



**Aberdeen & Grampian Chamber of Commerce
Response to Accelerating home-building in Scotland Consultation**

Question 1: Could fiscal incentives offering relief to other charges help to accelerate build-out rates? Yes/No/Unsure. Please explain your answer.

Unsure

Members were clear that developers are already strongly incentivised to progress sites as efficiently as possible. Delays typically increase borrowing costs, extend exposure to market risk, and reduce overall returns. As such, inactivity is not generally a deliberate strategy.

However, members recognise that there may be a role for carefully targeted fiscal incentives where these help improve viability or unlock sites that might otherwise be delayed or stalled.

Evidence from Homes for Scotland suggests that slower build-out is often linked to wider system constraints - including infrastructure provision, planning processes, and the availability of deliverable land - rather than inactivity alone.

In that context, fiscal incentives are unlikely to be effective in isolation but could support delivery where they form part of a wider package of measures aimed at improving certainty, reducing delays, and addressing upfront cost pressures.

(a) Which charges / taxes / levies could the incentives be applied to? Please explain your answer.

Members highlighted that upfront and early-stage costs play a significant role in determining whether and when development proceeds. Incentives could therefore be considered in relation to:

- Land and Buildings Transaction Tax (LBTT)
- Scottish Building Safety Levy (SBSL)
- Other development-related costs where these materially affect viability

Reducing or deferring such costs could help accelerate decision-making, particularly on sites where viability is finely balanced or where infrastructure costs are significant.

(b) Should relief be in the form of full exemptions or variable rates? Full exemptions / variable rates. Please explain your answer.

Members did not express strong support for full exemptions, noting that these risk:

- creating market distortions
- incentivising behaviour that is not aligned with actual delivery constraints
- providing benefit in cases where development would have proceeded regardless

There was also concern that introducing exemptions or complex relief structures could add further uncertainty and administrative complexity to an already challenging development environment.

A more proportionate approach, if pursued, would be the use of targeted or variable rates, designed to reflect site-specific circumstances. However, members emphasised that any such approach would need to be:

- simple to understand and administer
- clearly linked to factors within a developer's control
- carefully designed to avoid penalising sites delayed by infrastructure, planning, or market constraints

Overall, members' preference was that policy focus should be on reducing barriers to delivery, such as planning delays and infrastructure constraints, rather than relying on fiscal mechanisms to influence build-out behaviour.

(c) Could a tax impact differently on different types of land owners? Please explain your answer.

Yes. Members highlighted that the impact of fiscal measures would vary significantly depending on:

- ownership structure (developer, promoter, investor, or private landowner)
- access to finance and ability to absorb additional costs
- the nature and scale of site-specific constraints

A uniform approach risks unintended consequences, particularly where delays are linked to factors outside the direct control of the landowner or developer.

(d) Please provide any evidence of how fiscal measures linked to other charges would impact development finance to influence build-out rates.

Members emphasised that development finance is highly sensitive to cost, timing, and certainty.

Increases in cost or uncertainty can:

- delay land acquisition and investment decisions
- reduce the viability of marginal sites
- slow the pace at which development phases are brought forward

Evidence from Homes for Scotland also indicates that development already involves long lead-in periods - often several years from early planning stages to first occupation on larger sites - meaning that additional cost pressures are more likely to delay progress than accelerate it.

Question 2: Should we introduce a tax on sites which have been allocated for residential development and/or have permission for homes, but are not being built out as expected, as set out in option 1?

Yes/No/Unsure. Please explain your answer.

No

The Chamber does not support the introduction of a tax on allocated or consented sites that are not being built out as expected.

Member feedback consistently indicated that delays are rarely the result of intentional inactivity. Instead, they are more commonly linked to:

- infrastructure provision and sequencing
- utilities capacity and connection times
- planning conditions and technical approvals
- market demand and sales rates

Evidence from Homes for Scotland reinforces this, suggesting that a significant proportion of allocated and consented land is not immediately deliverable, and may be constrained or dependent on third parties.

In this context, a tax risks addressing a perceived issue rather than the underlying causes of delay. It may also have unintended consequences, including discouraging investment, reducing land promotion, and ultimately constraining housing supply.

(a) Should this apply to allocated sites, sites with permission, or both? Allocated sites/Sites with permission/Both. Please explain your answer.

The Chamber does not support applying a tax to either category.

