

LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

Wednesday 21 January 2009

Session 3

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LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

2nd Meeting 2009, Session 3

CONVENER

*Duncan McNeil (Greenock and Inverclyde) (Lab)

DEPUTY CONVENER

*Alasdair Allan (Western Isles) (SNP)

COMMITTEE MEMBERS

*Bob Doris (Glasgow) (SNP)

*Patricia Ferguson (Glasgow Maryhill) (Lab)

*David McLetchie (Edinburgh Pentlands) (Con)

*Mary Mulligan (Linlithgow) (Lab)

*Jim Tolson (Dunfermline West) (LD)

*John Wilson (Central Scotland) (SNP)

COMMITTEE SUBSTITUTES

Brian Adam (Aberdeen North) (SNP)

Paul Martin (Glasgow Springburn) (Lab)

Alison McInnes (North East Scotland) (LD)

Margaret Mitchell (Central Scotland) (Con)

*attended

THE FOLLOWING GAVE EVIDENCE:

Jim Mackinnon (Scottish Government Directorate for the Built Environment)

Stewart Maxwell (Minister for Communities and Sport)

Stewart Stevenson (Minister for Transport, Infrastructure and Climate Change)

CLERK TO THE COMMITTEE

Susan Duffy

SENIOR ASSISTANT CLERK

David McLaren

ASSISTANT CLERK

Ian Cowan

LOCATION

Committee Room 6

Scottish Parliament

Local Government and Communities Committee

Wednesday 21 January 2009

[THE CONVENER *opened the meeting at 10:03*]

Subordinate Legislation

Private Landlord Registration (Modification) (Scotland) Order 2009 (Draft)

The Convener (Duncan McNeil): Good morning, and welcome to the second meeting in 2009 of the Local Government and Communities Committee. I ask members and the public to turn off all mobile phones and BlackBerrys.

Under agenda item 1, we will take evidence from the Minister for Communities and Sport and his officials on the draft Private Landlord Registration (Modification) (Scotland) Order 2009. The minister and the officials may speak and respond to members' questions during item 1. The Subordinate Legislation Committee drew the order to our attention in relation to lack of clarity over the nature and extent of ownership. I welcome the minister and his officials, and offer them the opportunity to make any introductory remarks.

The Minister for Communities and Sport (Stewart Maxwell): Private landlord registration is a key strand of the Scottish Government's wider policy framework for the private rented sector. It is designed to increase standards of management and property condition across the sector and, by doing so, to reinforce the positive contribution that the sector makes to meeting housing need in Scotland.

As we made clear in our document "Firm Foundations: The Future of Housing in Scotland", we want the private rented sector to play a greater role in meeting housing need. Landlord registration is key to that aim in a number of ways. Successful mandatory registration helps local authorities to improve their local housing strategies by filling the gaps in their knowledge of how many privately rented properties are in their area and where those properties are located. That leads to more relevant and effective local policies to improve, regulate and support the contribution that the sector makes to local economies and local housing markets.

Registration is an important tool in raising standards in the private rented sector. We recognise that the majority of landlords operate

lawfully, but a minority of landlords still do not. Mandatory registration gives local authorities the power to remove that minority of landlords from the sector, and it provides tenants with an assurance that their landlord is a fit and proper person to let property.

Since April 2006, there have been more than 133,000 applications for registration, and more than 187,000 properties were contained within those applications. The approval rate now sits at 86 per cent, which is a significant increase from a rate of only 15 per cent in May 2007. Over the past year, there have been improvements to the delivery of the scheme. A good practice review of delivery was undertaken last year, and the recommendations from that review have been implemented by local authorities. Significant improvements have been made to the information technology system through a series of developments, and local authorities have begun to take forward work to enforce the scheme.

The package of amended regulations that has been laid before the Parliament is designed to build on those improvements. The amendments are designed to streamline the delivery of the scheme, making it more effective and efficient, and to prepare for the start of the application renewal process in March 2009. I understand that the convention is to speak only to affirmative instruments, but as the committee will also consider the two amended negative instruments on landlord registration today, I thought that it would be helpful if I were to speak to all three.

The modification order provides a six-month exemption from registration for insolvency practitioners, who are not already exempt from registration if, for example, they are appointed under the auspices of the Accountant in Bankruptcy. The inclusion of that exemption corrects an omission in the original legislation, which provided a six-month exemption for executors and heritable creditors, but not for private insolvency practitioners. The amendment will ensure that the legislation is consistent in its treatment of transitory ownership.

The current fee and discount structure has been complex to administer and has resulted in delays in the processing of applications. The amendment regulations are designed to simplify the structure, which will in turn increase the efficiency of local implementation. They will reduce the administrative burden on local authorities and benefit landlords and agencies, which should experience a reduction in bureaucracy and quicker processing times.

The advice and assistance amendment regulations place a duty on local authorities to provide general advice on letting practice and landlord registration to tenants and prospective

tenants when they approach a local authority with an inquiry. That extends the current duty on local authorities to provide advice and assistance to tenants in cases where their landlord is refused registration or is deregistered, or when a rent penalty notice is served. I am aware that many local authorities already provide general advice to tenants on a broad range of subjects and view that as standard practice. The regulations put that on a statutory footing to ensure that all tenants benefit.

The amended regulations were prepared in the light of a full public consultation, which was informed by an independent review of the legislation that underpins the scheme. A regulatory impact assessment has been prepared in support of the amendments. That demonstrates that the overall financial impact of the changes on landlords and local authorities is anticipated to be broadly cost neutral. I do not intend to revisit the policy principles behind landlord registration—those principles have already been widely consulted on and agreed by the Scottish Parliament, and I have committed to a full evaluation of the scheme in 2010. The amendments to the regulations are about improving the efficiency of the scheme and ensuring that the service that local authorities provide is streamlined and effective.

David McLetchie (Edinburgh Pentlands)

(Con): Good morning, minister. Are you satisfied that the period of six months for which registration is deferred is sufficient for a trustee in bankruptcy to complete the process of vesting his interim or transitory title to the property into the hands of a third party, whether that is a purchaser or some other party? In other words, is it sufficient time to complete the process, as far as the rented property is concerned, of administration of the bankrupt's estate?

Stewart Maxwell: Yes, I am satisfied. As far as I am aware, no incidents have been brought to our attention in which that has caused any difficulties. The exemption that we are introducing will bring insolvency practitioners into line with the other categories that are exempt for a six-month period. If people have transitory ownership for more than six months, it is reasonable to assume that that is not quite as transitory as the legislation originally intended, and that people should register. Six months is a reasonable period in which to complete the business in hand and, unless Mr McLetchie has any particular problems in mind, I am not aware that we have received any complaints about that.

David McLetchie: I am slightly surprised that six months is thought to be sufficient, since any bankruptcy with which I have had dealings—not my own, I hasten to add—suggests that the administration process can take a good deal

longer than six months. The executor of a deceased person does not have to render an account to HM Revenue and Customs in respect of the deceased's estate—an integral part of the confirmation process—until six months have elapsed after the death. In other words, in the case of a deceased person, often the executor will not have even a transitory title until more than six months have elapsed since the death. That leads me to question whether a period of six months is adequate for the purpose of executors and trustees in bankruptcy. If you believe in the principle of an exemption for transitory ownership, would it not be more appropriate for that exemption to apply for, say, a year? That would be a more normal timescale within which an executor would obtain title.

