

# **MEETING OF THE PARLIAMENT**

Wednesday 7 October 2009

Session 3

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## Scottish Parliament

*Wednesday 7 October 2009*

[THE PRESIDING OFFICER *opened the meeting at 14:30*]

### Time for Reflection

**The Presiding Officer (Alex Fergusson):**

Good afternoon. The first item of business is time for reflection. Our time for reflection leader is the Rev Martin Thomson from Dalry Trinity Church in Ayrshire.

**The Rev Martin Thomson (Dalry Trinity Church):** Thank you very much for this opportunity to speak. I also say a word of thanks to Kenneth Gibson, who suggested that my name be put forward. I gather that Mr Gibson's wife is due to have a baby this week, so he is not with us today.

What brought a former maths teacher and former chairman of an astronomical society from such a science background into Christian ministry? The simple answer is the grace of Christ. Grace means being given something that I do not deserve.

I hope that you will permit me to steal an illustration from Victor Hugo's "Les Misérables", which is set around the time of the French revolution. The opening scene captures something of what it means to be treated with grace. The criminal Jean Valjean is a bitter man, having spent 19 years in a chain gang for stealing a loaf of bread. Following release, the local bishop provides him with a meal and a bed for the night. In the middle of the night, Valjean creeps downstairs to steal the bishop's cutlery. The bishop hears him, comes to investigate and gets knocked out by Valjean, who runs off with the silver. The next day, Valjean is stopped by the local police. He insists that the silver was a gift. When the captain of the guard asks whether that is true, the bishop, sporting a huge black eye, replies, "Yes, I gave it to him, but he forgot to take the silver candlesticks—give him the candlesticks as well." A stunned Valjean is released and given the silver candlesticks as well.

The bishop could treat Valjean in three different ways. First, with justice—he could give the criminal what he deserves. In that case, the spoons would be returned and Valjean would be returned to prison. Secondly, he could treat him with mercy, which is less than he deserves—return the spoons, but do not press charges and Valjean goes free. That would be merciful. Thirdly, the bishop could do what he actually does, which is to treat Valjean with grace. He gives him a very

expensive, utterly undeserved gift. That is grace, and it is at the very heart of the Christian message of the Christ.

Grace is also challenging. I who have been treated with grace ought to show grace. How do I react when kids come into my garden, as they did in April, and smash my windows or when they return in May and set fire to my car at 5 am—a kind of flambé Toyota? One thing that we are exploring in our church is offering a drop-in centre alternative on Friday evenings, the evening when those kids tend to get up to such things. Grace demands such things. Grace transforms. The grace of Christ brought me to where I am as a Christian minister and a Christian, and grace can transform communities.

## Rural Housing

**The Presiding Officer (Alex Fergusson):** The next item of business is a debate on motion S3M-4973, in the name of Maureen Watt, on the Rural Affairs and Environment Committee's report on rural housing. You have round about 13 minutes, convener.

14:34

**Maureen Watt (North East Scotland) (SNP):** I am very pleased to open the debate on the Rural Affairs and Environment Committee's report on rural housing, and pleased that the whole Parliament has the opportunity to discuss this important issue.

When I joined the committee this spring, the inquiry was drawing to a close, so you will appreciate, Presiding Officer, that when I use the words "we" and "our" in this speech, I will be using them not in the royal way but in the corporate sense, to describe things that the committee did before and after I joined it.

It is therefore particularly appropriate for me to begin by thanking my colleagues on the committee for their work throughout the inquiry and by thanking former committee members, too—the inquiry was long and we went through quite a few membership changes. Of course, I note the huge contribution of my predecessor, Roseanna Cunningham, who steered the committee through the evidence-gathering stage and early consideration of the draft report. I must also thank the committee clerks for the outstanding work that they did throughout the whole process.

It was at the committee's first away day, in Aviemore in late 2007, that the unaffordability and unavailability of rural housing came on to the agenda. Contributors to our away day—people from all walks of life united by the fact that they lived and worked in rural Scotland—told us almost unanimously about the urgency of the issue.

Situations where young families are unable to afford a property that would let them live in and contribute to their community over the course of their lives are fundamentally unsustainable. Tight-knit rural communities cannot survive in the long term if young people are prevented from building their lives there and if key local jobs are left unfilled. More needs to be done to increase the availability of rural housing.

Shortly after our away day, we launched an inquiry with the following remit: to identify the obstacles preventing people in rural Scotland from gaining access to appropriate and affordable housing; to assess the effectiveness of existing mechanisms for overcoming those obstacles; and

to identify further measures that could be taken, locally or nationally, to help to address the problem.

The committee, by its very nature, has to get out and about. Over the course of the inquiry, members went to three rural housing hot spots: highland Perthshire, East Lothian and the Isle of Arran. We also held a full committee meeting in Melrose to hear about the situation in the Borders. Those visits helped members to build up a composite picture of the issue across Scotland.

We also gathered evidence in more conventional ways. We held meetings here in Edinburgh and gathered written evidence from a call for views. I thank the many people who provided that evidence and, crucially, pointed us towards some practical solutions.

So, what did we find? As I said, the inquiry was lengthy and it took place against the backdrop of a rapidly changing financial situation. When we began our inquiry, interest rates were at 5.5 per cent, Howard from the Halifax was still on our screens singing the praises of 100 per cent mortgages and the phrase "credit crunch" still had the ring of novelty about it. How things change.

However, some things have not changed. Recommendation 1 of our inquiry was:

"The committee is clear that many more houses need to be built in rural Scotland ...this assumption is fundamental to the overall approach taken in this report."

That was true when we launched our inquiry and it is just as true now. Yes, there are differences across the country, but the fundamental rural housing problem is that demand outstrips supply. However, as we say in the report, that does not mean that there is one "magic bullet". Instead, the various factors that contribute to the situation need to be teased out. Only then is it possible to identify bespoke solutions that can help to provide a way forward.

Our inquiry identified five main themes. I will use the time that I have left simply to introduce them; I will leave it to others to address them in more detail. The first theme is the planning system. It is not all bad news—there is good practice out there—but the balance of evidence that we considered made very clear that planning is considered to be part of the rural housing problem. The witnesses told us that the planning system is too slow and overbureaucratic, that plans can be outdated and that councils' planning policies sometimes contradict their housing or environmental policies.

As the chief planner himself acknowledged, the planning system has been "niggardly" in the allocation of rural housing and needs to refocus itself as an enabler of development. Leaving aside rules and policies, that requires a cultural shift as

much as anything. That applies particularly in relation to building in the countryside, rather than within the envelope of existing towns and villages. We need to overcome the false perception that the countryside is somehow meant to be empty because it has aye been that way. As Rob Gibson has always told us—and as anyone who knows anything about this country's history will tell us—it hasna aye been that way.

It is entirely right that most planning decisions are taken at council level. However, the committee strongly believes that improving the affordability and availability of rural housing is an issue of national importance, which means that national leadership is needed on the planning issue. The implementation of the Planning etc (Scotland) Act 2006 affords a golden opportunity to set a different tone, as does the current revision and consolidation of national planning guidance.

Another key theme was land supply. It is perhaps a uniquely Scottish paradox that while so much of Scotland lies apparently empty, it is extremely hard to get hold of suitable land. There are various reasons for that, but the fundamental problem is that not enough suitable land is being offered for development at a realistic price. In other words, the problem is partly market-based. It has been said that you cannot buck the market, but the committee considers that there are some practical steps that planning authorities could take. We suggest that if owners of land that has been zoned for housing are holding out hopefully—the less charitable might say greedily—for the optimum offer, why not consider de-zoning the land? Might that not help to produce a sudden sense of urgency in some cases?

What about compulsory purchase? Of course, it should be only a last resort, but the evidence we heard was worrying, because the suggestion was that in much of Scotland compulsory purchase is never used at all. What is the point of having the power if it is never used—not even, for example, to stop a perfectly habitable building falling into disrepair in an area of high housing need?

Of course, many landowners want to be part of the solution. In particular, the committee heard that some landlords would welcome having a greater role in the private rented sector—which is proportionately much smaller in rural Scotland—but when it comes to building new private rented housing, they have difficulty making the figures stack up.

That brings me on to the third key theme of the inquiry: government funding of affordable rural housing. Government support comes at both the macro and the micro level, and our report touches on both. There are the big top-down spends, mainly via the housing association grant, then there are bespoke schemes that are available to

individual applicants, such as the rural empty properties grant and the rural homes for rent scheme. Those are potentially useful, and it is important that landowners and prospective householders know that they exist—the trouble is that many do not. We also heard concerns about bureaucratic overload in administering those schemes. I know that the Government has been reviewing the effectiveness of those schemes and I look forward to an update from the minister.

The fourth major theme in the inquiry was social rented housing and the right to buy. Whether or not members support the principle behind the right to buy, one thing became very clear: in some parts of rural Scotland, it has had a devastating effect on the availability of affordable housing. One of the key messages of the inquiry was the importance of, as one witness put it,

“holding on to what we have”.

There will shortly be a housing bill concerning the right to buy, and I look forward to the minister's comments on that in relation to rural housing.

Some way into our inquiry, the committee began to note recurring concerns about the impact of homelessness legislation on the availability of social housing. Clearly, that is a sensitive issue, and it would have been easy to sweep those concerns under the carpet—easy but irresponsible, especially since we encountered perhaps surprising evidence that, far from being comparatively insulated from the problem, many rural social landlords are at the front line in dealing with it. I know that homelessness legislation is a thorny issue, but I simply pass on the committee's observation that, whatever the good intentions behind it, it has created some practical difficulties and—at times—perverse incentives, which need to be looked at.

The final main theme identified by the committee was the sustainability and affordability of housing and infrastructure, in which we sought to get down to the literal nuts and bolts of rural housing. We picked up a few concerns but, in the little time that I have available, I will pass on just one: the Scottish Environment Protection Agency's regulatory role in relation to water and sewerage. Bluntly, there were concerns that SEPA was gilding the lily somewhat, and our report calls for its role to be rebalanced to ensure that it serves as much as an enabler of development in the countryside as a regulator. I am interested to hear the minister's thoughts on that.

In outlining those five key themes, I have stressed the need to consider a variety of approaches to rural housing. However, before concluding, I draw the Parliament's attention to one more cross-cutting suggestion in our report.

Earlier, I referred to rural housing pressure points—or so-called hot spots—where the strains on the community are most acute. What about giving councils a right to apply for some sort of enhanced pressured area status for hot spots? If such a status were granted, councils would have access to a toolkit of measures to reduce housing pressure, which might include not only suspending the right to buy but applying a special rate of council tax on second homes, the proceeds of which could be used for an affordable housing fund, or allowing for an expedited compulsory purchase procedure. I know that the minister's initial response to that proposal was lukewarm, and I do not dispute that the policy would need to be fine-tuned, but I simply point out that if we are serious about restoring balance, fairness and sustainability to rural housing, we might have to consider more radical approaches in some especially pressured parts of the country.

I hope that the Parliament appreciates that our report is comprehensive. Even with the comparative luxury of a full 13 minutes, I have had time to bring out only its key themes, but I look forward to hearing those themes being discussed and developed over the course of the afternoon.

I move,

That the Parliament notes the conclusions and recommendations contained in the Rural Affairs and Environment Committee's 5th Report, 2009 (Session 3): *Rural Housing* (SP Paper 256).

**The Presiding Officer:** Just before I call the minister, I point out that we can be a little flexible with time and can add on time taken for interventions. Had you insisted, convener, we could have let you have 14 minutes.

I call Alex Neil to respond on behalf of the Government. Minister, you may have about 11 minutes.

14:47

**The Minister for Housing and Communities (Alex Neil):** After your comments, Presiding Officer, I thought that I was going to have to restrict my comments to an hour.

I congratulate the committee on producing a report of a very high standard and, in particular, congratulate the convener on her speech and her summary of the report's key themes. As far as the Scottish Government's response is concerned, all parties, including the committee and the Government, are pretty well singing from the same hymn sheet in recognising the importance of housing in sustaining our rural communities. If housing is not of a high standard or, indeed, if it is not available, particularly for rent, we will not be able to sustain our communities in the long term. As we have seen in a number of areas, if not

enough good-quality housing is available, particularly to young people, rural communities will lose those people—and sometimes they never return. As a result, we acknowledge the importance of housing and other community facilities to our rural communities' long-term economic and environmental sustainability.

Since the Parliament's establishment, quite a lot of progress has been made on rural housing. This year alone, we are investing £146 million in delivering more than 1,300 new houses in rural communities throughout the country. I know that there is a dispute over the definition of "rural" with reference to rural local authorities, and we are looking at that issue to see whether we can take a more focused approach to measuring progress in rural areas. I will keep the Parliament abreast of progress in that regard.

More than £126 million of the £146 million is for affordable homes for rent, which are delivered by housing associations the length and breadth of rural Scotland. Those housing authorities make an enormous contribution to the sustainability of our communities, not just as developers, owners and managers of houses, but in their wider role as local regeneration agencies. We are also providing nearly £14 million to support low-cost home ownership, with a temporary extension of the open market shared equity pilot throughout Scotland, £1 million for rural home ownership grants and £4.8 million for social and environmental improvements.

On top of that, we have the kick-start programme for council housing. I am glad to say that councils such as Highland Council are considering taking up the opportunity of using that additional source of funding to build new houses in rural areas. So far, £26 million of the £50 million subsidy has been allocated; the other £24 million will be allocated before Christmas. Between them, Aberdeenshire Council, East Lothian Council, Orkney Islands Council and Perth and Kinross Council will receive £3 million of the sum that has been allocated to build 121 units in rural areas. Our pilot rural homes for rent project will eventually provide up to 100 new units in various communities the length and breadth of Scotland.

I agree with the committee that we need to look at new ways of funding and supporting the development of new housing in rural areas. We all accept that there will be substantial financial pressures for the foreseeable future. We must, therefore, do as much as we can to make the public pound go further—in housing and other services—and look at other sources of funding. We will shortly conclude for seven housing associations in Scotland a loan agreement with the European Investment Bank totalling £50 million. Many local authorities covering rural areas will benefit from that.



**Mary Mulligan (Linlithgow) (Lab):** I am interested in the minister's comments about the European Investment Bank. Can he say at this stage what interest rates housing associations are likely to pay on the loans, and how that will affect their ability to develop new housing?

**Alex Neil:** Both the payback period and the general terms and conditions are attractive compared with loans in the private sector. At the moment, the loan rate is 2 per cent below the average going rate in the private sector, which is 6.5 per cent. That represents substantial value for money and a better deal than private sector loans. The EIB will not replace the private sector, but it is an important supplement and an additional tool that we can use to provide the loan element of housing association funding in Scotland.

**Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** The minister gave way to me without my saying a word—I thank him for that. He makes an interesting point about the private sector. Further to that point, what consideration are he and his team giving to attracting fund managers into the housing market? When equity markets are volatile, bricks and mortar could be a safer bet, with a steady income stream that could, in turn, serve as pension funds.

**Alex Neil:** We are actively looking at all the options, including use of the bond market to fund housing, as there are limitations even on the use of local authorities' prudential borrowing capacity. We should use every possible opportunity.

We have been campaigning for the Treasury in London to provide further tax incentives to encourage private sector investment in housing in both rural and urban Scotland, so that we can build new houses for rent. If the necessary changes are made to the real estate investment trust scheme—a venture capital scheme that currently applies only to commercial property—to extend it to housing property, that will act as a major tax incentive to invest in housing. We are also campaigning for VAT on housing improvement and renovation to be reduced on a permanent basis from 17.5 to 5 per cent. I hope that in his pre-budget report in November, the Chancellor of the Exchequer will give serious consideration to those proposals, as part of the economic recovery programme.

