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### **Scottish Property Federation on Guidance Notes (Managing Change in the Historic Environment)**

1. We welcome this opportunity to comment on the Managing Change in the Historic Environment Guidance Notes consultation. We are happy for our comments to be made public and shared between central government departments.
2. The Scottish Property Federation is a representative body for the Scottish commercial property industry and speaks for over 100 corporate members. Included within our membership are commercial property developers, landlords and managers, fund managers, property owners and long term investors in both commercial and residential property. We are an integral part of the UK-wide British Property Federation which represents most of the UK's largest property investors, developers and professional industry advisers.
3. According to research published at the end of 2007 the commercial property industry in Scotland was worth some 8.5% of gross value added to the Scottish economy, representing some £7.34bn in 2005.<sup>1</sup> Since the onset of the credit crunch in late 2007 the economic output of the sector has been significantly impaired leading to a fall of some 40% in the value of new construction orders by the commercial property industry in Scotland from 2007 to 2008<sup>2</sup>. Commercial property values in Scotland are also estimated to have fallen by some 40% since their peak in mid-2007<sup>3</sup>.
4. The SHEP series document identifies that in Scotland some £492mn has been contributed by private investment in recent years towards the maintenance and repair of

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<sup>1</sup> GVA Grimley: the role and contribution of commercial property in the Scottish economy, commissioned by the Scottish Property Federation (2007)

<sup>2</sup> Annual Construction statistics, UK Department for Business, Enterprise & Regulatory Reform (2009)

<sup>3</sup> Jones Lang La Salle (December 2008)

the historic environment. The private sector is therefore a key contributor towards the protection, preservation and reuse of the historic built environment. The role of the private sector is indeed well recognised by the Scottish Government, as demonstrated by the paragraph below:

‘Scottish Ministers recognise that investment in the fabric and management of Scotland’s historic environment is needed to meet the objectives they have set for its care, protection and enhancement, and for increasing public appreciation and enjoyment. Investment will also ensure that the historic environment is maintained as an irreplaceable asset that makes a major contribution to Scotland’s economic, social and cultural well-being. Ministers are committed to promoting high-quality standards of repair, maintenance, and conservation and the sympathetic re-use of heritage assets where this is appropriate.’ (SHEP series, Scottish Government, October 2008).

### **Key points**

5. SPF supports the view that the historic built environment has a key role to play in the economy and in place-making – the evidence of the HEACS report clearly demonstrates this. In most cases, we firmly believe that the best way to maintain historic properties is through their effective retention as properties in use. This can be helped by an efficient listed building consent and planning application process that will support developers seeking to bring historic properties up-to-date or back into use, including alternative uses that make the property once again economically viable. We understand the intention of Ministers to preserve the best of the past but difficult questions will occasionally need to be made regarding the continued existence of some buildings.
6. We recognise that early engagement with Historic Scotland and local authorities is a key issue and one for the private sector to play its role in. This process could be greatly aided by agreements on timescales which will benefit both parties through providing certainty of decision-making and thence of the timing of the outcome of planning and listed building consent related proposals.
7. Concern continues to be expressed by our members in relation to the management of conservation areas. Information on conservation areas appears to be limited yet their impact on potential development opportunities can be significant.
8. Our members do however question whether the current historic environment planning system acts to stifle the better use of dormant listed buildings, rather than actually encourage the reuse of listed buildings. One question that has specifically arisen is whether Historic Scotland should devote its resources to Category A listed buildings and to let local authorities take the lead on category B and C sites? This might be particularly appropriate where large city planning authorities will often have significant expertise in listed buildings. Should an applicant wish to appeal against the decision of the local authority on an application involving B or C category buildings then this might be where Historic Scotland expertise could come in to mediate, to advise and to provide an authoritative view. Such a practical process of using public resources could aid Historic Scotland in terms of managing the demand upon its own resources as well.

## **Consultation questions**

### **Background**

9. The SPF is a trade association representing the property industry in Scotland as explained in our opening paragraphs.

### **Layout and Content of Guidance Notes**

10. The guidance notes are presented in a consistent manner with helpful photo examples of the points made together with appropriate references for professional advisers, property owners and developers. The text offers useful direction on the desired approach to the historic environment which is helpful to the private sector. Some grey areas remain – for example what is seen as a reasonable period to market at an appropriate price a listed building considered for demolition? Perhaps some further links to the relevant VAT notices on the HMRC website (plus other contact details) to cover potential VAT issues would also be helpful at the appropriate points in the Guidance Notes too.

### **Future Guidance Notes**

11. We have not had so much feedback on additional Guidance Notes for a future expanded series and we may consult further with members on this area and feedback to Historic Scotland in due course. Some regular issues that often come up include conservation area management and VAT issues and the proposed government Bill on the Historic Environment would also suggest a need for an expanded Guidance Note series in the relatively near future.
12. We would be pleased to elaborate on our views at your convenience.

Kind regards

**David Melhuish**  
**Director**  
**Scottish Property Federation**