Stewart Maxwell: We have consulted widely on the proposed changes and we did not receive any feedback that that is an issue for the category that you mention. Given that we have just held that consultation and that people were able to provide information or to comment, I am not sure that there is an issue around what you have described. In the responses, there was 69 per cent agreement that the change should be made for insolvency practitioners. We did not get any feedback that the six-month period would be problematic.

David McLetchie: Is there anything in the legislation to prevent people from voluntarily registering as insolvency practitioners or executors in that six-month period?

Stewart Maxwell: No.

David McLetchie: In effect, if people thought that they might hold the asset for much longer than six months because of the process of liquidation, bankruptcy or administration of the estate, they could come along and say that they are likely to be landed with the landlord role for the property earlier, so they will just register now and get that administrative process out of the way. Is that right?

Stewart Maxwell: Yes, they could.

Mary Mulligan (Linlithgow) (Lab): Convener, are we asking questions on all the instruments at this stage?

The Convener: No. The minister made some comments on the negative instruments, but we will deal with them at the appropriate time.

As there are no further questions, we move to the debate on the motion under agenda item 2. Officials will remain at the table, but only the minister may speak during the debate. I invite the minister to move the motion.

Motion moved,

That the Local Government and Communities Committee recommends that the draft Private Landlord Registration (Modification) (Scotland) Order 2009 be approved.—
[*Stewart Maxwell.*]

Motion agreed to.

Private Landlord Registration (Advice and Assistance) (Scotland) Amendment Regulations 2008 (SSI 2008/402)

Private Landlord Registration (Information and Fees) (Scotland) Amendment Regulations 2008 (SSI 2008/403)

10:15

The Convener: Agenda item 3 is consideration of two negative Scottish statutory instruments, to which the minister referred as they are linked to the affirmative instrument that we have just considered. Do members have any questions?

Mary Mulligan: I seek clarification on fees. If a landlord applies to the scheme but is refused registration, does a period of time have to elapse before he or she can reapply? If so, do they have to pay a fee when they reapply? What is that fee?

Stewart Maxwell: Yes, there is a time lag. They cannot reapply for a period of 12 months.

Mary Mulligan: Do they then have to pay the fee again?

Stewart Maxwell: Yes.

Bob Doris (Glasgow) (SNP): Private landlords pay a fee of £11 per property; I think that that is quite a small amount, although I am not suggesting that it should be more. Might the minister think about increasing that fee in the future and using the money for other purposes in regulating the sector?

Stewart Maxwell: The registration fee is higher than that—it is £55—and there is an individual property fee beyond that. We keep those fees under review and the expectation is that the scheme, overall, will be self-financing. It is clear, from the evidence that we have received so far, that it remains the expectation that local authorities' income from the scheme will cover—and possibly more than cover—the administration costs of the scheme. No cost will be incurred to the public purse as a result of the scheme.

It would be difficult to argue that we should gain extra income for local authorities beyond what is required to pay for the administration of the scheme. Nevertheless, I understand what you are saying. Local authorities must have the resources to do the work properly, and we hope that that is already the case in many areas under the current fees structure.

The Convener: There are no further questions. Do members agree that we do not wish to make any recommendation in relation to SSI 2008/402 and SSI 2008/403?

Members indicated agreement.

The Convener: I thank the minister and his officials for their attendance. I suspend the meeting—[*Interruption.*] Oh, yes—we have another item to consider. However, the minister can go. I was too anxious to get my coffee.

Local Government (Allowances and Expenses) (Scotland) Amendment Regulations 2008 (SSI 2008/414)

Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2008 (SSI 2008/415)

The Convener: Agenda item 4 is consideration of two further negative instruments.

John Wilson (Central Scotland) (SNP): I wish to make a declaration of interests in relation to the issues that are covered by the regulations before us. I am an elected member of a local authority, for which I receive no allowances, expenses or remuneration. However, I receive an in-kind contribution towards the cost of a mobile phone, which is noted in my declaration of interests.

The Convener: Thank you, John. Do members agree that we do not wish to make any recommendation in relation to SSI 2008/414 and SSI 2008/415??

Members indicated agreement.

The Convener: I suspend the meeting for a short period until the Minister for Transport, Infrastructure and Climate Change is available. He might be here before 11 o'clock, but we have time for a coffee before he arrives.

10:20

Meeting suspended.

11:00

On resuming—

National Planning Framework

The Convener: Agenda item 5 is our final evidence session on national planning framework 2. I welcome our witnesses: Stewart Stevenson is the Minister for Transport, Infrastructure and Climate Change and Jim Mackinnon is the Scottish Government's chief planner.

I invite the minister to make some introductory remarks if he wishes to do so.

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): Thank you very much, convener. I am grateful to the committee for giving me the opportunity to discuss the proposed national planning framework.

As members know, NPF 2 is wide ranging: it sets out our ambitions for the long-term development of Scotland and is a key part of the modernised planning system. It provides the national context for development plans and planning decisions and for informing the on-going programmes of Government, public agencies and local authorities. It sets out a long-term strategy to 2030 to 2035 and incorporates elements of Government policy that have a spatial dimension.

We have consulted widely over the past 18 months—the NPF that has been laid before Parliament reflects that process and the proposals have been improved in the light of responses to the discussion draft. The strategy and the national developments in the proposed NPF have one common aim, which is to increase sustainable economic growth.

I am grateful to the committee for holding this evidence session and am happy to answer members' questions.

Alasdair Allan (Western Isles) (SNP): Obviously, the consultation's subject matter does not lend itself to easy comprehension. Are you satisfied that the consultation engaged people as widely as possible?

Stewart Stevenson: Alasdair Allan has put his finger on something that is true: people become most engaged with the planning process when a proposal affects their local interests, which is why we sought as much engagement on spatial planning as possible over quite a long time, with a very distant horizon. We have produced an awareness-raising leaflet, which has gone to libraries throughout Scotland, a series of newsletters—eight have been produced so far—and we have issued e-news to more than 7,000 users of planning services.

On feedback, we have held six regional seminars and 104 bilateral meetings, there has been an advisory group of individuals, and 283 formal responses were submitted in the consultation. Community councils and individuals represented one of the largest proportions of responders to the consultation—a roughly similar-sized response came from industry and business organisations. Therefore, we have probably done everything that we reasonably could have done, and we are quite pleased with the outcomes.

Alasdair Allan: You mentioned community councils and community organisations. What was the overall flavour of their submissions? Were they more to do with national priorities or local issues?

Stewart Stevenson: There is not an entirely straight answer to that question. There was a mix of submissions on both national priorities and local issues—some respondents did not quite understand that the NPF is not about local issues, but about national spatial planning, and that it exists in a hierarchy of other plans, which are the responsibility of local government.

That said, the responses focused by and large on long-term goals and spatial planning. The strategic environmental assessment that we undertook on the back of the original publication looked at something like 59 projects. Clearly, interest was expressed in a wide range of projects. At the end of the day, however, we focused on a much smaller number of nationally important projects.

Alasdair Allan: I understand that Clare Symonds has published a critique of the consultation exercise. Has the Government considered that critique or responded to it?

Stewart Stevenson: That critique is based on the views of 11 people, which is not to say that it should be disregarded—that is not the case at all. Our feedback suggests that we have been very successful. Of course, we will read the critique again. As a minister, I have looked at it briefly.

My view is, however, that we have done better than we might reasonably have expected to do at the outset. Indeed, in its submission, the Green group on the City of Edinburgh Council welcomed the publication of NPF 2 and commended the Scottish Government for the considerable efforts that it had made in engaging with key stakeholders—I beg your pardon, I have misled the committee in saying that the submission was from the Green group on the City of Edinburgh Council; the submission was from the City of Edinburgh Council—

David McLetchie: All of them?