We recognise the importance of reforming right-to-buy legislation to protect the housing stock that is available for social rent in urban and rural areas. We have produced three major proposals for our forthcoming housing bill: ending the right to buy for new houses, possibly ending the right to buy for new tenants, and—as the Rural Affairs and Environment Committee recommended—extending the period of suspension of the right to buy in areas of high pressure. We are also

considering the possibility of delegating the decision on suspending the right to buy for housing in areas of high pressure from ministers to local authorities. We shall shortly announce our decisions resulting from the consultation on the reform of the right to buy, which I am sure will be warmly welcomed by at least three quarters of members, but not by the entire Parliament.

Many other new ideas are on the horizon. Maureen Watt mentioned East Lothian, which the committee visited in its evidence gathering. East Lothian Council is leading the way, with its innovative approach to funding for housing investment. That authority recently agreed to lend money from its own resources at very favourable rates to housing associations in East Lothian so that they can fund the building and management of houses on behalf of the council, in addition to the housing association mainstream programme in the area. We are considering how to facilitate the work of other local authorities, a number of which have expressed interest in doing something similar to what East Lothian Council has done. Sometimes, local authorities can make loan capital available to housing associations on more favourable terms than those that apply in the private sector.

Maureen Watt made a fair point about the constraints that apply to compulsory purchase procedures. The Cabinet Secretary for Justice and I have requested that the Scottish Law Commission consider as an early priority the possible reform of compulsory purchase legislation, so as to make procedures much more timeous and much less bureaucratic than they are at present. I hope—in fact, I am pretty sure—that the commission will agree to that request. I hope that substantive proposals for the reform of compulsory purchase procedures will be made as a result of the commission's work.

I take the point that has been made about land supply. We are actively considering incentives for public sector organisations and private landowners to make more land available in rural as well as urban areas. There is undoubtedly a problem in both the private and public sectors of landowners being unwilling to release land at current capital market values. We are considering whether it is possible to come to some deferred payment arrangement, whereby the land can be made available now for the required social housing development in return for a deferred payment at a market value at a later date, which would be a higher value than today's, but would nevertheless be affordable for a social housing development.

**Jamie McGrigor (Highlands and Islands) (Con):** Can the minister give a guarantee that the value at a later date will be higher?

**Alex Neil:** Given that there might be a change of Government, I cannot give a guarantee on anything, particularly in relation to the economy. I am not foolish enough to give any kind of guarantee on that. However, I guarantee that we will consider every possible innovation to release much-needed land for housing in both the public and private sectors. There is no doubt that in many rural areas, land availability is a major constraint on the construction of new houses. We will do everything that we can to tackle that problem, as well as the other ones that the committee has identified.

I have run out of time, which is unfortunate, because I would have been happy to go on for another hour. I hope that I have given members a flavour of the Government's positive and imaginative response to the committee's recommendations.

**The Presiding Officer:** You will get another chance, minister.

15:00

**Peter Peacock (Highlands and Islands) (Lab):** It is my pleasure to open the debate for the Labour Party. My only qualification for this temporary return to the front bench is my being the only Labour member to have seen the beginning and end of the Rural Affairs and Environment Committee's inquiry, which was something of a marathon, as the committee convener said.

The significant reason for extending the inquiry was that halfway through it we experienced a dramatic change in the economy as a result of the banking crisis, the collapse of the mortgage market and, in turn, the collapse of the house building market. That brings me to my first point. We had a policy for the delivery of affordable social housing that was largely dependent on the boom in the private housing market, and as soon as that market collapses our ability to supply affordable houses to a wide market becomes heavily constrained.

I hope that that fact gives members of all parties food for thought about the different policy approaches that we will require in future if we are to ensure that we never get into such a position again. The private sector will always be able to make a contribution, but we were overdependent on it. That was disproportionately the case in the rural context because of the difficulty of bringing smaller developments on stream, given their higher unit costs. I leave that issue with the minister.

The committee's report was unanimous, which is worth recording. In the seven minutes that I have for my speech, I cannot cover all the points in it. I will start by focusing on attitudes to housing in the

countryside and the planning and land zoning issues that arise from those attitudes. I will then develop some of the arguments that the convener made about pressured area status. Finally, I will consider financial issues such as incentives in the public and private sectors.

As the convener said, it is self-evident that there is a significant shortage of housing in rural Scotland. Need significantly outstrips supply. The housing shortage leads to overcrowding and poorer living conditions than should be the case, but its principal effect is to hold back rural economic development. As the minister said, without a flexible housing supply we cannot get the economic development that we want.

The irony, of course, is that there is plenty of land in rural Scotland, not all of which is good agricultural land that is needed for that purpose. The committee was clearly of the view that in our planning system we have developed an overly cautious and restrictive view of housing and new settlements in the countryside. As I drive round the Highlands, as I have done for many years, I pass cleared and derelict croft after derelict croft. Entire settlements now lie beneath large forestry plantations. The landscape was once alive with people, but it is virtually impossible to get planning consent in some areas. We need to relax our attitude to that.

Different approaches will be needed in different parts of Scotland. Perhaps we need more scattered housing in the Highlands and Islands and more new or expanded settlements in the Borders and East Lothian. In areas such as East Lothian there are tensions between the high demand from commuters to the big cities and the needs of local people. Meeting housing development demand from commuters has an impact on prices that is felt by local people, and I acknowledge that such issues are difficult to address.

One way of addressing the issue is explicitly and purposely to zone more land for housing. We also need to re-examine land that has been zoned but not developed, to try to ensure that the zoning of land is not just a paper target for local authorities and is turned into real development. If land is not developed, we should consider de-zoning it, to provide an incentive for landowners to bring forward development more effectively.

We need to get better at bringing on stream developments in zoned land. The Highland Housing Alliance is a good example of an organisation that has found a way of doing that, and we must promote that model.

We need to give much more consideration to compulsory purchase. I welcome what the minister said about compulsory purchase and the review

that he has asked the Scottish Law Commission to undertake. I hope that we can streamline the process and get it taken much more seriously than has been the case in the past.

There is also a role for public land banking to facilitate development. Again, the Highland Housing Alliance has a lot to say and can give examples of what has been successful in that regard. We can improve many aspects of our planning system.

I will discuss the current, and potential, use of pressured area status. As the minister indicated and others stated in evidence to the committee, the unrestricted sale of council houses in remote and rural areas has been damaging in some parts of the country. That is why pressured area status came about: we decided that we had to remove the ability to sell some houses in those areas to help to supply local needs. However, that has not happened everywhere and, to be frank, it was perplexing to hear that some local authorities dealt with pressured area status with alacrity but others found it extraordinarily bureaucratic and difficult.

The truth between those two positions needs to be addressed. The Government should remove every excuse from the local authorities that have been reticent about using the mechanism because of what they argue are bureaucratic difficulties. I urge a review of pressured area status to ensure that that happens, but I also urge local authorities to use the power, as some more successful councils have already done.

Pressured area status is an interesting policy concept because it has potential to be applied much more widely. The areas are designated because they are pressured in a housing sense, but we use only one policy device within them: the suspension of sales. We could develop a series of other devices, such as explicit recognition that exceptions to local plans within a pressured area might be agreed to more readily. We could reduce the council tax within a pressured area, if not the whole of a council area, to increase incentives. Higher rates of grant for the private and public sectors could be provided within pressured areas, and we could explicitly relax some of the planning rules on streetlights, pavements and road standards that we insist on even in small rural developments. Perhaps the Scottish Environment Protection Agency and Scottish Water could be encouraged to pay particular attention to supporting unplugged housing developments within pressured areas, thereby avoiding the heavy costs of infrastructure, and perhaps SEPA could pay attention to being a facilitator of development, not only a regulator. We could also use compulsory purchase within such areas. It is possible to have a basket of policy approaches.

I would like some more time if I can have it, Presiding Officer. I am grateful that you are nodding at that. I will try not abuse it.

The Government's response on pressured area status is weak and disappointing. I hope that the minister will take the spirit of my comments and think about the matter a bit more with his officials. It is not a finely refined policy, and there is scope to adapt the concept to wider use.

I will make three quick points on finance. Private sector landowners could do a lot more. In our inquiry, we witnessed a lot of willingness to do more and a lot of innovative thinking among some of the big estate landowners, but they were simply unable to make propositions stack up financially. That is a great shame, and I hope that the minister will consider how we can make progress on that in partnership with the private sector.

The committee highlighted some issues on housing association grant. As I see it, there are three problems. The first is the pressure from the Government to reduce balances. Some housing associations do not have balances, but those that do have them for a purpose, principally to meet quality standards. The Government cannot have it both ways: if it wants to shift those balances into creating new stock, it cannot have the same level of improvement in the current stock. The second issue is that the cut in HAG has made it difficult for rural housing associations in particular to make propositions stack up. The third point is that, although additional HAG is available because of the additional costs in rural areas, the new rules about rental assumptions, which are too high, mean that the housing associations cannot make their propositions stack up.

There is a lot to be done. I hope that the minister will take much more seriously the need to address those issues with housing association grant so that we find a way to release potential. Otherwise, development will slow up.

The committee unanimously recommended the return of the loan element of the previouscroft house assistance scheme. It is a highly cost-effective way of doing things. Since the policy decision to remove that loan was made a few years ago, the economic circumstances have changed. I hoped that the Government would do more about that and, again, I am disappointed that, so far, it has not moved on that point. However, there is still time for it to do so, and I hope that the minister will redeem himself in that regard.

**The Deputy Presiding Officer (Trish Godman):** You owe me one, Mr Peacock.

15:09

**Nanette Milne (North East Scotland) (Con):** I have enjoyed ownership for the past 24 years of a modest second home in a rural Aberdeenshire settlement, but my house has not been in demand as a full-time residence within living memory. My family and I are accepted as locals, and we do our best to support the local economy in our frequent stays up there.

The Rural Affairs and Environment Committee's rural housing report reflects a detailed and thorough investigation by the committee. Everyone concerned in its production is to be commended for looking into an issue that we all agree is extremely important for the long-term sustainability of rural communities across Scotland. Clearly, there is not time in a short speech to deal in detail with all the report's aspects, but I will try to respond to a number of the key issues that the committee explored.

Scottish Conservatives believe that there is, indeed, a fundamental lack of affordable rural houses. We agree with the committee that current planning procedures are often outdated and conservative and that they hamper new developments in rural Scotland. Those of us who represent rural areas, wherever they are, will all have anecdotal examples of the difficulties faced by constituents who cannot find a house locally within their means or fail to get planning permission in the countryside, even for a retiral home for a farmer, because it is considered to be sporadic development and therefore not allowable.

Aberdeenshire Council, for instance, has had a policy for years of insisting that new rural housing must be attached to an existing settlement, unless there is a proven need for a rural worker to be resident on a farm. That policy has made it well-nigh impossible for intending retirees to build on their farmland and has led to farmers putting off their retirement or facing great difficulty in handing on their farm because there is no accommodation for their successor. It has also inhibited the development of new rural businesses. Moreover, where properties have fallen into disrepair or are derelict, strict planning rules often insist that the replacement must occupy exactly the same footprint as the original building, which may result in extra costs to the householder and a less than satisfactory building for modern-day living.

Scottish Conservatives agree with the report's call for a cultural change in local authorities to end the overcautious approach to planning, which is hindering rural development. As we said in our 2007 manifesto, we would like a relaxation of planning guidelines to allow housing development in rural locations, thus helping to service the accommodation needs of retiring farmers and allowing much-needed new businesses to set up

in the countryside, which will attract tourists and other contributors to the local economy in more remote and rural communities.

Housing design is an issue in rural Scotland, particularly in the more exposed parts of the country. We would like to encourage the building of well-insulated, energy-efficient housing in rural areas that would bring long-term economic and environmental benefits. As the committee noted, the Government's climate change agenda and the implementation of current climate change legislation provide an opportunity to make progress in this area. My party would certainly like more to be done to promote energy efficiency in Scotland, which is why we were pleased to have accepted our amendments to the Climate Change (Scotland) Bill, which will enable green council tax and business rate discounts and ultimately benefit many householders in Scotland, not least in rural areas.

**Liam McArthur (Orkney) (LD):** On that point, does the member accept that a number of housing associations are concerned about the availability of detailed technical expertise in the energy-efficiency and energy-generation measures that they can take? Does she agree that the Government can turn its attention to that?

**Nanette Milne:** I agree with Mr McArthur's valid comment, and I hope that the Government will pay heed to it.

If energy-efficiency advances were made, we would have better and more sustainable communities and save energy at the same time. We have concerns about overzealous standards and specifications in rural areas regarding roads and related infrastructure, and about connections to the energy supply and to mains water and sewerage, although we acknowledge that the latter is now less of a problem than it was just a few years ago. We agree with the committee that imposing urban specifications in a rural context without considering whether that is necessary is, in fact, bad planning. We believe that common sense should be used in planning for rural development.

We share the committee's concerns about the current lack of planning professionals in councils throughout Scotland. We support moves to attract and retain experienced planners at local authority level. Without them, it will be very difficult to tackle the problems of sustainable rural development.

Finally, and importantly, we agree that the private rented sector could make a much greater contribution, through either restoration or new build, to address the current lack of affordable rural housing. I know that a number of Aberdeenshire landowners are keen—indeed, some have already started—to make more

properties available for rent to local people. If their role is to be fully exploited, they will need help to overcome some of the practical and financial difficulties that stand in their way.

I was therefore encouraged to read this week that the Cairngorms National Park Authority is actively considering ways to increase the supply of affordable private rented housing in its area. We believe that public sector bodies should be encouraged to consider the appropriateness of their land for affordable housing development, as exemplified by the Forestry Commission's national forest land scheme initiative. Where council land is redundant, it should be used. If the most pressing need is for affordable rural housing, such developments should be considered as an appropriate use for that land.

To summarise, the Scottish Conservatives believe that there is a lack of affordable rural housing in Scotland. We believe that planning procedures need to become more flexible and responsive to local needs and that it is right to champion the development of sustainable, well-insulated and energy-efficient housing stock. We wish full engagement with the private and public rented sectors in rural areas. However, because we firmly believe that all who wish to do so should be able to buy their own home, we want the right to buy to be available to future generations of home owners in Scotland.

We welcome many of the Rural Affairs and Environment Committee's recommendations on rural housing and the Government's response to the committee's report. We hope that we will now begin to address the fundamental lack of affordable housing for people who want to rent or buy in many parts of rural Scotland.

15:17

**Liam McArthur (Orkney) (LD):** I welcome today's debate. Like previous speakers, I believe that few issues currently facing rural Scotland are more significant than the lack of sufficient, affordable housing to rent and buy. As Alex Neil and Peter Peacock said, rural housing has a bearing on everything, from the basic quality of life through to economic development and sustaining our communities—many of which are very fragile indeed. I accept that the housing issues are not unique to rural areas, but many of the problems faced and the solutions required vary markedly between rural and urban areas.

For that reason, I welcome the fact that the Rural Affairs and Environment Committee decided—a decision made before I joined the committee—to undertake an inquiry into rural housing and, more important, persevered with the inquiry over many months. As the convener

acknowledged, it is fair to say that the birth of the committee's report was not easy—we even experienced a change of midwife mid-term—so I commend Maureen Watt, who took over convenership from Roseanna Cunningham, for successfully delivering our report. I am also grateful not only to Nanette Milne for her generous praise but to my fellow committee members, the clerks, the Scottish Parliament information centre and other staff for their advice, support and good-natured stoicism throughout. Most of all, I pay tribute to the many individuals and organisations that provided us with evidence.

In the midst of difficult and—as others have suggested—unpredictable economic times, we were all challenged to reassess any preconceived notions that we had not only about the scale and nature of the problems that face the rural housing sector but about the remedies that are required. That challenge was by and large met, but I confess that I was a little disappointed by some of the tone and content of the Government's response. Notwithstanding the minister's recognition of the high quality of our report, the Government response could be loosely summarised as, "You're wrong, we're doing it already and thanks for the commendation." At best, that is bad politics, but it is dangerously complacent in the face of the detailed and wide-ranging evidence that was taken by the committee.

