Real Estate: Scotland

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Policy Briefing

Planning as an Enabler of Investment

July 2026

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Planning as an Enabler of Investment

How greater certainty, accountability, standardisation, streamlining and digitalisation can support investment, improve viability and deliver more homes and places across Scotland

About Real Estate:Scotland

Real Estate:Scotland is the voice of the real estate industry in Scotland, bringing together global and domestic capital, world-leading expertise and forward-thinking policy to drive growth and quality places to work, live and play in Scotland. As an industry body with over 500 member organisations spanning investors, developers, advisers and operators, we represent the full breadth and diversity of the market.

Executive Summary

This paper draws on the expertise and experience of our members sharing their insights. Real Estate:Scotland is grateful to the following for their contributions in preparing this policy brief:

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Scotland's planning system has a vital role to play in delivering the homes, commercial space and infrastructure the country needs. An efficient, bold and pro-active planning system can be a platform to enable development providing certainty and direction, reducing risk, improving viability and unlocking critical investment whilst supporting communities throughout Scotland. The purpose of this paper is to explore how the system can more consistently fulfil that enabling role, moving from a culture of development management to one of development promotion which is central to creating new homes, generating community wealth, providing essential infrastructure, developing commercial and technological accommodation whilst delivering a substantial and sustained boast to the Scottish construction industry … all of these elements are interlinked.

The Scottish Government declared a housing emergency in May 2024, and the ongoing severity of this emergency is clearly evidenced in the Scottish Government's own Housing Statistics Quarterly Update (June 2026). Across all sectors, 17,336 new homes were completed, and 14,955 homes were started in 2025–26, completions were down 10% and starts down 4% on 2024–25. The private sector saw completions fall to their lowest since 2017 and starts to their lowest since 2013. The social and affordable sectors present a more acute picture: social sector starts in 2025 were the lowest since records began in 1997, completions were down 25% year on year, and affordable housing supply completions fell to their lowest since 2014, 53% below the 2018 peak. Planning is one of several factors in this picture alongside macroeconomic conditions, build cost inflation, financing constraints and other viability pressures. However, the speed of planning decisions has a direct and detrimental impact on investment decisions, with equity tied up in pre-consent processes, representing a significant drag on delivery capacity.

The relationship between planning and viability is direct. Development is funded on borrowed capital: every month of delay is a month of financing cost that erodes scheme viability. Greater certainty and faster decisions are not simply process improvements they have a quantifiable positive effect on whether a scheme can proceed at all. There are also factor well beyond timescales alone, including - the growing volume of repetitive technical reports required at each stage of the process, often covering ground already addressed at a previous stage; a lack of flexibility in policy application that makes it difficult to have meaningful early conversations about viability, even on sites where the planning principle is not in dispute; significant inconsistencies in how national framework guidance is applied across the 32 local authorities, particularly in relation to Section 75 obligations and infrastructure cost recovery; and a structural absence of coordinated infrastructure planning and investment that leaves developers facing escalating, unpredictable and sometimes unilaterally imposed contributions for education, transport and health. Each of these adds cost, time and risk to development. Taken together, they represent a systemic efficiency problem that goes beyond the pace of any individual application.

The culture of the planning system also matters. Planning officers should be empowered to be able to discuss viability at pre-application stage. Changing that culture requires investment in officer training, a clear mandate from elected members, and a shared understanding that enabling viable development is a legitimate and important public interest objective.

These themes were reflected at the Scottish Government's own business and planning roundtable in 2026, where business leaders from across the development industry voiced a shared concern about process inconsistency and the uncertainty that timescales create. This paper aims to build constructively on that momentum across five areas for action:

1. **Certainty** - strengthening the status of site allocations, reviewing viability-adverse policies, reducing policy instability, and establishing a coordinated approach to infrastructure planning and investment.
2. **Accountability** - improving decision-making quality, transparency and accountability through delegation, procedural safeguards and member training; repositioning planning and planners as active enablers; and strengthening collaboration between planning authorities, key agencies and the development industry.
3. **Standardisation** - replacing varied local procedures across 32 local authorities with consistent national standards for validation, consultee response, process and infrastructure contribution frameworks.
4. **Streamlining** - making planning obligations more flexible and community-centred, unlocking public sector land, simplifying conditions and creating a proportionate, accountable pre-application framework.
5. **Digitalisation** - embracing digital twinning, AI-assisted processes and end-to-end digitalisation to bring Scotland's planning system into line with the best of UK practice.

1. Certainty: Development Plan Status, Viability and Policy Stability

Scotland operates a plan-led system. This is a strength: it gives communities, local authorities and developers a shared framework for understanding what development is appropriate where. National Planning Framework 4 (NPF4) sets out clear national policy intent, and Local Development Plans (LDPs) provide the local expression of that intent through site allocation and area-specific policy. Where the framework functions well, is the provision of certainty that enables development to proceed efficiently.

In practice, that certainty is not always consistently achieved and out of date LDP's can have unintended consequences acting as an effective anchor on the provision of new homes, the creation of essential infrastructure and the associated generation of community wealth and social value. It is not clear how or when Regional Spatial Strategies might be deployed to address regional constraints following the abolition of Strategic Development Plans.