Stewart Stevenson: I am sorry?

The Convener: I will give David McLetchie an opportunity to put that question later.

Jim Tolson (Dunfermline West) (LD): The framework document places significant focus on container traffic. I am reasonably familiar with the facilities at Grangemouth and there is a reasonable need there for infrastructure development, including improved motorway connections. However, the document also makes mention of Hunterston, Scapa Flow and Rosyth. What infrastructure improvements are required in order to progress some of, or all, those projects? Will funding come from private or public sources, or a mix of the two? What significant growth in container traffic does the Government believe there will be—if, indeed, there is to be significant growth—to enable the viability of some of, or all, those projects?

Stewart Stevenson: That is a good question. It is worth while saying at the outset that NPF 2 is a planning document—it is not about who owns the projects. I will take one—Scapa Flow—of the examples that Jim Tolson cited. At this stage, it looks as if that will be an entirely private-sector funded project. That said, we will find out what Government involvement there might be as we move forward. The framework document is also not a funding document or a commitment by Government to do anything. Clearly, infrastructure issues are involved in many of the projects that it sets out. For example, rail and road connections are involved in respect of Rosyth. The member referred to Grangemouth and the need for improved road connections there. The strategic transport projects review includes a shorter timescale in that regard.

Government investment will be made. At the end of the day, however, those who wish to develop such projects can engage with Government and the appropriate local authority in the usual way. For major projects that require potential input from the public purse to make infrastructure improvements, the normal course is for developers to make a substantial—or, in some cases, total—contribution. Individual cases will have to be looked at as we reach them.

Jim Tolson: I appreciate that, minister. The last point in my question was on growth in container traffic. I understand that we presently handle approximately a quarter of a million container units a year and that a four-fold increase is projected for the next 10 to 15 years. Is the estimate of 1 million container transits a year the kind of figure that the Scottish Government is working on?

Stewart Stevenson: Scapa Flow, which is different in character from other Scottish ports, is envisaged as an interchange hub for long-haul traffic where goods are offloaded from very large vessels on to smaller vessels for distribution

around Europe. The geographic location of Scapa Flow coupled with its deep and protected waters create a tremendous opportunity for such a hub. Very little of the traffic will necessarily be Scottish traffic. It will be traffic transiting through a facility in Scotland, which creates an economic opportunity for us, especially for Orkney. Much of the traffic will be going elsewhere, and one can envisage—subject to Westminster's responsibilities—goods coming into Scapa Flow not having to clear customs, because they will do so at their ultimate destination. There is a step change in what is actually going on, not just a growth in the amount of existing traffic. That applies to Scapa Flow in particular.

Grangemouth, Rosyth and Hunterston could be said to be more traditional ports. The important thing is to determine for what level we should make provision, and making provision for substantially more containers than we currently deal with is an important part of what we are trying to do. We are attempting to create an economic opportunity by entering an entirely new market. The alternative is for such a port—if it is to be in the United Kingdom at all—to be in the English Channel, although it is, of course, one of the most congested shipping lanes in the world. With good will, and with its inclusion in the national planning framework, Scapa Flow could well end up being a winner. It is our job to ensure that it is at the races.

Jim Tolson: I appreciate that answer, minister—

The Convener: We will have an opportunity to discuss some of the national developments later. Some members want to ask questions about the process and the consultation. We have received considerable written and oral evidence on the matter.

Patricia Ferguson (Glasgow Maryhill) (Lab): Good morning, minister. I realise that this is a difficult thing to ask about, but has there been any attempt to consult specifically on developments that were not included in the original discussion draft of the NPF, but which ended up being in the final document?

Jim Mackinnon (Scottish Government Directorate for the Built Environment): Are you talking about the national developments?

Patricia Ferguson: Yes.

Jim Mackinnon: We did a strategic environmental assessment of all the national developments, and we consulted on them from the late summer of last year onwards, before we laid the NPF document before Parliament. They were available for consultation and for people to comment on them.

Patricia Ferguson: That is helpful. A number of witnesses have suggested that the language of the document is a little bit impenetrable. It is a strategic document and so must be couched in fairly technical language, but it has been suggested to us that the language could be a little bit clearer, and that an executive summary might have helped people to get to the meat of the document, without having to go through all the preamble and the explanation. I do not know whether the Government has been considering that—perhaps it has already done so and has discarded the idea. I would be interested to hear your thoughts, minister.

Stewart Stevenson: There is always a danger in condensing such a large amount of material—which there was before we got to the quite modest size of document that is now before us. We have sought to include a substantial number of diagrams and maps, which give context to our thinking and to the various things that we are doing. I am looking at one now, showing “Transmission System Reinforcements”. I find NPF 2 to be a rattling good read—[*Laughter.*] I see that Mr McLetchie has been similarly enthralled.

We will always be happy to consider comments about language and presentation and to learn from them. It would probably be helpful if committee members and others were able to identify for us any specific areas that we might look at again. I absolutely accept the real danger that if we get too close to something we cease to understand the point. I do not happen to think that NPF 2 particularly creates that difficulty, but we always want to learn from the experience of any document we publish.

11:15

Jim Mackinnon: The point about the importance of planning documents being accessible is valid, and we have aimed to ensure that that is the case. A number of people have commented on the fact that the volume of material in the final version that has been laid before Parliament is substantially less than was in the initial discussion draft. We also produced easy-read leaflets and newsletters and, when we produced the strategic environmental assessment—which is a complicated technical document—we also published an easy-read guide to enable people to understand the complexities that are associated with strategic environmental assessment. I would not go so far as to say that it is a cracking good read—it is not likely to knock J K Rowling off the bestseller list—but, for a planning document, it is remarkably free of jargon.

The Convener: Did you have an opportunity to read the *Official Report* of last week’s meeting of the committee?

Jim Mackinnon: Yes.

The Convener: You will be aware, in that case, that professionals—not a layperson representing 11 people—told us that it is a difficult read. The critique that was referred to earlier has been to an extent supported by professional people in the front line. That increased the committee’s interest in the issue.

David McLetchie: The last time I came across such “a rattling good read”, it was the telephone directory.

Last week, we discussed “National Planning Framework for Scotland 2: Assessment Matrix of Candidate National Developments Against the National Development Criteria”, which the Government published at the start of the year. That document examined the various proposals that had been considered for inclusion as national developments in the planning framework. They were assessed by reference to the criteria that the Cabinet Secretary for Finance and Sustainable Growth set out in his statement to Parliament. That was a useful summary of, and commentary on, why certain proposals had not appeared in the final document.

In response to questions that we asked last week, however, we were told that it might have helped our understanding of, and participation in, the process if that explanation of why certain things were in or out had been published earlier. There was a suggestion that, although the process got off to a good start—which is generally accepted to be the case—it started to run out of steam once people had to grapple with huge projects that might not have had the local connection that you identified in your opening remarks. When we come to NPF 3, do you think that it might be appropriate to publish such a matrix document earlier in the process?

Stewart Stevenson: The matrix has been useful, and I absolutely accept that we should learn lessons from every exercise that we undertake. However, I would be cautious about imagining that one can distil the process down to create a document that does not require some effort on the part of the reader. Clearly, a document that deals with complex subjects over a long timeframe will be adult’s reading. However, our objective is to make it accessible to the non-professional and the non-specialist. That is the test that we should apply.

Not everyone is comfortable with tables, although they allow people to take a quick look at a particular facet. The difficulty is that the planning framework cannot simply be reduced to tables, as we need to consider the relationships between all of the projects—because of the issue of spatial planning—as well as the individual projects.

