we would have discussion and debate at the start of the process.

One of the problems that we have is that the main way that people engage with the planning system is to tell us what they do not want: they object to planning applications. We need to flip that and make it about what people want, and to create opportunities for them to have that discussion.

I mentioned charrettes. They are one tool that can be used to have a workshopping element at the start of a process to establish the vision. That needs to be looked at. It sounds simple, but we need to think about not just the opportunities but the constraints, be they money, the policy context or site-specific factors. It is really important to have a facilitated discussion about the vision of where we want to get to. That has to be as inclusive as possible to make it work. As I said earlier, once you have a vision, you can create a route map that allows you to see the different steps that you can take to get to it.

From a community perspective, there is a real opportunity for that to happen through local place plans, which are a new measure in the Planning (Scotland) Act 2019. They are, in essence, about allowing communities to develop visions for themselves. We support that. There is a need for some of that work to be supported and facilitated by planners to provide the context that I talked about.

Local place plans can be used in town centres as well as housing estates, for example, so there are some real opportunities. The big issue that we have with local place planning is that no funding is attached to it as yet. Such processes can be quite intensive and expensive, so we are keen to find out how local place planning can be funded. From a planning profession perspective, I do not want such great ideas to be stymied just because of resourcing. That would bring the planning system into disrepute. We need to invest in local place planning to allow communities to have a key role in the process. That is one aspect that we can take forward.

You mentioned local development plans. It is really important to front load that process. However, local development plans also need a strong national policy context. I mentioned the need for the national planning framework to have robust and definitive policies that allow for much more predictable decision making. A strong national planning framework will do that.

That is particularly important because the 2019 act also introduced a provision that the national planning framework would become a part of every local development plan. Therefore, to make the process work, we need strong, robust policies that give a clear indication as to what decision should be made, as well as backing for planners to make those decisions—which are sometimes difficult—and backing for them if a decision goes to appeal.

Maggie Chapman: Adrian Watson, I would like you to address the same issues, but also to touch on funding. Is there scope for central funding to support local organisations and communities to do some of the visioning work that Craig McLaren talked about? Is there also scope to provide, if not a centralised resource, somewhere where communities and local authorities could at least access the skills and knowledge that they need? You mentioned that there is a lack of skills in Aberdeen City Council because people are retiring. Will you say a little bit more about that?

Adrian Watson: The provision of national support at local level would certainly be welcomed, because there is a real challenge there. Financial support would certainly help.

Maggie Chapman: Do you have any other comments on enhancing community engagement through local development planning? I refer to the front loading of the process, as well as its implementation.

Adrian Watson: Getting communities to engage in that way has always been a challenge. It is a question of putting communication at the centre as we move forward through the towns and cities regeneration programmes. It has been challenging.

Maggie Chapman: I invite Euan Leitch to respond on the same issues.

Euan Leitch: There are local development plans, local outcome improvement plans, community planning partnerships and local place plans. Communities do community action plans. A whole level of plans seems to exist.

I recently spoke to one local authority that did a charrette on a settlement about four years ago. Since then, it has consulted the community 17 more times. Evidence has been given to various committees about overconsultation. A lot of information is being gathered, but is it being gathered consistently? We gather it for separate plans for separate bits of local government to deliver on.

There are health plans, young people plans and education plans. The planning department in the

economic development and planning division of one local authority that we have spoken to is considering how to bring all those plans together around each settlement where there is a high school and get all the parts of the local authority to talk to one another about the place—we come back to the place principle, which Craig McLaren referred to—rather than having silos within the local authority that have their own engagement agendas.

We need staff and people on the ground to do that. When it comes to community development workers, there has been catastrophic troughing. We need people in a community who are paid. We can rely on volunteers, but if we do that, we must rely on people who have the time, not people who have two jobs and caring responsibilities for their children and their ageing parents, as well as perhaps their own health barriers.