As Peter Peacock said, it is particularly disappointing—and perhaps surprising—that the Government has not been more receptive to the committee's recommendation on enhanced pressured area status, which would provide councils with a broader toolbox of measures. The Minister for Environment was particularly attracted to the idea in her previous incarnation as a free-spirited convener of the committee. It was even suggested at the time that the committee might be pushing at an open door. Perhaps the Minister for Housing and Communities could check whether something is perhaps stuck behind that door—his size 8 boot, for instance.

Likewise, the committee's unanimous call for the Government to address

"a Scotland-wide shortage of suitably qualified professionals in planning departments"

and to help to effect a culture change in planning departments met with a remarkably lukewarm ministerial response.

I was particularly frustrated by the Government's response to recommendation 16 in the report, on the housing association grant, which urged ministers

"to investigate the widespread concern that the assumptions behind proposed changes to Housing

Association Grant take insufficient note of the extra burden imposed on rural social rented housing providers”.

The committee made specific note of problems to do with assumed rental income. Although ministers make the right noises about the limited economies of scale that are open to small rural housing associations and emphasise their willingness to continue to listen, those are not new problems, and they persist even though they have been put to MSPs and to ministers and officials for months. In many places, private finance levels are now critical. The only conclusion to be drawn is that ministers and their officials are so convinced that registered social landlords are inherently inefficient or wasteful with money that they do not believe a lot of what they are being told. That is hugely unfortunate.

In my constituency, for example, assumed rent levels are 8 per cent higher than Orkney Housing Association can achieve. In some of the smaller islands in the north and the south, the figure rises to 17 per cent. If rents soar to meet such shortfalls, I cannot see how properties can remain affordable, particularly in the current economic climate.

Ministers state that HAG assumptions

“reflected the private borrowing capacity in the Registered Social Landlord (RSL) sector”.

From my conversations locally, it is not at all clear how that conclusion has been reached. For example, banks now require 120 per cent security cover, but it is a fact that the value of rented housing is not sufficient to provide that level of cover. As a consequence, RSLs are having to put up unencumbered stock. Such an approach cannot be sustained for any length of time.

The Government’s reference to identifying local solutions to particular difficulties met with blank stares in Orkney, although I am sure that the minister will address that when he winds up the debate.

Government assumptions are also creating serious difficulties in relation to the private sector housing grant. Orkney’s allocation for care and repair, fuel poverty, regeneration and grants for disability access and improvement will fall by 20 per cent between now and 2013-14. As one of the new criteria for allocating funding is the number of flats to be found in an area, it is not hard to see why Orkney may have come up a little short, but it is less clear why allocations could not have been made on the basis of housing stock condition, for example.

However, I give credit where it is due. I welcome ministers’ decision to drop their plans for lead developers, which the committee argued would be inappropriate in the rural context. Likewise, I am pleased that ministers have heeded the calls from

many of us who represent remoter constituencies that greater efficiencies could be achieved by agreeing funding plans of three years or possibly more.

I hope that that more constructive approach will be carried forward to address the concerns that our report highlights about housing allocation policies and homelessness legislation, which, as Maureen Watt rightly observed, are thorny and sensitive issues. The objectives of the homelessness legislation command solid, cross-party support, as they did when they were introduced. As Shelter makes clear, the real threat to the 2012 target comes from the failure to build more homes for rent that people can afford.

The loss of a local connection requirement has raised concerns, not least in my own constituency. Recent statistics from the population and migration study illustrate the potential threat, given that there is already a very limited pool of housing. It has been suggested to me that how the Government decides to proceed with local connection and homelessness obligations could determine whether new housing development in Orkney supports or hinders the economic and social development of a community.

I am pleased that we have had an opportunity to debate the issue of rural housing, and I hope that the Government will take heed of the concerns that have been raised and the spirit in which that has been done. There is a consistent view across the board that more action is needed, particularly with regard to the provision of more affordable housing for rent. It is acknowledged that, as well as councils and RSLs, the private sector has a critical role to play in that. Ministers must now respond and, in cases in which money is made available, current assumptions must be revised to allow it to be used effectively in all parts of the country. If that happens, the time that the Rural Affairs and Environment Committee spent in producing its report will not have been spent in vain.

15:24

**Bill Wilson (West of Scotland) (SNP):** The issue of housing is complex and contentious. There are economic, fiscal, environmental and transport issues to consider, as well as many fraught issues, such as the interests of the individual versus those of society. People are as passionate about their homes as they are about health care or the education of their children. As Charles Dickens said:

“Home is a name, a word, it is a strong one; stronger than magician ever spoke, or spirit ever answered to, in the strongest conjuration.”

The media have talked of the death of the countryside. The considerable demand for affordable housing in rural areas gives the lie to that, although of course that demand is not uniform.

The great variation in rural demand was a reason why the committee recommended the extension of the principle of pressured area status, which has been mentioned. There is the potential for an expansion of the tools made available through pressured area status. Ideally, the additional measures would be flexible so that they could be tailored to particular local circumstances, even at the district and community levels. Such flexibility might be especially useful to extend the power to raise council tax levels on second or holiday homes, and allow councils to apply it to a limited area within the area that they cover. Samuel Butler said:

"An empty house is like a stray dog or a body from which life has departed."

Members can imagine the frustration of rural people who are surrounded by house carcasses.

Shelter made a related recommendation about underused assets. The recommendation was that councils should have the right and be encouraged to de-zone land that was previously zoned for housing when no development is forthcoming. I recommend the minister's views on possible approaches to that, but the use-it-or-lose-it thinking is well worth considering. The committee wants to discourage speculators from land banking at a time of great demand for rural housing. If the owner does not wish to see the land developed, the opportunity should be removed and provided to another.

It makes sense to allow councils to zone more land for housing where its optimal use would be for housing. That might help to change the current overcautious planning culture, although the committee has acknowledged that such an approach is problematic. There are competing energy, farming and forestry demands for land. In light of those competing demands, a comprehensive land use strategy is vital. Specific zoning for rentable housing is a controversial issue, but I would like that to be one of the tools in the pressured area toolbox.

The committee encourages more local authorities and housing associations to build more affordable housing. I was pleased that, last August, the Scottish Government brought forward £100 million of investment in affordable housing and made another £50 million available for local authorities to build new council houses. Last year, housing associations and local authorities built nearly 5,000 affordable homes, and 6,221 houses for rent and low-cost ownership were completed in

2008-09. That is the highest annual figure in eight years and is certainly to be welcomed; it is 29 per cent higher than the figure achieved in 2006-07. In order that those new properties remain in the affordable housing sector and to encourage local authorities and housing associations in future building, it is important that they are not simply bought up. Therefore, I welcome the Scottish Government's commitment to, and the minister's comments on, reforming the right to buy.

I want to touch on the nature of the new constructions. What sort of buildings are we talking about? I have concerns about that. The current situation was starkly described in a submission to the committee by Professor Halliday, who said:

"the current policy trend in Scotland is towards building poor quality housing and then adding expensive and high maintenance technologies. This policy is bound to fail."

The Scottish Environment Protection Agency told us:

"It is clear that a large number of developments are not built using readily available techniques and materials with a reduced environmental impact. Examples of the type of methods might be orientation of houses for passive solar heating and grey water re-use, examples of materials might be insulation made from renewable material ... Anecdotally, the failure to specify, procure or implement more sustainable design elements appears to occur for a number of reasons. First, despite there being a reasonably wide range of literature and evidence that these methods and materials can be sourced at no extra cost or complication, they are not specified at either the design or quantity surveyor stage through ignorance or risk aversion ... Secondly, builders are often not familiar with using these methods and materials and thus are also risk averse to their inclusion. Finally, a lack of understanding by the tradesmen means that good practice by one is often undone by the next".

A simple example is

"insulation being removed to allow access and not replaced."

SEPA said:

"whilst there are some examples of good practice, these are just examples, when these techniques and methods should be becoming standard practice."

The committee believes that a lack of skills and knowledge is an important issue. Where good practice exists, it could be better disseminated, and it should be built in at the building and specification stages. SEPA used the words "ignorance", "risk aversion" and "lack of understanding". I urge the Scottish Government and education providers to ensure that vocational training in rural building, design and construction entrench good practice in sustainability.

The lack of affordable housing is a significant and complex issue, which will not be resolved by the timid. I am sure that Alex Neil is not too timid.

The Scottish Government might consider lines from "Verses Written on a Window in Scotland":

"Tender-handed stroke a nettle,  
And it stings you for your pains;  
Grasp it like a man of mettle,  
And it soft as silk remains."

The Scottish Government must grasp the nettle of reforming our outdated approach to rural housing. Given a clear lead, our architects, builders and local politicians will be quick to fall into line and see the benefits.

Most important, future generations will surely be grateful if the present Scottish Government's housing policies give the lie to what John Cleveland wrote in his poem "The Rebel Scot":

"Had Cain been Scot, God would have changed his  
doom  
Nor forced him wander, but confined him home."

Let every Scot's home be comfortable, affordable and sustainable, and let us all hope that we might be confined at home.

15:30

**Elaine Murray (Dumfries) (Lab):** I became a member of the Rural Affairs and Environment Committee on 8 October last year and attended only the final two evidence sessions of the inquiry. Therefore I am, just as some other current members of the committee are, at a disadvantage relative to others, having heard only a small number of the witnesses and having attended none of the visits. I therefore commend the convener, who joined the committee after I did and who was involved in the inquiry for less time than I was, for her presentation of the arguments.

My constituency has a large rural component to it, so rural housing is very important to me; indeed, housing is probably the issue on which I receive the most representations from individual constituents. Many of the housing issues that are pertinent to rural areas are also relevant to urban areas. The intense pressure on the supply of housing that is owned by housing associations in Dumfries and Galloway is felt at least as keenly in urban Dumfries as it is in the smaller towns and villages in Nithsdale, Annandale and Eskdale. At times, it is difficult to separate rural housing issues from more general housing issues. The issues' dimensions, rather than the issues themselves, differ between rural and urban areas.

As a latecomer to the inquiry, I will concentrate on two areas in the committee's report that have also come to my attention in the course of my constituency activities. The first has been referred to by several members—the need to change the rural planning culture, which is the fourth of the committee's recommendations. The report notes that

"there is an over-cautious planning culture in much of rural Scotland that has effectively entrenched a presumption against development, including housing development in many areas."

Many prospective developers in my constituency would certainly agree with that, and I suspect that the same is true in other rural local authority areas.

A private sector landlord has described to me his experience of trying to get planning permission for eight carbon-neutral affordable houses that he wanted to build for long-term rent of at least 30 years. I cite his case not in order to throw bricks at the planning department in Dumfries and Galloway Council, but to illustrate a nationwide problem with planning and development in rural areas. The greenfield site that the landlord selected was half a mile from the nearest village and 5 miles from the nearest town. His application was supported by the community council, by Dumfries and Galloway Small Communities Housing Trust and by the council's own housing services department. He was advised by the planning department that the Roads (Scotland) Act 1984 requires access to be up to adoptable road standards and to have pavements and street lighting, which he therefore included in the plans. The planning department then recommended refusal because there were to be more than two houses—a recommendation that was rejected by the councillors on the area committee. However, they did not like the attached conditions—in particular, the need for street lighting in a development that would be out in the country. The landlord attempted to address that by agreeing to a new access from the public road and a new lay-by, which meant that he was allowed to drop the streetlights.

The planning department then objected to the layout of the houses and insisted on a courtyard layout, to which the landlord agreed. Eventually, he got planning permission and secured funding from the rural homes for rent pilot grant scheme. However, he was the only applicant to that scheme in the whole of Dumfries and Galloway. At first, I thought that the fact that Dumfries and Galloway got only eight affordable houses under that pilot scheme was somehow due to the minister not being generous towards Dumfries and Galloway; unfortunately, it was due to developers not feeling that the planning process would allow them to apply to the scheme.

Other people have used stronger language. A partner in a local architecture and design company expressed her view forcefully to me last week—although I do not mean to say that she was swearing. I am afraid that the quotations in my speech are not quite as illustrious as the quotes in Dr Wilson's speech. My constituent said:

"We have many clients who have been appalled and, sadly, in some cases, beaten, by the labyrinthine and



suspect planning process. Some of our clients have withdrawn planning applications rather than persist with the negativity and 'can't do' approach of planners. ... This moribund and visionless planning system is crippling energy and enterprise. It has to be causing serious harm to the local economy and to our local communities."

There we have it.

The other parts of the report that I wish to refer to are sections 20 and 21 of the recommendations, which concern the lack of supply of social rented housing, the consequences of that on communities and the effect of homelessness legislation. The committee noted concerns in rural communities that local people—especially young people—find it difficult to obtain accommodation in the social rented sector. That often results in people moving away from their communities and families, which leads to fragmentation of communities and isolation among older people. Of course, that can happen in urban communities as well, but the shortage of affordable rented housing, the low rates of turnover and the dispersed nature of rural populations makes the problem even more pressing in them.

Sadly, the problem has been exacerbated by an unintended consequence of the homelessness legislation that was passed by this Parliament with my support and, probably, that of most members at the time. It might well be further exacerbated should the current intention to abolish the local connection criteria not be suspended. There are no council houses in Dumfries and Galloway, which means that all eligible homelessness applications are referred by the council to the local housing associations, which are obliged by law to give preference to those applicants, above all others, whatever their housing need.

Dumfries and Galloway Housing Partnership, which is the largest housing association in the area and which received council stock, will allocate 20 points for care and support, which includes family needs or managing child care arrangements. That is great, and it ought to help people to remain in the communities with their families. Unfortunately, however, a section 5 referral can be allocated 999 points. In that situation, what chance does the family with 20 points have or, indeed, the person who has a severe medical incapacity and who is given 75 points? Rural communities see young people moving away to be housed elsewhere while people with no apparent links to the area move in through the homelessness route. As members can imagine, that leads to resentment and, at times, to intolerance.

Of course, the root cause is the lack of housing supply. I agree with Shelter, which says that there would be no problem with implementing the homelessness legislation if there were enough

homes available. The reasons behind that are complex, however.

I also agree that the private sector could play a greater role in accommodating people from the homelessness lists, but the matter of the tenancy is a stumbling block, in that under the current legislation most private landlords currently offer short Scottish secure tenancies for six months in the first instance, which is not an acceptable period.

I am certainly not arguing that development without regulation should be permitted in the countryside. However, we must recognise the pressures on rural communities and acknowledge that a supply of affordable homes is necessary to sustain communities. We need changes to the planning system in order to ensure that development can take place more quickly and more effectively, and we need an increase in investment in housing and in our efforts to address the hurdles in the path of development.

I commend to Parliament the recommendations of the report.

15:37

**Rob Gibson (Highlands and Islands) (SNP):** I can inform members of the prequel to this discussion, which took place when Richard Lochhead and I were on the Environment and Rural Development Committee in the previous session of Parliament, and we kept pressing for a report to be drawn up on rural housing but were blocked by other members of the committee. I am delighted that there has, perhaps as a result of the work of Roseanna Cunningham and Maureen Watt, been a change of heart this session and the issue has been placed centre stage, where it should have been years ago.

It has aye been that way, of course—certainly, the Opposition has aye been that way.

Now, increasingly large numbers of people want to live in the countryside. Some, as Elaine Murray said, want to live there because they see being homeless in the countryside as a route to getting housing, as the points system might work more in their favour there than it does in cities.

Of course, it used to be that lots of people lived in the countryside. The ruins of past settlements show that there were, in the past, large inhabited areas. There should be an ability to live in the countryside for all the best reasons. The complex issues about having enough houses, being able to live where one wants and being able to have the kind of house that is fit for this century are central to the arguments that we have been making in this report, which I—as a slight outsider to the committee—am delighted to welcome.

On local planning, zoning has arisen in various members' speeches. The restructuring of zoning for affordable housing is interesting because if we zone particular landowners' properties as being for affordable housing, they know that the land price will not be the same price that they would get on the free and open market. We should examine that carefully, because it might be one route to making more land available. The culture change, which member after member has mentioned this afternoon, is at the root of the ability to repopulate our land.