David McLetchie: Would it be appropriate to try to ensure that there are different levels of accessibility? Some of the professionals who gave evidence last week suggested that publication of the information to which I referred would help them to gain a broader understanding of the process by which projects are selected. Although I take your point that that volume of information might not be appropriate for public consumption, I wonder whether it would be useful for professional consumption, in order to inform debate. Should there be dual criteria with regard to the information that you publish? It will all be made public, but there might be a simplified version to encourage wider public consultation, and a more detailed explanation for the professionals, planning departments, representative bodies and so on.

Stewart Stevenson: Those points are perfectly fair, but we have already produced information at different levels. I have, for example, referred to the awareness-raising leaflet and the series of newsletters that were designed to draw in people for greater engagement. To make more of it, they would have to engage at a different level.

If I understand Mr McLetchie correctly, the important point is that we do not create barriers to people becoming engaged early on. He has also pointed out that, as information gets condensed, detail that the professionals will want to access will be excluded. However, we have established a very open process and professionals can always tell us about details that have been excluded from what is now—given its significance—a relatively slim document. I would not say that we are, as a result, making things secret. The detail might not be in the document, but it is not necessarily secret.

The Convener: At last week's evidence session, Bob Stewart of the Scottish Society of Directors of Planning complained quite loudly about the terms of the consultation, particularly with regard to the debriefing. He did not understand why, for example, certain plans that his organisation had suggested had not been included in the framework, and claimed that he had not received any explanation or follow-up.

Jim Mackinnon: I find that quite extraordinary. It is very important that we do not see the process for drawing up the national planning framework, the various publications and the approach to engagement simply as a series of documents. The several engagements that we held across Scotland comprised not only presentations on the NPF but detailed seminars with all participants. Any director of planning can contact me at any point. We enjoy a very open and accessible relationship with councils and other stakeholders in Scotland. As I said, I find Bob Stewart's comments to be extraordinary and I am really not sure what specific developments he was referring to.

Bob Doris: I am a bit confused about how extensive the consultation was. On the one hand, Planning Aid for Scotland has praised it, saying that it wishes

"to commend the efforts made to engage harder-to-reach and diverse sections of society in the discussion of the overall vision."

However, I contrast that with what Clare Symonds said in her submission. Both views cannot be true at the same time, and I suspect that the truth probably lies somewhere in between. Does the Government intend to provide a more meaningful response to Clare Symonds's report?

Stewart Stevenson: I am not sure that Clare Symonds has delivered the report to us for comment, but we will certainly take account of what it says. That said, we are talking about a very limited number of people from what was, I believe, a single event. I am getting a nod from the chief planner, so I must be correct. That does not invalidate what those individuals said but, on balance, I would certainly want to listen to the comments of, in particular, Planning Aid for Scotland, which acts as a bridge between the general public and the planning system's complexities. It said—and I paraphrase—"The consultation was pretty good".

As I have said, I am not discounting the analysis that you mentioned, and we would certainly seek to take it on board. However, I take considerable heart from Planning Aid for Scotland's view that we tried to reach people who do not usually take any interest in planning.

Bob Doris: You mentioned a bridge between the planners, the national planning framework and those who struggle with the complexities of the planning process and you said that Planning Aid for Scotland can provide such a bridge. I asked last week whether local authorities could have a greater role to play. Although local authorities respond directly in terms of the national planning framework, they perhaps know their local groups and local communities better than national Government and national civil servants do. Will you consider ways to enhance the role of local authorities in consultation at local level in order that individual local groups can respond directly to future national planning frameworks?

Stewart Stevenson: In seeking to engage every community council in Scotland, we went even further. Community councils come in all shapes and sizes, and are involved in different degrees of activity. There is willingness on the part of officials and the Administration to reach as many people as possible and, furthermore, to help those people to reach others. A community council represents its community, so by consulting it we are not consulting only the dozen people who might be on the community council. We hope that those people

represent, in their diversity, the views of the community that they represent. It is a multilevel thing—undoubtedly we will consider what has happened and seek to learn from it.

Bob Doris: All credit to the Government for doing that, but if local authorities used their local contacts and engaged the community councils, would not that have a more meaningful impact on local communities in terms of their responses to the national planning framework?

Stewart Stevenson: It is not for me to tell local councils how they should do things. I would be reluctant to suggest that we should supplant our seeking to engage directly with community councils with a path that would go through the local authority. There may, of course, be room for both approaches. Local authorities have resources that they could bring to community councils that would be of value to those councils. However, we are absolutely open-minded.

Bob Doris: There might be room for partnership working.

I have one final question. I think that the convener mentioned Moray Council. Although I do not think that the council said that it did not have quality input into the national planning framework, it found that ministers and civil servants were not receptive to discussions: that issue arose post-publication. The council perhaps felt that its aspirations were not reflected in the national planning framework. There was reference to one or two lines in the matrix. I could be wrong, but I think that the point that Moray Council was making was that although it did not expect to get into the national planning framework, once it had been unsuccessful it would have liked a meatier explanation of why. It would have liked the area's qualities and strengths to at least have been put on the public record. It felt as if the process was slightly dismissive.

Stewart Stevenson: We are happy to provide the appropriate feedback, and to work with Moray Council. I will meet the council shortly on a related issue. If the matter comes up at that meeting, I will be happy, as minister, to assist as far as I can. It may be that the council could properly raise some of the detail in interaction with officials.

Jim Mackinnon: I have been asked to speak to Moray Council next month on planning reform generally, but if the council has any issues relating to the national planning framework, I would be more than happy to address its concerns.

The Convener: Although Moray Council has been mentioned as an example, what we are examining this morning is how good or effective the consultation process has been. Bob Stewart from the council, who was here last week representing the planning directors, said:

"The process of sifting those projects has not been transparent and it is not clear how we arrived at the projects that are listed in the NPF."

He goes on to say that

"Local authorities in other parts of the country have made similar suggestions. We would just like to see a clearer picture."—[*Official Report, Local Government and Communities Committee*, 14 January 2009; c 1547.]

We are talking about a process of consultation and whether people felt that that consultation dealt with them and their concerns. There have been negative comments at all levels. I accept that a great deal of effort has been made to engage effectively, but there are few pass marks here. It could have been done better, but we have not heard the minister say that.

11:30

Stewart Stevenson: I absolutely accept that, although huge effort has been made, success should be measured not by effort but by outcomes. I also accept that some people wanted a different shape and profile for projects in the national planning framework.

I am happy to listen to any suggestions on how we can improve the process. In my role as planning minister, I regularly meet local authority planning directors at a wide range of events, and I have received some useful thanks for the way in which we addressed the framework. However, for the avoidance of doubt, I say that I am entirely happy to ensure that we learn from anyone who feels that we could do better next time—because I want us to do better next time. Our critics are our greatest friends in helping us to do better.

Jim Mackinnon: In moving from the discussion draft of the national planning framework to the framework that was presented to Parliament, we added to the list of national developments. That was done in response to pressures from various sources. I am thinking for example of Loch Ryan and of the north-east of Scotland. We listened.

All considerations relating to the assessment matrix and to strategic environmental assessment have been put into the public domain.

I repeat a point that I have made consistently. In planning, more opportunities exist for engagement, consultation and participation—whichever word you want to use—than in any other area of public policy. Participation is guaranteed by statute. We have set out our approach to participation in the participation statement, and we have responded on the extent to which we have addressed the issue.

I underline the minister's point. We are more than happy to learn any lessons that we can in order to improve our engagement with civic Scotland and improve our documents.