We need people who live and work in the community and who are paid to gather information from their community all the time so that we do not have to do a consultation through a workshop that 40 people will turn up at, and which might be exclusive, because some people will not come to it. People who live and work in a community and who are based in the community cafe know the community's needs, which can be continually transmitted to the local authority when it needs certain aspects of information.

We can also do community consultation around all those agendas so that different parts of the local authority can extract the information that they need to deliver the legal responsibilities that they have in the local authority. The issue is not all about planning. Planning fascinates me, because it is the one arena where a person can meet those who are involved in the governance of their local authority and challenge something. It is seen as a kind of court where they have an opportunity to say something. However, planning is a very tiny part of what the local authority delivers.

The breaking down of that silo working within local authorities is beginning to happen, but it is happening on a local authority by local authority basis, and it needs to be resourced. As with 20-minute neighbourhoods and community wealth building, there may be higher short-term costs in delivering such things, but they are good for communities. It is a case of looking at the long-term benefits and adopting preventative measures so that we do not end up with disengaged communities or people having long-term ill health. There may be higher up-front costs to that, and that investment needs to come from somewhere.

Stephen Lewis: It is worth pointing out that developers in the property industry welcome local development plans. That goes back to the point that Craig McLaren and others made, which is that there is a need for certainty. Ultimately, we are a vessel. We supply what is demanded. That is our function. If there are areas of demand that are not being supplied, we need to understand that, and the market will adjust.

There are only a few areas where Covid has helped, and the move to online consultation is one of them. There is a robust consultation process for planning applications, and the online process has helped. We would like to see that continue, because that will open up the process—not to all, but to some people who cannot attend in person or whatever.

Glasgow City Council has done an impressive job through its "Your neighbourhood" process. It has eight district regeneration frameworks, the creation of which was heavily consulted on through multiple formats across the eight districts.

We have talked about the community and about planning officers. However, we also need to address the fact that there are skills challenges on planning committees as well, whereby members of planning committees do not always have the range of skills and expertise that they should have.

Jamie Halcro Johnston (Highlands and Islands) (Con): Good morning. A number of the areas that I had intended to ask about have been covered, but I want to turn to what we will need on the infrastructure side. I think that we all accept that high streets and town centres will change over the next decade or so to respond to changing times. For example, there will be fewer offices and perhaps more accommodation.

My question is for Adrian Watson and then Craig McLaren. What needs to be improved on the infrastructure side? One such area of improvement could be broadband, which will be necessary if more hubs develop and more people live in our town centres. We have talked about active travel, but there are obviously various transport issues in town centres. How do we make sure that our town centres remain accessible to everyone, including through things such as electric vehicle parking and charging? Are there any other issues on the infrastructure side that you think are important?

10:45

Adrian Watson: We are making the transition to more environmentally friendly areas, pedestrianisation and green space. That is important, but the cities, towns and villages still need to be accessible and there are particular challenges around the form of the cities. There is a need for connectivity. We have to respect the 20-minute neighbourhoods, but the cities and larger conurbations still need people to come in from the regions.

Through the master plans, for example, which provide a vehicle for delivery, all partners can sit upstream and discuss the challenges and opportunities. We need to get round the table and discuss how we repurpose our towns and cities across the country. For us, that is about accessibility.

Public transport measures such as the free bus travel for younger and very old people have been welcomed. There are moves by some local authorities to extend that provision to other groups to make it more inclusive and to make it possible for people from more disadvantaged backgrounds in our communities to access city and town centres. That is to be welcomed.

We speak about mixed use of office space. We understand that people need to get into the offices, but we need to find a balance with meeting our green targets and everything that goes with that.

It is generally a challenge, but I keep stressing that, through our master plan, we need to get partners at a strategic level round the table in the local community to have those discussions and work the issues through. You will not often find consensus on all of them but, as has been pointed out, if we have meaningful communication and we get a sense of what is needed, we can work together towards it.

Jamie Halcro Johnston: I have another question before Craig McLaren answers my first one—perhaps he can answer this one as well. An issue that has been raised a couple of times on our visits—this is perhaps anecdotal—is that, in some areas, town centres have been overpedestrianised. That is not necessarily widespread.

