

HOUSING SUPPLY IN SCOTLAND

**A REPORT BY THE HOUSING SUPPLY
TASK FORCE**

6 FEBRUARY 2009

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EXECUTIVE SUMMARY

In June 2007, the Scottish Government announced the establishment of a Housing Supply Task Force with a remit to: “...*identify and tackle impediments to increasing the supply of housing across all tenures – all with a view to ensuring that people across Scotland have the opportunity to access suitable housing that meets their needs and demands.*”

The Task Force met for the first time on 29 August 2007 under the chairmanship of the Minister for Communities and Sport. Other members represent CoSLA, Homes for Scotland, the Scottish Federation of Housing Associations, Shelter and the Council of Mortgage Lenders.

Since our first meeting, we have taken evidence on housing issues throughout Scotland, investigated progress at eight key housing developments and considered a range of issues of direct relevance to future housing supply. We have reflected on the wide ranging package of housing and planning measures and reforms introduced by the Scottish Government in recent months.

In addition, the Task Force has provided an invaluable forum for members to exchange information and intelligence about the effects of the economic downturn as they have unfolded, and our discussions have informed the decisive actions taken by the Scottish Government and its partners in response to the changed economic conditions.

The impact of the current downturn will undoubtedly be felt for a number of years. However, we are in no doubt that the fundamental need to increase housing supply over the longer term to meet housing need and demand remains. In addition to providing an overview of the Task Force’s activities and main findings since our first meeting, this report therefore also sets out our recommendations on the actions that should be taken to help house building bounce back to full capacity and meet that need and demand when market conditions improve.

Our primary recommendations focus on the funding and delivery of infrastructure; the planning system; the capacity of the house building sector; and public sector land. The task of taking those, and our other recommendations forward will require action from everyone with an interest in the future of housing supply, particularly national and local government, housing associations, house builders and financial institutions.

The members of the Task Force are committed to building on the relationships that we have developed since our first meeting, and to continue to work together and hold each other to account, to ensure the best possible outcome for the housing supply system in Scotland. We have a shared determination to ensure that the actions set out in this report are taken forward, and a clear commitment to continue to assess and consider the implications of the changed economic conditions for the future shape and structure of housing supply in Scotland.

1. INTRODUCTION TO THE HOUSING SUPPLY TASK FORCE

1.1 In May 2007, the new Scottish Government entered office with a determination to increase housing supply in Scotland in order to address the historic failure of supply to match demand and to bring about greater fairness and stability in the housing market.

1.2 The following month, as part of a number of initiatives intended to help move towards that ambition, the Minister for Communities and Sport, Stewart Maxwell, announced the establishment of a Housing Supply Task Force with a remit to: *"...identify and tackle impediments to increasing the supply of housing across all tenures – all with a view to ensuring that people across Scotland have the opportunity to access suitable housing that meets their needs and demands."*

1.3 The Task Force met for the first time on 29 August 2007. Its members are:

- Minister for Communities and Sport (Chair)
- Jonathan Fair, Chief Executive Homes for Scotland
- Brian Gegan, Chairman Scottish Federation of Housing Associations and Chief Executive Cairn Housing Association
- Ronnie Jacobs, Miller Homes and Chairman Homes for Scotland (2007-08)
- Kennedy Foster, Council of Mortgage Lenders Scotland
- Councillor Harry McGuigan, CoSLA
- Councillor Alison Hay, CoSLA
- Archie Stoddart, Scotland Director, Shelter (until June 2008)
- Graeme Brown, Scotland Director, Shelter (from July 2008).

1.4 The Task Force has met on nine occasions in full and a further three times over the summer 2008 without the Minister for Communities and Sport. As part of our work, we have:

- taken evidence on housing supply issues across the country, in Edinburgh, Aviemore, Glasgow and Dumfries;
- undertaken a detailed investigation into the barriers affecting eight housing developments in Edinburgh and the Lothians, and Glasgow and the Clyde Valley;
- examined a wide range of issues, including rural housing, skills and training, the use of public sector land, the planning system, infrastructure funding and community engagement; and
- exchanged information and intelligence about the effects of the credit crunch and the actions that the Scottish Government and others should take in response.