The Convener: Bob Stewart, a man of standing, does not agree that the process has been transparent. He agrees that some people have been listened to, and he agrees that people whose projects are not on the list will have a grievance, but he is arguing for a transparent process that allows people to know why projects have been excluded and to know how they could have been included. The list was published late and was described at our meeting last week as simply a list.

Stewart Stevenson: I will not gratuitously dismiss the remarks of someone as senior as Bob Stewart. We take them seriously and will seek to learn from them.

The Convener: Thank you.

John Wilson: Good morning, minister. I want to ask about the assessment matrix. The matrix shows a number of projects that scored positively against the criteria laid down but which did not then appear on the final list. Mr Mackinnon spoke about pressures from various sources, including Loch Ryan, and my question follows on from comments made last week. How much attention was paid to the matrix when the final list was drawn up? Have projects that scored highly in the matrix been excluded? If so, why have they been excluded?

Stewart Stevenson: I will make a couple of comments and pick up on the point about Loch Ryan. Loch Ryan is not important only to Scotland; transport links in the south-west of Scotland are important to Northern Ireland and, to some extent, the Republic of Ireland. In considering which projects to include, we are not just drawing a neat box around our own jurisdictions but considering the interests of others. Although the Loch Ryan project will, of course, be important for us, it will also be important for others. I will let Mr Mackinnon address the more detailed points on the use of the matrix.

Jim Mackinnon: As I think Mr McLetchie pointed out, it was helpful when the cabinet secretary indicated the six criteria that the Government would have regard to in identifying national developments. We assembled the list of 50-plus candidate national developments based on territorial intelligence and discussions with and responses from various people. We identified them in a range of ways.

We assessed the developments against the matrix, and there was significant input from the strategic environmental assessment. We had to judge what was meant by designation as a national development. For example, pressure has been put on us to add Ravenscraig and the waterfront development in Edinburgh to the list of national developments, but the associated

planning issues have been dealt with, in the sense that planning permission has already been granted. Ultimately, a degree of judgment is needed, and ministers were very keen to get over the message that we are talking about national developments rather than local or regional developments.

Mr Stevenson has talked about Scapa Flow in the context of global developments in container shipping, and about Loch Ryan, which—along with other developments such as Rosyth—has a wider European resonance. We wanted to look at national developments and to respect the role of local authorities in taking decisions for their own areas. We wanted to keep the projects at a genuinely high level—a national level—and, inevitably, a degree of judgment was involved.

We had full and frank discussions with ministers about what the list of national developments should include. People may say that we should have more national developments, and the committee may wish to suggest that we add more. If those are in the list of 50, we will certainly take that into account, but if they are not, we would have to apply some form of strategic environmental assessment as a matter of law.

John Wilson: I will follow up on the issue of projects of national importance. You referred to the international significance of the Scapa Flow project and to Northern Ireland's links with Loch Ryan. How far was the decision on whether to go ahead with the other projects on the list concerned with the national or the transnational impact, whether from a UK-wide perspective, a European-wide perspective or—as in the case of Scapa Flow—an international perspective? I refer in particular to the projects that might involve the use of public money and which might be competing with other projects elsewhere on the UK mainland.

Stewart Stevenson: It might be worth taking a look at the list of national developments, the majority of which are private sector projects. The list includes the Grangemouth freight hub, Rosyth, Loch Ryan, Scapa Flow, the power station at Hunterston and other power stations, and electricity grid reinforcements. It is quite a mix, and it is certainly not about funding. Indeed, it is not by any means the end of the planning process—it simply helps to identify important projects as priorities for national Government.

Scapa Flow is, of course, an international opportunity to create a domestic benefit. That is the important thing—we are doing it not for altruistic reasons but because we see the potential for an international shipping hub that will create economic activity in a community that needs that kind of support and whose geography makes it uniquely placed—in Scotland, and probably much further afield—to create that opportunity. If we

were to make the list substantially longer, it would dilute the effect of drawing these projects out as our priorities. I suspect that we have probably got the balance right. There are those who will see an advantage in including other projects in the national planning framework, but those projects can be pursued in other ways.

John Wilson: Although a great deal of private funding will be used to develop the projects, public money will have to be ploughed in for other matters that may arise from them. For example, the Loch Ryan port developments may require better transport and communication links. Similarly, with the Grangemouth freight hub, public money will need to be ploughed in for better transport infrastructure in the area. The projects will not come without any cost to the public purse, as there will be associated costs. What level of public funding will be made available for the other issues that may arise from the projects in the national planning framework?

Stewart Stevenson: The framework does not represent a commitment to a single penny of public funding, because it is a planning document. The funding issues will be dealt with elsewhere. However, we have sought to ensure that there is proper read-across between the framework and the strategic transport projects review. The west of Scotland strategic rail enhancements, the Forth crossing, the Grangemouth freight hub and the upgrading of the Avon gorge crossing—on which a campaign has been running since 1935—are cross-referenced. As yet, a need for public money has not been identified for the port developments in Loch Ryan, although that might emerge. I will not go through the list exhaustively; I simply make the point that we are trying to ensure that there is read-across. If public money is required to progress any of the projects, that will have to be dealt with at the appropriate point, once the details are identified. There is no intrinsic commitment in the national planning framework to a single penny of support for any of the projects. The support comes elsewhere.

Mary Mulligan: I am pleased that the A801 is at the top of your agenda, as ever, but I would be even more pleased if we ever saw some finance for it.

Clearly, we live in interesting times, economically and financially. Is NPF 2 flexible enough to respond to that? Even at this early stage, are changes to it required?

Stewart Stevenson: We have not identified any required changes that derive from what you describe as these interesting times. Almost certainly, the situation reinforces the importance of creating a framework in which major projects that could deliver significant sustainable economic growth can progress without undue impediment. In

these difficult times, it is part of the Government's philosophy to try to prepare for the good times—they will return at some point—by ensuring that we have upgraded our infrastructure and created a climate in which private capital can be deployed on infrastructure so that we can move forward. As yet, I am not aware of any suggestions about changes that we should make that derive from that source.

Mary Mulligan: The construction industry is one of the sectors that is most affected by the present circumstances. Last week, we heard evidence on NPF 2 from a representative of the Scottish Building Federation, who suggested that infrastructure, particularly water and drainage infrastructure, is not as the federation would like it to be if developments are to take place. Will you comment on that?

Stewart Stevenson: Our figures suggest that, last year, Transport Scotland contracts represented a quarter of the total value of construction industry contracts, and that Scottish Water contracts represented a further quarter. With the shrinkage in private sector contracts, it is likely that that figure has risen in the intervening period. To the extent that we have been able to, we have drawn forward contracts to provide as much certainty as we can. In water and drainage, which you mentioned, there has been mammoth investment, which means that we are well positioned. Certainly, it is Scottish Water's belief that there is not much more capacity in the construction and civil engineering industry to absorb more investment and enable more work to be done.

Like the previous Administration, this Administration is responding to the excellent work that the Victorians did on much of our water and drainage system, all of which is coming to the point at which it needs to be replaced more or less at the same time. If difficulties have been created in specific cases—such cases have not been brought to my attention in my meetings with a range of developers in industry—I would be anxious to hear about them sooner rather than later so that we can determine what response we can make.

11:45

Jim Mackinnon: Several years ago, when we met local authorities, the development industry and others, there was a strong and consistent line of criticism about lack of capacity in water and drainage. I am astonished by the extent to which that has not featured in the recent discussions that we have had across Scotland. Of course there will be examples of local problems, but I am delighted to say that Scottish Water is a party and a signatory to "Delivering Planning Reform", which

we published on 28 October, and that, along with other key Government agencies across Scotland, it is looking to engage more positively to address some of those local infrastructure issues. It is clear that the will and the desire exist, not just on the part of Scottish Water in relation to water and drainage, but right across the public sector, to help to stimulate development through investment in infrastructure locally.

