

RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

Wednesday 14 May 2008

Session 3

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RURAL AFFAIRS AND ENVIRONMENT COMMITTEE

10th Meeting 2008, Session 3

CONVENER

*Roseanna Cunningham (Perth) (SNP)

DEPUTY CONVENER

*John Scott (Ayr) (Con)

COMMITTEE MEMBERS

*Karen Gillon (Clydesdale) (Lab)

*Jamie Hepburn (Central Scotland) (SNP)

*Des McNulty (Clydebank and Milngavie) (Lab)

*Peter Peacock (Highlands and Islands) (Lab)

*Mike Rumbles (West Aberdeenshire and Kincardine) (LD)

*Bill Wilson (West of Scotland) (SNP)

COMMITTEE SUBSTITUTES

Bill Kidd (Glasgow) (SNP)

Nanette Milne (North East Scotland) (Con)

John Farquhar Munro (Ross, Skye and Inverness West) (LD)

David Stewart (Highlands and Islands) (Lab)

*attended

THE FOLLOWING GAVE EVIDENCE:

Professor John Bryden (UHI Millennium Institute)

Dr Madhu Satsangi (University of Stirling)

CLERK TO THE COMMITTEE

Peter McGrath

SENIOR ASSISTANT CLERK

Mark Roberts

LOCATION

Committee Room 4

Scottish Parliament

Rural Affairs and Environment Committee

Wednesday 14 May 2008

[THE CONVENER *opened the meeting at 10:00*]

Rural Housing Inquiry

The Convener (Roseanna Cunningham): I welcome everyone to the meeting and remind them to switch off all mobile phones and pagers—or at least the wireless aspect of them. I include the witnesses and anyone sitting in the gallery. If phones are not switched off, the technology interferes with the sound system.

I have received no apologies, and no MSPs who are not members of the committee have indicated that they are going to attend.

Item 1 is our rural housing inquiry. I welcome Dr Madhu Satsangi from the University of Stirling and Professor John Bryden, from the UHI Millennium Institute, whom a number of us have met before at various conferences. Neither of the witnesses is a great stranger to the folk around the table. Neither witness has indicated that they want to make an opening statement, so we will go straight to questions. We have allocated roughly an hour for this evidence session, but I cannot promise that it will go on for that long, or that it will stop after that time. However, that gives the witnesses a sense of how long they might be here.

I will start with a general question about the definition of remote, as opposed to accessible, rural areas. Dr Satsangi, in your submission you talked specifically about the various characteristics of rural housing in Scotland, such as higher average property prices and higher unit costs. How do those characteristics fit with the notion of remote areas and accessible areas? My guess is that the picture in remote areas is different from the picture in accessible areas.

Dr Madhu Satsangi (University of Stirling): In the paper that I submitted, the first bit of evidence was taken from a publication that drew on data collected by HBOS, which had amalgamated data from a number of local authority areas and combined information from areas that the Government definition would characterise as either remote or accessible. Rather than going for a simple spatial definition, I tried to look functionally at what was happening in different housing market areas. The point that I tried to make was that within the broad term “remote”,

there are areas that you would characterise as economically fragile and areas that you would characterise as having experienced significant levels of in-migration over the period 2001 to 2006, with evidence not of fragility but of buoyancy in the local market. In some areas that we would deem to be remote, we see evidence of persistent economic difficulty, which is associated with housing quality problems and abandonment.

In the accessible category, there are areas where we see population pressure and sustained housing market pressure caused by in-migration and local economic buoyancy. The term also includes areas that are now characterised as regeneration areas—the most obvious of which are the former coalfield areas—where there has been out-migration of more economically active groups and housing market stability or decline.

In remote areas and in accessible areas, the housing market conditions are different in different parts of the country. Fundamentally, the issue is about what is happening to the local economy and how that links with wider national and global economies. However, it is a mistake to say simply that all the problems of affordability are in remote areas or in accessible areas.

The Convener: Professor Bryden, does that mean that we need different solutions for the two categories of area, or is it not as simple as that?

Professor John Bryden (UHI Millennium Institute): I am not sure that it is as simple as that. Incomes are smaller on average in the remoter areas. However, I am not a great believer in averages because, as Madhu Satsangi says, they disguise a lot of diversity, and ditto for the accessible areas. The problem is how policy grapples with diversity. That is where we need more local solutions.

The Convener: What about the demographic problems that you have both mentioned? That issue has been raised by several people over several years. The demographic in rural Scotland is different from that in urban Scotland, which brings issues with it.

Professor Bryden: As I said, averages are dangerous. It is true that, on average, there has been in-migration to rural Scotland, but that disguises big differences between areas. In some cases, population and demographic decline occurs not only because of a static natural population, but because young people move out. In other cases, particularly in the remoter areas, there is an inflow of older people, who are causing some of the problems in the housing market. In the accessible areas, the issues arise as a result of people moving out of the cities and commuting. There are different pressures in different situations—the picture is complex.

In areas such as Strathspey, Orkney and Skye, we have what is called supply-driven migration, which is driven by people moving for quality-of-life reasons. In some cases, they take jobs with them—they are self-employed and are what people call lone eagles. In other cases, they are retiring, and I am not quite sure about the remaining cases. Supply-driven migration is not driven by labour-market demand, whereas mobility in the accessible areas is driven much more by labour-market demand.

Dr Satsangi: I agree but, to complement what John Bryden said, in some fragile areas where there has been sustained population decline and out-migration of the more economically active groups, those who are left behind can have significant housing affordability problems. However, I hesitate to say that the appropriate solution is a housing one alone. The solution is much more about considering housing, the local economy, local service provision and schools. The difficulty that we face is that the migration of the more economically active groups means the migration of childbearing groups, so schools are among the first services to go. In those areas most obviously, housing should not be separated from other social infrastructure issues. The same story should be written in other parts of rural Scotland.

John Scott (Ayr) (Con): Good morning. I hear your analysis of the situation, but what are the solutions? We want to attract young couples into rural areas, but there is a vicious circle and a downward spiral—because there is no work in such areas, there are no young couples, and because there are no young couples, there is no work. How do you propose to provide affordable housing for those people? How do we address the chicken-and-egg situation that I have described?

Dr Satsangi: There are good examples of locally tailored economic development solutions.

The Convener: Where are they?

John Scott: Can you give us some examples?

Dr Satsangi: There are good examples under the European Union's LEADER programme, which has been around since the mid-1990s.

John Scott: Can you give us a specific example?

Dr Satsangi: I am familiar with one project in Badenoch and Strathspey and another in Dumfriesshire. The initiative at the edge programmes that Highlands and Islands Enterprise has led have managed to retain population and to encourage in-migration in some of the most challenging environments. There are examples in some of the more sparsely populated Orkney islands of young couples obtaining land and assistance in building homes through rural

home ownership grants. For example, that enabled a teacher to take up employment at a primary school, which was a good incentive for other families to move to the island.

The Convener: Professor Bryden, can you direct us to specific examples of success?

Professor Bryden: Gigha, which has been turned around completely since the community acquired it, is an obvious example. The housing situation on the island has been turned around, as new houses have been built and young families have been attracted to the island. The Orkney mainland has also been fairly successful. I do not have the numbers for Westray, but it is moving forward fast on both the energy side and the housing side. The community on Westray has made a video, which gives an honest portrayal of life on the island, to attract people back to and on to the island. Eigg has done a lot and north Harris has turned things around.