As of January 2026, 22 of Scotland's 32 planning authorities had out-of-date LDPs, with 13 expected to miss the 2028 target for new plans. With NPF4 offering only limited support for development on non-allocated sites, this leaves a shrinking pool of deliverable allocated land. Restoring and reinforcing the supply of plan-allocated sites is therefore an urgent priority. Where a LDP is out of date, a presumption in favour of sustainable development should be adopted across unallocated sites so the development of these sites isn't artificially delayed allowing the LDP to catch up. This is particularly important given Scotland's ongoing housing emergency which continues to adversely impact communities throughout the country.

The Scottish Government's own blog post published on 9 July 2026 on updated evidence in the LDP process is a welcome and constructive signal in this context. The Government has confirmed that the plan-making process cannot and should not stop or restart each time new evidence emerges, and that a pragmatic, proportionate approach should be taken when new information, such as the updated NRS 2022-based household projections becomes available during plan preparation. The National Planning Improvement Champion (NPIC) is developing a programme of support to accelerate LDP delivery before the May 2028 target, including peer support, case studies and in-person working between authorities, the DPEA and industry. Real Estate:Scotland welcomes this direction strongly. It is precisely the kind of practical, delivery-focused intervention that can restore confidence in the plan-led system and underpin the certainty that investors and developers need. The updated National Records of Scotland (NRS) household projections, depending on their implications for local housing need, may also present an opportunity to revisit and where appropriate increase site allocations in plans currently being prepared, a point that should be considered carefully alongside the viability audit proposed below.

1.1 Viability-first defaults

A planning system that genuinely supports delivery needs to prioritise the sites and proposals most likely to come forward. Brownfield land brings with it legacy constraints such as remediation costs, abnormal infrastructure requirements and complex ownership structures, that make viability a genuine challenge even before the planning process begins. A default position that places viability assessment at the centre of policy application for brownfield sites at the earliest stage of engagement, rather than treating it as a late-stage negotiation, would better reflect the realities of bringing these sites forward and support the regeneration agenda central to NPF4.

1.2 Planning Permission in Principle for allocated sites

A meaningful step forward would be to treat adopted LDP allocations as carrying deemed Planning Permission in Principle (PPiP) status, subject to specified criteria. If the plan-making process has already established through public consultation and examination, that a site is appropriate for a given use, there is a strong case for that decision to be carried forward without requiring applicants to re-establish principle from scratch. This would materially reduce the time and cost of bringing allocated sites forward and reinforce the credibility of the plan-making process.

1.3 NPF4 Policy 16 and viability-adverse policies

NPF4 Policy 16 (Quality Homes), which includes a requirement for 20% three-bedroom units in new residential development, has been identified by developers and affordable housing providers as a source of viability pressure where the local market does not always support that mix. More broadly, members have reported through roundtables and consultation that a number of NPF4 policies, individually defensible in isolation, create a cumulative viability burden that is making certain typologies and locations increasingly difficult to deliver.

The Scottish Government should consider a structured viability audit of NPF4 policies, assessed both individually and in combination, to identify where requirements are creating barriers to deliverability. In the interim, a positive policy position on plan-allocated sites, one that treats viability as a material consideration in favour of flexibility, would better support delivery while the audit is completed. A moratorium on the introduction of new planning obligations and policy requirements until the audit is concluded would provide a period of policy stability that the market currently lacks.

1.4 Building Safety Levy

The introduction of the Building Safety Levy in Scotland adds a further cost burden to residential development at a time of significant viability pressure. While the policy intent of funding the remediation of cladding now deemed unsafe, is clearly important, its impact on the economics of new development is material

The concern is not the objective of the policy, cladding remediation is essential but the mechanism and its timing. The levy is retrospective in effect: developments currently under construction that complete on or after April 2028 will be subject to it, yet indicative rates have not yet been published. Developers cannot account for an unknown cost in appraisals that have already been set. The Scottish Parliament's own committee, having taken evidence including from our industry, did not support the principles of the levy. You can read our detailed representation on the Stage 1 consultation here. At a time of declared housing emergency, with completions and starts at multi-year lows, adding an unquantified retrospective levy to schemes already in the pipeline risks tipping marginal schemes into non-delivery. The Scottish Government should review the levy's structure and application to ensure it does not inadvertently suppress new housing starts across all tenures.

1.5 Infrastructure-first: coordinated planning and investment

One of the most significant and underappreciated constraints on housing delivery is the absence of a coordinated, funded infrastructure plan that sits alongside the development plan system. The 2016 Scottish Planning Review recommended the establishment of an Infrastructure Agency with the resources, skills and executive powers to drive a genuinely integrated approach to infrastructure delivery. That recommendation has not been implemented and the gap it was intended to fill remains.