Mary Mulligan: I am sure that the Scottish Building Federation will welcome your comments. We all have local examples of cases in which there have been hold-ups. Some of those have now been worked through, and I hope that that continues.

In its submission to the committee, Homes for Scotland was concerned about the link-up between NPF 2 and what happens on the ground in response to applications for housing developments, and wondered whether NPF 2 should have contained more guidance in that respect. What do you think is the relationship? Will this strategic document add to the developments that we would like to see?

Stewart Stevenson: Housing is, of course, a significant industry, but it is the aggregation of a very large number of projects, some of which are quite large. The spatial planning for those projects, which involves the Government and the national planners, is done at local authority level. I find it hard to work out what value there would be in including in the national planning framework a project that related to the building of homes, because such a project would not be point-specific but would apply right across Scotland. I am not sure that that would help a great deal; what does help is having up-to-date local plans that make the appropriate provision. Mr Mackinnon has some further remarks to make on that.

Jim Mackinnon: The Government's aspirations for housing are set out in a document called "Firm Foundations: The Future of Housing in Scotland", which is key. We followed through on that with an update of Scottish planning policy 3, on planning for housing. Homes for Scotland was at the heart of that work, along with local authorities and others, and it was extremely positive about the messages in SPP 3.

In addition, we launched the Scottish sustainable communities initiative, which seeks modern and environmentally friendly approaches to development. The reaction to that was positive—we received 70 submissions, which we are working our way through to establish what will deliver the most for Scotland.

Mr Stevenson's point about subsidiarity is well made. Decisions on the location of housing are not for the Scottish Government. Some of the

concerns, such as those to do with public involvement and participation in the development of the NPF, would be absolutely justified if it was our intention to allocate land in Livingston, Linlithgow and Haddington, for example, which would be totally inappropriate.

We recognise the crucial importance of housing, which is dealt with through other documents, but decisions on land allocations for housing are primarily for the councils. It is all very well to allocate land but, particularly in the current economic climate, we need to find ways to make the developments happen. There are some interesting things happening across Scotland to remove infrastructure blockages in a number of areas.

Mary Mulligan: I have a final question. You say that it will be the local planning departments that will deliver much of this. I know, from the questions that we received from the Economy, Energy and Tourism Committee and from evidence that we took last week, that there is concern about how we can maintain the staffing levels in planning departments that are required to deal with planning applications timeously and appropriately. At a time when probably fewer applications are being submitted because of the circumstances of which we have spoken, there is a risk that councils might see an opportunity to reduce staff numbers. However, as you have said, when the situation improves, we will need those people to be in place. How can we ensure that planning departments are staffed to a level that will allow that to happen?

Stewart Stevenson: It is clearly up to local government to ensure that it has the appropriate staffing. Nevertheless, we have discussed the issue at various round-table meetings. We are reforming the planning system so that many more decisions will be made by officials and the appeals process will go through the elected members. That should reduce the amount of work that is required.

We are also looking to move to permitted development rights for a significant number of planning applications, which will not involve the planning department. For example, someone currently requires planning permission to erect a flagpole on a private house. We have not reached a conclusion about that, but it is an example of the sort of thing that may be dealt with in that way. We in central Government are seeking to create an environment in which the local planners can focus on the applications that it is important that they engage with, and I think that that will help.

There has been a huge step change in performance in the processing of planning appeals. I think that 4 per cent were being dealt with in six months, but the figure is now heading towards 50 per cent. We are taking a lead on that

in the context of existing resources. We want to share best practice with planning authorities, and I expect that we will learn something from some of the best local authorities as well.

However, we cannot magic planners out of the ether. We are engaged in the subject and are seeking, through reform of the planning system, to ensure that councils have the opportunity to make the best use of their staff.

Jim Mackinnon: I endorse Mr Stevenson's point about planning being essentially a local government function. We must respect that. Decisions on staffing and resources must be made by the councils and balanced against the other pressures on the services that they provide.

Let us be clear about some of the things that the Government is doing. We are allocating more than £10 million to an e-planning project that we expect to launch in the spring. That will deliver significant efficiencies and will help the transparency of planning by allowing people to access planning information online. It is not just an information and communications technology project; it aims to encourage people to change the way in which they do things, so it is a business change project. We have also given £400,000 to set up the strategic development planning authorities across Scotland, and we have spent £650,000 on the Improvement Service to help with the training and development of planners.

Mr Stevenson has mentioned the legislative reforms, which should introduce more proportionate approaches in planning. There is also the key document "Delivering Planning Reform", which is about changing the whole culture around planning and is very important. You may think that the document that we have produced on the national planning framework is quite long but, compared with many development plans, it is a short, succinct document—it does not have to be wheeled in on a barrow. We are trying to produce more such plans in order to reduce the endless debates about policies. In our own documents, we have 500 pages of planning policy, which we expect to reduce to 50 pages so that there will be less material to digest and people will be clear about what Government policy is.

We will help to fund business change studies in a couple of local authorities in Scotland. You are right to refer to reductions in fee income and the number of planning applications, but the introduction of the new system in the course of this year gives us a tremendous opportunity to change how we do things—to be slicker and more fit for purpose. Getting development plans that are easy to understand and accessible will have benefits for people who want to engage in planning but find that the documents are too much. If we move in that direction, planners will be able to be much more svelte than they were in the past.

David McLetchie: I want to pick up some of the housing issues that were raised both by Mary Mulligan and in our discussion with witnesses at last week's meeting. The Government's aspiration in its housing policy, which is reflected in the contents of NPF 2, is to build 35,000 houses per annum by the middle of the next decade. Clearly, that will involve a step change from the number of houses that are currently built, which is about 24,000 or 25,000 and has been at that level for several years. The development plans that we have at present reflect pre-recession levels of output, which have since collapsed. Fitting those things together, will the Government not approve a council's development plan if it does not think that the area in question is contributing sufficiently to attainment of the national total? If the national total is to be achieved, the aggregate of the local totals in the development plans must equal the national total. Does that mean that the Government will keep an eye on the national total when approving local plans and that, if an area that you think is appropriate for growth is not doing its bit, its plan will be rejected, in order that you may achieve the national total at the end of the day?

Stewart Stevenson: There is no quota system. A council area that has 7.3 per cent of the population will not be required to build 7.3 per cent of the housing—clearly, that would not be an appropriate way of dealing with the issue. However, Government is about joining up the dots and ensuring that space is available. We want to ensure that more land is designated for housing. It is necessary to overprovide—one of the inhibitors at the moment is that provision is so close to what is actually required that the price of land is driven up, because only so much land is available. If we step up provisioning, there is a chance that land will become a bit more affordable; it will not transform the position dramatically, but it will certainly help. There are a variety of reasons why bits of land that have been designated end up not being available—for example, someone might be unwilling to sell it, at any price. Jim Mackinnon will flesh out my comments.

Jim Mackinnon: I mentioned SPP 3, the core aim of which was to get local authorities away from trying to micromanage land supply. We want to be much more aspirational and ambitious—to provide choice. We need to get away from very technical discussions about housing requirements and concepts such as mobile demand, which are understood by only two or three people in Scotland—I am not one of them—and from the endless fights over fields that have characterised many plans. It is important to have long-term, aspirational settlement strategies that involve thinking about how a place will change and focusing on delivering that.