Many of the examples that I have mentioned are associated with community land ownership, which has made a difference in such fragile areas, but there were earlier successes. The little community at Scoraig, on the peninsula south of Ullapool, which everyone thought would disappear quickly, has turned out to be quite sustainable and has led on many renewable energy issues. Such cases help us to understand that even in remote areas things can be done that will help to bring young people back.

The housing constraints that exist are caused by the fact that there is competition from other people who want to go to those places but who are not dependent on income from them, and by planning and land supply difficulties, which have been solved in places where communities have managed to purchase land. There is a segmented picture. Of course, the people who cannot afford so-called affordable housing are young people, first-time buyers and people who are seeking rented accommodation. That is the problem that we need to address. We have not solved the issue with rented housing, the supply of which has in fact declined despite considerable investment. The right to buy has been a disaster for rural housing provision because we have been unable to increase the supply at all, despite considerable investment over 20 years.

10:15

The Convener: You mentioned the magic word "planning", which is my cue to bring in Peter Peacock, who has a number of questions on that.

Peter Peacock (Highlands and Islands) (Lab): I thank Dr Satsangi for his written submission, which is very interesting. In that evidence, as in John Bryden's comments and in other background

papers that we have received, there is an implied—indeed, an explicit—criticism of how planning policy views rural Scotland. Dr Satsangi's submission describes that as an "urban-oriented" view. What gives rise to that view of how the Scottish countryside ought to look, and how does it impact on planning policy?

Professor Bryden: The issue goes back to the Scott report, which was published during the war. That report contained a presumption against development in the countryside and influenced the whole of planning in the post-war period. There is a widespread idea in Scotland that all development comes from the towns and that there is no real future for rural places. The examples that I mentioned earlier contradict that view, but it is nevertheless widespread and is reflected in all sorts of ways in housing policy, in the approach to housing associations, in ideas about economies of scale and so on. In many cases, there is no evidence to support such a view. It just comes from prejudice, I believe.

Dr Satsangi: I agree that we need to look to the historical legacy to explain what has happened. The planning framework that has guided development since the end of the war has remained remarkably unchanged despite significant changes in the economy, transport, technology and agriculture. From the Town and Country Planning (Scotland) Act 1947 and from equivalent legislation south of the border, we get the view that any production that takes place in the countryside is linked to agriculture and that that situation should be safeguarded. That has been inappropriate for at least the past 30 years but planning policy has not moved to reflect that—

The Convener: Let me just stop you there and ask you both a slightly more challenging question. You cannot be unaware of the enormous issues around food security. Although we are now beginning to realise that the presumption against development in the countryside was perhaps wrong in the past, might we now—ironically—have come full circle and returned to a situation in which such a planning presumption is right, given that the challenge of food security means that we are being confronted with some of the same issues that people faced in the 1940s?

Dr Satsangi: That is a good question. However, the issue of food security and the extent of any possible food shortage are issues of a very different order to those that the United Kingdom faced during the second world war, when such difficulties led to rationing and significant subsidisation of agriculture. I would like to look at other data to give an unbiased view on that, but I do not know whether the data exist.

Professor Bryden: I do not think that development and agriculture are necessarily

contradictory. The problem is that we believe that we can build only on flat land. Developers are always telling us that, but it is not true. For example, about 40 per cent of the population of Norway live in rural areas and there are houses on all kinds of slopes that are nothing to do with agriculture. We have all kinds of slopes that are nothing to do with good agricultural land, and it is high time that we looked at other countries that have learned how to build housing—I would not say high-cost housing—on slopes. We should not sacrifice good agricultural land for that. However, I do not think that there is a conflict—we should look to build on lesser-quality land.

The Convener: I jumped in while Peter Peacock was speaking.

Peter Peacock: You also pinched my question.

The Convener: I am sorry about that.

Peter Peacock: It is absolutely fine. Do not worry.

I want to pursue your final point, Professor Bryden. In the past two weeks, we have made two visits to rural areas. One was to the edge of Loch Tay, a week or so ago, where there is one large development but in the rest of the countryside there is no housing to be seen at all. Generations ago, there would have been housing such as you have described. It might be appropriate to take a view on that. On the other hand, yesterday, we were in East Lothian, which is intensively farmed and is very rich in productive agricultural land. There is virtually no housing in the East Lothian countryside except in very tight settlements. I presume that, in different parts of Scotland, different approaches would have to be taken to managing development in the countryside.

You talked about taking a bolder approach to settlement development, and Dr Satsangi has said that permission for housing should be denied only in exceptional circumstances rather than granted only in exceptional circumstances. Can you both expand on what you mean by bolder settlement development and what, in practice, would be meant by permission for housing being refused only in exceptional circumstances?

Professor Bryden: I am very much with Madhu Satsangi on this. I do not think that there should be a presumption against development in the countryside, although we should be very sensitive to quality and what we are doing there. Such development needs a lot of care, but it does not need to be high-cost housing. For example, we should try to attract young families, in particular, by building houses that are separated from roads in a way that existing planning and transport policy and guidelines do not allow. We should build disconnected villages, using ecological methods of sanitation and so on, so that we are not tied to

building a 20-mile pipeline that costs a fortune. That is what I mean by being bolder. We should consider such new ideas in a rural context. People who want to come back and live in rural areas for the quality of life and the small schools and to bring up their families—there are such people in my own family—cannot do that.

Peter Peacock: Do you believe that the current system either does not incentivise that approach or presumes against it in virtually all circumstances?

Professor Bryden: Yes. I feel that that is the case.

Dr Satsangi: That is exactly the point that I was trying to make. There is a legacy of resistance to development. However, the latest consultative draft of Scottish planning policy 3 on housing begins to signal a shift. It is beginning to be more permissive. Rather than a mindset that says, “Let’s resist”, the appropriate mindset is one that says, “Let’s develop unless there is a reason why we shouldn’t.” I accept that there may be strong reasons why we should not. For example, no one wants rare species to become extinct due to inappropriate development. However, that is the exception rather than the rule, and it is not a good reason for saying that we should not develop in the countryside.

The Convener: Does Des McNulty want to ask about planning? Has your question been dealt with?

Des McNulty (Clydebank and Milngavie) (Lab): I will ask about low-cost housing. Professor Bryden, you mentioned Norway. I would like to refer you to the tradition in Sweden and Finland of urban dwellers having low-cost second homes, which is a function of how the countryside is used. We in Scotland seem to have an antipathy to that. The debate around the taxation system and rural housing policy is about creating boundaries in relation to that practice and focusing on the needs of people who live full time in the countryside. Do you have views on that?

Dr Satsangi: We have a series of prejudices about what appropriate housing is and where it should be located. We also have a series of views about the appropriate way of helping people who are on low incomes to become housed. Those views tend—without compelling evidence—to militate against smaller-scale solutions and to push for large developments of low-cost housing on relatively cheap land.

Much of the direction of subsidy to the voluntary sector, housing associations and other registered social landlords in the past 10 years or so has tended to mean that we are in danger of building ever more houses in schemes of the kind that housing associations were established to get away

from—the creations of the post-war period. There is no compelling evidence to show that securing low-cost housing from economies of scale must mean building big schemes. We have adopted an approach that will yield similar problems to those from which we have tried to get away in the past 20 years. In 20 years’ time, we will face exactly the same problems.

The Convener: We will move on to land and infrastructure issues, on which members have questions.

John Scott: Our papers suggest that the witnesses have a difference of opinion about the practicality of planning a sustainable mixed community or allowing one to “grow organically”, to use Dr Satsangi’s expression. Would the two of you like to debate that?

Dr Satsangi: Does that relate to the desire in the draft of SPP 3 to create sustainable mixed settlements?

John Scott: Yes.