The result is that infrastructure, particularly schools, transport and health facilities, is planned and funded in silos that do not align with the development plan cycle or with the pace of housing delivery. The consequences are increasingly visible. In several major development areas, the absence of committed infrastructure investment is acting as a direct block on consented housing coming forward. The Scottish Government's 'infrastructure-first' principle in NPF4 is sound policy; the challenge is translating it into funded, programmed delivery. An innovative funding mechanism that has already demonstrated its value is the contingent liability guarantee model used in 2018–19, when the Scottish Government guaranteed up to £15 million of West Lothian Council's £61 million borrowing for the Winchburgh school campus. That guarantee was directly instrumental in enabling the Winchburgh masterplan to progress beyond its first phase of 550 homes to its full delivery of 4,000 homes. It is not difficult to extrapolate the cumulative impact that a more widely available guarantee scheme could have on strategic housing delivery across Scotland.

The role of More Homes Scotland is also relevant here. It remains unclear whether that agency will be resourced and equipped with the executive management powers needed to oversee the integration of planning and infrastructure delivery across 32 local authorities and multiple key agencies. Clarity on its remit and resourcing would significantly strengthen confidence in the system's ability to deliver at scale.

Recommended actions

- Prioritise LDP completion across the 22 authorities currently operating with out-of-date plans, building on the NPIC's LDP acceleration programme and the pragmatic approach to updated evidence confirmed by the Scottish Government on 9 July 2026.Thisensures that plan-making is not delayed by the need to incorporate new evidence such as the updated NRS 2022-based household projections, but that those projections are properly considered for their implications on housing allocations.
- Where a LDP is out of date, a presumption in favour of sustainable development should be adopted to help accelerate the delivery of new homes and associated infrastructure whilst the LDP progresses to adoption.
- Adopt viability assessment as a default early-engagement tool for all sites and specially brownfield sites, embedding it at the start of the development process rather than as a post-application negotiation.
- Explore the legislative or regulatory basis for granting deemed PPiP status to adopted LDP allocations, subject to defined criteria, to reduce the cost and time of establishing principle on plan-compliant sites.
- Commission a structured viability audit of NPF4 policies, individually and cumulatively, with particular focus on Policy 16 and affordable housing tenure mix requirements.
- In advance of that audit, adopt a positive policy position on plan-allocated sites that treats viability as a material consideration in favour of flexibility where a developer can demonstrate genuine constraint.
- Implement a moratorium on new planning obligations and policy requirements until the viability audit is complete, providing a period of stability for investment decision-making.
- Review the structure and application of the Scottish Building Safety Levy to ensure it does not create a disproportionate barrier to new housing starts.

- Revisit the 2016 Scottish Planning Review recommendation for an Infrastructure Agency, and clarify the remit and resourcing of More Homes Scotland in relation to coordinating infrastructure delivery across local authorities and key agencies.
- Develop a coordinated national infrastructure investment plan covering education, transport and health, that aligns with the development plan cycle and provides the certainty developers and local authorities need to programme delivery.
- Establish a Scottish Government contingent liability guarantee scheme for strategic infrastructure to unlock stalled masterplan areas and accelerate housing delivery on consented sites.

2. Accountability: Delegation, Training and Cultural Shift

The language and culture of the planning system shape how development is approached by all participants - applicants, officers, elected members and communities alike. The term 'development management' frames planning as a regulatory gatekeeper rather than a partner in delivery. A meaningful programme of reform should include a cultural shift that repositions planning as an active enabler and promoter of sustainable growth: a service that helps good development come forward, not simply one that processes and assesses it.

This is not merely symbolic. Culture drives behaviour. Authorities that approach development as a shared challenge, working proactively with applicants to identify solutions, front-loading engagement and bringing the right expertise to bear early, consistently deliver faster and more certain outcomes. The challenge is to embed this enabling approach systematically, rather than leaving it to the disposition of individual officers or teams.

2.1 Viability discussions and officer empowerment

One of the most significant cultural barriers in the current system is the reluctance of planning officers to engage meaningfully on viability at the pre-application stage. Members have described situations in which raising commercial or viability considerations early in the process, even on sites where the principle of development is not in dispute has been met with a complete absence of engagement, with officers unwilling to discuss financial parameters until the Section 75 negotiation stage, which typically comes many months after permission has been granted. This is not simply an officer-level issue: it reflects a broader environment and culture in which officers may fear that engaging constructively on viability will be perceived by elected members as alignment with private development interests.

Addressing this requires action at multiple levels. Planning officers need a clear policy mandate and professional framework that positions viability engagement as a legitimate and important part of their role. Elected members need the training and contextual understanding to recognise that enabling viable development is a public interest objective, not a concession to private profit. The two are connected: officers will not engage on viability if they believe they will be criticised by members for doing so. Building this shared understanding is one of the most important cultural changes the planning system needs.

2.2 Retaining planners and career development

Attracting and retaining both skilled planners and building standards officers in the public sector is fundamental to a well-functioning planning system. Salary benchmarking consistently shows that public sector planning roles, particularly at senior and specialist levels are not competitive with private sector equivalents, creating a structural drain of experienced talent from local authorities. This affects not only determination timescales but the quality and confidence of decision-making. A planning system that aspires to support complex, large-scale development requires experienced, well-supported officers with the expertise to engage meaningfully with challenging proposals. Real Estate:Scotland is willing to support knowledge exchange and skills development in partnership with the public sector where there are gaps.