I will first put the issue in a Highland context; people were able to continue to live in crofting areas—I will return to the detail of croft housing in a minute—because those areas had a form of protected tenancy. Crofting areas make up only 25 per cent of the Highlands, and were first set up in 1886. Gladstone's Land Bill was opposed by the Land League at that time, because it did not make available the land that the highlanders used to live in. It shovelled people into small corners, and they had to learn to cope with living in those small areas and with the pressures that it put them under.

Several members have made the point about the way in which village envelopes and planning zones are now described. When local plans come up for production, the proposals are put forward by the planners, who have an holistic view—in theory—about how settlements ought to operate, and why it is more economic to have people living in small areas so that dwellings can be serviced more easily. We have to challenge that view; the SNP believes that there are issues around the way in which village envelopes are currently structured, and that that has to change. Why should a person have to have a job in agriculture to live and work in the countryside? We must find a way around that.

I will give one example of why I believe that that authoritarian culture must be tackled at its root, and quickly. I know a man called Henry Murdo, who is the chairman of the Housing Initiative for Arran Residents. He lives on the Isle of Arran—I believe that members of the Rural Affairs and Environment Committee met him on their visit there—and he has been trying to get a house for his son next to his own house, which is in a small settlement two or three miles from Brodick pier. The planners from North Ayrshire Council have refused time and again, and in June this year they told him:

"The applicant has agitated for affordable housing on the island; however, it is considered that a dwellinghouse on this site would not appeal to a person seeking such housing. Its remoteness and the desirability for mechanised transport would detract from its appeal. There are no locational requirements for such a dwellinghouse and the granting of this application would create a precedent, which is considered to be undesirable."

That goes to the heart of what we are up against; that sort of attitude appears, in one fashion or another, in the directions of planning officials to people who are trying to live on their own land. We must take the committee's report seriously, and the Government must find a way to instruct planners to change that attitude.

I know that a small amount of change is currently taking place to increase the potential for people to live in the countryside, but that gives rise to the question of design. The committee's report mentions the unplugged house, which is an excellent idea. Of course, all houses in the past, in the 18<sup>th</sup> century and before, were unplugged. We do not want to live in the conditions that people lived in then, but it is now possible, using modern methods, for us to design such houses.

I am delighted that the Scottish housing expo will feature many designs that can be used in rural and urban areas, and which are not more expensive than the types of houses that are currently built by large builders. I am also delighted that the Scottish Government is supporting the housing expo, and I look forward to seeing those designs and examples multiply, as they are doing. There is not yet wide recognition of such designs, so the expo is very important.

It is interesting that the best designs are often produced by design-and-build organisations: architects who work with builders. The large bodies that build houses on a production line are not clued into that. The Government's attempts to give loans to those who wish to build greener homes, to green their homes or to put in home insulation are great ideas, but there is too little money for that at the moment, and we have to hope that it can be increased in the future.

There are many other aspects to the debate, but I will end by focusing on croft housing. It is possible to use much of the land that crofters have at the moment. I refer to their common grazings, not to the good land, where we should be growing more food locally. It is going to be possible, I think, for planners to see those areas of the countryside as a new source of available land.

It is also important to note good practice. For example, at Quarff, which is just south of Lerwick on Shetland, the council and the local grazings committee have reached agreement on use of such land, and housing of excellent quality has been provided. That is the kind of thing that breaks through the difficulties of the shortage of land.

In accepting the report, we should recognise the urgency of the matter, which is summed up by the example in which a person is trying to get a house for his son to take over his business in a rural area, but just because it is not a farming business, he is up against a council that is trying to stop him.

That has to stop. We must move on from the rural clearances to the resettlement of the rural areas of our country.

15:46

**Karen Gillon (Clydesdale) (Lab):** I suppose that I should continue the theme of midwifery, which Liam McArthur began. My participation in the inquiry began in Aviemore in 2007 and continued with an interesting study visit to East Lothian and a committee meeting in Melrose just before I went on maternity leave in September 2008. I returned in April to find that the report was still being written. Now that's what I call an inquiry.

As the convener of the committee said, the inquiry began in very different economic conditions from those in which it finished, but the key issues remain the same. How do we ensure the supply of affordable housing, both to buy and to rent, in rural Scotland?

The committee faced the issue of the availability of affordable housing to rent time and again as we went round Scotland. There are different pressures in different parts of Scotland. The pressures in East Lothian are different from those on Arran, not least because the location of East Lothian in Edinburgh's commuter belt has influenced the supply of housing there. However, one thing that is common to all parts is that demand invariably outstrips supply.

As the inquiry continued, one of the real tensions that we faced was that of housing allocation policy, which is a difficult issue. Whether real or imagined, the perception exists that homelessness legislation discriminates against people who have been brought up in a community and who want to get a house of their own, maybe to move out of the family home, but are unable to reach the top of the list within a timescale that is acceptable to them. We also heard of cases in which older people wanted to move from the larger home that they lived in when their children were there to a smaller home but, again, the legislation did not allow that to happen easily. I know from the many examples in my case load that that is as true in Clydesdale as it is in other parts of Scotland. I am sure that all members have similar cases.

I certainly do not want to do anything that flies in the face of our tackling homelessness, but if we are serious about ensuring that rural communities are sustainable, we must find ways to enable people to find their way into the social rented sector. I hope that the minister will begin to look at that as the housing bill is developed.

The difficulty of developing sustainable rural communities is also compounded by developers' apparent unwillingness to build genuinely affordable housing in rural Scotland. With average

earnings in Scotland being below those in other parts of the country, is it not perverse that most houses that we found being built during the inquiry were too big and too expensive to be affordable to the people who work in rural Scotland? When we quizzed the developers about that, it was everybody's fault but theirs and they made various excuses. They blamed local authorities and said that the authorities had openly discouraged the development of affordable housing to buy, although they could not come up with the evidence to support that allegation.

The truth is that the reason was greed. The larger house could be sold and the developer would get more for it and make more profit, so why bother building a two-bedroomed, £75,000 house that the man who works in the wee farm down the road or the woman who works in the factory might actually be able to afford?

What then happens is that bought housing becomes the preserve of the rich, who do not want anyone else to live in the nice housing area in which they have just bought. That builds up resentment in the local community and leads to difficulties when more housing is planned. As the housing market picks up, I hope that developers will learn from mistakes that have been made in the past. I hope that we will build genuinely mixed communities in which people who earn an average wage in Scotland can get a mortgage to buy a house that they can afford in the long term and not just in the good times, so that where they live is where they can stay.

On the proposed changes to the HAG, back-bench members from across the chamber accept that there is a problem. Liam McArthur's examples are not unique to Orkney, but are reflected throughout rural Scotland. Indeed, in my constituency of Clydesdale, RSLs that operate there are finding it increasingly difficult to make new projects stack up at a time when demand is increasing. I am sure that the minister does not have his eyes closed—I know from him and his record what he is about. He does not want to stifle the ability of rural RSLs to meet the needs of the communities that they serve. I hope that he will come back to the committee at some point in the future with a review of the situation, and that he will provide a more positive framework for the future.

Finally, I will deal quickly with how we use compulsory purchase, but perhaps from a slightly different angle. We find in some parts of rural Scotland that land and dwellings are being allowed to fall into disrepair because the owner either simply does not care, or is holding out for a better day. Some communities have to live with the blight of buildings that are falling down round about them, but which could provide housing for people

who want it. That is certainly true in communities such as Carnwath and Rigsides in my constituency, where there are such buildings. I ask the minister to look with his colleagues at how that situation could be better dealt with and how better advice can be given to local authorities on how they can use their compulsory purchase powers, and to RSLs to ensure that such sites can be developed for the benefit of communities, rather than their just being a blight on development and on the community and, perhaps, stopping other developers working in and around the area because of the landscape that they find on first inspection.

With those comments, I commend the report to the chamber and hope that members will vote for the motion at decision time.

15:52

**Christine Grahame (South of Scotland) (SNP):** I recognise very much the picture that Karen Gillon painted and I might touch on many of the same points.

When I first came to the Parliament 10 years ago, most constituent issues were about health care concerns and transport, and there were a few about housing—it was a general mix. Such concerns remain significant, but the balance has shifted distinctly to increasing problems about suitable housing, particularly rented housing.

I concur with remarks that have been made in the chamber about the unintended consequences of the legislation on homelessness, well meaning though it was, which prevent many young people with children from getting housing. In fact, those people often give up the ghost years on when they are still on a waiting list and cannot get accommodation. The legislation also creates issues relating to the placement of people who have difficult behavioural problems, who have been placed in the wrong places and disturbed settled communities. We must have compassion and find homes for such people, but we need to revisit those issues, of which other members are aware.

I note from statistics that in March 2008, nearly 3,500 people were on the housing waiting list in the Scottish Borders. The number hardly shifts through the years and is probably greater now. As others have mentioned, special problems exist in rural areas. When a house becomes available, it is not often practicable for someone to relocate to Hawick when they are employed 40 or 50 miles away in Peebles—there can be transport and family issues, with children at school and so on. I mention Peebles in particular because it is a hot spot. It is a good place to retire to and it is within easy commuting distance of Edinburgh, with

decent public transport and park-and-ride facilities this side of the Edinburgh bypass, which creates particular problems for local people in Peebles.

Similar housing pressures exist just down the road in Penicuik, for much the same reasons. To add to that mix, the right to buy has a particular impact on picturesque rural villages and hamlets. Who can blame retirees for being enticed to return to places where they have had happy holidays and to settle down and downsize—and, in so doing, pushing up house prices in areas where local people cannot afford to buy and there is nothing to rent?

The fact that house prices are high in rural areas causes particular difficulties, not just for the people who live there but for those who want to seek employment there. That affects the demographics of an area. Keeping a local primary school open depends on families staying there or moving in. There are also impacts on the delivery of health and social care services if we have an imbalance in the population. I am sure that many members from rural areas will recognise the same issues in their constituencies.

The convener of the Rural Affairs and Environment Committee said that when we look at housing in rural areas we have to look at balance, fairness and sustainability—which are key factors—and that we should build the right type of house in the right places. I will return to that point.

I commend the Minister for Housing and Communities, who has been rehabilitated from the freedom of the back benches. He has been a colleague for many years, but he is now a stranger to my company. However, I thank him for the accelerated funding to three house-building programmes in the Borders area. Tweed Homes, a Peebles-based construction company, benefited from accelerated funding to build 29 new affordable homes in Galashiels, safeguarding 120 construction jobs, many of which are local. That did not just happen. Apart from working with the Government and me, the company worked with Eildon Housing Association and the local authority, which sped up the planning process. It can be done. M and J Ballantyne of Kelso also benefited from the accelerated programme; 22 houses are being built and it is protecting 100 jobs. In Penicuik, £720,000 went to Melville Housing Association and 10 new affordable homes are being built.

That accelerated funding buys a lot for a little amount of bucks. It does not just provide rural social rented or affordable homes; it keeps rural jobs there, keeps spending money in the local economy and maintains the skills base locally, which, no doubt, would have dispersed to where the contracts were. We know that when people move, they stay away. In the Borders, some 1,000

people are employed locally in the construction and building sector. The accelerated funding created a bit of a virtuous circle; it achieved a great deal for modest investment.

In his speech, the minister made a plea for the reduction in VAT on house improvements from 17.5 to 5 per cent. That is an excellent idea, because a lot could be bought with the money saved. Many houses in the private sector and the public sector need upgrading, but many people just cannot take on the work. Such a reduction might also put an end to the black economy, where people try to get work done without paying VAT on it.

I liked the minister's comments about the Scottish Law Commission examining the processes for compulsory purchase, to which other members have referred. Throughout the Borders and Penicuik, I frequently pass historical industrial eyesores—brownfield sites that have been land banked, not by local authorities or housing associations but by people waiting for better days, which Karen Gillon mentioned. Those sites stay empty for decades when there is a crying need to build on them. I do not know whether the Law Commission will come up with proposals on that. Compulsory purchase must be used appropriately, because it takes away people's rights, but we have to look at land banking.

Perhaps the minister could put under his thinking hat the proposal that stamp duty, which is paid by buyers on heritable property over certain amounts, should be controlled, collected and kept by the Parliament and recycled or reallocated for housing and construction development.

In the 60s, which I can remember, we had key workers houses, which local authorities built and retained specifically for key workers. Key workers were not defined; it was up to the local authority to decide whether they were doctors, teachers, engineers or whatever. That is what brought people in. When I married, I benefited from moving into a key workers house—many school teachers went into such houses—which gave me time to settle in the community and, within two years, I moved on to buy a smaller cottage. The system was excellent and it was a great enticement for young people who were starting families to move into rural areas.

The Communities Committee dealt with planning, which I will touch on briefly. There are difficulties; I mentioned compulsory purchase, and more planners are required. The committee found out that most planners were going into the private sector because they got more money there, but perhaps the recession and the threat of losing their jobs will mean that they will move back to the public sector where they are needed. The

recession also offers an opportunity to housing associations and local authorities to exercise purchasing muscle in negotiating construction contracts, for example. If there is further accelerated funding, it will enhance that opportunity. As has been mentioned, there have also been other encouragements to build such as the steps that have been taken on stamp duty and VAT reduction.

There is an opportunity to provide hard-pressed rural communities with appropriate housing that is, importantly, sensitive to the community's needs, the population and the environment in which it is built. Again, I return to Karen Gillon's speech. Sometimes in the Borders—I will get hate mail for saying this—luxury Legoland developments have been built, in which the houses have balustrades, columns, five bedrooms, three bathrooms and so on. Nobody local will ever be able to buy them and they do not suit the landscape; even if I had the money, I would not buy one. When we deal with the issue, I hope that we will build houses that are appropriate in size, and in style and design, to local communities.

16:01

**Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD):** I apologise to the convener and the minister for missing the convener's speech and the first part of the minister's speech. The debate broadly reflects the report; even with the long gestation period of an elephant that the report may have had, it touches on the key issues.

I, too, want to talk about the particular pressures in my constituency and the solutions that the Borders has demonstrated over the years. The Borders has, broadly, very good registered social landlords; they have been forward-looking, innovative and responsible developers. Eildon Housing Association started in the early 1980s to provide a form of community settlement for people who had been in Dingleton hospital at Melrose with mental health difficulties. It was established because, in those days, the housing corporation was not persuaded that a rural area such as the Borders needed a housing association; it was wrong and, over the last generation, Eildon Housing Association has developed into one of the best in Scotland. For 27 years of its development, Bill Wilkie was part of Eildon—latterly as its outstanding chairman. Both Bill Wilkie and Eildon Housing Association have had good relations with the old burgh councils and the regional council, but it has understood that it is part of a community of development with local builders, local developers, landowners and local authorities and part of a professional framework of architects, surveyors and designers, as well as builders.

One element of the report that has been mentioned—perhaps it could have been given much greater emphasis—is the role of local architects and consultants. There is a worry about creeping centralisation, which I will touch on shortly. It is not simply the case that we will lose local political control of development; we could lose the whole framework of local expertise in design and architecture in the local area, which is fundamental.

The four RSLs in the Borders manage a property portfolio of 11,000 houses. The waiting list has stubbornly remained, but only fairly recently, when there has been much more movement towards a single housing list and a much more streamlined application process, did we realise that an element of the figure of 3,000 on the waiting list represented a duplication of effort, because inevitably when there are four RSLs, people apply to each housing association.

Following the rationalisation, our intelligence about the pressures has become much more focused. The RSLs also introduced a much greater voice for tenants associations. In rural areas, there can be difficulties with tenants feeling that they have an overall voice, but the housing associations have been able to provide that. That is why the partnership approach has been fundamental and, indeed, is particularly important in rural areas. Over the past 20 years, collaborative working between the council and the RSLs has delivered more than 2,000 houses within the housing association framework of high-quality housing designed to the best of standards. Returning briefly to a point made by Karen Gillon, I believe that that has led to the mixed social environment in certain developments in my constituency such as Cardrona, between Innerleithen and Peebles, where million-pound houses with the balustrades that Christine Grahame mentioned sit a very short distance from social housing provided by Eildon Housing Association.