2. CHANGING ECONOMIC CIRCUMSTANCES

2.1 When the Task Force first met in August 2007, Scotland's housing market was characterised by rising prices, high land values and widespread availability of mortgage finance and products. The key concerns at that time were the failure of supply to match demand, and the need to accelerate housing supply to increase the affordability, stability and fairness of the system to help deliver greater choice to the people of Scotland. Against that backdrop, our focus as a Task Force was on how we could broker solutions to deliver an increased housing supply and make progress towards the Scottish Government's ambition to increase housing supply to 35,000 homes a year by the middle of the next decade.

2.2 The housing market and the wider economy have experienced a significant downturn since that first meeting. The financial turmoil that began in US markets has spread throughout the global financial system, significantly restricting liquidity and the finance available to both developers and individuals in Scotland. This has had a number of evident effects on housing:

- The number and value of housing market transactions has dropped significantly. Council for Mortgage Lenders (CML) data for Q3 2008 shows that the number of loans for house purchase was 47% lower than a year earlier. Registers of Scotland data for the same period shows that the total value of Scottish housing transactions had fallen by 41% from Q3 2007.
- House prices in Scotland are falling, although Scotland remains by far the least affected by house price declines of all the UK countries.
- The availability of mortgage finance and products has diminished significantly;
- The rate of house repossessions has increased.
- There has been a dramatic decline in the number of new homes being built. NHBC statistics for the end of Q3 2008 showed a drop of 74% on the number of private new build starts compared to the same quarter in 2007.

2.3 The rapid slowdown in activity in the last year has resulted in significant loss of employment in the house building sector. Homes for Scotland have estimated that as many as 26,000 jobs have already been lost directly, with a further 20,000 indirect losses among contractors, suppliers and associated services. The overall number of new homes being built is also reducing and affecting the supply of affordable housing that would normally have been delivered through Local Authorities' affordable housing policies.

2.4 In the face of these difficult circumstances, the Scottish Government, registered social landlords (RSLs), Local Authorities, house builders, voluntary organisations and lenders have worked together to take action to support house building activity, and to help mitigate the negative impact of the changing economic circumstances on the housing market and on individual households at risk of repossession.

2.5 The Task Force has provided an invaluable forum for members to exchange information and intelligence about the situation on the ground, and to consider the actions that should be taken in the immediate term in response. Over last summer and at our meeting on 19 August 2008 in particular, the credit crunch has been a key

focus of our discussions and members' views have helped to inform the series of actions announced by the Scottish Government since August. These have included:

- Bringing forward £120m of the Affordable Housing Investment Programme to accelerate the supply of affordable housing.
- Setting out key criteria for Scottish Government funding of purchases of unsold stock or land from private developers.
- Supporting first time buyers through an increase in the choice of homes available to buy through the Open Market Shared Equity pilot scheme.
- Pressing the UK Government to take early action in a wide range of areas to mitigate the impacts of the credit crunch on the housing market.

2.6 In addition, the Scottish Government has taken a range of actions to support homeowners struggling with mortgage payments and facing repossession as a consequence of the economic downturn. This includes:

- Substantially increasing the funding for the Home Owners' Support Fund to help those who cannot access support elsewhere to stay in their homes through the Mortgage to Rent and Mortgage to Shared Equity schemes.
- Increasing funding to provide more legal advice and representation for people facing repossession, and other problems such as debt.
- Launching a new TV campaign to ensure people with debt worries are aware of the free, impartial and confidential help available through the National Debtline.

2.7 The latest forecasts from the CML¹ suggest that the housing market will remain extremely subdued in 2009, with net mortgage lending likely to turn negative. While borrowers who remain in employment in 2009 may see some benefits in the form of lower mortgage rates, the CML forecasts that repayment problems will worsen. In the current challenging environment, these forecasts should of course be seen as indicative, rather than as a precise assessment of likely activity. In addition, they provide a commentary at a UK, rather than Scottish, level. Moving forward, securing more Scottish specific information will be crucial.