How do we create a balance? How do we make it so that somebody who has limited mobility can get to where they need to go? How do we ensure that pedestrian areas are accessible not just for people but for businesses? As I am sure we all do whenever we are in town centres that have large pedestrian areas, we see cars and other vehicles—vans and the like—still accessing those areas, regardless of whether they are meant to.

Adrian Watson: My home city of Aberdeen will not be criticised for being overpedestrianised. There is a real challenge there, culturally as much as in relation to all that goes with the economy. We are working through some of that, but we are doing it in partnership, not in isolation. All parts of our community, including the disability groups, need to be very much to the fore in those conversations. We need to have them round the table to reassure them that the area is still accessible.

In Aberdeen, we are talking about a 300m skelp of road. It happens to be our main thoroughfare and people still feel that they have a divine right to drive their horse and cart up that road, as they have done for centuries. We need to change that mindset, but we need to understand all the various aspects.

That brings us back to the initial points that were made about being accessible and inclusive and all that goes with that. We need to involve everyone in the discussion and find our way through to a coherent plan to deliver pedestrianisation. We should not do it just for the sake of it. When it comes to footfall in the city, we have vacancy rates of up to 20 per cent on our main thoroughfare. That is unheard of in a relatively affluent city. That is the scale of the challenge. We are not immune to it, so we need to change.

When we sit down and have a rational discussion, people in many sectors, including the office sector, tell us that we need to have greener areas to attract people back into the city. We need more than ever to get the office sector back in and have those conversations. We want to feel healthier. We want to feel that we can walk about—in this case—Aberdeen. We want to feel that the cultural hub is there. A lot of infrastructure is already there, but we need to build on it.

We need to find a measured approach to pedestrianisation that still allows public transport to get into the pedestrianised areas. Cars must also be allowed through, where that is needed while we transition. It is not easy to find that balance.

Craig McLaren: At the start of the meeting, when we were asked what we wanted our town centres to be, I said that they had to be places where people wanted to be. We need to make our town and city centres as people centred as possible. We should put people over everything else as much as we possibly can.

As Adrian Watson said, that relies on a large investment in active and sustainable travel. I do not just mean cycling. Sometimes, walking gets overlooked as part of that. People need to have the ability to wander around the streets, as I said. We need to encourage the sticky streets concept, whereby people want to hang around and stay in places rather than just walk through them and use them as thoroughfares. It is really important to make them places where people want to spend time, to help to animate the streets and make them more attractive for people.

That relies on accessibility. There are lessons to be learned from places such as Vienna, Ljubljana and even Copenhagen, where the central areas are pedestrianised but, round the edges, there are different access points for other modes of

transport. In particular, in Copenhagen, priority has recently been given to cycle lanes that are separate from pedestrian areas. That is really important and provides added safety.

Safety is the other key factor. That means feeling safe and being safe in terms of the mix of different groups of people and different modes of transport. Segregation and splitting things up can work much more effectively in that regard than what we have just now.

Generally, it all boils down to trying to make town and city centres attractive. Investment in our public realm is really important to that. With many of the schemes in Scotland, across Europe and throughout the world through which we have invested in quality public realm and pedestrianised streets, the difference is phenomenal.

I am old enough to remember when Buchanan Street had buses running down it. When I look at it now, it is a totally different place on a Saturday afternoon. There are now pubs and restaurants with tables out in the middle of the street. There are buskers. There is a totally different atmosphere. That is the type of thing that we should do. I am not saying that Buchanan Street is perfect, but we must aspire to make town and city centres places where people want to spend time. It is as simple as that.

Fiona Hyslop (Linlithgow) (SNP): I apologise for being late. At another committee, I was questioning a United Kingdom minister on the energy crisis.

Members have discussed international cases and considered the importance of good design in town regeneration. The witnesses have referred to that. We heard about Clonakilty in Ireland, which even has its own town architect, who is in a prominent and influential position. There are obviously resource implications.