Dr Satsangi: I made the point that when planning policy has attempted to create communities, it has not done that well—it has failed to create communities. Communities emerge from natural movements of people and not from engineering ideas about what a perfect mixed community comprises.

Even if implementation is perfect, practitioners have no clear view about what a sustainable mixed settlement is. There is the potential for conflict and misunderstanding. At worst, we are in danger of trying to impose a solution. Left to their own decisions, people make communities that are more likely to work. That is what I meant by “organic”.

10:30

The Convener: Professor Bryden, do you have a slightly different notion? If we deal with that, we can get on to the land and infrastructure issues.

Professor Bryden: I was not aware of having a different notion. I was getting at the interpretation of the planning guidelines, particularly in the Lothians, under which a sustainable community had to have public transport, a pub and so on. If a community did not have those things, it was not sustainable. That is what I was arguing against. I have no argument with Dr Satsangi’s view on the issue. If somebody can tell me what evidence I produced that suggests otherwise—

The Convener: It is just the feeling that you had been more inclined to the planning of mixed housing. Dr Satsangi had discussed the potential for an organic, almost unplanned growth. You seemed to place more emphasis on planning,

although that impression may be more apparent than real.

Professor Bryden: It is more apparent than real. My feeling is that people should be allowed to build car-free environments without being constrained by the regulations on roads and so on. In Norway, there is collective—or co-operative—housing that excludes the car and in which there are a number of first-time buyer houses together. Equity is retained by the co-operative, so people do not have to buy the land and the house, but are able to configure it as they want. That fits with Madhu Satsangi's vision, in which there are more options to offer people who want to live in such an environment and who do not wish to be constrained by preconceived ideas among the planning fraternity.

The Convener: There are other constraints, such as land and infrastructure. I am desperately trying to get us to move on to those issues.

Peter Peacock: Professor Bryden, you have talked today, and in some of your written work, about economies of scale being too much of a focus in housing development and about the desire to corral people close to existing settlements in order to connect them up and so on. You have discussed the concept of the unplugged house. How realistic is it to say that we could advance on the basis of such a concept? Is the technology in place to allow us to do that? Have we addressed the regulatory functions of the Scottish Environment Protection Agency, for example? Unlike Norway, SEPA has to implement EU regulations. Do we know that the concept can work, or is it an idyll that is not within our grasp?

Professor Bryden: There are examples in place all over the world, even in Greenland. Formerly, we were told that they would not work in cold places. Greenland is developing the technology because it is an area in which it is difficult to deal with sewage in any other way. Findhorn uses it—presumably that complies with the regulations. We have cases on our doorstep.

Peter Peacock: You are confident that, with a change of attitude in governance, the technology can deliver that approach, allowing much more diversity and the use of land that is currently regarded as unusable.

Professor Bryden: Yes, I am.

Peter Peacock: My question for Dr Satsangi relates more to traditional build than to the concept of the unplugged house. You referred in your evidence to the Highland Housing Alliance having managed to solve problems of land supply and infrastructure that appear not to have been solved yet in other parts of the country. What has the alliance done to unlock that potential that is

different and special? Might it be replicated elsewhere?

Dr Satsangi: The alliance has managed to act as an intermediary between the public and private sectors. It allows land to be transferred to social housing providers instead of sitting solely with large-scale developers and it facilitates the onward sale of plots of land for self-build housing and smaller-scale developments. It has been able to do that because it initially had access to a bank of land from Highland Council and to some seedcorn funding, although it has now moved on to operating on the basis of revolving funding. Despite good will on the part of many, other parts of the country have had difficulties in ensuring that social housing providers or self-builders can get a look in in some pressurised circumstances.

Peter Peacock: So, what is distinctive about the alliance is that it has managed to secure an asset base that it has turned into cash, which it recycles, and it has also had some cash given to it. It is almost like the land fund. It has a small amount of cash, which has allowed something to happen. Would you advocate the creation of a fund in other parts of Scotland to help such bodies to act in that way?

Dr Satsangi: The approach has great merit, but it would be foolish to recommend something without having asked, "Can it work in all housing market circumstances?" It looks, on the evidence so far, like a reasonable solution in circumstances such as those in the inner Moray Firth, where the alliance has been working, but the jury is out on whether it can be made to work in other contexts.

Mike Rumbles (West Aberdeenshire and Kincardine) (LD): Professor Bryden, in Aberdeenshire we have the highest proportion of rural housing that is not connected to either the sewerage system or the water supply. Tremendous efforts have been made over the past few years to get people connected to the public water supply. There are problems with contamination and SEPA does not like that. You seem to be advocating that we should move away from what we have been trying to do over the past few years. Despite all the effort that has gone in to that and all the EU regulations that have tried to ensure that we do not have contaminated water supplies and live in a good environment, you seem to advocate that we should move away from that approach.

Professor Bryden: The evidence is that piping sewage to central places to be processed is probably not only an extremely bad policy from an environmental and health point of view, but it is also the most expensive option. The most effective way to treat human waste is by using earth. I think that, in the long run, we will go back to something that is much closer to what we had before the

Victorian piping systems came in. I am not alone in believing that. People all over the world are looking at such solutions, including in India and China, where trying to implement the policy that is being pursued here would be crippling and would probably lead to environmental disaster rather than environmental solutions. I believe that the current policy will turn out to be mistaken and that we should have been focusing on local, even individual, solutions for cleaning up water.

Mike Rumbles: In the public water supply—drinking water?

Professor Bryden: Yes, that too. There should be local solutions.

Mike Rumbles: You do not believe that we should be connected to the public water supply. Tremendous efforts are being made to connect people to it.

Professor Bryden: I know. It is very expensive and it puts an unreasonable constraint on housing. Other solutions could be found. Someone from West Virginia who was involved in water supply and who had been in Poland came over to the Highlands. When they looked at the situation there, they said that it would be far cheaper to supply everyone with bottled water than it would be to put in drinking-water pipes.

Mike Rumbles: I am surprised that you take that view.

John Scott: Have you discussed the issue with SEPA? What is its view?

Professor Bryden: I do not know what SEPA's view on the matter is; you will have to discuss that with the organisation.

Mike Rumbles: One final point—

Professor Bryden: Can I just add—

The Convener: You can come back in once Mike Rumbles has asked his question.

Professor Bryden: It was just an afterthought.

Mike Rumbles: In my neck of the woods in Aberdeenshire, there have been all sorts of genuine public health issues, such as contamination with e-coli, that have been to do with people maintaining a private water supply. Over the years it has generally been accepted—I will be surprised to hear that that is not the case—that it is a very good thing for people's houses to be connected to the public water supply, because it removes the risk of many public health problems.

Professor Bryden: There are other ways of cleaning up water and there are other ways of providing clean drinking water. The problem is that the present, blanket policy has been implemented

without regard to cost. Regardless of where someone lives, they must be connected to a pipe.

However, I am more concerned about the sewage side than I am about the water supply. Handling sewage is a much more dangerous and difficult—

The Convener: In fairness, we saw an alternative solution last week at Ballinluig, where waste treatment is provided in an interesting way. Such avenues are being explored in some areas, despite Mike Rumbles's incredulity.

Professor Bryden: I should add that I have heard SEPA talk positively about examining alternative means of dealing with sewage.

Jamie Hepburn (Central Scotland) (SNP): Good morning, gentlemen. I should mention that my aunt is a resident of Scoraig. She will be delighted that it was mentioned by Professor Bryden.

I have a general question about the supply of available land for house building. What are the main factors that prevent land that is suitable for house building becoming available at an affordable price? What mechanisms would you recommend to improve the availability of land for housing?