2.3 Collaboration: planners, developers and key agencies

A persistent weakness in the current system is the insufficiency of structured collaboration, not only between planners and developers, but between planning authorities and the key agencies whose decisions shape what can be built and where. Since the 2016 Scottish Planning Review made recommendations for an Infrastructure Agency that would commit the resources, skills and expertise to enable an improved, integrated approach, there has been limited progress in building the institutional frameworks that would allow genuinely joined-up working. Pre-application discussions can involve a proliferation of separate agency engagements with no single point of coordination, creating duplication of effort, conflicting advice and delays that are attributable to no single party but that collectively undermine the efficiency of the process.

Improving collaboration requires investment in both digital infrastructure (shared data platforms that allow agencies to work from a common evidence base) and in physical convening such as early-stage engagement sessions that bring the key parties together around a specific site or masterplan area. This is not a new idea, but it is one that has not been consistently resourced or prioritised.

2.4 Leadership and consistency

A point raised consistently across our membership is the variability in planning leadership quality and approach across Scotland's 32 local authorities. This is partly a structural issue, 32 separate planning services will inevitably develop different cultures, priorities and practices but it is also a question of investment in leadership capacity at head of planning level. The Scottish Government and RTPI Scotland have a role to play in setting expectations, sharing best practice and supporting authorities where leadership capacity is stretched. The NPIC's peer support programme is a step in this direction; it should be sustained and resourced accordingly.

A well-calibrated scheme of delegation routing the large majority of applications to officer decision is the single most effective way of ensuring that professional planning expertise is applied efficiently and consistently. Practice across Scotland's 32 authorities varies considerably. A national minimum standard for delegation, with clear criteria for committee referral, would reduce inconsistency and ensure that elected members' time and expertise is focused on major or strategically significant applications where democratic scrutiny adds genuine value.

2.5 Procedural safeguards for committee decisions

Where applications are reported to committee, procedural safeguards should protect the integrity of officer-recommended approvals. A framework in which applications recommended for approval cannot be refused at a first committee reading but may be deferred for specified, evidenced reasons with the reason and information sought recorded in the minutes would encourage more thorough member engagement before the meeting and reduce the risk of decisions made on incomplete consideration of the planning merits.

Where a committee, having received additional information at a second reading, still seeks to refuse an application recommended for approval by officers, there is merit in an escalation mechanism to Scottish Ministers prior to the issue of a refusal notice. This would apply in a limited range of circumstances, specifically where an officer-recommended approval on a significant or strategically important site is at risk of refusal on grounds officers consider not to be substantiated in planning policy. A comparable mechanism exists in England through call-in powers and there is precedent for its proportionate application.

A meaningful accountability framework would include the publication of individual member voting records on significant applications with particular transparency around cases where a member votes against an officer recommendation to approve and where a subsequent appeal decision or cost award is relevant. Publishing this information on local authority websites in an accessible, interrogable format would support public confidence in the decision-making process and enable constructive scrutiny of planning outcomes.

2.6 Member training

Section 45 of the Planning (Scotland) Act 2019 requires mandatory training for elected members undertaking planning functions. Real Estate:Scotland strongly supports the early commencement of those provisions. Training should be structured around the scheme of delegation helping members understand what types of application they will be deciding and why and should equip members to assess planning merits in terms of strategic economic and place-making benefits rather than through the lens of localised objection. Importantly, training should include a substantive module on development viability, economics and mechanisms for securing developer contributions, to build the understanding needed for members to engage constructively when viability is raised by applicants or officers. Refresher training following significant policy changes should be a standing requirement. Real Estate:Scotland is willing to contribute specialist training and knowledge from industry practitioners.

2.7 AI-assisted planning officer reports

There is significant near-term potential for AI-assisted tools to improve the consistency, quality and speed of planning officer reports. A national approach to AI-supported report preparation covering the presentation of material considerations and policy analysis that could free planning officers to focus their professional judgement on the conclusions and recommendations section, which should remain a human decision. Piloting this approach across a number of authorities, with a shared national quality assurance framework, would generate the evidence base needed for wider adoption.

Recommended actions

- Formally rebrand the planning service function from ‘development management’ to ‘development services’, with national guidance that reflects the enabling, partnership-oriented role of planning.
- Issue clear national policy guidance positioning viability engagement at pre-application stage as a legitimate and expected part of planning officer practice, supported by training and a professional framework that gives officers confidence to have these conversations.
- Commission a national benchmarking review of public sector planning remuneration against private sector equivalents, with recommendations for addressing structural gaps.
- Establish a national continuing professional development framework for planning officers, building expertise in viability, infrastructure delivery and place-making, supported by knowledge exchange with industry.
- Develop structured collaboration frameworks for pre-application engagement on major sites, bringing planning authorities and key agencies together at an early stage around a common evidence base.
- Clarify the role and resourcing of More Homes Scotland in coordinating planning and infrastructure delivery across local authorities and key agencies, including digital infrastructure for shared data and evidence.
- Establish a national minimum standard for schemes of delegation, with committee referral criteria that are consistent and proportionate across authorities.
- Introduce a procedural framework in which applications recommended for approval cannot be refused at first committee reading, but may be deferred for specified, recorded reasons.
- Explore the basis for an escalation mechanism to Scottish Ministers for officer-recommended approvals on significant sites where a committee proposes refusal on grounds not substantiated in planning policy.
- Require local authorities to publish member voting records on planning committee decisions, with particular transparency around votes against officer recommendations and subsequent appeal outcomes.