I am struck by what I have heard. Towns are about people, not buildings. Who facilitates that common vision, which we hear about again and again as a theme? Do local authorities have the planning, design and development capacity that they need in order to do that?

If I dare be controversial, I will say that one of our submissions said that we probably need to have a hierarchy of towns that we work through, because not everybody will be able to do everything at once. We have heard about cities—Aberdeen and Glasgow have been referred to—but how do we do it for towns? Where is capacity needed? Central national support is necessary for some planning aspects. My home town—Linlithgow—has a really good local community plan for what the community wants, but planning authorities often have to react because they cannot be proactive, as Craig McLaren said.

What do we need in order to crack the matter? We want to make recommendations to get change.

Euan Leitch: You gave the example of Linlithgow. We are introducing local place plans, which would be adopted as part of a local development plan. That might be a future for the community plan that Linlithgow has come up with, so that it becomes embedded within local authority policy, which would mean that it would have to be delivered. However, that would not be without its problems, because the local authority has to decide what elements of the local place plan it adopts in the local development plan, and might not adopt everything that the community wants. I will go back to commenting on a city, but the situation has parallels for towns.

The draft recommendations by the Glasgow place commissioner were in the council's committee papers last month, and suggested embedding planners and designers in communities. The recommendation is to work with communities to help them to meet their aspirations for their places.

That work with communities could happen in settlements of all sizes. People could be dedicated to working with a community—not only on regulatory aspects of the planning system, but to support communities and help them to understand, engage with and navigate the system. That would have to be resourced.

With a nod to Ms Hyslop's previous role, I suggest that we have expertise in some national agencies that have a place-based focus but work centrally. Historic Environment Scotland and NatureScot have national money and specific expertise that local authorities need to access. It could be very helpful if those national organisations could be dispersed across the country so that they were closer to the places where decisions are made. They could provide direct support to communities. There would be an additional cost, but it would be one that Government would control and it would be seen as being supportive of local authorities and places.

It comes down to where decisions are made. One major issue with the 20-minute neighbourhood is the way that people in rural Scotland feel about it. That can be contentious, because they do not see themselves as living in neighbourhoods and it can be impossible to apply the 20-minute idea to life in rural Scotland. Decisions are also remote. Someone who lives on Raasay, when planning decisions are made in Inverness, will say that a planner in Inverness does not understand daily life on Raasay. The proximity of decision making is important. The living and working presence of a local authority in

a place would go a long way towards making a difference to the outcomes.

Fiona Hyslop: I hear those points and I absolutely understand the need for more planners and better skills capacity. I take that as read.

Craig McLaren, what do we need to do to bring that together? What resources or skills would you like to see coming from national agencies? What would that mean for local communities? Do we need to have a hierarchy, or to prioritise certain towns, so that we can really embed work before we move on to the next town? Do we need a longer timescale?

Craig McLaren: We mentioned that hierarchy of towns in our evidence. We meant it in terms of differing circumstances, rather than priority. We have to prioritise resources at some point.

The key is to put places at the centre of decision making. There is some infrastructure at local authority and community levels that allows that to happen: Euan Leitch and I both talked about local place plans as offering a real opportunity, if they get the resources that they require. Local development plans can do that.

It is more important to embed that at corporate level, in local authorities. I recently spoke to the leadership team in a local authority. They were really interested, which was heartening. The place principle, the place standard and the town centre first principle all show that there is a growing recognition of the need to take a place-based approach, moving away from programmatic financially driven funding streams to something that is much more about how all those things affect the place. That requires the strong policy context at national and corporate levels that I referred to earlier. It requires resources.

I see another opportunity, which is to have a place champion in each local authority who can ensure that decisions about investment, policy or estate management take place into account. The Planning (Scotland) Act 2019 introduced statutory chief planning officers in each local authority. The provision for that is very light, however, and just says that each authority should have one, and that guidance will be published about what the chief planning officer's role will be and what expertise they should have. The Scottish Government must produce that guidance soon. I wonder whether that might be an opportunity to embed the place-based approach by making the chief planning officer the key person who can play that challenging and championing role. That would help to embed the thinking.