Dr Satsangi: There are probably three main causes of the shortage of such land. The first is the non-identification of a suitable quantity of developable land in the local development plan. As I mentioned, the most recent planning policy statement on the issue goes some way to addressing the situation by encouraging local authorities to allocate more land for housing.

The second cause is owners of parcels of land holding on to them once they have been identified as being suitable for affordable housing in the knowledge that, sooner or later, they will become available for open-market housing.

10:45

The third reason for the shortage arises when land is granted planning permission and a developer sits on it while it appreciates in value. When planning permission has been granted, the land should be developed within a reasonable period. I know that development cannot happen instantaneously and that a developer will want to identify the optimum time at which to market the properties. However, a five-year period from the time when planning permission is granted would seem to allow for that. If, after that period, the land has not been developed, it should be a case of tough luck and planning permission should be rescinded.

Jamie Hepburn: Is that not a bit counterintuitive in respect of the supply of housing?

Dr Satsangi: If the permission is rescinded, it would not be in the developer's interest to hold on to the land. He or she would be forced to transfer it.

Jamie Hepburn: So, you think that the threat of planning permission being rescinded would be enough.

Dr Satsangi: It is a sanction. It would be a case of use the land or lose it.

There is the hope-value scenario, whereby landowners hold out for the open-market valuation of land, rather than having it developed for affordable housing. Where land has been identified for affordable housing and the owner is not bringing it forward for development, we have compulsory purchase powers. The threat of compulsory purchase should be real, so that development can proceed.

The Convener: Professor Bryden, do you want to pick up on some of those points?

Professor Bryden: We should remember that about 5 per cent of Scottish land is now in community ownership. A lot of that is on the edge, in rural areas where there are the most severe housing problems. I am pretty sure that well over 10 per cent of Scottish land is public land, a lot of which is in rural areas and is managed by the Forestry Commission or the rural directorate. Public land is significant.

We should look at a rural exceptions policy, which has been mentioned. The report of the committee of inquiry on crofting, which is being published this week, has proposals to make it easier for housing to be built on crofting land, by restoring some of the extremely useful crofting building loan and grant provisions, which have been removed.

There should be a more open approach to land permission, with the five-year limits that Dr Satsangi has suggested. People will remember that I recommended introducing a land value tax and using that funding to help to acquire land. I am still in favour of a land value tax.

Bill Wilson (West of Scotland) (SNP): I want to follow up Dr Satsangi's comments. Yesterday, the committee went on an evidence-gathering trip to East Lothian, where it was suggested that one possible solution in planning would be to define affordable housing separately from housing. That would ensure that when you give a piece of land planning permission for affordable housing, it would be clear that it was not planning permission for general housing. Developers would not be able to make appeals to change the land use from affordable housing to general housing. What are

your views on creating an affordable housing category in the planning system?

Dr Satsangi: That suggestion has been made before. What is affordable at one point in time might not be affordable at another. Housing markets are dynamic.

From a planning perspective, there would be a difficulty. Let us say that, from a point of first sale, the house goes for low-cost renting or the bottom quarter price on the open market. What do you do when someone who has bought or rented a house wants to give it to their son or daughter or sell it and move on? In planning terms, how will you enforce a rule that the house is sold in the bottom quarter of the housing market? Is there not a danger that, having bought in that lower quarter, the occupier finds that their circumstances change and he or she looks to move onwards and upwards in the housing market? Putting a restraint on the value at which he or she can sell the property might be seen as denting their prospects, which seems a harsh thing to do from the point of view of how public assistance works in other circumstances.

It might seem draconian to stop inheritance transfer. I am aware that one of the conventional arguments raised against the use class idea is that planning generally talks about the use of land rather than the user. Affordable housing sends an implicit signal about who appropriate users of the land are, although that has begun to change. I can understand the reluctance to dabble in that area, but that old argument has gone. In the light of changing circumstances, I have qualms about how the use class might work.

Professor Bryden: The shared ownership and housing burdens approach means that people who are in affordable housing can get some of the equity and, if they invest in improvements, they can get that investment back. That approach addresses Dr Satsangi's point but enables the authorities or whoever owns the land—the community, perhaps—still to have some control over what happens next and the price. That approach is probably much better.

Dr Satsangi: I agree. The mechanisms that have evolved, such as the set of mechanisms in the low-cost initiative for first-time buyers—LIFT—are a more appropriate way of tackling that issue than the use class system.

Karen Gillon (Clydesdale) (Lab): I picked up from yesterday's visit that housing associations and local authorities have difficulty in securing land for social rented housing if the local authorities do not own any land. I agree with what Dr Satsangi said about the problem of defining what is affordable when people buy and then, when they want to sell 10 years later, redefining

those affordability criteria. Should there be a land-use class that allows land to be classified as being for social rented housing? There seems to be reluctance from councils to do that—I noticed this on our visit yesterday—because once the land is classified as being for housing, it leads to someone determining what kind of housing should be on a particular site. Perhaps you could explore that point and indicate how we ensure that social rented housing is available in areas such as East Lothian, where land values have gone through the roof. In that context, I am drawn to your idea of compulsory purchase at a level that would be affordable for housing associations or local authorities.

The second issue that I want you to expand on is development. In my constituency, some of the biggest hindrances to development are the people in the local communities who do not want social rented housing in their area because of the stigma or the type of person who they believe comes with social rented housing. How do we overcome such problems?

Dr Satsangi: On the question of ensuring that sufficient land is made available for social housing developers, the issue is about quantity, then about the use of current planning powers and policy. Local authorities have it in their current bag of powers to identify parcels of land for affordable housing. Whether they do that or not is partly about whether they have the will to do so and partly about whether they consider that a development proposal in a draft local plan would stand the test of inquiry or would have to be rescinded.

I can understand that, in a highly pressurised market such as in parts of East Lothian, the local authority might feel that it has insufficient powers to allocate sufficient land. However, in other parts of the country that have highly pressurised markets, local authorities are managing to allocate land sites. Parts of East Lothian are similar to places in which the housing alliance works in the Highlands, so it is worth exploring whether that solution could work in East Lothian.

On the question about resistance to social housing development, work on and public participation in planning tends to create room for confrontation. However, a different approach can be made through what we would call community planning—but not the kind that appears in legislation—which involves working with communities to discover the ideal futures for settlements and districts. That kind of approach works well against nimbyism; there are good examples of it working. More places need the courage, the resourcing and the freedom to use resourcing to do that.

Such an exercise requires staff to work with community groups in putting forward those kinds

of visions. That is obviously a demand on their time, but so is going back and forth with objections. The community planning route is certainly a more positive and proactive way of engaging with communities than simply losing oneself in a sea of objections.

11:00

Professor Bryden: I have already mentioned the English rural exceptions policy, which allows land that would not otherwise be reallocated to be allocated for such purposes. That could be another tool in situations where there is a demonstrable local need.

I prefer to think of nimbyism in terms of objections to proposals. People do not want a return to the ghettoisation of the 1950s in which social housing was simply plonked in a big building somewhere and served general rather than local needs. Similarly, people object to the current policy of moving homeless people to housing in other parts of the country, simply because they feel that that does not meet local needs.

Many issues, including design, scale and so on are mixed up in nimbyism and need to be sorted out. In that respect, Dr Satsangi's point is well taken.

John Scott: I do not like the term "social engineering", but there are philosophical reasons for that. How might public funds be used more effectively than they are at present to facilitate the development of affordable housing? Dr Satsangi has suggested a compulsory purchase approach, but are there other solutions that involve public funds or, indeed, that are driven by the market?