However, with the Government's proposal for a lead developer status, we would have moved away from such a situation. That is why late last year housing associations in the Borders and I worked on persuading the Government that the direction of travel was wrong for the Borders. I was interested to note in its report that the committee asks the Government

“to proceed with extreme caution if it decides to take forward its current tentative proposals”

on lead developers. The Government has heeded that warning and both the minister and the Cabinet Secretary for Health and Wellbeing have responded very well to our calls by effectively leaving the Borders alone. That decision, however, is simply shorthand for the fact that it understands

that the collaborative approach in the consortium model for the Borders has delivered for the area. Of course, the Government has—quite rightly, I believe—set greater ambitions for delivery. In the Borders, an average 540 units have been developed per annum, with affordable housing completions running at around an annual average of 80 units. We want more to be delivered, but that can happen only if we have further lead development in the Borders area itself.

I was shocked to see in the affordable housing consultation paper that the Borders could have been put in with Falkirk, which would have meant that a developer in Falkirk could have competed for the responsibility of delivering all social housing developments in the Borders. That did not ring true then and certainly does not ring true now, and I welcome the fact that the Government has recognised that the strength that we have in the Borders should be allowed to continue. Indeed, when the current minister visits the Borders, he always acknowledges the work that is carried out locally.

Even though the record of development has been reasonably good in the Borders—and there is of course always room for improvement—there is another reason why the approach that I have outlined is especially important. In the six and a half years that I have been in the Parliament, the price of land and properties in the area has risen exponentially—or, at least, it did so before the credit crunch—while wages have not risen commensurately. Pressure on social housing—and, indeed, the pressure on housing associations to deliver the same number of units for the same HAG—has harmed the situation, and I feel that the timing of the proposal to reduce HAG on the assumption of increased rents is wrong as we enter a period not necessarily of considerable decline in property prices or land values, but of stagnation in wages. Given the expectations with regard to increased rents and the increased pressure on charitable housing associations to borrow more to fund housing, I hope that the Government will pause and look again at the matter. In recent months, there have been encouraging signs in that respect, and I appeal to ministers to continue to examine the issue.

The particular pressures on rural areas mean that we cannot deliver the types of developments that happen in urban areas. As a typical project in a rural area will consist of four to 20 units, we simply cannot achieve the efficiencies of scale that large-scale developments in urban areas can achieve and, as a result, the borrowing and rental profiles are different.

Although, as I have said, I welcome the fact that the Government has recognised that the Borders should be allowed to carry on its good work,

concerns remain about our capacity to carry on building. I hope, therefore, that the committee's recommendations in those areas are considered carefully and that we can not only look again at right-to-buy and lead developer status proposals but ensure that the local framework of development and intelligence of architects, designers, builders and construction companies can be maintained. If the Government moved in that direction, it would be a very positive step.

16:09

**Aileen Campbell (South of Scotland) (SNP):** Everyone agrees that today's debate has been a useful opportunity to examine in the round some of the challenges and possible options for the future that face rural housing in Scotland. I commend the committee for its thorough report and the Scottish Government for its equally robust response. It is encouraging that there are many areas of agreement and that, in other areas, the Government is prepared to enter into dialogue and discussion with the committee.

Appropriate housing in rural areas—what the Government calls

“the right type and tenure in the right places”—

is a key piece of the jigsaw that makes up life in rural communities across Scotland today. The committee and the Government agree that there is no doubt that many more houses need to be built in rural Scotland, if many communities are to be sustainable in the long term. Attractive and affordable homes are an important factor in encouraging people to settle in the countryside. That is why I welcome the steps that the Government is taking to increase housing supply and the support that it is providing to local authorities and registered social landlords. The fact that the Government's pilot programme to fund the construction of new rural homes for rent was so heavily oversubscribed is surely a vote of confidence in its methods. Although that means that some areas are necessarily left disappointed at this stage, I am pleased that the project is delivering £5 million to provide 75 new properties in rural Scotland. As Elaine Murray said, some of those will be in the South of Scotland region.

I welcome the Government's commitment to ending the right to buy for new-build social housing, which will improve availability of housing stock in both urban and rural areas. The Government is also consulting on ending the right to buy for new tenants entering the social rented sector and on reforming pressured area status, which has the potential to make it easier for housing authorities to plan with confidence for the future. For the first time since devolution began, the Government is investing serious money in the

construction of council houses. In the South of Scotland region, East Lothian, North Ayrshire and South Lanarkshire are all set to benefit from that investment. In total, those areas will receive more than £5 million, with the construction of 201 new houses.

There are a number of exciting and ambitious proposals in the South of Scotland region that could help to boost housing supply. Particularly interesting is the proposal to develop a brand new community in rural South Lanarkshire, Owenstown, named after Robert Owen, the founder of New Lanark. Now a world heritage site, as well as a thriving community in its own right where people continue to live and work, New Lanark was an innovative model village when it was first established in 1785. More than two centuries later, it is proposed that Owenstown, too, be developed on co-operative principles, as a model of a sustainable, eco-aware settlement for others to learn from and to imitate. I look forward to seeing how the proposals develop in the future and wish the Owenstown Co-operative Society well in developing its ideas.

A range of factors, beyond simply cash and numbers, influences the availability and quality of rural housing. The committee has dealt with a number of those in its report. I was particularly interested to read its recommendations on support for unplugged housing and facilitating connections to the national grid and mains supplies, where appropriate. I was interested in the points that were made on the issue; the committee was correct to highlight the need for it to be addressed. As Rob Gibson explained, for many people in the South of Scotland, lack of mains connections to electricity, gas, sewerage systems and, sometimes, even water supply is not an uncommon experience. The answer to a parliamentary question that I lodged back in May revealed that, after the Highlands and the north-east, the South of Scotland region has the highest number of domestic fuel oil users, each paying an average of £900 in the years between 2004 and 2007.

The other day, answers to parliamentary questions lodged by my colleague Maureen Watt, the convener of the Rural Affairs and Environment Committee, revealed the staggeringly high cost of transmission charges for use of the national grid in Scotland compared with the rest of the UK. Such prices are hardly an incentive for companies that may wish to invest in and, therefore, attract jobs and housing demand to our rural areas.

The committee also dealt with the issue of renovation, maintenance and repair of rural homes. I join the Scottish Government in highlighting the need to support landlords who want to expand or maintain their range of

properties. There is an on-going campaign for reductions in VAT for repair and maintenance charges. Like Alex Neil and Christine Grahame, I hope that, until such time as the Parliament acquires the full fiscal powers that it needs to make a difference in those areas, the UK Government will listen to the committee, our ministers and all who support that campaign.

There is an important cultural aspect to preserving and developing rural buildings. That is recognised by a scheme called monument watch, whose work I would like briefly to highlight. Monument watch exists to ensure that old historic buildings are maintained and preserved properly by people being trained in traditional methods and traditional materials being used. That is important for the long-term stability of older buildings. If old country houses or hospitals can be transformed into multiple dwellings in a sensitive and appropriate manner, that is surely to be encouraged. The committee's report notes that, and highlights the importance of getting planning guidance right in the areas concerned.

I was interested to read that the committee believes that there is something of an inherent conservatism, and often a presumption against development on the part of rural planning authorities. That might come as a surprise to residents of Douglas in South Lanarkshire, who face the development of a new opencast quarry in their area, and to the residents of Biggar, Lamington and the surrounding area, who are trying to stop plans for a sand-and-gravel quarry at Overburns farm on the banks of the Clyde.

There is scepticism about the number of jobs that such developments will generate, and there is genuine concern about the impact not just on the environment and the landscape, but on health, the roads and other infrastructure in the area. If too many such developments put people off the idea of moving to the countryside, or make rural areas less attractive places to live, then all the good work that is being done to improve housing supply will come to very little.

The point about appropriate infrastructure is worth developing. A few weeks ago, I spoke in the state 1 debate on the Schools (Consultation) (Scotland) Bill, and I highlighted the importance of small rural schools to the communities that they serve, not simply through the education that they provide to the next generation, but as the focus for community events and facilities. If we are to increase and improve the housing supply in rural areas, we must ensure that the necessary amenities and facilities are there. Good-quality, attractive local schools make the possibility of setting up a home in the country much more manageable for young families. Therefore, I once again welcome the steps that the Government is

taking to protect rural schools from inappropriate closures and mergers, and I encourage local authorities that are consulting on plans for closures and mergers to bear in mind the wider impact that such decisions can have.

The future of rural housing is crucial to the future of our rural communities, and indeed to that of the country as a whole. I therefore commend the work of the committee and its recommendations—and the interesting debate that the committee's report has prompted.

16:17

**Rhoda Grant (Highlands and Islands) (Lab):** Presiding Officer, I am grateful that you have allowed me to contribute to the debate, despite my absence for part of it; I also apologise to members who spoke while I was out of the chamber.

I was fleetingly on the Rural Affairs and Environment Committee when it was drawing up its report, and I was pleased to be involved, as rural housing is an issue that I am very concerned about. The committee's report makes excellent recommendations, although I will deal with only a couple of them today. The first is recommendation 17, in paragraph 201, on

"the reinstatement of the loan element incroft house assistance".

It is hugely disappointing that the Government has ruled out accepting that recommendation. Over the summer, I attended many meetings with crofters regarding crofting reform legislation. Many of the issues that concerned crofters about the proposed legislation could have been dealt with through the reintroduction of that type of loan. The crofters to whom I spoke were unanimous in support of the recommendation.

The Government has ruled out the reinstatement of the loan element on the basis

"that the private sector is better equipped to provide financial products."

However, the private sector will lend only to those who can guarantee an income that will ensure repayment. That was the case back in the time when bankers were taking risks, and it is doubly so now.

The Government has missed a crucial point with regard to crofting: if crofting were profitable and provided a stable income, it would not be in crisis. Like many other people in remote and rural communities, crofters have to work several jobs, some temporary or seasonal, to make a living. That type of work does not provide the stability of income that is required for private borrowing. Therefore, the only way to build on the site is to decroft and possibly sell a plot from the croft to raise some income. However, that is only possible



in the more desirable areas of the crofting counties. In the less accessible or less attractive areas, substandard housing is a real issue.

The crofters building grants and loans scheme dealt with that by providing a grant that made a meaningful contribution to the cost of building a house, as well as a top-up loan element, which allowed crofters to have adequate accommodation. Few crofters, if any, ever defaulted, despite the instability of their income.

The second issue that I want to mention is recommendation 16, in paragraph 187, on assumed rent income in the housing association grant formula. I expressed concern about the formula in a debate on housing in February, and I do not apologise for doing so again. We are all aware that the cost of building affordable housing in rural areas is higher than it is in urban areas. In rural areas, there are no economies of scale and the cost of getting services such as electricity and water to plots can be huge. In some rural areas, the cost of land is much higher than it is in urban areas.

Housing associations need to apply for additional housing association grant to cover such costs. The additional funding is normally forthcoming, but it comes with conditions. The Government assumes a rent level on properties that get additional housing association grant. The assumed rent level is normally significantly higher than the rent that can be charged in the local area and takes no account of wage levels or ability to pay. Given work patterns in remote communities, the higher rents are unaffordable and cannot be passed on to tenants.

When the Government uses the assumed rent in its calculations, the funding equation falls apart, because the assumed rent is higher than the actual rent that is charged. Housing associations are able to borrow against the actual rent, but additional housing association grant is calculated on the basis of the assumed rent. The assumed rent lowers the amount of housing association grant payable, but the shortfall cannot be made up from borrowing, because the actual rent is lower and will not support the additional financing. Therefore, there is always a funding gap between housing association grant and mortgage. Small rural housing associations cannot finance that gap and therefore cannot build.

The Government's response to recommendation 16 was disappointing. It said:

"A small number of rural Housing Associations have reported difficulties when working to the standard HAG appraisal assumptions and the notional rent assumptions deployed in our appraisal process, which are higher in some cases than the rents being charged locally. We do not propose any further adjustment to these assumptions, but will continue to work with RSLs to identify local solutions to the particular difficulties that they identify."

I am keen to learn what local solutions have been identified and put in place.

The committee highlighted many areas in which progress would make an impact on the availability of housing in remote and rural communities. I have mentioned two recommendations, both of which are extremely important. If those and other recommendations were taken up, there would be an impact on the lives and opportunities of the people whom we seek to serve.

16:22

**Jamie Stone (Caithness, Sutherland and Easter Ross) (LD):** I read the report and I acknowledge the thorough and thoughtful input that went into it.

The debate will greatly hearten everyone who cares about housing in rural areas. I will comment first on speeches from back benchers, which were every bit as important as the front-bench speeches from the four main parties. That is not surprising. Housing is a huge part of our workload. Every member constantly receives e-mails and letters about housing, whether the issues are to do with rural or urban housing.

I take on board the passion that was expressed in many speeches. Bill Wilson and Rob Gibson know what they are talking about and have a feel for the issues. When Karen Gillon spoke about the need for genuinely mixed communities, she was spot on. I will return to that when I talk about Peter Peacock's speech.

Christine Grahame's description of how people are priced out of the market was just about perfect. She described exactly what happens. Aileen Campbell talked about the renovation of property, which I will mention, and Rhoda Grant set out problems that members who represent crofting counties hear about. People are crying out for the reinstatement of the loan element in croft house assistance.

I hope that Elaine Murray's tale of horror is not one that we will hear again. It exemplified what is wrong with the system. Like her, I do not want to attack the planners, but facts are chieftains that winna ding and when we hear about such cases we realise that we must learn from them and do better.

Maureen Watt, the convener of the Rural Affairs and Environment Committee, gave a good overview of the committee's work, which was not easy given that she was not a member of the committee throughout the inquiry. The minister talked about the loss of young people, some of whom never return. That is the great fear for everyone who represents a rural area. As other members said, when the young people go and do

not come back, that is the end of the school and then of the community itself. I totally take that on board.

I welcome the fact that the minister is talking to his counterparts south of the border about the tax regime that might encourage the private sector to become more involved. That is extremely welcome to the Liberal Democrats. I also welcome the efforts that are being made on the VAT reduction. Taking the VAT on housing improvement and renovation down to 5 per cent would be a masterstroke. I would argue—I think that the minister would agree—that the level of VAT on that has been an injustice for far too long and hits precisely the target that it should not hit.

Peter Peacock rightly reminded us of the earthquake that happened in the middle of the inquiry. He also referred to the work of the Highland Housing Alliance. The minister has visited the alliance and met Susan Torrance, as Peter Peacock and I have done. Several days ago, she outlined to me the problem that she identifies and about which we all know: that the banks, with some exceptions, are not yet playing the part that they should be. They are a drag anchor on the best efforts of organisations such as the Highland Housing Alliance and the Scottish Government. That is an issue.

Peter Peacock also referred to the notion of targeting higher rates of grant. That must be considered, but those of us who served as councillors know that, if we do that, another area of grant must give to finance it—it would involve a rejigging of a finite pot. However, there is useful work to be done on that.

Nanette Milne mentioned the farmers' problems. I recognise those and see them in my area. Liam McArthur gave perhaps the best description of the impact that the HAG problem seems to have on housing associations.

I pay tribute to Albyn Housing Association, which, in conjunction with the Highland Housing Alliance, is delivering mixed tenure. Peter Peacock talked about the empty houses that we see in parts of the Highlands. When I drive up the A9 to Caithness, I see an extraordinary number of derelict croft houses open to the sky, particularly at Clyth, at Lybster and to the west of Latheron. That is mute testament to why we should put the situation right and get the houses reinhabited with the lights on again in them. It is a constant reminder to me and all Highland members of what we are about. There would be nothing better than to see those houses lived in once again.

The work that His Royal Highness the Prince of Wales is beginning to undertake on housing initiatives in the far north will bear fruit. It is early days, but I encourage the minister to liaise as far

as he can with the architects and others who are working on the initiatives.