Fiona Hyslop: In relation to architects and designers, as opposed to planners, how do we best get that connection in a proactive way? What needs to be done professionally or organisationally?

11:00

Craig McLaren: We are doing a lot just now, and are moving away from what has happened since the dim and distant past, when architects hated planners and planners hated architects. We try to work much more collaboratively and professionally. At professional-body level, we talk a lot with the Royal Incorporation of Architects in Scotland and other built environment professionals. We realise that we all have roles to play, but that they are different. We have different attributes and skills to bring, and our strength is in where we make them complement one another. There is stuff there that we can make work. Architecture and Design Scotland also has a role to play in bringing together the different groups and shining a light on examples of where that has been made to work to best effect.

We are getting there. Collaboration seems to be the name of the game these days. People realise that we cannot fight one another; we need to work together if we are going to have the impact that we want to have. The gift is not with our own professions or with us as individuals. Organisations generally require to engage with other people, and that mindset is certainly coming to the fore.

Fiona Hyslop: Stephen—I saw you nodding there. Do you want comment on how we make this happen and what you think needs to be done?

Stephen Lewis: There are two things to mention, one of which is resource, but I will come back to that in a second.

What is happening in places today is through the SPF. We have an active network and hold meetings, at planning level and economic development level, with local authorities throughout Scotland. We bring our membership—developers, investors, architects, planners or whoever—around the table. We are in Edinburgh tomorrow night with Paul Lawrence and a number of other people for a dinner session about how we might work more collaboratively together. In Glasgow, we have the Glasgow development forum, which is chaired by Glasgow Chamber of Commerce and attended by senior people from the council—at Anne Marie O'Donnell level, effectively. That is the development community cohort of people working proactively and collaboratively with the council on how we can work better. In two weeks, we have a session that the head of planning asked for, at which we will look at how to improve communication with the development industry.

There are examples of that connection, and it goes back to Craig McLaren's point about collaboration.

Fiona Hyslop: We can see that happening in cities where there might be the scale to allow it. How can it happen in our predominantly small-town Scotland?

Stephen Lewis: That is what Euan was talking about earlier: it is about resource. We have talked a lot about planning, but we need to talk about economic development in its widest sense. Planning should be led from economic development.

There is also the whole social piece, which is clearly a part of economic development. People such as Alasdair Morrison at Renfrewshire Council, which has small towns, are doing a fantastic job in trying to reverse the decline in Paisley and other smaller towns. Craig McLaren talked about a champion, and we have that in big towns and cities that have city design managers—Professor Brian Evans, and others. We need that resource at town level. It might not have to be one person in each town; we might have to be more realistic and look slightly wider than that, because the resource will be dispersed. We need people: people make things happen. We can develop as many bits of paper, strategies, policies, and various other things as we want, but it is people who will implement them, and that will come down to resource.

Through the SPF, we have said consistently that developers and the development community have no problem with paying for planning, but we want a good service that is consistent and delivers. I do not always agree that the planning fees that we pay are commensurate with the level of service that we get, certainly in major applications, but that is a resource question.

Again, I want to be clear that I am not berating the quality but the quantity of good decision-making. Again, it is about having enough resource in planning to do that. The industry is happy to pay when the service is delivered. We have to be realistic, however. There needs to be more resource in planning across the board, and we need champions of economic development and engagement with the community, so that we ensure that we deliver what everybody wants.

Fiona Hyslop: Thank you. The culture investment in Paisley has been—

Stephen Lewis: I was at university in Paisley and I stayed there for a long time. It is a place that is dear to my heart and a good example of a place where an individual is driving things, with the support of his colleagues. If we are talking about champions, Alasdair Morrison is a good example of that.

Fiona Hyslop: Does Adrian Watson have any comments about that?

Adrian Watson: I bow to my planning gurus, to my left.