Professor Bryden: This is not all about public funds. Despite the amount of public expenditure in this area, the amount of affordable housing in rural areas has increased by not one unit. Obviously, there are better ways of spending that money.

Private landowners have largely been ignored and, as Dr Satsangi's study shows, there is considerable scope for improving and increasing incentives for people who have houses lying empty, who own land and so on. That might be described as an assisted market solution. Moreover, we should not rely simply on housing associations. As I said, communities such as Gigha that have bought their own land should be incentivised to add to the housing stock.

In the end, nothing much can happen until we get rid of the right to buy. It is the thorn in the flesh. It means that every time a house is built, someone is being subsidised, and it does not add to the rented housing stock. The major problem is in finding housing for the people in the lower

income quartile. Because of the right to buy, we are not keeping up with the amount of housing that has been lost to the public rented sector and housing associations—and we are spending a lot of money in the meantime. We need to grapple with that.

Dr Satsangi: I agree with Professor Bryden, but I should also point out that certain public mechanisms such as the rural home ownership grant have proven to be value-for-money solutions for delivering low-cost homes—and, indeed, low-cost home ownership homes—in rural areas.

I do not claim that the rural home ownership grant is a panacea, but it can provide an effective way of meeting people's housing aspirations and tackling the issue of land availability. It does so at a lower unit cost than conventional housing association grant shared ownership delivery, because of the mix of private capital and public subsidy that it involves. I was one of a number of people who produced a piece of work on the issue a few years ago. Since then, the mechanism for sharing equity and ensuring that public money is well used has developed. The equity sharing model may be a better solution than the model that was used initially for the rural home ownership grant and warrants further inspection.

I am worried by the fact that the trend towards larger-scale housing association development does nothing for many rural communities. We should not ignore the fact that, in many parts of rural Scotland, rural housing associations have played a valuable role in supporting small-scale community development solutions. I am thinking of Tighean Innse Gall in the Western Isles and of some of the work of Lochaber Housing Association in Skye and Lochalsh and Rural Stirling Housing Association, which is closer to my home. They have a history not of big developments but of smaller-scale, appropriate development in villages. To return to an issue that John Bryden raised some time ago, Tighean Innse Gall has played an important role in helping the community trust in Amhuinnsuidhe to get off the ground. There is much that is positive in the history of rural housing association work and of housing association grant funding. Let us not throw that baby out with the bath water.

John Scott: I have a question about council tax. Professor Bryden, you argue in your written evidence that, instead of there being a discount for second homes, a surcharge should be levied where social costs are high. In 2007, 23 local authorities gave a council tax discount of 10 per cent for properties that were second homes. In your view, what should the surcharge for second homes be? Can you explore further the effect that that might have on the supply of affordable housing?

Professor Bryden: My general position on the issue is that, in the long run, we should treat different classes of home in the same way. The problem is that at the moment we are dealing with many consequences of history. There are places—on Skye, in Plockton, in the Spey valley and so on—where the situation is quite severe.

When there is a shortage of houses in communities, there ought to be a tool to penalise owners of a second home. We should discourage second-home ownership somewhat. The problem comes down to supply and demand and to the segmentation of the market. Those are the fundamental problems that we have to grapple with, but at the edges, there should be some discrimination in the short run in areas with a highly pressured market.

John Scott: Would you agree that the situation has changed from that of 20 or 25 years ago, when houses in rural Scotland were lying derelict and no one really wanted them? That situation has now been turned on its head, so it is time to review council tax charging.

Professor Bryden: Yes, but we have to be careful. Somebody mentioned hytter in Norway, which represent a much more open idea. The hytter do not really interfere with local housing markets in the same way as the purchase of holiday homes in this country does. Hytter are a seasonal type of housing, so the situation is different. The closest thing that we have to the Norwegian system is Barvas Moor, where there are huts for people who deal with the peat.

Mike Rumbles: You said that the whole issue with second homes came down to supply and demand, and I could not agree more. However, you seem to take the view that we must penalise second-home owners. It seems obvious to me that, if we are talking about supply and demand, we have to encourage the building of more affordable houses for local people to buy. It is not about discouraging people from buying second homes or about penalising them; it is about dealing with demand by supplying additional houses for people to live in.

Professor Bryden: We should at least not give people any incentives. Offering a discount is not the right direction of travel; we should treat second homes the same as first homes—that would be the right policy. However, in some pressured areas, it should be possible to penalise in the short run. The decision should be made locally. Penalties might help in the short run.

Mike Rumbles: I do not see how they would help. To solve the problem, we have to meet the demand for homes.

Professor Bryden: I agree.

Mike Rumbles: If I understand you correctly, you are not really advocating that we should penalise people.

Professor Bryden: I am advocating the position that we should be allowed to penalise in the short run where the demand for second homes is such that it creates a difficult local market. Plockton is a good example.

Mike Rumbles: I will give you an example from Braemar in my constituency, where half the homes in the village are holiday homes. I do not have a problem with people having holiday homes in Braemar; a certain MSP has one—not me—and I am pleased about that. However, the issue for my constituents is not whether people have big holiday homes; it is whether they are able to live in a home in their own village. We should be addressing the needs of local people by building houses for them, rather than by saying, “Well, we’ve got these big holiday homes—you could use those.”

Professor Bryden: I agree, but it will take some of the pressure off the demand for holiday homes if there is some penalty in the short run. That helps with competition in the local market—it has to help, otherwise what are taxes, incentives and disincentives about?

Des McNulty: There is an inconsistency here. You started by arguing that there should not be social engineering, but now you are arguing for quite a hard form of social engineering. Let us consider the Western Isles as a case in point. There are many people from the Western Isles who live in other parts of Scotland or beyond Scotland but who maintain their links with the Western Isles through their continued ownership of a family property of one kind or another. We have a lot of space in Scotland, and we have the opportunity to allow the same kind of thing as happens in France or Ireland, where people maintain their links to the countryside. Why would we want to drive people out in the way that you are suggesting?

11:15

Professor Bryden: The burden of my evidence is that we should address the problem of supply and segmentation; it is not that we should discriminate against holiday home owners. That should be reserved for particular and special cases, as a disincentive when other solutions are not happening, or are not happening quickly enough. The burden of my evidence is that we should deal with the shortages that arise because of land, planning, water or sewerage constraints.

Des McNulty: To pursue that, might there not be a trickle-down effect if, rather than prevent people from building holiday homes, we

encouraged them to build new properties in rural areas? That might have a positive impact on the general availability of housing stock.

Professor Bryden: As I said, I am not against holiday homes. If we had the solution that exists in Norway, holiday homes would not interfere with local housing markets because they would be a different category of housing. The problem is that many people who buy holiday homes are in direct competition with local people.

By the way, as the member referred to crofting, I can recommend the report of the committee of inquiry on crofting—

The Convener: We will have an entire debate on that in the Parliament tomorrow.

Professor Bryden: I know, but the point is that, if the recommendations in that report are followed, crofters will not be allowed to be absent and not doing anything. My thought is similar—that some interference with freedom is sometimes required.

The Convener: We will have a final question, from Jamie Hepburn, as we still have issues to discuss under this agenda item, at the end of the evidence.

Jamie Hepburn: The question pertains to Dr Satsangi's written evidence. In the section “Prices and need”, he helpfully spells out that

“The average property price in rural areas is 5.8 times average annual earnings compared with a ratio of 5.2 in urban areas.”