- Bring forward the regulations required to implement Section 45 of the Planning (Scotland) Act 2019 without delay, with training updated following significant policy changes and including a substantive module on development viability and economics.
- Pilot AI-assisted planning officer report preparation across a number of local authorities, retaining conclusions and recommendations as the professional judgement of the appointed officer.

3. Standardisation

Scotland's 32 planning authorities each operate within the same national policy framework but with considerable variation in local processes, validation requirements and supporting information expectations. For applicants, particularly those working across multiple authority areas or SME developers with limited capacity to absorb uncertainty - this variation adds cost, time and risk at every stage of the process. Planning uncertainty as a significant contributor to the upfront equity risk that smaller developers face, detailed planning reports add both time and expense without consistently improving outcomes.

The introduction of National Development Management Policies (NDMPs) in England in 2025 establishes a consistent national policy layer for commonly applied issues, offering a useful reference point for what further standardisation could achieve in Scotland.

3.1 Statutory consultees

The list of statutory consultees for planning applications has expanded considerably in recent years, and response timescales are not consistently met. Late or non-responsive consultee returns are a significant and often overlooked cause of application delay. A national review of the referable consultee list, to ensure referral requirements reflect genuine planning materiality rather than historical practice, would reduce unnecessary process. Where a consultee fails to respond within the statutory period without good reason, a deemed no-objection position should apply: silence should not delay decisions on applications that have been properly submitted.

3.2 Validation and supporting information

Validation requirements vary widely across Scotland's 32 authorities. Applicants are increasingly required to submit technical reports and assessments that go beyond what is necessary to assess the planning merits of a proposal, with planning being asked to address issues that fall within the remit of other regulatory regimes. A particular frustration for developers is the requirement to reproduce technical assessments at successive stages of the process, for example, submitting ecology, transport or drainage assessments at pre-application, then at PPiP, then again at application for approval of matters specified in conditions, when the underlying evidence base has not materially changed. A nationally-defined, tiered validation framework, specifying information required by application scale and explicitly limiting duplication between stages, would establish a proportionate baseline and prevent the accumulation of local requirements not grounded in planning policy.

3.3 Infrastructure contribution standardisation

One of the most pressing standardisation challenges and one that is becoming an increasingly significant constraint on housing delivery in several local authority areas is the variation in how developer contributions for infrastructure are calculated, applied and recovered. Education contributions in particular have become a major and in some areas acute viability issue. The combination of revised pupil generation assumptions (which have increased the number of pupils attributed to new development), historically poor procurement management (which has driven construction costs for school buildings significantly higher), and the subsequent passing of those increased costs to developers through revised contribution frameworks, has created a situation in which the education contribution required from a new development can be materially higher than was assumed at the point of site allocation or planning permission.

This is not a uniform problem across Scotland but it is a significant one in a number of areas, particularly where large-scale masterplan development is planned in locations without existing school capacity. The challenge is compounded by the fact that infrastructure contribution frameworks are set by individual local authorities, with limited Scottish Government oversight of either the methodology used or the consistency of outcomes. The effect is that the same development, in different local authority areas, could face materially different total infrastructure costs for reasons that have nothing to do with the planning merits of the proposal or the genuine cost of infrastructure provision.

A national framework for infrastructure contributions and setting out the methodologies to be used, the evidential basis required, and the principles governing apportionment between development and the public sector would address this inconsistency and provide the transparency and predictability that developers and investors need. Health infrastructure is a further area where the absence of a clear NHS investment plan is increasingly having repercussions on LDP delivery, with planning permissions granted for housing that cannot be occupied in practice until health infrastructure catches up.

Recommended actions

- Build on existing standardisation work by developing national tiered validation checklists for housing applications by scale (under 10, 10–49 and 50+ units), reducing authority-by-authority variation and explicitly limiting duplication of technical assessments between successive stages of the process.
- Consider whether a Scottish equivalent of National Development Management Policies could provide a consistent national policy layer for non-locally-specific matters, freeing LDPs to focus on genuinely local issues.
- Commission a national review of the statutory consultee list to ensure referral requirements reflect genuine planning materiality, with enforcement of statutory response deadlines and a deemed no-objection where deadlines are missed without justification.
- Develop a national framework for developer infrastructure contributions covering education, transport and health that sets consistent methodologies, evidential requirements and apportionment principles, reducing the material variation in contribution levels across local authority areas.
- Engage with NHS Scotland and transport agencies to develop investment plans that align with the development plan cycle, ensuring that infrastructure capacity is programmed alongside housing delivery rather than as a retrospective constraint.
- Monitor and report on local authority compliance with national validation and process standards to support continuous improvement.

4. Streamlining: Pre-Application, Conditions, Section 75 and Public Sector Land

The planning process imposes a significant volume of procedural and information requirements on applicants, many of which have accumulated incrementally without a systematic review of their proportionality or contribution to decision quality. Streamlining should address the full development journey from early engagement through to post-consent delivery, rather than focusing solely on the determination stage.