The Convener: I have a couple of closing questions. Economic development has been mentioned. Has Euan Leitch had experience of working with the enterprise agencies to support regeneration? We are due to hear from them soon, as part of our inquiry. What other national agencies support the regeneration that is needed? We had Communities Scotland, but it came to an end in 2008. Do the enterprise agencies play that national role?

Euan Leitch: Yes. South of Scotland Enterprise and Highlands and Islands Enterprise operate well with communities, and—

The Convener: What about the areas that are not covered by SOSE and HIE? We have heard that—

Euan Leitch: There is an absence in that regard. An issue that non-city places and towns have is the competitive nature of the regeneration game. We can identify places that need help and produce a community plan that shows that something is needed, but there is then a competitive bid for the money.

In relation to some of the earlier questions, if we were to prioritise according to need and not have a hierarchy according to where is most important or nicest, your constituents who are doing quite well might miss out, because there would be other places with needs. The enterprise agencies, the Scottish Government and those who are responsible for the city deals should come together to identify places that have such need. The community—by "community", I mean everybody, including the business side—should be consulted, and everyone should set out the sum of money that they can spend in a place to address not only its physical issues, but its social issues. Often, we tend to focus on physical change, whether it relates to the urban realm or improving buildings. I am familiar with Craigmillar, which has been regenerated three times, but I can see that the third element of that regeneration is beginning to look tired because of a lack of care and maintenance.

We are not addressing underlying issues with our approach to regeneration and how we fund it in the long term. We still have areas of poverty. Recently, I looked at research on the spend of conservation area regeneration schemes and townscape heritage initiatives. I deeply support that work, but the areas that had deprivation issues, although they might look a bit nicer, remain deprived. Those issues remain a problem. We need to ensure that public spend goes to the

places where the people have the greatest need, and that the money is tied to other elements relating to employability and educational attainment.

We have not touched on land value, which is an issue that consistently underlies many of the barriers to improving Scotland's places. Where the market is hot, people pay a lot of money for a site. They are paying for the land. The existing building on a site will have carbon inherent in it and should be reused, but X units will be needed at the site, so something new will have to be built or the building will need to be expanded greatly.

The Scottish Land Commission has been looking at land value, and it has talked about a land value tax. The issue gets punted around because it is difficult and everyone is nervous about it, as is evidenced by Stephen Lewis's facial expression. However, very low land values become a problem in relation to maintenance costs, particularly in the west of Scotland, where we have existing building stock that needs maintenance but is, on paper, worthless. The land has high environmental value, and it might have very high social and community value, but because we approach economic development from a very financial perspective, we do not take that value into account.

We should address land value, because it underlies many of the issues relating to regeneration and development. That applies to what we see happening in our town and city centres.

The Convener: That is quite a big issue to bring up at the end of the session. We will reflect on that.

Earlier, I asked about master plans, which come from the 2019 act. The submissions from Stephen Lewis and Craig McLaren refer to masterplan consent areas. Craig McLaren's submission says that they have been used for housing developments but could be used for town centres. Will you explain a bit more about that?

Craig McLaren: Masterplan consent areas, in essence, front load planning permissions. They try to provide a master plan that allows some principles to be agreed in advance, so that we do not need to go through all the more detailed processes of the planning system.

There have been a number of pilots in various parts of Scotland, mostly in housing schemes. They seem to have been relatively successful. There is no resource attached, but the process helps to focus the minds of all the players involved in that site on what they need to do to make a success of it. The process can show what infrastructure providers should do, or what the local authority should do through its consent processes. We think that there might be situations in which that could be applied to a town centre setting. It does not have to be used only in residential settings.

The forerunners of masterplan consent areas were called simplified planning zones, which was a title that I never liked because it sounded as though planning was not something that we needed to do. One pilot was done in a commercial area—Hillington. It reduced some of the burdens and set out what had to be done and what could not be done. That goes back to the idea—it has been mentioned several times today—that we should be more proactive and do more front loading in agreeing what can and cannot be done. That might mean that the more detailed stuff at the end does not have to be done, or that less has to be done. That model could be used in any town centre setting. I think that that is worth raising.