Those are useful figures, but in some ways they are comparing apples and oranges because, as has been pointed out to the committee previously and as Professor Bryden has said, incomes in rural areas are lower. My question may be slightly unfair—you may not be able to answer it today, but perhaps you could get back to us. I presume that the average property price in rural areas will be a significantly higher multiplication of average rural earnings. Is that the case and, if so, can you provide the figure, if not today, then perhaps at a later date?

Dr Satsangi: I can confirm the generality. However, as we have said, to talk in global averages is not necessarily useful. I put that information in my paper to get into the debate. More valuable and meaningful evidence comes from examining particular housing markets in detail and considering how affordable home ownership is for people who want to move into it in the next few years. My former colleague Professor Bramley has developed a technique for doing so, which thus far has been applied at local authority level and, to an extent, to aggregations in housing market areas. I would find it helpful if that model was applied to rural housing markets, so that we could find out how many people in the 25 to 35

age group can afford to buy, based on reasonable predictions of their current incomes and how they are likely to change, and on current house prices, their distribution in the market and how they will change in the next few years.

If that revealed that—to use figures from our work on the Cairngorms housing market—77 per cent of people in that age category could not afford to buy property in the lowest quartile of the market during the period 2006 to 2015, we could quantify the number of people affected. Such figures would provide planners—by which I mean not just town and country planners but housing planners and those who sponsor them—with a fairly good idea of the scale of problem that we are dealing with.

Jamie Hepburn: I accept that we need to look at specifics, but the committee also needs to consider the issue in the round. Would it be possible to extrapolate the figure that I am asking for? If so, could we be provided with that? It would be useful to get a general figure.

Dr Satsangi: I certainly undertake to do that.

The Convener: Thank you. I am sure that we have not exhausted our questions, but we have rather exhausted our time. We will discuss the evidence later, when it is likely that we will follow up today's evidence session by asking for a response to some written questions that, given more time, we would have liked to explore. Dr Satsangi has already agreed to provide a written response on one aspect.

Equally, we always give witnesses the opportunity to make further clarifications or suggestions about what we should consider in greater detail, and I ask both our witnesses please to feel free to offer such suggestions as well as responses to any subsequent questions that we ask. I thank them for their evidence and for sitting so patiently through this morning's evidence session, which has gone on for probably a good bit longer than they were advised.

We have not yet exhausted agenda item 1 as we still need to discuss which further witnesses we should invite to give evidence and where we should hold an external meeting in September. I invite comment on the paper that was circulated—paper RAE/S3/08/10/2—which gives information on potential witnesses for future meetings. I also invite comment on the specific suggestion in paragraph 7 concerning the external committee meeting that we have agreed to hold in September. Thus far, I am the only person to have made any suggestions on the location of that meeting. Obviously, if members have views, now is the time to express them.

Jamie Hepburn: In general, I do not disagree with any of the suggestions in the paper. I have no

problem with the suggestion in paragraph 5 that we should invite representatives of Argyll Community Housing Association. However, given the obvious issues surrounding wholesale stock transfer from local authorities to housing associations, I suggest that it would be useful to hear the voices of those who have reservations about that. Can we consider doing that?

The Convener: Are members happy that we should try to have a more balanced panel on the issue of wholesale stock transfer? We will be considering wholesale rural stock transfer, which is probably quite different from urban stock transfer. However, we can look around for another panel.

Jamie Hepburn: My supposition is that at least one or two voices will have expressed concerns.

Karen Gillon: It would be useful to have two separate panels so that we can dig down into the issues.

The Convener: We can have a second panel.

Jamie Hepburn: As a location for an external committee meeting, Oban would be my preference.

Mike Rumbles: For what reason?

Jamie Hepburn: It would be easier for me.

Peter Peacock: I want to make two points. I am going to contradict myself here, but I am a politician—

The Convener: Does that follow?

Peter Peacock: Indeed.

I am conscious that much of our evidence is about the Highlands and Islands—the Argyll Community Housing Association is in that region, as is Oban—and that we have an absence of evidence from the Borders. Therefore, I would rather go to the Borders for our external meeting so that we can pick up evidence from there.

However, having said that we have too much focus on the Highlands and Islands, I am about to ask for a bit more. One thing that has happened recently—

The Convener: Do you want to suggest the Highland Housing Alliance?

Peter Peacock: We will receive evidence from that organisation. However, the other thing that has happened recently is that the Scottish Crofting Foundation has just completed a big study of housing in the crofting counties. I wonder whether we ought to consider taking evidence on that study, given that it covers all the island groups and two or three of the largest areas of Scotland's mainland and therefore a significant part of rural Scotland. We should be aware of the potential

importance of such evidence. I am sure that the relevant paperwork has been given to the committee's clerks. Perhaps we ought to consider that study.

There is something in the work of the Highland Housing Alliance that we need to try to bottom out. Perhaps that can be done through written evidence or a short—

The Convener: We are pushing the inquiry into September, and will have to make a final decision at some point about when to end it. It is a little bit open ended at the moment. However, we will take on board the points that have been made, including your suggestion about taking evidence in the Borders.

Karen Gillon: I also go for the Borders. We have been too northern orientated; we need to recognise that rural Scotland has many different facets.

A number of local authorities have provided evidence, but other rural local authorities could also do so. There are slightly different pressures in each area, and there may be a need to take evidence on what has happened in the Highlands and the partnerships that exist there.

The Convener: If we were to have an external meeting in the Borders, the sensible thing to do would be to ask Scottish Borders Council or Dumfries and Galloway Council to come to it.

Karen Gillon: Yes.

The paper suggests that Highland Housing Alliance

“could form part of a panel giving a local authority/partnership perspective together with Highlands and Islands Enterprise, the Cairngorms National Park Authority and Highland Council.”

I am happy to take evidence from such a panel, but we need a broader local authority perspective. We took interesting evidence yesterday from East Lothian Council on the constraints that it feels itself to be under. It would be interesting to try to bottom things out and expand on the issues with other local authorities.

The Convener: Obviously, the proposals that are set out in the table on page 1 of the paper are not exhaustive. It is clear that our inquiry will continue beyond 11 June, so we can take evidence from other panels.

Mike Rumbles: An issue that has arisen in the evidence—it has been raised again today—is the fact that private rented accommodation, which has a major input in rural housing, has not been as much to the fore as it should have been. We will meet the Scottish Rural Property and Business Association on 28 May. I know Andrew Bradford, who is a spokesperson for that organisation,

well—he is a constituent of mine, and has a lot to say. The housing for the private rented sector in his area that he got built with Government help is remarkable. It would be helpful for the committee to see that. A meeting somewhere in Aberdeenshire would be useful so that we could at least see for ourselves what is on offer and available.

The Convener: Andrew Bradford is coming on the day that you mentioned to give evidence directly to the committee.

John Scott: To be fair, we saw the sort of thing that Mike Rumbles is talking about at Blair Atholl.

The Convener: We spoke to Atholl Estates about the issues that it faces.

John Scott: We saw fantastic private rented sector affordable housing there.

Peter Peacock: There was a productive round-table session as part of our previous inquiry. Given the number of people whom we are thinking of speaking to, should we have another round-table session?

The Convener: We will explore the possibility that a meeting could turn into a round-table session. That could allow us to get much more information from one session, and it could be a good way of discussing housing stock transfer in particular. Round-table sessions work best when people participating in them have opposing views, and there can be a bit of to and fro.

John Scott: I make a bid for having a meeting in the Borders. We need to give the south of Scotland a little bit of attention.

The Convener: My assessment of the discussion is that members want a full-scale external meeting in the Borders. We will ask the clerks to progress work on that. Where we can meet there will depend on the availability of appropriate facilities; for obvious reasons, accessibility issues will have to be considered. Are members happy to leave it to me and the clerks to come up with a specific location in the Borders?