4.1 Pre-application engagement

Pre-application engagement is the most cost-effective point at which to identify and resolve planning issues. A well-resourced, genuinely collaborative pre-application process in which investors and developers can engage with planning authorities early to understand constraints and opportunities, agree the scope of supporting information and build confidence before committing to full application costs would reduce abortive applications and benefit all parties.

Charging for pre-application discussions, as some authorities currently do, creates a financial barrier to early engagement that is counterproductive to the enabling objective. The current approach to pre-application fees across Scotland is not working. In many authorities, fees are set at a level so low that they bear no relationship to the cost of delivering a substantive, resourced service: a £12,000 fee on a development with a gross development value of £1 billion set to be delivered over a sustained period of time, for example, provides no meaningful resource for the planning authority and creates no accountability for the quality of engagement. The answer, however, is not simply to remove fees, but to reframe the model entirely, particularly for larger more complex and longer-term schemes. A proportionate fee structure for these major developments, set at a level that could genuinely fund a dedicated planning resource within the authority, would create a direct and transparent link between the developer's contribution and the quality of the service received. A fee of £50,000 on a scheme where total application fees are in the order of £1 million represents a small fraction of overall development costs but could fund close to a full-time planning officer position, materially improving both the capacity and the quality of pre-application engagement. This approach should be accompanied by clear, published service standards to which authorities are accountable.

4.2 Planning conditions

The number and scope of planning conditions have increased significantly, with conditions frequently imposed that duplicate requirements already addressed through the headline consent or that require submission and approval of information that could have been resolved at application stage. Rationalising conditions limiting them to those genuinely necessary and directly related to making the development acceptable, would reduce post-consent delay and reinforce the value of the consent itself.

4.3 Planning obligations: flexibility and delivery

Planning obligations (usually secured in Section 75 agreements) are a fundamental mechanism for securing the community and infrastructure contributions that make development acceptable in planning terms. However, the current approach that is characterised by site-by-site negotiation, lengthy legal agreement processes, rigid on-site affordable housing requirements and, increasingly, escalating infrastructure contributions creates significant delays, uncertainty and viability pressure that collectively reduce the volume of development that can come forward.

4.3.1 Scope of contributions

On affordable housing, the definition of 'affordable' is broadening to encompass a range of tenures from social rented through to mid-market and, increasingly, affordable Build-to-Rent. This flexibility is welcome and should be encouraged, as it allows contributions to be structured in a way that better reflects local market conditions and local housing need. A shift from on-site mixed-tenure obligations towards commuted sum contributions that fund genuinely affordable homes on public sector land would benefit both viability and delivery: commuted sums simplify the development appraisal, remove the need for complex cross-subsidy arrangements, and allow affordable housing to be delivered where it is most needed. This approach could support a new generation of council housing delivery, with local authorities and Registered Social Landlords acting as active clients funded by private sector contributions.

Beyond affordable housing, the bigger and less widely discussed challenge is the escalating cost and unpredictability of infrastructure contributions, particularly for education, transport and health. Members have described a pattern in which local authorities are increasingly using the Section 75 process to de-risk the totality of public infrastructure costs onto developers can effectively transferring what should be a shared public investment responsibility onto individual development schemes. Education contributions have become particularly acute in some areas: a combination of revised pupil generation assumptions and higher school construction costs has resulted in contribution requirements that are materially higher than those anticipated at the point of site allocation, fundamentally altering the viability of schemes that have already obtained consent. This is an issue that requires national oversight and a clear framework of shared responsibility between the public and private sectors.

4.3.2 Use of contributions

Section 75 funds should also be available for revenue as well as capital purposes, and pooling of contributions across multiple sites to fund strategic infrastructure should be explicitly enabled. Careful consultation is required for policy related to pooled contributions, to ensure a suitable connection exists between the development for which a contribution is made and the use of that contribution for collective purposes (see Supreme Court judgment in *Aberdeen City and Shire Strategic Development Planning Authority v Elsick Development Company Limited* [2017] UKSC 66). A Section 75 Community Liaison Group model in which locally identified priorities shape how contributions are spent within a defined area would strengthen the community benefit case for development and address the 'what's in it for us' dimension that frequently drives objection. This approach can be extended beyond community groups and we propose that Heads of Terms be agreed for all developer contributions as part of the committee referral process, before validation for major applications.

A national standard template Section 75 agreement, with applicants preparing a first draft, would reduce legal costs and introduce greater consistency across authorities. The template could be produced in collaboration with the Heads of Planning Scotland and used in the same way as the Property Standardisation Group uses template conveyancing and due diligence documents (see: https://psglegal.co.uk). A group of stakeholders is advocating for the reform of statutory planning agreements in England, which might be a useful reference point for Scottish practitioners also (see: https://www.townlegal.com/wp-content/uploads/Simplifying-Standardising-Section-106-Agreement-Processes-Proposals-For-Reform.pdf).