2.8 There is a clear need for ongoing consideration of the effects of the market downturn, and the members of the Task Force will continue to play their part in helping Scotland to respond. However, while the downturn has introduced new and significant challenges, it also presents an opportunity for us to focus on our approach, and the longer term actions that should be taken to ensure that house building can thrive when market conditions improve. We are in no doubt that the underlying need and demand for housing that existed when we first met, and the fundamental need to increase housing supply to meet it, remains.

¹ Available at: <http://www.cml.org.uk/cml/publications/marketcommentary/109>.

3. THE WORK OF THE TASK FORCE: GEOGRAPHIC CASE STUDIES AND THEMATIC STUDIES.

3.1 Over and above our consideration and debate of the implications for housing of the market downturn, the members of the Housing Supply Task Force have taken forward a significant work programme, focused on two distinct strands:

- an examination of the specific circumstances affecting housing supply in a number of regions around the country facing housing pressures; and
- consideration of a number of thematic studies looking at issues with a key bearing on housing supply.

3.2 This section of the report provides an overview of our work on these two strands and a commentary on some of the key findings and conclusions which have emerged from our discussions. We have reflected fully on these in agreeing the recommendations set out in section four of the report.

Housing Supply In Scotland

3.3 To inform our consideration of housing supply issues throughout Scotland, members of the Task Force met with key players representing relevant organisations, and arranged four regional seminars - in Edinburgh, Aviemore (jointly with the Scottish Parliament Rural Affairs and Environment Committee), Glasgow and Dumfries - between November 2007 and March 2008.

3.4 As set out in our interim report in May 2008, this engagement identified a number of common themes, together with some very specific local concerns and issues of particular relevance to rural Scotland (including the possible conflict between environmental considerations and the needs of communities, the price of land and higher construction costs/lower economies of scale).

Geographic Case Studies

3.5 In following up the outcomes of that work, we agreed to carry out investigations into a number of geographic case studies in order to establish whether the themes identified in our regional engagement were creating barriers to development at specific sites. Eight sites (and the responsible Local Authorities) were identified in Edinburgh and the Lothians and Glasgow and the Clyde Valley:

- The Edinburgh Waterfront, City of Edinburgh
- South East Wedge, Midlothian/City of Edinburgh
- Wallyford, East Lothian
- Winchburgh, West Lothian
- Greenlaw, East Renfrewshire
- Kilmardinny, East Dunbartonshire
- Woodilee, East Dunbartonshire
- Bishopbriggs East, East Dunbartonshire

3.6 In each case, the Task Force sought views from relevant Local Authorities, developers and RSLs on the status of the development, associated issues and obstacles, and actions that could be taken to remove them, and any lessons that could be learned for the future. The Task Force Secretariat subsequently arranged follow up meetings with Transport Scotland, Scottish Water and other relevant organisations and authorities to ensure that we had access to all relevant information about the status of a planned development.

3.7 While it is clear that the significantly deteriorated economic situation prevents us from brokering solutions that will lead to immediate progress on the ground, our consideration of these case studies has underlined a number of issues which will need to be addressed so that the house building industry is best placed to make a swift recovery when market conditions improve.

3.8 The key issue arising from the geographic case studies was that the process of delivering housing has been significantly affected by the reliance on up-front developer contributions, sought through planning agreements, to help fund infrastructure and other amenities for housing development. As these contributions have to be in place before wider development can be completed, uncertainty around the nature of the contribution and the time taken to negotiate and conclude the planning agreement can lead to significant delay, particularly where developments involve multiple parties. This issue has been exacerbated by the significant decrease in lending, which has constrained all parties' access to finance and, in some circumstances, their capacity to fund infrastructure.