Members indicated agreement.

The Convener: Are you yawning because we are boring you, Bill?

Bill Wilson: I didn't want to say so, but now that you mention it—[*Laughter.*]

The Convener: We will proceed on the basis of the discussion that we have had about witnesses. Members should note that that external meeting will be our first meeting after the summer recess.

Budget Process (Finance Committee Inquiry)

11:30

The Convener: We reach agenda item 2 about half an hour later than we had intended, so there goes any hope of a 12 o'clock finish.

We have already had a discussion about the Finance Committee inquiry into the budget process, and members have before them a paper on the matter. I invite Peter Peacock and Des McNulty to expand on the points that they have already made, and to say in particular what they think needs to be altered in the budget process. At that point, we will have an opportunity for comments. I remind members of the time, though, and urge them to keep their comments as concise as possible.

Peter Peacock: There is a suggestion from the minister that if we want level 3 data, we only have to ask for it. That satisfies me, and I hope that we can build that request into the procedure, so that it does not become an issue of contention.

My other point relates to stage 3 of the budget bill, and involves a point of principle for the whole budget process. Having been involved with two or three budget bills during my time as a minister with responsibility for finance, I believe that the system was designed around an assumption that there would be a majority Administration, and stage 3 is truncated because it was assumed that the Executive would have enough members to deliver all the votes. However, we are no longer in that position, as we have a minority Administration. Given the current nature of Scottish politics, there might be a minority Administration for quite a period of time—although it might not involve the same party—so I suggest that stage 3 should be more open, and that the Finance Committee ought to think about allowing amendments to be made at that stage, on the basis that the will of the majority of members in Parliament on particular points in the budget might be against that of the minority Administration. At the moment, that is not accommodated in the process, which strikes me as a democratic deficit. I do not think that the current situation was fully anticipated when the arrangements were designed.

I am not taking a hard position on this, but I think that the Finance Committee ought to examine the issue as part of its examination of potential changes to the system.

The Convener: There is a slight possibility that we will end up changing our rules every time there is an election, in order to reflect the election outcome. Surely there must be a more consistent

way to handle the situation, otherwise we will be in constant flux.

Peter Peacock: I would not advocate that. The arrangement that I am talking about would endure even if we once again had a majority Administration.

Des McNulty: The first issue is transparency. This year marked a significant step backwards in terms of the data that we got, compared with those that were received under the previous arrangements that were agreed by the Finance Committee and the Government. There is an absolute requirement for level 3 data to be made available, and not just when committees ask for it. If the data are available to the Government, they should be made available more generally. John Swinney and Jim Mather, as members of the Opposition, and I, as convener of the Finance Committee, were keen on having baseline data to make it possible to reconcile systems as they change from year to year. For example, this year, significant changes in how local government finance was calculated made it difficult to reconcile the baseline issues and gave us difficulties in terms of our flooding inquiry.

The second issue is the resources that are available to committees and political parties to examine what is in the budget and what options might be proposed. As Peter Peacock said, the situation is more fluid now, and more members may come forward with budget alternatives than was the case in the past. Some might do so in combination with ministers; others might not. However, there needs to be an independent source of expert advice in the system. Whether that is an office of the budget or a resource within the Scottish Parliament information centre that allows budget alternatives to be considered, engaged with and proposed, it needs to be examined.

The third issue is process. There needs to be a longer timescale. This year was particularly unsatisfactory, but in general there needs to be a longer timescale, with more points of access for change. The present process, in which changes at stage 3 can be only technical and proposed only by ministers, is probably not democratic. It means that the budget effectively is set in December and cannot be changed before it is finally agreed in March.

The Convener: I will avoid making the obvious comment, which is that the democratic problem seems to have appeared in your mind only since May last year.

Des McNulty: I can demonstrate pretty clearly that nearly all the points that I have made have been raised by me and others in the Finance Committee over the past five or six years.

Karen Gillon: Regardless of when they come about, convener, the points are no less valid. The budget bill is the only bill that is not subject to amendment by the Parliament at stage 3.

The Convener: That was by decision in 1999.

Karen Gillon: Yes, but we have had a review and we now have an opportunity to put forward our views. You may disagree with them, but that does not make them any less relevant or valid.

It is absurd that the Parliament cannot amend the budget bill at stage 3. If there is a majority in the Parliament against a particular amendment, it should not be left to one committee of nine members—and perhaps the vote of one member of that committee—to determine whether the budget is amended; it should be a matter for Parliament. We are all accountable for the budget, and we should all be able to amend it. The budget bill is the only bill in the Parliament that follows that system. We have a review in front of us, and we should suggest the change as a positive outcome for whoever is in the Government of the day.

Jamie Hepburn: Obviously, I am somewhat at a disadvantage, in that this year's budget was the first that I have been involved with—

Peter Peacock: That is an advantage.

Jamie Hepburn: Or an advantage, as Peter Peacock suggests.

I echo the convener's point that we must ensure that any procedures suit all circumstances, whether that is a majority or minority Administration. That must underpin whatever we recommend to the Finance Committee and, I hope, what the Finance Committee recommends in turn.

I understand what Des McNulty said about the timescale being too short this year. Again, I emphasise that this is the only budget process that I have experienced, but we have to remember that the timescale was somewhat curtailed through no fault of the Scottish Administration, because the comprehensive spending review at Westminster was delayed. Before we rush to make any suggestions on the back of this year's process, we should bear that in mind.

Bill Wilson: Peter Peacock's logic is slightly inverted. If I understood it correctly, he said that there is a democratic deficit when we have minority Government—which must ultimately negotiate acceptance of the budget to win the votes in Parliament—but that there was no democratic deficit when a majority could force through a vote regardless. It seems to me that we have a more democratic system with a minority Government, which is the exact opposite of his

argument. A minority Government has to negotiate to get the votes—it cannot force anything through.

Peter Peacock: You could try a coalition.

Bill Wilson: We could, but we will let Mike Rumbles stay in opposition.

I do not accept the argument of a democratic deficit at all. To me, the opposite is the case at the moment—much more negotiation is necessary. A more convincing case for change has to be made.

The Convener: Given that we are now running very late, I suggest that the issue be placed on the agenda for our meeting on 28 May. We do not have to come to any conclusion today. I will get the clerks to take a quick note of which members had their hands up—Mike Rumbles and Peter Peacock—and, when we come back to the issue on 28 May, they will be able to continue the discussion.

Jamie Hepburn: We will all put our hands up then.

The Convener: Indeed, you may. We are badly pressured for time today, so this is an appropriate course of action.

European Union Issues

11:40

The Convener: Agenda item 3 is European Union issues. We have received a letter from the convener of the European and External Relations Committee, which has been circulated to members. We get a regular update on European Union issues and we will have an opportunity to examine the transposition of a European directive when we get the proposed flooding bill—which we anticipate keenly.

The best time for us to discuss our scrutiny of European issues might be at our away day in June. If members want to raise any particular points regarding the mainstreaming of European issues, they can be raised directly with the clerks rather than in discussion today. Are members agreed that I should write to the convener of the European and External Relations Committee, reiterating what we have agreed today?

Members *indicated agreement.*

Annual Report

11:41

The Convener: Agenda item 4 is our annual report, of which a draft has been circulated. The annual report must be produced under rule 12.9 of the standing orders and it has a fairly standard format. I ask for any comments or suggested amendments; otherwise, the report will be published as drafted, on 9 June.