Real Estate:Scotland is part of the Real Estate:UK Group
Website: https://realestatescotland.org/
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4.3.3 Methods for securing contributions

Although Section 75 agreements will be appropriate in most situations, they can involve lengthy negotiations, multiple landowners, lender participation, increased legal fees and delays in the issue of consent. Other mechanisms are available and may be better suited for securing contributions where there is no need for them to be binding on the development site long-term such as unilateral undertakings and one-off payment agreements under authorities' general statutory powers/ The main examples are:

- unilateral undertakings for Section 75 obligations, which are usually given by a developer in favour of an authority during an appeal to show a willingness to meet the Council's terms, bind the title and remove an area of objection;
- contracts under Section 69 Local Government (Scotland) Act 1973, using the broad statutory powers available to authorities to enter contracts to fulfil their legal duties, typically involving one-off developer payments before commencement of development. These are not binding on the title and currently there is no requirement on authorities to make them available in the public domain;
- and decommissioning bonds, where a Section 75 agreement require the provision and maintenance of a bond until the project is decommissioned in accordance with planning conditions. Again, although registered Section 75 agreements are public documents, separate decommissioning bonds can remain out of the public domain].

Ensuring training for elected members includes the range of contractual options open for securing developer contributions could make a meaningful difference to determination timescales. This would avoid situations where Planning Committees resolve to grant consent subject to a Section 75 agreement, but the resolution wording does not explicitly allow the use of alternative contracts. This has, in the past, forced authorities either to dedicate resource to unnecessary Section 75 agreements or return an application to Committee for approval to use a different (but equally effective) instrument instead.

4.3.4 Discharging planning obligations

Another commercial concern in later stages of a development is the formal removal of obligations once they have been fully complied with or are no longer necessary. Obligations under Section 75 are registered against the title to the development site before the issue of planning permission. This makes the obligations automatically binding on successive owners of the land. As such, buyers and funders routinely require the title to be updated to show when planning obligations have been discharged and prove there is no risk of outstanding liability transferring to them.

There is a two-stage process for discharging this type of obligation. Firstly, an application is made to the enforcing planning authority, which issues a decision notice approving or refusing the discharge. Secondly, the discharge must be registered against the title. Decision notices are registrable if they include a description of the land affected and the authority's seal (in addition to the usual formalities specific to decision notices). However, practice varies and many authorities issue decision notices without the details needed for registration. This means a new deed of discharge must be drafted, negotiated and signed to update the title.

For a streamlined approach which can be implemented very quickly, we would suggest a template form of decision notice be produced in collaboration with Heads of Planning Scotland the Registers of Scotland. We would be happy to provide further information about this separately.

4.4 Public sector land

Public sector landholdings represent one of Scotland's most significant and underutilised assets for housing and regeneration delivery. Across local authorities, health boards, enterprise agencies and the Scottish Government itself, there is a substantial portfolio of land that is either underdeveloped, held passively or disposed of in ways that do not optimise its contribution to housing supply or long-term income generation.

'Best value' requirements, as currently interpreted, typically prioritise capital receipt over wider economic and social outcomes creating a financial disincentive to disposal arrangements such as long leases, joint ventures or phased overage structures that would allow the public sector to retain a long-term interest in land value uplift while enabling development. Reframing 'best value' to encompass long-term income generation, housing delivery, regeneration impact and community benefit, rather than simply maximising the immediate capital receipt, would unlock a wider range of disposal and partnership structures. The most successful examples of public sector land-led regeneration share a common characteristic: a public sector partner willing and able to act as an active development client, commissioning development rather than simply disposing of land.

Recommended actions

- Develop a proportionate pre-application fee structure for major developments that is set at a level capable of funding a dedicated planning resource within the authority, with clear, published service standards to which authorities are accountable.
- Develop national guidance on planning conditions that limits their use to genuinely necessary, directly planning-related matters not duplicative of requirements already addressed by the headline consent or other regulatory regimes.
- Develop national policy guidance that actively promotes the commuted sum approach to affordable housing contributions, enabling use of Section 75 receipts to fund affordable homes on public sector land.
- Use the commuted sum approach to support council and social housing delivery, with local authorities acting as active development clients funded by private sector Section 75 contributions.
- Clarify and broaden the definition of affordable housing within the Section 75 framework to encompass emerging tenures including affordable Build-to-Rent, allowing contribution structures to better reflect local market conditions.
- Develop a national framework governing the apportionment of infrastructure costs between development and the public sector, with particular urgency around education contributions where escalating costs are already blocking delivery on consented sites.
- Allow Section 75 funds to be spent on revenue as well as capital purposes and enable pooling of contributions across sites to fund strategic infrastructure.
- Require that Heads of Terms for Section 75 agreements on major applications are agreed prior to committee referral and validation, reducing the risk of post-consent legal delay.

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- Develop and adopt a national standard template for Section 75 agreements, we also recommend:

  (i) encourage the use of non-S75 alternatives, such as S69 agreements - medium term objective, in conjunction with member training;

  (ii) advocating for a template S75 agreement - longer term objective, involving HoPs and stakeholders; and

  (iii) suggesting changes to simplify and accelerate the discharge of redundant/fully satisfied S75s and remove them from the title to the land (which is often a condition of land transactions and financing) - short term achievability, in collaboration with HoPs and Registers of Scotland.
- Review the statutory and policy framework governing 'best value' in public sector land disposal, establishing a definition that encompasses long-term income generation, housing delivery and regeneration outcomes alongside capital receipt.
- Develop a national inventory of public sector land with development potential, updated on a rolling basis, and promote joint venture, long lease and phased overage structures as the preferred model for sites with significant housing or regeneration potential.