3.9 We also saw that the way in which the planning system has been operating has, in some circumstances, hindered the delivery of housing. As has been recognised separately in "*Delivering Planning Reform*"², co-ordination and communication between public sector agencies, Local Authorities, consultees and the public, as well as within Local Authorities, has not always been as effective as it might be. Specific issues raised include:

- the way in which public sector agencies such as Transport Scotland engage in the preparation of Development Plans;
- limited co-ordination of activity where a number of Local Authorities and developers are involved, including a lack of leadership or responsibility for driving development forward to implementation;
- lack of project management skills and understanding of development economics;
- evidence of ongoing community resistance to new development; and
- a need for greater co-ordination of roles and responsibilities within Local Authorities.

² *Delivering Planning Reform* is a joint commitment by the Scottish Government and its agencies, CoSLA and the development industry to work together to significantly increase co-operation and speed up the pace of reform. <http://www.scotland.gov.uk/Publications/2008/11/05100742/0>

Rural Housing Issues

3.10 In addition to our consideration of the situation at these eight urban sites, we agreed to commission studies to consider two issues of relevance to rural housing:

- the extent to which the model adopted by the Highland Housing Alliance (HHA) might have relevance for other parts of Scotland; and
- the role and usefulness of Rural Housing Enablers in helping to meet rural housing need and demand.

Newhaven Research Limited and Mark Bevan at the Centre for Housing Policy, University of York respectively were commissioned to take this work forward.

3.11 Research on the HHA concluded that it has helped to deliver increased housing supply in the Highlands, and has supported development that would not otherwise have occurred. However, the research also noted that the credit crunch might have a significant impact on the HHA's future success and that the model might have limited transferability to other areas of Scotland. The HHA was seen to be better suited to rural areas, and would thrive only with strong Local Authority support and ongoing proactive planning support and engagement at local level. By contrast, the Landbank Fund model which supported it was seen to be more readily transferable to other parts of Scotland.

3.12 The review of Rural Housing Enablers found that a very wide range of different organisations, with different aims and objectives, were undertaking enabling-type activity throughout Scotland. The review showed that enablers had helped to bring about new affordable housing across different tenures in remote and rural areas, and provided help and advice to rural communities.

3.13 In our consideration of these topics, we have recognised the excellent work being done by housing enablers throughout rural Scotland to help small communities address their housing needs. The Task Force has recognised that the extent to which enablers are required will vary from area to area. We have also recognised the significant added value that the Highland Housing Alliance, and associated Landbanking Fund, have brought to efforts to meet housing need and demand in the Highlands.

Thematic Studies

3.14 As a second key stream of work, the Task Force has considered three key topics of direct relevance to housing supply:

- The Capacity of the House Building Industry.
- The Use of Public Sector Land for Housing.
- Community Engagement.

Capacity of the House Building Industry

3.15 The success of efforts to increase housing supply will in large part be determined by the number of people employed in the house building sector and the level and nature of their skills and knowledge. In recognition of that, Jonathan Fair (Homes for Scotland) led consideration of the future employment and skills needs of the house building sector across a broad range of relevant professions through a sub-group involving Graeme Ogilvie (Construction Skills), Janice Roach (Skills Development Scotland), Michael Levack (Scottish Building) and Kathy Cameron (CoSLA).

3.16 Over the course of the sub-group's consideration of this topic, it became increasingly clear that the current market downturn has resulted in significant loss of employment in the sector, with potential medium-term effects on housing supply. The sub-group commissioned Experian to develop a forecast of the potential impact of the changed economic circumstances on skills, training and employment levels in the sector.

3.17 In discussing this issue, members agreed on the need to take action to ensure that the short-term difficulties being experienced currently do not result in long-term constraints on the sector's capacity. That will demand action from a wide range of actors both to help those who lose their jobs in the current downturn and to ensure that a steady supply of new employees is available to enter the sector. It will also require the development of a much more detailed understanding of the specific skills and training requirements of the house building sector, rather than the construction industry as a whole.

Public Sector Land

3.18 In view of the important contribution which can be made to the delivery of housing through public sector land supply, Councillor McGuigan (CoSLA) agreed to take forward a study considering this issue. CoSLA's paper, informed by consultation with a number of Scottish Local Authorities, considered how Local Authorities and other public bodies can use their land to help provide an adequate land supply to meet housing needs, while taking into account key factors such as Best Value. It also considered how land assets can be managed efficiently, and the factors that influence whether surplus land can be accessed for housing.