Peter Peacock: I have two small points. First, the report refers to our contributing to the Finance Committee's scrutiny. I cannot remember whether we made any points of principle about the budget process in our evidence to the Finance Committee, but perhaps they ought to be made again or cross-referenced in the report. Frankly, I cannot recall what we said. Secondly, it is worth recording the fact that our budget adviser was very helpful to the process.

The Convener: I am not sure whether that is appropriate in the context of the annual report. Annual reports tend to be quite constrained—however, I have been advised that that is okay.

Karen Gillon: The equalities section is slightly patronising. The report highlights as an instance of good practice in equalities the fact that the committee ensured that a venue was “reasonably accessible”. I hope that we are doing more than that, especially in the context of our inquiry into rural housing. We are trying to ensure that people have access to affordable housing—that is about equalities as well. I would like the report to take a wider view of our work on equalities. We need to expand the section slightly to say how we, as a committee, approach the mainstreaming of equalities and to highlight what we have done. To say that all that we have done is ensure that a venue was “reasonably accessible” is not enough.

Bill Wilson: It occurs to me that, if we are going to have a round-table discussion such as Karen Gillon has mentioned, we might consider inviting disability groups that need open-access housing and so on, to ensure that we include equalities issues in our rural housing inquiry.

The Convener: We cannot comment on future business—that is not part of the annual report. The annual report is about what we have done in the past. If you want to make a suggestion relating to the rural housing inquiry, you should do that separately.

Bill Wilson: Well, I have made a suggestion.

The Convener: It would have been useful if you had made it during that agenda item.

John Scott: Should we put in a bit more about our external visits? We seem to have been traipsing round the country all the time.

The Convener: I remind you that your microphone is on, John.

John Scott: And I have been happy to do so—I have enjoyed it all. I just think that we should put a bit more about it in the annual report. It is important that the point is made that we have been accessible and have been doing our best to get out and about around the country.

The Convener: Okay. We will make those changes and recirculate the report. Do members agree to delegate authority to me to approve the final, amended version?

Members *indicated agreement.*

The Convener: I concede the chair to the deputy convener for a few minutes for the next item on the agenda.

Subordinate Legislation

11:44

The Deputy Convener (John Scott): Agenda item 5 is subordinate legislation.

Karen Gillon: The issue that I am about to highlight has been raised in the past—Peter Peacock has also raised it. The volume of paperwork that we have received today is simply obscene. Either we need to find a way round the problem or we should suggest to the Standards, Procedures and Public Appointments Committee that we do not need hard copies of every Scottish statutory instrument and accompanying document. We are the environment committee, after all—it is ridiculous. We can all go online and access the papers. We should not be sending them all out to people. We need to find a way round the matter—it is getting ridiculous.

The Deputy Convener: There are two approaches. We can discuss at the away day in June how to deal with the voluminous quantities of paper. I entirely agree with your point, Karen. The alternative is simply to do without the papers covering the transposition of European legislation, which currently come to us automatically.

Karen Gillon: We need the front paper. We can then go online and get whatever else we need.

The Deputy Convener: I do not want to go online.

Karen Gillon: If members want to, they can. We know what the instruments are and we know the details. Members can go and get the other paperwork if they want it.

Des McNulty: Or go and ask for it.

Karen Gillon: Yes, they can ask for it—we can get it in the Scottish Parliament information centre. We do not need to have such a large volume of papers sent to us every day.

Bill Wilson: May I suggest a compromise? We could simply get the Executive summary and the instrument, which would cut down volumes of paper. If members go through the Executive summary, they can see whether they need to go online to check more.

The Deputy Convener: In future, those who want hard copies can receive them; those who want shortened versions should make their position known to the clerks.

Karen Gillon: Thank you.

The Deputy Convener: That will reduce some of the rainforest's deprivations, at any rate.

The convener is back in time for us to move on to the main points under this agenda item. I hand back to you, convener. We are about to discuss the individual instruments.

The Convener: You do not want to finish them yourself, then?

John Scott: No, no.

Sea Fishing (Enforcement of Community Quota and Third Country Fishing Measures and Restriction on Days at Sea) (Scotland) Order 2008 (SSI 2008/151)

Plant Health Fees (Scotland) Regulations 2008 (SSI 2008/153)

Smoke Control Areas (Authorised Fuels) (Scotland) Regulations 2008 (SSI 2008/154)

Animals and Animal Products (Import and Export) (Scotland) Amendment Regulations 2008 (SSI 2008/155)

Smoke Control Areas (Exempt Fireplaces) (Scotland) Order 2008 (SSI 2008/157)

Rural Development Contracts (Land Managers Options) (Scotland) Regulations 2008 (SSI 2008/159)

Land Managers Skills Development Grants (Scotland) Regulations 2008 (SSI 2008/162)

Bathing Waters (Scotland) Regulations 2008 (SSI 2008/170)

The Convener: There are eight Scottish statutory instruments for consideration. No motions to annul have been lodged, and no members have raised any issues in advance on the instruments. A paper containing extracts from the reports of the Subordinate Legislation Committee that are relevant to these eight SSIs has been provided. I invite comments from members.

John Scott: I have a comment about the Sea Fishing (Enforcement of Community Quota and Third Country Fishing Measures and Restriction on Days at Sea) (Scotland) Order 2008 (SSI 2008/151), which I think the Subordinate Legislation Committee is fairly concerned about. It states:

“this instrument ... raises a devolution issue in so far as article 11(4) and (5) of the instrument provides a national measure which paraphrases a directly effective provision of the Council Regulation and applies criminal penalties to a contravention of that national measure.”

Given that the Subordinate Legislation Committee is so unhappy with the order, we need a better explanation of the matter and some justification from the minister. I am sorry that I have not thus far proposed—

The Convener: Unfortunately, there is no time for the committee to do anything in respect of the order, because the 40-day deadline falls before our next meeting on 28 May. The only appropriate action would be for an individual member to lodge a motion to annul the instrument in the chamber. We do not have the time within our committee business to do that.

John Scott: In that case, I will simply leave my concerns on the record. I share the concerns of the Subordinate Legislation Committee.

The Convener: You might wish to consider another course of action.

John Scott: No—I will leave it at that.

Karen Gillon: Could I ask for clarification as to why this is the case? Is it simply due to when we received the Subordinate Legislation Committee's report on the order?

The Convener: I am advised that it is basically because of the fortnightly timing of our meetings. We have received some SSIs quite early, and we have been able to pursue issues arising from them regardless of our having fortnightly meetings. However, having meetings fortnightly gives us a problem with instruments that come in later. There is nothing to stop us having a short meeting next Wednesday to deal with that item alone, if members wish, but that would allow only one week to explore the matter and get a response.

Committee rooms are reserved on a weekly basis. We would not have to convene at 10 o'clock in the morning; we could convene a meeting at noon or thereabouts, if members feel strongly that they wish a further opportunity to discuss the order. However, that would mean convening another meeting especially for that purpose.

John Scott: I have already made my point on the subject.

The Convener: I am in the hands of John Scott and Karen Gillon.

Karen Gillon: I just wanted to know why there was such a constraint on our time.

The Convener: It is a combination of when the order came in and our fortnightly meeting schedule. We could convene a brief meeting next Wednesday.

John Scott: I do not think that we should convene a meeting next Wednesday but, in future, we should legitimately expect to receive papers in sufficient time to address any points that arise

about the instruments concerned. Then, we would not have a gun held to our head in this way.

The Convener: The clerk has noted the issue, and it will be communicated to those in charge.

Do we agree not to make any recommendations on the eight SSIs that are on the agenda?

Members *indicated agreement.*

11:52

Meeting suspended until 11:53 and thereafter continued in private until 12:23.

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