The lights will go on in the empty houses in Caithness when they are rebuilt and people are encouraged to live in them but, if we lack the rural transport to enable those people to get out and into communities such as Wick and Thurso to access services and the necessities of life, it will not work. I know that the minister recognises that there is connectivity between housing and the other support services. We must remember that at all times.

I congratulate the committee on the work that it has done in putting together the report, which is excellent.

16:28

**Jamie McGrigor (Highlands and Islands) (Con):** I am pleased to wind up for the Conservatives in a debate that, for the most part, has been constructive and useful. Like other speakers, I pay tribute to the members, clerks and support staff of the Rural Affairs and Environment Committee for their hard work in preparing a thorough report.

The committee was right to identify rural housing as a priority subject after the 2007 election. It is a massive issue for the Highlands and Islands because, to put it simply, it is still far too difficult for too many families to access an affordable home. That has major implications for attracting and retaining the key workers and young families we need for the sustainability of our rural communities, particularly in the most remote places.

I welcome the broad thrust of the committee's report, namely that many more houses need to be built in rural Scotland, both in small towns and villages and in the countryside. To achieve that, we must see a cultural change away from a presumption against development in the countryside—the minister mentioned that. It seems to me that there is also a presumption by some rural community councils to be contra instead of pro at the outset of planning applications for building, when the presumption should surely be the other way round. We have long put forward the view that planning guidelines in rural areas can be too restrictive. In our 2007 manifesto, we specifically identified the requirement to service the accommodation needs of retiring farmers, which remains an important issue, and especially to increase opportunities for young farmers.

Jamie Stone mentioned empty houses staring at the sky. As my party's spokesman on housing and communities for the past two years, I have constantly and consistently argued that more

priority should be given to the rural empty property grant scheme. The committee said in its report that the take-up of that scheme has been extremely disappointing. Housing ministers have been saying the same thing for the past few years.

**Jamie Stone:** I accept the point that the member makes. Does he agree that one reason why landowners may not be engaging with the scheme is that the tax regime governing them is unfavourable and does not encourage their engagement?

**Jamie McGrigor:** I do not know whether the member means the tax regime for developers, builders or what, but I am happy to discuss that with him afterwards.

The Government needs to learn the lessons from the rural empty property grant scheme as it implements the very welcome rural homes for rent scheme, with which I agree. I am aware that the Government is conducting a review of the rural empty property grant scheme along with the rural home ownership grant scheme, and I look forward to seeing the results of that as soon as possible.

The REPG scheme has potential but, sadly, it has not achieved large enough numbers. All of us who represent rural constituencies know only too well of empty houses. However, I recently visited an impressive steadying renovation at Cladich in Argyll, which took advantage of the REPG scheme to create five cottages for affordable letting to local people. I am keen to see the REPG scheme publicised more effectively and made as attractive as possible to private individuals, farmers, estates and housing trusts.

Concerns have also been raised with me about the length of time an application takes. I trust that the Government is considering that and other operational factors in its review of the scheme. Landowners and farmers need to be given adequate incentives to bring properties back into a state of good repair in order to rent to locals, rather than to sell them off.

The report is rightly positive about the role that the private sector, including landowners, can play in providing affordable homes. We urge ministers to engage fully with the private rented sector in rural areas and to build up relationships that are currently underutilised. Some good work has been done, but we must build on that and expand the examples of best practice.

A number of members raised the issue of the provision of land for housing in rural areas. Understandably, that issue features largely in the report. I agree strongly with the suggestion that the responsibility to free up land for housing should lie not solely with private landowners but with the public sector as well. That point was well made by Alastair MacGregor, the chairman of my

local housing association, Argyll Community Housing Association, who said in his evidence to the committee:

"If central Government, the Ministry of Defence, local government and agencies such as the Forestry Commission were brought into the picture and were able to release land from their land banks, that, along with our current resources, would assist us dramatically."—[*Official Report, Rural Affairs and Environment Committee*, 11 June 2008; c 811.]

I am aware that the Forestry Commission has made some good progress in that direction under the national forest land scheme. The Scottish Conservatives would like to see that extended to all our other public agencies. We take the view that there should be no difference between the public and private sectors in that regard. The public sector should receive the same encouragement as the private sector to consider the appropriateness of land for the development of affordable houses.

Peter Peacock rightly mentioned croft housing. The croft house grant and loan scheme has been an excellent provider of affordable rural housing. It should be updated now so that it can be so again.

Time prevents me from covering other issues in the report, but I am pleased that the committee emphasised that the Scottish Government should

"investigate the widespread concern"

about

"the assumptions behind proposed changes to housing association grant".

In many cases, rural housing associations need to develop small projects that do not benefit from the economies of scale that can accrue for urban housing associations.

**The Deputy Presiding Officer (Alasdair Morgan):** The member must wind up.

**Jamie McGrigor:** As Karen Gillon mentioned, some legislation seems to prevent local people from reaching the top of the housing ladder. I utterly agree with the point that she made.

Today's debate has been very welcome. We look forward to the minister's response.

16:35

**Mary Mulligan (Linlithgow) (Lab):** I am very happy to close the debate on behalf of the Labour MSPs. It has been a good and challenging debate.

Even prior to the recession, housing was moving up the political agenda. At that time, the main issues were supply and rapidly escalating costs. Now that we are, I hope, on the climb out of recession, the issues for housing are still supply and the prospect of increasing costs, so not much has changed. Despite promises from the Scottish

National Party that it would give priority to housing, we also now face the prospect of a cut in housing investment of 30 per cent next year. That is bad news for everyone, particularly those in rural and island communities, where pressure on housing supply has always had a sharper edge.

We have heard how members of the Rural Affairs and Environment Committee took considerable time and energy to draft the report so that they could focus on the challenges that are faced in trying to provide housing in rural areas. I congratulate the committee on its report. Like Rob Gibson, I spent some time in a previous parliamentary session on the Rural Development Committee, but that was neither as interesting nor as productive as the current committee's inquiry and report. I also note the SNP Government's response to the report's recommendations. I will address those in turn, but I first want to thank Shelter and the Scottish Federation of Housing Associations for their briefings, which have been helpful to those of us, like me, who are not members of the committee.

I turn to the issues in the report. On recent visits to Dumfries and Galloway and to the Highlands, I met representatives of housing associations who made me very aware of how angry and disappointed they are with the changes to the housing association grant that Rhoda Grant and others have highlighted. Those changes meant that housing associations were faced with two unpalatable options: to borrow more money from the private sector at a time when borrowing was very difficult; or to cut back on the number of houses that they intended to build. Fortunately—I give credit where it is due—the Scottish Government, after much lobbying by Labour and other parties and, more important, by the housing associations themselves, decided to pull back from the full force of the cut that it proposed to the housing association grant. However, even after receiving all that evidence, the Government agreed to only a partial reduction in its proposal.

As Peter Peacock, Liam McArthur and many others have explained, the problem is that development costs in rural areas are, for a number of reasons, often higher than those in urban areas. Therefore, the cut to HAG was particularly difficult for rural housing associations. Even at this late stage, I ask the minister to consider reinstating the previous formula, to provide more grant and to allow more houses to be built.

Pressured area status is another issue that Peter Peacock and others have highlighted today. The ability to apply for pressured area status was introduced by Labour, but it is up to local authorities to make use of it in accordance with local circumstances. As the report clearly states, the committee felt that local authorities have not

made as much use of pressured area status as could be made. I remember that, when pressured area status was first introduced, local authorities were slow to begin to use it, partly because they believed—rightly or wrongly—that the process was cumbersome. I hope that the Scottish Government will ensure that the process is not bureaucratic and that the procedures are streamlined, as the report recommends. The Government's response to the committee seems not to have addressed that issue, so I hope that, now that the matter has been raised again, the minister will agree with the committee's recommendation.

The availability of land is another issue on which the report makes a strong recommendation, which is supported by the SFHA. Its briefing says that powers such as those under rural exception policies and planning guidelines such as Scottish planning policy 15 could be used more widely, and suggests that compulsory purchase orders could be used more frequently. The ownership of land can be a major obstacle if the landowner is not fully clued into the housing issues in a particular area.

The report asks the Scottish Government to take action on two fronts. First, it asks it to provide more guidance to increase the use of compulsory purchase. Thankfully, the minister has indicated that there will be some movement on that, and I look forward to further developments. Secondly, it calls for an audit to be carried out of public sector land, which the Government seems to have declined to do. Why is that not possible?

I agree with Maureen Watt, Karen Gillon and many others that concerns about the interpretation of homelessness legislation, and perhaps some unintended consequences, have caused problems in communities. It might not be just a rural issue, but the nature of rural communities means that local connection is an issue that is frequently raised in such settings. I would appreciate the minister explaining how he intends to address that pressure. I am sure that he would agree that it would be a great shame if that problem were to undermine the homelessness legislation that was supported by all the political parties.

I could mention many other issues, but I do not have time—I can see that the Presiding Officer agrees. In addition to the housing mix, which Karen Gillon mentioned, there are the issues of infrastructure, empty homes and second homes. Elaine Murray gave clear examples of how the planning system can be a deterrent to necessary development. I appreciate that long-term improvements, such as action on the right to buy and an overall increase in the provision of rented housing, could address the challenges of rural housing.

**The Deputy Presiding Officer:** The member must wind up.

**Mary Mulligan:** I urge the Scottish Government not just to offer warm words but to take the necessary action.

16:42

**Alex Neil:** I agree with Mary Mulligan on one thing—that it has been a good and informative debate. As the minister, I have listened to all the points that have been made and will be happy to progress a number of them.

I begin by drawing out some general themes. It is clear that on all sides of the chamber there are genuine concerns about how the planning system is working in rural Scotland. In some cases, it is not working properly and is acting as a barrier to the development of housing to buy and housing to rent. It is clear from listening to the stories of Elaine Murray, Nanette Milne and Rob Gibson that although we are all signed up to the planning reforms that went through in the Planning etc (Scotland) Act 2006, it is extremely important, if those changes are to become a reality, that a culture change takes place in local authority planning departments throughout Scotland. I am acutely conscious of the planning issues.

Given that our rural communities will require more diversified economies if they are to survive in the future, the placing of restrictions under which it is possible to build only to facilitate housing for an agricultural worker clearly reflects an outdated concept of what our rural economies comprise. I agree with members that we need to do much more at local authority level in particular to ensure that the planning system works for housing development and not against it.

I am deeply cognisant of the impact of the unintended consequences of the homelessness legislation. This Government is totally committed to meeting the homelessness target by 2012, but there is no doubt that unintended consequences have affected our rural and our urban communities. I have two specific points to make in support of what others—Karen Gillon, in particular—have said.

First, last year, 45 per cent of housing allocations by local authorities were made to people on the homeless list, with the balance of 55 per cent being made to people on the mainstream waiting list. However, in some areas, the allocations to people on the homeless list reached more than 60 per cent. There is no doubt that that is causing division in the community and other consequences that need to be addressed. We will try to address those issues in the new joint steering committee that we have set up with the Convention of Scottish Local Authorities to deal

with achieving the homelessness target, because they are real issues. They should not detract from our determination to achieve the homelessness target by 2012, but we cannot ignore the unintended consequences and the need to reduce the mainstream waiting list as well as the need to tackle homelessness.

Secondly, if we consider the regulator's latest report and the analysis of the profile of people in Scotland who are homeless, we find that 60 per cent of those people are single men and 24 per cent are single parents—they are usually single mothers. Often, two things have happened—my colleague Christine Grahame referred to them. The problem will have been treated only as a housing problem although there are wider problems that need to be addressed, particularly with young single males. It is no accident that the local authorities that have made most progress towards achieving the 2012 target—North Ayrshire Council, for example—have brought together their homelessness and social work services to ensure that young single men or single parents, for example, are not simply put through the revolving door and given a tenancy when they have no money, furniture or job, or even no benefits. Those people need much more holistic support. The problem is not just a housing problem; it is a much wider problem.

**Liam McArthur:** I entirely agree with the minister. Perhaps not in all cases, but in the vast majority of cases, moving people who find themselves homeless for a variety of reasons and who have a support structure around them to a location that they are utterly unfamiliar with and where they do not have the same support infrastructure is potentially even more damaging to their interests.

**Alex Neil:** That is absolutely right. Orkney Islands Council has been one of the best authorities in dealing with that matter. There are now two supported units for young people there, and that has made a significant difference to the opportunities that are available to them. We need to consider how we can learn from the examples of Orkney, Aberdeen Foyer and Cairn Housing Association's project in Inverness, for instance. More such providers and provision would help enormously in tackling the homelessness problem and the wider issues that many young people face.

On the HAG rates, I acknowledge that a number of rural housing associations have claimed that they had difficulty with some of the targets that we are talking about. Over the summer, I met Western Isles Council, housing associations, and people in Lochaber, Argyll and a number of other areas. If a housing association or group of housing associations in a rural area says that it has

difficulties, we will work with it and work through the issues, because we are determined to ensure that houses are provided in rural areas. I hope that, by working with councils and housing associations, we can deal with any issues relating to the housing association grant that arise. The average grant in rural areas is significantly higher than the average grant across the country, as it should be, because many of the housing associations in rural areas are smaller.

On the specific point that Rhoda Grant made about the loan element of the croft house grant scheme, that was, in fact, abolished by her Government in 2005. I think that it was abolished because the funding was run down and there did not appear to be the appropriate level of demand for it.

**Rhoda Grant:** Will the minister give way?

**The Deputy Presiding Officer:** I would prefer if he did not.

**Alex Neil:** I am running out of time, unfortunately.

For the record, I want to correct what Mary Mulligan said. It is not correct to say that there will be a 30 per cent reduction in investment in housing in Scotland next year. We brought forward £120 million worth of investment. That investment is taking place earlier than planned at the request of the Labour Party, among others. It is, therefore, ingenious for Labour members to try to describe that—

**Jamie Stone:** Disingenuous.

**Alex Neil:** Indeed. I repeat, it is disingenuous for Labour members to try to claim that that is a cut. If Mary Mulligan is so concerned—as she should be—she should invite her chancellor to agree to our request to allow us to bring forward into next year capital spend from 2011-12. In that way, we will continue with our exceptionally high level of investment in housing in Scotland.

I make no prediction, in case I get into trouble, but I hope that, when the figures for this year are published, they will show a record number of approvals, a record number of starts and a record number of completions by the SNP Government.

16:50

**John Scott (Ayr) (Con):** I am pleased to close the debate on behalf of the Rural Affairs and Environment Committee. I declare an interest as a farmer.

Like Peter Peacock and Bill Wilson, I am a veteran of the report. It has been an interesting debate. I thank members on all sides for their contributions; the clerks, for their enormous efforts in bringing the report to fruition in difficult

circumstances; those who gave evidence; and those who hosted us on our various visits. All the key themes that are identified in the report have been discussed, but in my summing up I will focus on three of them.

The first key theme is planning. We rely on the planning system to ensure that the right land is zoned for the right purposes. In this age of global food security concerns, that means protecting good farming land, which is in short supply in Scotland, from unnecessary development. Members would expect me to say that. We also rely on the planning system to protect our countryside from suburban sprawl and inappropriate design. It is only fair to make it clear that the committee saw first-hand evidence of planners working effectively within those constraints to help to get affordable houses built.

Unfortunately, that is not the story overall, as Maureen Watt indicated in her opening speech. Over the course of the inquiry, committee members picked up anecdotal evidence of developments in the middle of the countryside not being allowed because the developer would not put in streetlights and pavements; because the road was too narrow to let a refuse van pass a school bus; or because the proposal was for an eco-home, and it could not be an eco-home if it could not be reached by public transport.