3.19 The report highlighted the importance of co-operation and sharing of information with regard to notification of future disposal of surplus land held by public agencies. Other recommendations focused around reviewing and improving the processes that currently regulate the disposal and valuation of land, including the Compulsory Purchase Order process and the requirements that existing legislation places on Local Authorities to achieve best consideration when they sell land.

Community Engagement

3.20 Shelter's thematic study on community engagement examined how good practice can be promoted and targeted effectively to create a positive attitude towards new development, and an understanding of the benefits it can bring for existing communities. In considering future supply, it will be essential to ensure that local communities are involved at the earliest possible stage.

3.21 The study's recommendations set out short, medium and long-term actions that could be taken to improve community engagement, with a key focus on raising public awareness, improving public engagement in the planning process and maintaining skills levels within Local Authority planning services. In our discussion of the paper, we have agreed that many of the issues covered in its recommendations should be addressed by the modernisation of the planning system in Scotland.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1 It is clear that the changing economic circumstances are having a significant negative impact on Scotland's housing market, with the potential to inhibit future levels of housing supply in the short to medium-term. Nevertheless, all members of the Task Force are in no doubt that there remains a pressing need to increase housing supply in order to meet need and demand and improve the affordability, stability and fairness of Scotland's housing system.

4.2 In that context, it is essential that all necessary steps are taken to remove the blockages that stand in the way of increased supply and the quick and smooth delivery of well-designed, well-planned housing of the right type in the right locations. Achieving that will demand action from a wide range of actors, including all of the organisations represented on the Task Force.

4.3 We have, of course, not been alone in seeking to identify and address blockages. In particular, we recognise that the Scottish Government has introduced fundamental reforms to the housing and planning landscape that could make a significant difference, including:

- The launch of the revised SPP 3: *Planning for Homes*, guidance for Local Authorities on Housing Need and Demand Assessment, and new-style Local Housing Strategies, which provide an integrated policy framework for planning the delivery of housing.
- The planning modernisation agenda, and the joint commitment, set out in "Delivering Planning Reform" (October 2008), from the Scottish Government and its agencies, CoSLA and the development industry to speed up reform and more effectively and inclusively support the delivery of new housing.

4.4 Taking those welcome and far-reaching reforms into account, the members of the Task Force have agreed on four priority areas where further change will be needed to bring about robust and long-lasting improvements to support the delivery of new housing:

- Advance Funding of Infrastructure
- Implementing the Reformed Planning System
- Capacity in the House Building Sector
- Public Sector Land

4.5 In addition, we have agreed some specific recommendations on the role of Rural Housing Enablers, and the use of Compulsory Purchase Orders.

4.6 Throughout our work, we have given careful consideration to the particular housing needs and circumstances of rural Scotland, especially through our regional seminars in Aviemore and Dumfries and our consideration of the role of Rural Housing Enablers and the Highland Housing Alliance. While we have not proposed a specific theme on rural housing, we see a strong rural element in all four of our priority areas, and have included a recommendation on Rural Housing Enablers. As a result, we will expect to see a clear recognition and consideration of the specific circumstances and requirements of rural Scotland as our recommendations are taken forward.

Priority 1: Advance Funding of Infrastructure

4.7 Following the First Minister's announcement that the planned review of planning agreements under the Planning etc. (Scotland) Act 2006 would be postponed in order to avoid additional burdens on the development industry at a time of economic uncertainty, the Scottish Government undertook to focus on how the current system of planning agreements might operate more effectively and how agreements could be taken forward in a more transparent and consistent manner.

4.8 Planning agreements will continue to be an important means of funding infrastructure associated with house building and we welcome the Scottish Government's consultation, launched in December 2008, on a draft revised circular on planning agreements. However, the Task Force believes that there is now a pressing need to consider the case for the use of alternative means to fund infrastructure associated with new housing, particularly for larger and more complex developments. The need for this has been exacerbated by the economic downturn, which has significantly reduced developers' access to finance.