The other point that I emphasise strongly is that the Government's role in relation to development plans is to approve the structure plans for all parts of Scotland. We are reducing the number of structure plans from 17 right down to four, for the four largest city regions. One structure plan, for Aberdeen and Aberdeenshire, will be submitted within the next few weeks. It attempts to be much more generous on land supply, but many local communities are not comfortable with that and we will have to work through the issue.

However, as the minister has said, there is no question of establishing and policing quotas. Ensuring a more generous approach to land supply will help us to focus on implementation and lead to developments that people can be proud of rather than suburban housing estates. Homes for Scotland is among the leading supporters of creating communities instead of constructing housing estates that are detached from services and other facilities.

12:00

David McLetchie: I understand why the Government does not want to be overprescriptive with regard to quotas. However, the fact remains that the sum of the local parts must add up to the national total if you are to have any prospect of achieving it. As the Government has determined the national total, it has a responsibility for achieving it. If you do not consider the sum of the parts, you will not achieve the total.

Stewart Stevenson: Although that is perfectly clear, it is important that we work in partnership to deliver the national objectives. That is precisely what has been achieved by the concordat's redefining of the relationship between central and local government to one of equals.

Jim Mackinnon: We have to make a distinction between land supply and outcomes—in other words, between land supply and the number of houses that are being built. However, our clear aspiration is to encourage a more generous approach to land supply, and I welcome the fact that we have controls in that respect through the approval of the four city region plans. I do not have the figures to hand, but about 30,000 of the 35,000 total will be built in those areas, with probably the biggest exception being Inverness and the inner Moray Firth.

I am also keen that, instead of their waiting to see what happens and then reacting, my staff engage much earlier in the process to indicate what the Government expects from councils in relation to those plans. I should point out that, with regard to Inverness and the inner Moray Firth, the national planning framework reflects the Government's aspirations for growth in that area. I

have no great concerns about that; I am absolutely sure that local authorities will respond to the challenge by being more generous in the allocation and supply of land.

Of course, because of the current economic climate, all the houses might not be built in the precise locations, or at the precise rate, that many wish for. That said, there is no sign of change in the demand and requirement for housing, and the market will in due course respond to that in other ways.

David McLetchie: Can I move on to another subject, convener?

The Convener: Go on—Jim Tolson is being very patient.

David McLetchie: Where does energy supply fit into the consideration of national developments? Tomorrow, the Parliament will debate the Government's response to the annual report of the Scottish Council of Economic Advisers, which has recommended an independent assessment of the various energy options open to Scotland. In its response, the Government—and the First Minister, in particular—confirmed that that assessment will include consideration of the role that nuclear power might play in generating capacity, a move that has been warmly welcomed by many observers.

Given the—reasonable—assumption that that assessment of all energy options, including nuclear power, will be independent and that the Government will give serious consideration to its recommendations and conclusions, I put it to the minister that, in the title of the ninth national development listed in NPF 2, which is "New Non-Nuclear Baseload Capacity at Other Existing Power Station Sites", the term "Non-Nuclear" should be deleted. That would ensure that the planning framework that we adopt prior to the conclusion of the independent assessment and the Government's response to it is framed in such a technologically neutral way that it is capable of responding to any change that the Government might consider appropriate in light of the independent assessment that it has commissioned.

Stewart Stevenson: Mr McLetchie is in a particularly frisky mood this morning, is he not, convener?

The Convener: No. That was quite usual for him.

Stewart Stevenson: The Government is quite clear that, economically, further development of nuclear capacity does not play to our comparative advantages. We do not have unique advantages in nuclear capacity in Scotland, whereas we have considerable unique advantages in renewable

energy—particularly tidal energy, but also wave and offshore wind energy. For example, there is the potential for 60GW of tidal energy in the Pentland Firth. There is potentially a huge export industry.

Of course, nuclear power generation has significant carbon implications. There is huge carbon investment during construction, there is relatively little carbon price during the generating phase and there are huge—and not well-understood—carbon implications during decommissioning. It is also unlikely that UK interests would build the new generation of nuclear power stations.

We have a huge advantage in renewables-based power generation, particularly tidal power. The change in mood music on the subject is best illustrated by what Barack Obama said, about four minutes into his inaugural speech. He said that he would look to

“the sun and the winds and the soil”

to meet future energy needs. Even in the United States, which has substantial oil and nuclear interests, the new Administration is acknowledging the importance of sun, wind and soil—incidentally, it is leaving tidal power to us, which is most welcome. It would be bizarre if we were to move in the opposite direction to the direction that major countries are adopting.

Of course, any independent report will be studied carefully. However, that will happen against the backdrop of the Government's clear policy position.

David McLetchie: You have given us an interesting discourse on energy policy. The sun has been warming our planet since the dawn of creation, not since the inauguration of Barack Obama.

However, we are here to discuss planning policy. Why is not the NPF framed in a technologically neutral way, given the Government's commitment to an independent assessment? I repeat that the assessment will be not mine or yours but independent. The First Minister has said that the Government will take seriously the independent assessment, which will embrace all forms of energy—he was right to say so. If our energy policy is not to prejudge the conclusions of the independent assessment, surely the national planning framework, which will predate the publication of the assessment, should be framed in a more neutral manner.

Framing the NPF in a more neutral manner would not prevent ministers from deciding to reaffirm the Government's current energy policy; nor would it preclude the independent assessor agreeing with current policy. You appear to be

reluctant to admit that the independent assessor might say that the Government was wrong, which is the only admission that we are asking you to make.

Stewart Stevenson: I think that the sun has been heating the earth for only about 0.1 per cent of the time since the dawn of creation, but we will let that pass.

The important point is that the NPF is a Government document that reflects Government policy. Our policy is not to build nuclear base-load capacity to add to existing capacity. Of course we will consider independent assessments. It is the prerogative of a mature individual, Government or country to consider and take account of new information and to respond to change. However, there is no question but that the settled policy of the Government at this moment is not to have new nuclear power stations built. It is perfectly proper that the NPF reflects that.

The Convener: In its submission, the Scottish Chambers of Commerce makes exactly that argument. It says that the framework should not be “prescriptive” and supports the minister's position, but says that things should not be “determined by narrow politics”. That said, its argument is:

“no energy source ruled in and none ruled out.”

The Government is completely at odds with the Scottish Chambers of Commerce on this one, minister.

Stewart Stevenson: It comes back to the economic argument. Scotland's comparative advantage is to pursue energy generation and provision from other sources. That gives us a competitive and comparative advantage over other economies. If we do not pursue our comparative advantage, we will not do better, relatively speaking, than other countries, which is what we need to do if we are to create the vibrant and sustainable economic growth that is central to the Government's policy.

Jim Tolson: I was glad to hear you say that you and Mr Mackinnon have had the opportunity to look at the *Official Report* of the evidence that we heard on NPF 2 last week. I hope that you took up that opportunity; if you did, you will realise that some witnesses are greatly concerned that the national developments are neither prioritised nor have timescales attached to them. I recall clearly the evidence from Mr Levack. I think that he said that it was absolutely crucial that the Government set priorities for the national developments—certainly, he was keen to ensure that that happens. That would help the Scottish Building Federation and other organisations to plan for the future. Will the Government consider prioritising

the national developments and attaching timescales to them?

Stewart Stevenson: The majority of those interventions are for the private sector to make. If Mr Tolson is suggesting that I should direct the private sector to build the Scapa Flow container transshipment facility by a particular date, I am afraid that I will disappoint him.