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5. Digitalisation: Digital Twinning, AI and the New World Model

Digital tools have the potential to transform the speed, consistency and accessibility of the planning system - not incrementally, but fundamentally. The ambition should be a planning system that operates in real time, is fully transparent and interrogable, and uses technology to remove the friction and uncertainty that currently adds time and cost at every stage. The UK offers a growing body of evidence on what works, and Scotland has the opportunity to build on that evidence rather than starting from scratch.

5.1 Digital twinning and development plans

Digital twinning is the creation of a dynamic, data-rich digital representation of a place that can model the impacts of development proposals, test scenarios and support community engagement and offers a transformative opportunity for development plan preparation, presentation and interrogation. A digital twin-based approach to LDP development would allow plan policies and site allocations to be tested against real infrastructure, environmental and economic data before adoption; presented in a form that communities and investors can interrogate interactively; and updated dynamically as circumstances change, rather than through periodic wholesale plan reviews that consume years of resource. Scotland should position digital twinning as the long-term basis for development plan development, beginning with funded pilots in authorities with the capacity and data infrastructure to lead.

5.2 AI in the planning system

Artificial intelligence has significant and near-term potential to improve the planning system. Beyond its application to planning officer reports (addressed in Section 2.6), AI tools can support faster policy search and interpretation, more consistent validation checking and improved identification of comparable precedents. The Scottish Government should not seek to develop every solution independently. Instead, it should actively monitor, evaluate and, where appropriate, adopt AI tools and best practice already being deployed successfully elsewhere in the UK and internationally. A national framework for AI use in planning, covering quality assurance, data standards and equitable access across authorities would ensure that benefits are realised consistently.

5.3 End-to-end digitalisation: the New World Model

The longer-term ambition should be a fully digitalised, end-to-end planning system - from pre-application engagement through to post-consent monitoring in which every interaction is digital, every decision is transparent and interrogable, and data flows automatically between the planning system and related infrastructure, land and property databases. This ‘New World Model’ approach, in which planning operates as a data-driven, continuously-updated system rather than a document-based, periodic process, is the direction of travel in leading planning systems internationally.

In the near term, England’s Open Digital Planning programme offers proven tools that Scotland could adopt or adapt: PlanX (a digital pre-application and application journey tool) and the Back Office Planning System (BOPS, a shared open-source case management platform adopted by a growing number of English authorities) both offer lower-cost, lower-risk routes to digital transformation than commissioning bespoke solutions.

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Recommended actions

- Adopt digital twinning as the long-term basis for development plan preparation, presentation and interrogation, beginning with funded pilots in authorities with the data infrastructure to lead.
- Commit to AI-assisted planning officer reports as a national standard, with a quality assurance framework retaining conclusions and recommendations as a human professional judgement.
- Adopt a national framework for AI use in planning, covering quality assurance, data standards and equitable access across authorities, and roll out proven AI planning tools as they become available especially those already successfully deployed internationally.
- Set out an explicit commitment to a fully digitalised, end-to-end planning system, the New World Model with a funded transition programme, clear milestones and national governance.
- Explore adoption or adaptation of proven open-source digital planning tools from England's Open Digital Planning programme, including BOPS and PlanX, to reduce cost and accelerate implementation.
- Commit to a single national digital application and case management platform for Scotland, replacing the current 32 separate local authority approaches.
- Digitalise development plans as structured, query based data, enabling applicants and authorities to establish site-specific policy compliance quickly and reliably.

Conclusion

Planning has a direct impact on the ability of developers and housebuilders to create new homes, on international and national investors seeking to invest in residential and commercial accommodation, on the provision of essential infrastructure, on the delivery of community wealth and social value, and on technological advancement all of which creates construction activity with associated jobs and skills / training opportunities.

We need a "planning reset" which recognises the Planning System as an enabler adopting an efficient, bold and pro-active public private partnership approach with a collaborative viability / delivery first mentality.

The five areas for reform set out in this paper are practical, evidence-based and mutually reinforcing. They span culture, process, policy, technology and land, reflecting the reality that enabling more development to come forward requires action across the whole system.

The proposals in this paper are not about reducing planning standards or bypassing democratic accountability. They are about building a planning system that is culturally confident in its enabling role, procedurally efficient, consistently applied, financially literate and technologically equipped for the challenges ahead. We support the principle that reform should deliver a genuinely integrated, nationally consistent service that works for all parts of Scotland and all types of development.

Real Estate:Scotland looks forward to continuing to engage constructively with the Scottish Government on these issues, including through roundtable with our members in coming weeks. The shared ambition, expressed clearly at the June roundtable - for a more consistent, predictable and delivery-focused planning system in five years' time is one that the industry is ready and willing to work towards in partnership.

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