Members instead emphasised the importance of:

- ensuring that sites are genuinely deliverable at the point of allocation
- reviewing sites that remain constrained over extended periods
- improving alignment between planning assumptions and real delivery conditions

(b) How should the tax be calculated? Please explain your answer.

Not applicable given the position above.

Members noted that designing a fair and effective charge would be complex, given the wide variation in site characteristics and constraints.

Reliefs/exemptions from LBTT / SBSL for early delivery would perhaps be a more appropriate mechanism, on the proviso that quality/safety had not been compromised.

(c) Who should be required to pay the tax? Please explain your answer.

Not applicable.

Members highlighted that responsibility for delivery is often shared across multiple parties, which would make assigning liability difficult in practice.

(d) Would the tax operate as a local or a national tax? Local tax/national tax. Please explain your answer.

Not applicable.

(e) How should any income be used? Please explain your answer.

If such a mechanism were introduced, members indicated that any revenue should be directed towards:

- infrastructure provision
- unlocking constrained sites
- improving planning system capacity

This reflects the view that these areas represent more direct barriers to delivery.

(f) Please provide any evidence of how a tax connected to sites allocated or permitted not being built out would influence build-out rates.

Members were not aware of clear evidence that taxation of this kind would accelerate build-out rates.

Evidence from Homes for Scotland indicates that delivery rates are primarily influenced by infrastructure, planning processes, and market demand, rather than financial penalties.

Question 3: Should we bring forward powers for reporting on development progress and powers to intervene where it is considered to be unreasonably slow, as set out in option 2? Yes/No/Unsure. Please explain your answer.

Yes

There is support for improving transparency and consistency in reporting development progress, particularly where this builds on existing Housing Land Audit processes.

Members consider that better information could support improved understanding of delivery across different areas and help identify where constraints are arising.

(a) Should this include creating a legal framework for reporting on development progress? Yes/No/Unsure. Please explain your answer.

Yes

A clearer framework could:

- improve consistency across local authorities
- provide greater visibility of delivery progress
- support more informed decision-making

However, it should build on existing processes and avoid creating unnecessary duplication or administrative burden.

(b) Should there be a power for planning permission to be revoked, without compensation being payable, where reporting demonstrates that progress is unreasonably slow? Yes/No/Unsure. Please explain your answer.

No

Members expressed concern that this could:

- create additional risk and uncertainty for investors
- discourage early-stage investment in land
- fail to reflect the complexity of development delivery

In particular, it may penalise sites where delays are due to infrastructure, market, or regulatory factors outside the developer's control.

There already exists a power on Local Authorities to issue completion certificates, albeit one that is rarely used. Support to find solutions to delays would perhaps be more beneficial than straight-out revocations.

(c) How would the pace of development be set and agreed – for example how would reasonableness be measured? Please explain your answer.

Members emphasised that delivery timelines vary significantly between sites and cannot be reduced to a single benchmark.

Any assessment of “reasonableness” should take into account:

- infrastructure requirements and sequencing
- planning and technical approval processes
- site scale and phasing
- market demand and absorption rates

A case-by-case approach is therefore essential.

(d) Please provide any evidence of how reporting on development progress would influence build-out rates.

Members consider that improved reporting may increase transparency, but is unlikely to significantly accelerate delivery unless underlying constraints are addressed.

Question 4: Should we bring forward legislation to amend the development hierarchy, to enable us to introduce more streamlined planning processes on planning applications for smaller sites, as outlined in option 3? Yes/No/Unsure. Please explain your answer.

Yes

This is strongly supported and aligns closely with the Chamber's wider position on improving planning efficiency and reducing barriers to growth.

Members consistently highlighted that:

- planning processes can be complex, time-consuming, and costly
- multiple processes require the duplication of documentation
- requirements are often disproportionate for smaller developments
- delays and inconsistency in validation and determination can significantly slow delivery

A more proportionate system would help reduce cost and delay, and support a broader range of developers to bring forward sites.

(a) How many categories should be defined by the development hierarchy, and what size of development should these cover? For example, four categories that define major, medium, small and very small developments?

Members support introducing additional categories to better reflect the scale of development and allow requirements to be applied more proportionately.

For example, these could be as follows:

- National Development
- Major development – 50+ dwellings / 2+ hectares
- Local development – 10-49 dwellings
- Minor development – up to 10 dwellings
- Very small development – perhaps single/twin dwelling
- Affordable housing sites

(b) What are your views on, and do you have any evidence relevant to whether creating more categories in the development hierarchy might have an overall effect of speeding up or slowing down build-out of housing?