4.9 All parties, both private and public, have a potential role to play in supporting infrastructure. A number of possible funding mechanisms have been highlighted to us, including direct support from national Government, an expanded role for the Scottish Futures Trust, ideas such as Tax Increment Funding and the Community Infrastructure Levy, the proposal that Local Authorities use their prudential borrowing powers and the Revolving Landbanking Fund used by Highland Council and other proposals in use outside of Scotland. In all of these, a role could be retained for some element of continued contributions from developers, sought on a per unit or square metre basis once developments have commenced.

4.10 The Task Force's investigations have shown that even where sufficient infrastructure funding is in place, effective mechanisms are also needed to ensure physical delivery. The Task Force notes the requirements under the new development planning system for development plans to be accompanied by action programmes setting out how planned development will be delivered. This should be supported by robust organisational capacity to co-ordinate infrastructure provision from all providers including local government, transport and utilities. Models should be appropriate to local circumstances.

4.11 This is a complex issue which will raise many difficult questions and require expert input, in particular financial. As a matter of urgency, the **Task Force therefore calls on:**

- The Scottish Government, following on from its current review of planning circular 12/96, to consider with Local Authorities, developers and other stakeholders appropriate options for new models of financing infrastructure provision to accelerate the construction of housing and other development.
- Local Government, in discussion with its partners, to consider the scope for using the accelerated sums made available to it from the Pre-Budget Report consequentials to support up-front infrastructure development.
- All parties to investigate existing models of infrastructure delivery co-ordination within the UK to support development plan action programmes.

Priority 2: Implementing the Reformed Planning System

4.12 In our consideration of a number of stalled housing developments, we have seen a need for greater leadership to drive development forward and significant scope for more effective co-ordination and communication between developers, Local Authorities and other relevant partners.

4.13 The reform of the planning system introduced by the Planning etc. (Scotland) Act 2006, and furthered by "*Delivering Planning Reform*", may address many of the issues highlighted in our work. These include: more up-to-date development plans which provide greater certainty; proportionate demands on developers, focused on matters of greatest significance; submission of improved planning applications to speed up public sector response times; streamlined statutory consultation processes by Scottish Government agencies that focus on matters of genuine national interest; and greater understanding and co-operation across the public and private sector. In addition, the major revisions which the Scottish Government has introduced to the housing and planning delivery framework - the revised SPP 3, new Local Housing Strategy Guidance and guidance on identifying housing need and demand - will also make a significant contribution to ensuring that enough new housing of the right type and in the right place is delivered to meet need and demand.

4.14 Planning reform also includes changes to measures designed to engage communities and involve them meaningfully in the planning system. We are clear that all parties involved in delivering new development have a responsibility to assist the wider public's understanding and acceptance of the need for development and its potential benefits.

4.15 The critical issue will be to ensure that these commitments lead to real changes in the planning process and contribute to speedier delivery of housing across Scotland. Local Authorities have a key role to play in delivering that change.

4.16 In view of that, the **Task Force calls on:**

- Local Authority political and executive leadership to ensure that efforts to modernise the planning system result in:
 - improvements to the efficiency and effectiveness of their planning processes, including up-to-date development plans and faster and smoother processing of planning applications; and
 - the implementation of the new housing and planning delivery framework embodied in the new SPP 3, Housing Need and Demand guidance and local housing strategy guidance.
- The Scottish Government, Local Authorities, developers, public sector agencies, and other relevant parties to work together to ensure that the planning modernisation package - including the commitments announced in *Delivering Planning Reform* - results in genuine improvements to the planning process.
- Everyone involved in building new homes and communities to assist the wider public's understanding and acceptance of the need for development and its potential benefits.

Priority 3: Capacity in the House Building Sector

4.17 To support an increase in housing supply in the years ahead it will be important to ensure that the present downturn on employment does not result in long-term constraints to the sector's capacity. That will demand action both to help those who lose their jobs in the current downturn, and to ensure that a steady supply of new employees is available to enter the sector. In addition, it will require a much more detailed understanding of the specific skills and training requirements of the house building sector.