The Convener: I thank all the witnesses for offering their time, which is very much appreciated.

I will briefly suspend the meeting to allow the witnesses to leave.

11:11

Meeting suspended.

11:11

On resuming—

Petition

Land Registration etc (Scotland) Act 2012 (PE1676)

The Convener: Our next item of business is consideration of petition PE1676 on the Land Registration etc (Scotland) Act 2012, which has been referred to the committee under rule 15.6 of standing orders.

The petition is continued from the previous parliamentary session, and was lodged by Tony Rosser in 2017. As is outlined in members' papers, the petition seeks a review of the Land Registration etc (Scotland) Act 2012. The petition focuses on two issues: the relationship between the statutory cadastral map showing the legal boundaries to registered land and property, which is maintained by Registers of Scotland, and the Ordnance Survey map on which the cadastral map is based; and on what supporting materials should be required when submitting an individual application for registration of land and property.

The petition was previously considered by the session 5 Public Audit and Post-Legislative Scrutiny Committee. In December, this committee sought an update from the Minister for Public Finance, Planning and Community Wealth on the Scottish Government's position on the issues that are raised in the petition. I refer members to the minister's response, which is included as an annexe to the paper. The minister confirms that the Scottish Government's position has not changed since the petition was previously considered.

In advance of today's meeting, Mr Rosser submitted some additional information in response to the minister's update; that information has been circulated to members. I thank Mr Rosser for taking the time to make that submission and I appreciate his reasons for lodging the petition.

Do members have any comments on how the committee should approach the petition?

Colin Beattie: I have an interest to declare, as I currently have a dispute on boundaries with Registers of Scotland.

I will quote the letter from Tom Arthur. It says:

"In the period since the petition was considered in early 2018, RoS have confirmed that no errors relating to parties being incorrectly classed as deceased have been encountered"

There seems to have been only one example of that happening, which is that of Mr Rosser's solicitor. It therefore seems to be a rather one-party issue. I suggest that we do not continue the petition.

Fiona Hyslop: The petition is about post-legislative scrutiny of the 2012 act, and I am not sure that the committee needs to complete such scrutiny. However, as members will know from getting such cases—I declare an interest because, as I previously indicated when we took evidence from Registers of Scotland, I have a constituency case that relates to the subject of the petition—they are very severe when they arise. The issue is what happens when there are errors, the process for dealing with that and the number of complaints that are received about errors.

Now that we have a commitment that Registers of Scotland will provide regular updates, we should pursue the question of what happens when errors are communicated to it, how those errors are dealt with and, in particular, how complaints are dealt with. We cannot ignore the fact that all constituency MSPs will have had such concerns raised with them. The issue is about the title of a person's house, which is fundamental. That is different from carrying out post-legislative scrutiny of the 2012 act.

Michelle Thomson: I have a couple of comments. The committee has dealt favourably with the issue and is committed to receiving regular updates from Registers of Scotland. I agree with Fiona Hyslop's comment about the seriousness of such issues, should they arise, and the impact that they have on people. That is not the same as wholesale problems happening at scale, which seems not to be the situation.

Therefore, I am in favour of closing the petition, but I am also strongly in favour of keeping a focus on the issue through regular attendance by Registers of Scotland at the committee. That is important.

The Convener: No other members have comments.

Given what has been said, I think that it is the committee's decision to close the petition. I recognise the very difficult situation that Mr Rosser has experienced, and I know how disappointed and frustrated petitioners can be when a petition is closed without the resolution that they seek. However, I assure Mr Rosser that the committee takes its role in scrutinising the work of the keeper of the registers of Scotland seriously. As others have said, we have given a commitment to receiving regular updates from and holding regular witness sessions with the keeper. When we speak to the keeper in the future, we will keep on our agenda the issues and concerns that Mr Rosser has raised.

We now move into private session.

11:17

Meeting continued in private until 11:44.

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@parliament.scot

The Scottish Parliament
Pàrlamaid na h-Alba