By not ranking the national projects in a priority list, we are saying, "These are our priorities for national development. If the funds become available and there is the commitment in the private sector and capacity in the civil engineering sector, all of them can proceed in parallel." In the context of the national planning framework, the matter is not directly one for Government.

That said, in setting out a strategy, as we have done in NPF 2, it is clear that some of the projects are ours. We talk elsewhere about how we are dealing with priorities. We have said that the number 1 priority is the Forth crossing—I think that we all are familiar with the timescale that we are looking to progress for that project. There is also the west of Scotland strategic rail enhancements project. If a project is the responsibility of Government, I hope that we are being as clear as it is appropriate and necessary for us to be. However, as far as private sector developments are concerned, it is difficult for me to respond in the terms that Mr Tolson put to me.

Jim Tolson: I appreciate that. As you rightly say, you do not have control over private sector developments. However, many of the national developments will be in the public sector—whether wholly or in part. From the evidence that witnesses, including Mr Levack, gave us last week and from the questions that members put, it is obvious that it would be helpful to people if Government prioritised the national developments whenever possible.

Stewart Stevenson: We have probably been pretty clear about all those that are our responsibility. I mentioned the Forth crossing and the strategic rail enhancements. There are also the improvements to the electricity grid. However, planning inquiries are actively under way, and I do not want to anticipate outcomes. My colleague, the Minister for Enterprise, Energy and Tourism, takes the decisions in that area. I could also mention drainage and the Commonwealth games facilities that are being built for 2014. Clearly, we have a programme.

If Jim Tolson has specific concerns about projects that are within our compass, as distinct from those that are within the compass of the private sector, I will be happy to respond. For example, if he thinks that we should pursue a different timescale on any of the national

developments for which the Government is to take the lead development role, I will be happy to hear the specifics. I believe that we are carrying them all forward appropriately.

12:15

The Convener: I think the construction industry was suggesting that, given the current economic climate, the fact that we have already lost tens of thousands of jobs in that industry and the fact that its life-blood—those in training—is being lost at a drastic rate, there could be opportunities in areas in which the public have a say to bring projects forward to maintain the industry's capacity. We have heard you say that the real problem in drainage and sewerage is not financial investment; rather, it is the industry's capacity to carry out work in that area.

In light of all the projects in the pipeline, many of which depend on the private sector, it would be a tragedy if Scottish jobs went out the window and we had to increase the amount of European labour that is employed on them. Last week, we heard in evidence we may need to get up to 30 per cent of our workforce from outside Scotland—the norm is 5 per cent—and that, as a consequence, we may be

"faced with rampant construction inflation".—[*Official Report, Local Government and Communities Committee*, 14 January 2009; c 1540.]

Overseas labour would not be cheap; rather, costs would increase.

It therefore seems, for several reasons, that it would be to our economic advantage and to the advantage of the public purse if we brought forward projects to ensure that we have capacity. We would get the benefits of the jobs that would be produced and, of course, we would take advantage of current prices rather than pay the prices that there will be in the future as a result of skills shortages. What opportunities to bring forward projects are being considered and discussed?

Stewart Stevenson: It is important that I make the point that NPF 2 does not contain all the on-going projects that are being pursued by the Government. Earlier, I referred to the signing of the M80 contract on Friday—we reached financial close on that. That contract will create some 500 jobs during the construction phase. The contract with the lead contractor basically requires that local labour be employed, and the early feedback is that 100 per cent local labour is likely. Therefore, we are addressing the issue within the context of the projects that we are bringing forward.

You make the point that overseas labour is not the cheap option. That chimes with input that I

have received as a constituency member and as a minister—it ain't the cheap option by any means.

We are doing precisely what you want us to do. We are advancing projects. NPF 2 is a long-term vision—up to 2030 to 2035—for projects. Big projects take time to mobilise, of course, which is why it is important that we focus on projects that we can mobilise more quickly, which we are doing. That said, we are seeking to get a balance within the limits of the finance that is available to us, which is why the meeting that Mr Swinney and I expect to have with the Treasury may be so important. The indications are that we will have a serious and sensible discussion about how we can work together.

We are doing a great deal already. To a large extent, I associate myself with your remarks; I merely say that we are doing what you want us to do.

The Convener: For clarification, did you say that there will be 500 new jobs?

Stewart Stevenson: Yes. That is what I have been told.

The Convener: So people who are not working in the construction industry now will be given—

Stewart Stevenson: As you are probing the matter, I would like to check that, if I may. However, 500 jobs are certainly involved.

The Convener: I appreciate that.

Stewart Stevenson: You asked me a specific question. To avoid taking the risk of misleading the committee, I will check that.

The Convener: Okay. Thank you. Does David McLetchie have a question?

David McLetchie: I would be happy to defer to other members if they want to ask questions before I do, as I had a shot earlier.

The Convener: I think that you are the only member who wants to ask a question. After that, we will bring the meeting to a close.

David McLetchie: I want to raise a couple of issues that relate to the City of Edinburgh Council's submission on NPF 2. Of course, the council welcomes Government's budget statement, in which the Government recognises Edinburgh's capital city status through the payment of a supplement in this year's budget.

However, it is fair to say that the NPF 2 document gives the city's position as a capital city and as an economic driver for Scotland insufficient attention. In fact, I was told that the only use of the word "capital" in the document refers to Inverness, not Edinburgh, although I have not verified that for myself. I request that the document be beefed up

to reflect the Government's recognition of the importance of the city.

Stewart Stevenson: My wife might not thank me for shifting attention away from Inverness—the true capital of Scotland—but I undertake to consider the issue that you raise.

David McLetchie: That is kind of you.

In its submission, the City of Edinburgh Council expresses a concern that the Edinburgh waterfront, which will be home to a development that will be comparable in size to the town of Falkirk, should be

"considered an area where major change is taking place, which offers substantial strategic growth potential and where co-ordinated action is needed in the national interest."

Might the same generous spirit that you have previously exhibited ensure that a project of that scale and importance is reflected in the document to a greater extent than is the case at present?

The Convener: I think that that is the end of Mr McLetchie's list of questions.

David McLetchie: Oh no, I have much more to ask about.

The Convener: No, I am saying that we need to move on.

Stewart Stevenson: Paragraph 186 of the NPF document deals with the issue that you raise, Mr McLetchie. Of course, the planning issues that are associated with the waterfront project have, essentially, been dealt with. The national planning framework looks at a horizon beyond the timeframe for that development.

David McLetchie: I will ask two short questions to conclude.

I am told that, in the discussion draft of NPF 2, west Edinburgh was identified as an area for co-ordinated action but that, on the relevant map in the proposed NPF 2 document, that particular little squiggle has disappeared and the area is no longer identified as an area for co-ordinated action. Can you explain that?

Edinburgh airport, like other major airports, is identified in the plan as being of national significance and importance. However, the description of works relating to the airport omits any reference to provision being made for a second main, parallel runway. There is a concern that that should be explicitly stated in NPF 2, so that, in the event of a planning inquiry, the need for the second runway will have already been accepted, in a sense, which would prevent the inquiry from getting involved in a lot of issues around need. Part of the purpose of a national development plan is to deal with such issues so that inquiries do not have to.

The Convener: To save you having to make a long response, minister, I can say that the committee would be happy to receive the answers to those questions in correspondence.

Stewart Stevenson: I can give a brief answer. Ministers have approved the west Edinburgh planning framework, which addresses the issues that Mr McLetchie raises.

The Convener: I thank the minister and Mr Mackinnon for their time.

We now move into private session.

12:24

Meeting continued in private until 12:48.

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