4.18 In that context, we very much welcome the Scottish Government's announced support for an additional one-thousand Modern Apprenticeship opportunities in the construction and engineering sectors this year, and the recognition of the economic importance of these industries to Scotland. In addition, following the commitment set out in the Scottish Government's Skills Strategy, we also support the introduction of Modern Apprenticeships at level 2, which has enabled Construction Skills to develop

one of the first level 2 Modern Apprenticeship Frameworks in Scotland. This will enable the sector to ensure that appropriate qualifications are available for a wider range of employees.

4.19 Construction Skills will play a significant role in the sector's future success, given its responsibility for identifying and articulating employer's skills needs, producing robust labour market intelligence, engaging with employers on learning, and working in partnership with Government and other key bodies in Scotland. Developers will also need to ensure that their recruitment and training practices are focused on the needs of the future.

4.20 The **Task Force therefore calls on:**

- The house building sector, its professional bodies, central and local government and relevant agencies to work together in support of a vibrant and diverse industry, including through support for skills development, the development of graduate entry programmes, management development and the promotion of careers at all levels in construction.
- **Construction Skills** to:
 - Undertake a detailed analysis of the house building sector's skills and training requirements in order to help assess its ability to make a swift return to full capacity.
 - Keep track of the individuals leaving the industry due to diminishing workloads or redundancy and maintain contacts to enable efforts to be made to attract them back into the sector once the market has recovered.
 - Consider new models for apprenticeship programmes, including expanding college training programmes and alternative routes to the 4 year MA framework.

Priority 4: Public Sector Land

4.21 Release of surplus public sector land can support the provision of effective land for housing within a framework of good financial management and public accountability. In order to make the most effective and appropriate use of this resource, including for housing, and avoid incurring any unnecessary costs, the Task Force believes that there is a need for greater co-ordination between all public agencies. The Task Force notes that the Scottish Government is developing a set of regulations that will relax the requirement on Local Authorities to seek Ministerial approval before disposal of land at less than best consideration and allow Local Authorities to take those decisions locally, subject to certain requirements having been met. The **Task Force therefore calls on:**

- Scottish Government and Local Authorities to give further consideration to how the sale of surplus public sector land can comply with Best Value requirements in support of wider policy aims on provision of housing and sustainable economic growth, in order to avoid conflict between Local Authority and other public agencies' land sale policies.
- All public sector agencies to investigate mechanisms to share information on the release of surplus public sector land, with the Scottish Government and Local Authorities exploring ways to begin this process.

Other Recommendations

4.22 In addition to these priority recommendations, the members of the **Task Force have agreed further recommendations for action**, as summarised below:

- The Scottish Government should take steps to improve the processing of Compulsory Purchase Orders (CPOs) to ensure that they are used as efficiently and effectively as possible. In doing so, the Scottish Government should consider with all relevant stakeholders any barriers and concerns about their usage.
- In view of the valuable work undertaken by housing enablers in rural Scotland and the benefits that the Highland Housing Alliance has delivered, Local Authorities should consider whether there is scope to provide enhanced support for enabling activity in their area or to establish a Housing Alliance or Landbanking Fund, with appropriate financial support.

5. NEXT STEPS

This report has set out a number of recommendations which the members of the Housing Supply Task Force see as necessary to remove key blockages that stand in the way of increased supply and the quick and smooth delivery of well-designed, well-planned housing of the right type in the right locations.

Looking ahead, we have a shared determination to ensure that our recommendations are taken forward quickly, and result in genuine change and improvements to Scotland's housing and planning systems. As representatives of the organisations asked to deliver that change, we have committed to hold each other to account to help ensure progress.

In our work to date, we have focused on the immediate Scottish response to the economic downturn and on the blockages that stand in the way of increased housing supply, and we will continue to do so. We believe that it is now time to think in more detail about the potential impact of the ongoing downturn on the future shape and nature of Scotland's housing market, and the innovation that might be needed in response to that.

We therefore see an ongoing need for the Task Force to continue, with a new remit focused on these areas.