Members consider that this would have a positive impact by:

- reducing time to secure planning consent
- lowering upfront costs
- encouraging more sites to come forward
- increasing participation from SME developers

(c) What are your views on whether we should review and rationalise policy requirements for smaller housing sites, or introduce a new rules based policy for smaller housing sites?

There is support for simplifying and rationalising requirements for smaller sites.

A clearer, more rules-based approach could:

- improve certainty for applicants
- reduce interpretation differences between authorities
- support faster decision-making

(d) Do you think that further advice on planning application information requirements would support faster delivery of housing on smaller sites? Yes/No/Unsure. Please explain your answer.

Yes

Members strongly support clearer and more consistent guidance on information requirements, which would:

- reduce delays at validation stage
- avoid unnecessary or duplicative submissions
- improve predictability in the process

(e) Do you think there are any further options that creating more categories in the development hierarchy might open up, further to those outlined in option 3? Yes/No /Unsure. Please explain your answer.

A more granular hierarchy could enable:

- faster processing routes for smaller sites
- reduced consultation requirements where appropriate
- better alignment between the scale of development and regulatory burden

(f) Do you think that this measure would have any particular benefits for SME housebuilders? Yes/No/Unsure. Please explain your answer.

Yes

Members highlighted that SMEs are particularly affected by:

- upfront planning costs
- delays and uncertainty
- lack of proportionality in current processes

Simplifying the system would support SME participation and help diversify the delivery pipeline.

Question 5: Do you think that encouraging more diverse housing outputs across the pipeline of deliverable housing land would increase the pace of build-out? Yes/No/Unsure. Please explain your answer.

Unsure

Members recognise the importance of delivering a mix of housing types and tenures to meet different needs. However, they do not consider this to be a primary factor influencing build-out rates.

Delivery is more directly shaped by:

- market demand
- viability considerations
- site-specific constraints

Developers will generally bring forward housing that aligns with local demand in order to maintain sales rates and manage risk.

(a) Should we use legislation to require a diversity of housing types and tenures on sites above a certain threshold? Yes/No/Unsure. Please explain your answer.

No / Unsure

Members favour a flexible, market-led approach.

Overly prescriptive requirements may:

- reduce flexibility in responding to local demand
- increase complexity and cost
- risk slowing delivery where requirements do not align with market conditions

(b) Do you think that this measure would have any particular benefits for SME housebuilders? Yes/No/Unsure. Please explain your answer.

Limited

Additional requirements may increase cost and complexity, which could disproportionately affect smaller developers.

(c) Please provide any evidence of how increasing diversity would influence build-out rates.

Members are not aware of strong evidence that prescriptive housing mix requirements directly increase build-out rates – rather the converse, developers will only build what they believe they can sell.

Question 6: Do you have any other suggestions for measures which could use levers available, or which could be put in place through the planning system, to deliver more homes at pace? Please provide any evidence of how these potential measures would influence build-out rates.

Members identified several areas where action could have a more direct and meaningful impact on delivery:

Planning system performance

- Reducing delays in validation and determination
- Improving consistency in decision-making across authorities
- Ensuring statutory consultees respond within expected timescales
- Reducing duplication in information requirements
- More proportionality between planning requirements and project/development size

Infrastructure and utilities

- Addressing constraints in electricity, water, drainage and roads
- Improving coordination between planning authorities and infrastructure providers
- Aligning infrastructure investment more closely with planned development

Deliverability of land

- Ensuring that sites allocated in development plans are realistic and deliverable
- Reviewing constrained or stalled sites more regularly
- Improving the link between allocation and actual delivery

Evidence from Homes for Scotland indicates that land supply figures can overstate what is genuinely deliverable, with many sites subject to constraints or not in developer control.

Support for SME developers

- Reducing planning cost and complexity
- Providing faster routes for smaller sites
- Improving certainty around requirements and timescales

Wider policy approach

Members emphasised that housing delivery is closely linked to economic competitiveness.

The Chamber's position is that progress will be best supported through:

- a more efficient and proportionate planning system
- unlocking land for development
- addressing infrastructure constraints
- maintaining a fair and pro-growth tax and regulatory environment

This reflects the Chamber's wider view that investment in housing and infrastructure is essential to creating attractive, liveable places and supporting sustainable economic growth.