Nevertheless, I stress that it was not the committee's experience that the blame lies with particular planners or particular planning departments. The trouble is that, over the years, an entire system seems to have built up with a built-in presumption against development in the countryside. The report refers to that as an overconservative planning culture. Although, in my view, there is little wrong with being overconservative, we took the view that our planning culture has become overcautious. A change in attitude is needed, and it must come from the top down. Nanette Milne, Elaine Murray and Rob Gibson all referred to that. I put it to the minister that the implementation of the Planning etc (Scotland) Act 2006 and the revision of planning guidance affords us a once-in-a-generation chance, which must be grasped, to change the culture. As Peter Peacock said, we must no longer rely on section 75 agreements to fund affordable urban and rural housing. Different and additional ways must be found to create and access future funding.

Land supply is another key theme in the report. The committee's convener, in her opening speech, and then Peter Peacock referred to the very Scottish paradox that much of the countryside lies empty, yet there is very little land on which to build new homes. Of course, as the debate has made clear, it is not quite that simple. For one thing,

there is much less suitable land than there might appear to be. Geography plays its part in that, through sloping sites, poor drainage and so on, although some witnesses warned the committee that we were in danger of missing a trick if we did not apply the latest technology and engineering techniques to bring some of that land into circulation. As other members have said, however, the fundamental problem with land supply is that not enough land is being made available at a realistic price. There will always be a debate over which of the carrot or the stick would be most useful in rectifying that situation, and that debate has been rehearsed again this afternoon in the context of CPOs.

I stress two points. First, there are a great many landowners out there who are keen to be part of the solution and who are working in partnership with planners, developers and housing associations to bring decent, affordable and sustainable housing into circulation in areas that are under high housing pressure. I saw that for myself in highland Perthshire last May, when I visited Atholl Estates, where exemplary and innovative work was being carried out in partnership with the local housing association.

However, as that visit made clear, there are a lot of practical and financial obstacles in people's way, such as the planning system, the cost of infrastructure and the difficulty of arranging a long-term lease. Our report highlighted a fairly depressing lack of awareness of the available schemes and the feeling among landowners that, try as they might, they simply cannot get the figures to work for them. I welcome the minister's comments on the need to attract more funding into the affordable rural housing sector.

My second point on the issue of land is that, in as much as there is a problem with availability, the burden of rectifying it does not rest solely with private landowners. The public sector, including the Scottish Government, also has a role to play. During its inquiry, the committee noted that some predominantly rural councils, such as Highland Council, have a policy of considering whether any redundant land or property that they hold can be put to use as affordable housing. It seems to the committee that all rural councils should apply that best practice.

My final point is on what councils can do to address the rural housing problem, particularly in what our report referred to as the "hotspots", where housing pressures are acute.

Our inquiry examined the constraints that are imposed on councils and the factors that prevent them from dealing with rural housing, and we uncovered some difficult home truths, such as the effect of homelessness legislation—however well meant it might have been—and the loss of the

local connection, which was referred to passionately by Liam McArthur, Elaine Murray, Karen Gillon and Christine Grahame. I note that the minister recognised the extent of the problem and stated his intention to address it, if he can. I know that the committee would welcome that.

We also examined what has worked, a good example of which is the land bank for affordable housing in the Highlands and Islands that is operated with great success by Highland Housing Alliance.

In the end, however, the committee was left with the strong impression that, in special cases, more powers might be needed in those hot spot areas. That is what led us to float the more radical proposal of allowing councils, on a case-by-case basis, to access what we called a "toolbox of measures" to help them address housing pressures. However, as a Conservative, I should make it clear that my party is against ending the principle of the right to buy, which has served Scotland well in the past. What is needed now is that more houses be built. That is, perhaps, the key point in the whole debate.

I know that some of the committee's suggestions were quite contentious, such as the suggestion that councils might, exceptionally, wish to levy an enhanced council tax charge to finance an affordable housing fund. However, it is sometimes the role of a committee report to provoke, and it has been interesting to note members' views on that suggestion.

I am grateful for all contributions to this afternoon's debate. These closing words of mine formally end the Rural Affairs and Environment Committee's lengthy inquiry into rural housing, but much work still remains to be done. Our report suggests that the aim of any rural housing policy should be to ensure that

"no one who wishes to belong to a local community and has something to contribute to it should be excluded simply because of a lack of housing."

I urge the minister and the Parliament to continue working to ensure that that aim is met.

If the minister takes away one thought from this debate, it must be that the lack of affordable housing is holding back the development of rural Scotland and ways must be found of building more affordable homes so that we can enable rural Scotland to fulfil its potential.

## Business Motions

16:59

**The Presiding Officer (Alex Fergusson):** The next item of business is consideration of business motion S3M-4979, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a business programme.

*Motion moved,*

That the Parliament agrees the following programme of business—

Wednesday 28 October 2009

2.30 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Ministerial Statement: Student Support

*followed by* Scottish Government Debate: Reshaping the Future Care of Older People

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 29 October 2009

9.15 am Parliamentary Bureau Motions

*followed by* Stage 1 Debate: Marine (Scotland) Bill

*followed by* Financial Resolution: Marine (Scotland) Bill

11.40 am General Question Time

12 noon First Minister's Question Time

2.15 pm Themed Question Time  
Education and Lifelong Learning;  
Europe, External Affairs and Culture

2.55 pm Scottish Government Debate: The Scottish Economy

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Wednesday 4 November 2009

2.30 pm Time for Reflection

*followed by* Parliamentary Bureau Motions

*followed by* Scottish Government Business

*followed by* Business Motion

*followed by* Parliamentary Bureau Motions

5.00 pm Decision Time

*followed by* Members' Business

Thursday 5 November 2009

9.15 am Parliamentary Bureau Motions

*followed by*

11.40 am

12 noon

2.15 pm

2.55 pm

*followed by*

5.00 pm

*followed by*  
*Crawford.]*

Scottish Government Business

General Question Time

First Minister's Question Time

Themed Question Time  
Health and Wellbeing

Scottish Government Business

Parliamentary Bureau Motions

Decision Time

Members' Business—[*Bruce*

*Motion agreed to.*

**The Presiding Officer:** The next item of business is consideration of business motion S3M-4980, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a stage 2 timetable for the Tobacco and Primary Medical Services (Scotland) Bill.

*Motion moved,*

That the Parliament agrees that consideration of the Tobacco and Primary Medical Services (Scotland) Bill at Stage 2 be completed by 26 November 2009.—[*Bruce Crawford.]*

*Motion agreed to.*



## Parliamentary Bureau Motions

17:00

**The Presiding Officer (Alex Fergusson):** The next item of business is consideration of two Parliamentary Bureau motions. I ask Bruce Crawford to move motion S3M-4981, on the designation of a lead committee, and motion S3M-4982, on parliamentary recess dates.

*Motion moved,*

That the Parliament agrees that the Local Government and Communities Committee be designated as the lead committee in consideration of the Home Owner and Debtor Protection (Scotland) Bill.—[*Bruce Crawford.*]

**The Minister for Parliamentary Business (Bruce Crawford):** It is with great pleasure that I move motion S3M-4982. [*Laughter.*]

That the Parliament agrees the following parliamentary recess dates under Rule 2.3.1: 5 July – 5 September 2010 (inclusive).

**The Presiding Officer:** The questions on the motions will be put at decision time.

## Decision Time

17:00

**The Presiding Officer (Alex Fergusson):** There are three questions to be put as a result of today's business. The first question is, that motion S3M-4973, in the name of Maureen Watt, on the Rural Affairs and Environment Committee's report on rural housing, be agreed to. Are we agreed?

*Motion agreed to,*

That the Parliament notes the conclusions and recommendations contained in the Rural Affairs and Environment Committee's 5th Report, 2009 (Session 3): *Rural Housing* (SP Paper 256).

**The Presiding Officer:** The second question is, that motion S3M-4981, in the name of Bruce Crawford, on the designation of a lead committee, be agreed to. Are we agreed?

*Motion agreed to,*

That the Parliament agrees that the Local Government and Communities Committee be designated as the lead committee in consideration of the Home Owner and Debtor Protection (Scotland) Bill.

**The Presiding Officer:** The third question is, that motion S3M-4982, in the name of Bruce Crawford, on parliamentary recess dates, be agreed to. Are we agreed? I will be amazed if we are not.

*Motion agreed to,*

That the Parliament agrees the following parliamentary recess dates under Rule 2.3.1: 5 July – 5 September 2010 (inclusive).

## Aberdeen Crossrail (Kintore Station)

**The Deputy Presiding Officer (Trish Godman):** The final item of business is a members' business debate on motion S3M-4851, in the name of Mike Rumbles, on Kintore station and Aberdeen crossrail.

### *Motion debated,*

That the Parliament welcomes the announcement that passenger numbers at the reopened Laurencekirk station have exceeded estimations by around 80%; notes that the decision by the previous Scottish Executive to reopen the Laurencekirk station followed a long community-based campaign; believes that a reopened Kintore station would be similarly successful; expresses its concern that progress on the Aberdeen Crossrail project has stalled under the current Scottish Government, and would welcome funding being brought forward to reopen Kintore station as part of the Aberdeen Crossrail project.

17:02

**Mike Rumbles (West Aberdeenshire and Kincardine) (LD):** When the Scottish strategic rail study was published by the previous Scottish Executive in 2003, it had at its heart a vision for an Aberdeen crossrail service in the north-east. Nestrans—the north east of Scotland transport partnership—was chaired at the time by my colleague Alison McInnes, and it had the vision to believe that we could have a 15-minute peak-time commuter service running into and out of Aberdeen along the length of the railway, from Inverurie in the north to Stonehaven in the south.

Not only would there be a 15-minute commuter service, but new stations could be built along the line at Kintore and Newtonhill. The idea was to make rail use easier for the consumer, to expand the capability of the existing rail system and to develop new markets for rail. It was a real vision for the transport needs of the north-east. I initially pressed for the inclusion of the station at Laurencekirk, which is further south in my constituency, in those crossrail plans. I am now very grateful for the advice that I received from Alison McInnes and her colleagues at Nestrans at the time, which was that I should instead press the then transport minister, Nicol Stephen, to reopen Laurencekirk station as a stand-alone project, because it was outwith the concept of the crossrail project, being some 14 miles south of the southerly Stonehaven terminus. I was delighted when, in December 2005, Nicol Stephen allocated the £3.5 million that was needed to reopen Laurencekirk station. Although the current Minister for Transport, Infrastructure and Climate Change, Stewart Stevenson, announced in June 2007 that the reopening would be delayed a year until December 2008, it was—after a further delay—reopened in May this year.

The reopening of Laurencekirk station has been a tremendous success, with passenger numbers exceeding expectations by around 80 per cent. I am convinced that reopening Kintore station would also be resoundingly successful. Not only would it benefit the expanding community of Kintore, it would serve many other people too, including my constituents in nearby Kemnay and people much further afield. However, I have steadily become alarmed and disappointed by what I see as the lack of interest and vision that has been shown in the Aberdeen crossrail project. In June last year, Councillor Kevin Stewart, the chair of Nestrans, wrote to Stewart Stevenson:

"The distinct impression had been given that at officer level this scheme was dead and only political pressure could change that."

On 7 November, I attended a Nestrans briefing that contained not one reference to the Aberdeen crossrail project. The director of Nestrans, Derick Murray, revealed that the Scottish Government's transport wing, Transport Scotland, had indicated that it was not interested in developing local rail services for the north-east and that, instead, it was focusing on improving services between Aberdeen and Glasgow.

I asked the Scottish Government about that, and I was informed in answers to parliamentary questions that the Scottish Government had not allocated any funding for crossrail in the current year, that the transport minister had not held any discussions with Councillor Stewart about crossrail, and that there had been no recent discussions about the project between the Scottish Government and Network Rail.

As a result of all that, the Liberal Democrats held a debate on the matter in our time on 12 March. We noted that the Aberdeen crossrail project previously enjoyed cross-party support, regretted that it was omitted from the Government's strategic transport projects review and called on the Scottish Government to make a firm commitment to restart active development of the Aberdeen crossrail project immediately. I was hugely disappointed by the decision of Scottish National Party and Conservative MSPs to combine to block the request in the motion on 12 March for action to restart the project. I am not surprised that not one of them has supported my motion today. However, the Aberdeen crossrail project deserves the support of every member of this Parliament. In particular, it deserves the support of every north-east MSP from every party. Where is the vision that needs to be displayed by my fellow north-east MSPs to take the project forward?

At a meeting with Aberdeenshire Council on 11 September, which was unfortunately not attended by either the transport minister, as an Aberdeenshire MSP, or the two Conservative

north-east MSPs, I asked officials and councillors whether they had the necessary vision for the project. I am glad to say that Aberdeenshire Council officials and councillors reaffirmed their commitment to the vision at that meeting. I only wish that the transport minister had been there to hear it.

It is clear to me that, at the moment, the minister does not have the vision that is needed. He has not set out a clear vision for the crossrail project. He said in the Parliament that his incremental approach was the way forward and that he aimed to have two trains an hour on the line, but yesterday I received a letter from the Government's transport body, Transport Scotland, that makes it clear that the sum of the ambition is to have two trains an hour from Inverness to Nairn but only one train an hour from Inverness to Aberdeen. Nobody would call that an effective commuter service. I do not even know whether the minister supports the idea of a peak commuter service every 15 minutes into and out of Aberdeen running between Inverurie in the north and Stonehaven in the south with new stations at Kintore, Altens and Newtonhill.

I would like the transport minister to answer this simple and straightforward question when he sums up this evening's debate. Does he have the vision to see the service developed in that way? I sincerely hope that he does. I am not calling on him to provide the funds for that now. Evidently not—that would be a nonsense, particularly in the economic circumstances that we now face. However, if he could indicate today his support in principle for a 15-minute commuter service with new stations on the line from Inverurie to Stonehaven via Aberdeen—the same support that I believe he voiced when he was in opposition—that would be a real step forward.

The people of the north-east deserve a straight answer from our transport minister tonight. I hope that he will give it. Does he have the necessary vision? Will he support the principle and work towards a 15-minute commuter service with reopened stations at Altens, Newtonhill and Kintore? We all await his response.

17:10

**Maureen Watt (North East Scotland) (SNP):** I thank Mike Rumbles for securing the debate and for giving us the opportunity to highlight the fact that the Scottish National Party is delivering for the north-east. I put on record the fact that I lodged an amendment to the motion.

The delivery of a reopened Laurencekirk station under the SNP Government after years of talk has not gone unnoticed by the good people of Laurencekirk. The usage figures for Laurencekirk

station, which are 84 per cent higher than predicted, are outstanding and demonstrate that the station is making a real difference for people in Laurencekirk and further afield. The success of the reopened station underlines the damaging lack of progress and the failure to deliver the station under the previous Administration. I commend the Minister for Transport, Infrastructure and Climate Change for delivering the project. I cannot help but note the contrast between his record of delivery and the failings of previous transport ministers.

Mike Rumbles's motion also deals with the crossrail project and Kintore station. Frankly, his suggestion that movement on the project has stalled is ludicrous, considering that, in the eight years of the previous Administration and under two Lib Dem transport ministers, no tangible steps forward were made on delivering any aspect of the project. From that standing start—purely a vision, as Mike Rumbles said—activity is happening and progress is being made towards implementing the aims of crossrail on an incremental basis. That is manifestly the correct way to proceed, as Nestrans acknowledged after a feasibility and technical study into the project. Increasing services and the frequency of trains is an important part of improving rail links for communities between Inverurie and Stonehaven. The number of trains going to Inverurie has increased significantly since 2007, with many more services that previously terminated in Dyce continuing to Inverurie. Additionally, from December, there will once again be an evening link from Dyce to Portlethen and Stonehaven, thanks to coming scheduling changes.

Those changes are important improvements in their own right, but they will also provide an invaluable measure of the extent of the improvement in the number of people using the services. Establishing those numbers and the potential demand among rail users for a reopened Kintore station is vital to ensuring that the right decision is made on the station. Mike Rumbles might gleefully demand funding for projects before they are examined and scrutinised fully but, thankfully, the Scottish Government takes more responsibility when it comes to investing taxpayers' money. It is simple common sense to grow the number of potential users for Kintore station and to firmly establish evidence that there are enough users to make the service viable before committing investment to the project.

Plans for Kintore station will be examined as part of the Aberdeen to Inverness rail line improvements, which I believe are to be studied by Network Rail this year. The delivery of Kintore station through those improvements would avoid the duplication of effort and would help to keep the project costs down. I look forward to the outcome of that study and to the improvements in rail

services in the north-east that it will help to drive forward. I believe that the incremental and evidence-based approach that is being taken to delivering the elements of crossrail is the right one and that members from throughout the north-east should back it.

17:14

**Richard Baker (North East Scotland) (Lab):** I congratulate Mike Rumbles on securing the debate. We have debated Aberdeen crossrail several times in the Parliament and members have lodged a number of motions on it, but Mike Rumbles is right to give Parliament another opportunity to debate the proposal and to preserve that vision, which is vital to the transport infrastructure and economy of the north-east. We are all aware that rail services for the oil capital of Europe and the region as a whole must improve, which is what the Aberdeen crossrail scheme is all about.

I do not share Maureen Watt's rose-tinted analysis of the current situation. It is deeply disappointing that the cross-party consensus in favour of the proposal that existed before the election has dissipated. Like Mike Rumbles, I am bewildered as to why, when we had the chance to vote on the issue in March, every member from the north-east could not vote for a straightforward motion calling for support for and progress on the scheme.

When it was announced that the Scottish Government would not support the Glasgow airport rail link, I felt empathy with members from Glasgow—as, I am sure, did colleagues who had supported the Edinburgh airport rail link—because we in the north-east had already gone through the experience of having our major rail project dropped by the Scottish Government, despite SNP support for it locally before the elections.

I believe that the minister has a personal commitment to developing public transport, but I am afraid that his Government is fast developing the reputation of being the inheritor of Dr Beeching. Mike Rumbles hits the nail on the head when he says in his motion:

"passenger numbers at the reopened Laurencekirk station have exceeded estimations".

In fact, passenger numbers have exceeded estimations substantially. In so many cases, the projections for the use of new stations and services significantly underestimate the actual use when those services are put in place. I am sure that that has been a factor in what has happened to the crossrail proposal, too.

A recent cross-party meeting with the minister, at which the issue was discussed, was positive. I hope that we will receive more positive signals

from the minister today about the potential for a new station at Kintore and Scottish Government support for it.

**The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson):** The member makes the interesting and valid point that we underestimate patronage in new railway stations. It might be worth saying that we use a Great Britain-based model, which we are increasingly of the view does not properly reflect Scottish circumstances. That is not just the view from this Government; I think it has been a long-term view. We are looking to have discussions to see whether we can get a better model that will help us understand patronage better.

**Richard Baker:** I welcome that intervention. The models that are used should be more sensitive and should be correct for the Scottish situation. I hope that that will help the proposal for a new station at Kintore, which commands cross-party support.

In Aberdeen and the north-east, the issue of commuter options into the city of Aberdeen is extremely pressing. We still do not know how the western peripheral route will be funded or when it will finally get the go-ahead. There is no progress on addressing congestion at the Haudagain roundabout. We need progress on road and rail services for the north-east. I am sure that there will be a great deal of consensus in the chamber tonight on the proposal for a new station at Kintore. I hope that we can re-establish a consensus for Aberdeen crossrail, and a focus on delivering it. As Mike Rumbles said, there should now at the very least be a commitment to that principle. This issue should continue to be raised until that ambition is realised. The project is of vital importance to the north-east, and to Scotland, given its potential contribution to the centre of our energy industry.

17:18

**Nanette Milne (North East Scotland) (Con):** I, too, congratulate Mike Rumbles on bringing the motion to Parliament this evening, because the issue that it raises remains live. I was a little surprised when I read the title of the motion, given that Kintore is currently in the First Minister's constituency, although I concede that some of Mr Rumbles's constituents from Kemnay might well use a station at Kintore.

I will restrict my remarks to the proposed reopening of Kintore station; I have been involved in the campaign for that for a number of years. In April of this year I was pleased that the transport minister agreed to my request for a meeting with interested parties, including Graham McDonald and Kenny Thomson from Kintore and district

community council, as well as my North East Scotland region colleagues—cross-party colleagues—whose responsibilities, like mine, include Kintore and the neighbouring communities.

The reopening of Laurencekirk station has undoubtedly been a major success. It has been warmly welcomed and supported, and the number of passengers using the station has exceeded the provisional estimates by around 80 per cent, as the motion states. That is good news and I believe that it makes a positive case for the reopening of Kintore station and, eventually, other local stations.

Given the inevitability of future housing developments across Aberdeenshire, reopening the station and improving the transport infrastructure for communities north of Aberdeen city is becoming increasingly important. I hope that the reopening of Laurencekirk station has acted as a catalyst to promote the case for including Kintore as a stopping place on the Aberdeen to Inverness line.

I have said in previous debates on the issue that Kintore must surely be one of the fastest growing villages in the country. In only five years its population has grown from just over 1,600 to more than 2,500, completely changing its character from a traditional north-east village to an urban satellite of Aberdeen, with tightly packed streets of modern houses clustered around its historic village centre. That has had a significant impact on the back road to Newhills, on the Haudagain roundabout and on Anderson Drive, where peak-time traffic is noticeably heavier.

Think of the advantages to the environment if even half of the cars from Kintore were to stay at home while their owners commuted by train. That method of travel is increasingly favoured by residents in Inverurie and Dyce and many people in Kintore would also like to have local access to the rail network.

Recent developments that allow hourly services to operate between Aberdeen and Inverness are an important step forward and I hope that Kintore will be developed as a stopping point for some of those services. I realise that the single track at Kintore is a problem, but it is one that can in due course be overcome if the political will is there to open the station. From the minister's response at our meeting I think that he is supportive of that in principle.

It is a little premature to ask for funding to be allocated to the project—rightly or wrongly, I took Mr Rumbles's motion to be asking for that—given that it has not yet been costed and that we do not have the results of the study into the feasibility of the station's reopening. That is why I did not sign the motion.

**Lewis Macdonald (Aberdeen Central) (Lab):** I recognise the case that the member has made for Kintore in the context of the Aberdeen to Inverness line. Does she also see a case for Kintore in the context of Aberdeen crossrail?

**Nanette Milne:** Yes, of course, but I said that I would confine my remarks to Kintore.

It is important that local community demand and support for the reopening of the station is taken account of and that Nestrans and the Scottish Government look to the benefits that reopening Kintore station could have for the environment, the local economy and local communities.

It is welcome news that the reopening of Laurencekirk station has proved to be a great success. That can only be good news for local people and for the local economy, and, of course, the environmental benefits that result from moving people from car to train will contribute to reducing our local carbon footprint. I believe that a reopened Kintore station would be similarly successful. The Scottish Conservatives support its reopening and I hope that with continued cross-party support that can become a reality. I hope that in his response the minister will be able to provide further details on taking the proposal forward and bring us up to speed on any progress since our meeting earlier this year.

17:22

**Alison McInnes (North East Scotland) (LD):** I, too, am grateful to my colleague Mike Rumbles for giving us a further opportunity to discuss the proposed new station at Kintore and the wider Aberdeen crossrail project.

I feel that I hardly need to go over old arguments and the many reasons why we should build a new station at Kintore and why the Aberdeen crossrail project should be looked on as a vital piece of transport infrastructure for the north-east. However, I must challenge Maureen Watt's assertion that nothing was achieved under the previous Administration. During the terms of office of our Lib Dem transport ministers, much groundwork was carried out. Like the foundations of a house, groundwork is not visible, but it is vital. We identified the project, carried out preparatory work, built the project into the regional plan and started negotiations with Network Rail. A great deal of work was carried out in the early days. The disappointment is that that work has not been taken forward.

I will focus on what we can do now. I understand that, as part of the process of working towards the rail improvement priorities that have been identified by the Government, Network Rail has prepared for Transport Scotland its proposals for the Inverness to Aberdeen line. I have been told

that the proposals include looking at the case for a new station at Kintore. That is, of course, welcome news.

The minister will recall the commitment that he made to me personally late last year that he would look at reviewing the forecast passenger number calculations as well as disaggregating the costs of the main Aberdeen to Inverness line improvements from those of the local project, because it was when the two projects were pooled that things started to get difficult. I am glad to have heard from him already during the debate that he is looking at a new model for passenger patronage. I think that that will benefit the Kintore project. I was grateful for his commitment and I trust that he will ensure that Transport Scotland remembers it during its discussions on the proposals. I believe that if ever a project needed political direction, it is this one. I would be interested to hear whether he has updated figures that he may be able to share with the chamber this evening or even in the next few weeks.

Obviously, given the overwhelming success of the new station at Laurencekirk, I feel that it is even more vital that updated projected passenger figures are used when considering Kintore. Even with the currently available figures, I am certain of the case for the new station and I have no doubt that Nestrans, Aberdeenshire Council and the other local bodies are similarly convinced. Again, I refer to the petition that I handed to the minister last year, which showed overwhelming support for the proposal. I expect revised forecasts that take figures from Laurencekirk into account will only strengthen the case.

I am informed that Nestrans already feels that a new station at Kintore should be progressed as soon as possible, perhaps initially as a single-platform station, and in advance of any finalised proposals for the fuller developments on the Aberdeen to Inverness line. In other words, we should not simply wait until we have the full package. I hope that the minister and Transport Scotland will continue to work closely with Nestrans on the matter—I certainly will—and that firm plans for the station can be brought forward at the earliest opportunity.

Turning from Kintore to the wider crossrail project, I think that it is obvious that in the current climate it is not realistic to do the whole thing in one go. However, it is equally obvious that we should not simply forget about it, and I am very pleased to hear that Government officials have been working with the local authorities on the plans. I encourage them and the minister to continue to listen closely to people's views and to be careful not to dismiss the long-term ideas that Mike Rumbles has espoused purely on the basis that they are too expensive right now. It is okay to

implement crossrail incrementally, but there needs to be an identifiable long-term plan.

As the minister with responsibility for planning, Mr Stevenson will be aware of the Aberdeen city and shire long-term structure plan. Approved by him without going to inquiry and held up as a model by the Scottish Government's chief planner, the plan identifies transport corridors, one of which is Huntly to Laurencekirk, as key areas of future growth and envisages that the growth of the corridor and the crossrail project will be somewhat symbiotic. The building of crossrail will support sustainable growth, which in turn will bolster passenger numbers, and I urge that the model be remembered in discussions or plans.

I hope that when the plans for the Inverness to Aberdeen line are finalised they will improve local suburban services to the north of Aberdeen. That would certainly be a good first step—or a good second step, if Kintore station has been opened by then. However, I ask the minister to remind Transport Scotland that it should not be satisfied with that and that it should bear in mind the bigger picture and that comprehensive improvements, including a regular service from Inverurie to Stonehaven and further station reopenings, must be the ultimate goal.

17:27

**Nigel Don (North East Scotland) (SNP):** I congratulate Mike Rumbles on securing another debate on an important issue that needs to be discussed periodically. However, before I come to the railway itself, I want briefly to work round the subject and develop Nanette Milne's comments on cars.

According to all sorts of data from Transport Scotland and Nestrans, car ownership in the north-east is higher than in comparable places, with 57 per cent of Aberdeenshire residents using their car every day. That figure is quite high and indicates that, in rural communities, car ownership is almost essential unless one happens to live on rail or bus corridors. I should also mention in passing that 42 per cent of Aberdeen's residents use their car every day, which seems to me to be far too high. I have to wonder why people who live in a very small conurbation have to use the car so much.

The answer, of course, is the buses. I seriously suggest that, in discussing the railway, we should recognise that there is an issue with Aberdeen's bus service. After all, buses should form the mainstream transport system in any city. I am quite prepared to accept that we should talk about the railways—and, indeed, the crossrail route—but we might be aiming at the wrong target if we concentrate wholly on rail and do not sort out the

buses. Social inclusion is about getting from A to B; A might be very close to B, but one needs to be able to get around and the bus service is crucial in that respect.

I will swiftly pass by the Aberdeen peripheral route, noting only that it will present more park-and-ride opportunities and will therefore, I hope, help the situation in Aberdeen city centre, and move to the projects in question, which are set out in the Nestrans document. We all agree about the reopening of Kintore station. The date is yet to be agreed, but the proposal is in the document and the intention is that it will happen. Is it important? Of course it is, not least because it provides an opportunity for those taking the north-west route to park at Kintore, take the train to Aberdeen and, now that the bus station has been put in the right place, connect as necessary with the city's buses.

**Mike Rumbles:** Does Nigel Don agree that, if people are to park their cars at a reopened Kintore station, to use the railway and to commute in and out of Aberdeen, they need a regular service? We are talking about the vision.

**Nigel Don:** I have no difficulty agreeing with the member. However, I am grateful to Alison McInnes for pointing out that she now accepts that an incremental process is necessary. If we can all see that, it is a step in the right direction. The vision is fine, but it is some way away. Things will change as we go along.

I will comment briefly on some of the points that have been made about crossrail and on the reasons why the project was not picked up quite as much as people hoped. First, we know that more stations means more stops—correctly—which increases journey times. That is one of the issues that will never be resolved. Unless there is enough track space to run the main line and the stoppers, it is not possible to get the timetable right. Secondly, the model did not predict modal shift on to the railways from cars. As far as I can tell, it predicted that most transfer would be from buses to the railways. That may just be welcome, but it is not really what we want. It may now be possible to challenge that conclusion, given that the minister has indicated that the model will be re-examined. I encourage the minister and his staff to look at the issue.

17:31

**The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson):** I join others in thanking Mike Rumbles for bringing his motion to Parliament. I agree that Parliament should acknowledge that the number of passengers who use Laurencekirk station has exceeded the initial estimate: 36,000 were

estimated, but the number of people who are likely to use the station is 70 per cent or—as the motion states—80 per cent greater than that. I acknowledge Alison McInnes's point that that would not have happened without the groundwork that the previous Administration and previous transport ministers undertook. Of course, I encountered difficulties that any transport minister of any political view would have encountered in relation to land acquisition and the problems that are associated with bringing an old building into service. However, we are there, and no member will disagree that the station has been a success.

The project was developed with strong cross-party support and funding at all levels. The final piece of the jigsaw at Laurencekirk station is the car park, which opens today or tomorrow—I cannot remember exactly when, but it is certainly this week—with support from Aberdeenshire Council and Nestrans. The station reopened, after 42 years of closure, in May this year. In a sense, the consensus among politicians was of no great importance—the important point was that there was a cross-community campaign for the station to be reopened.

Similarly, there is substantial support for reopening the station at Kintore. As an MSP for the north-east of Scotland, I share Mr Rumbles's interest in that. I am enthusiast for rail and a regular user of rail services in the area and have jotted down that the only station between Inverness and Aberdeen that I have not used as a minister is Inch station—although that statement is subject to review, as I may find that I have used it. I am familiar with the area and have made approximately 750 journeys on our railway network as a minister.

Many members who are here this evening were present for the meeting that I had with Kintore and district community council—Mike Rumbles, however, was not able to attend that meeting. I am sure that there was a good reason for that, just as there was a good reason for my inability to attend the meeting of 12 September.

**Mike Rumbles:** It would have been nice to have been invited.

**Stewart Stevenson:** I believe that Mike Rumbles was invited, but that is another story. There was communication with his office several days before the meeting.

**Mike Rumbles:** No.

**Stewart Stevenson:** Instead, we arranged a different date just a few days later.

In expressing their opinions, the members of Kintore and district community council demonstrated a balanced view at that meeting. The community certainly wants improved transport

links for Kintore, but the council was clear that the work should be done only if there is a case that justifies it, based on objective analysis of passenger numbers. The community council's view—this is the view that we should all have—was that investment in transport infrastructure is important, but we need to do the analysis and make the right investment. Kintore looks to be a pretty good option, I have to say, and we are of course doing the work, with Network Rail, to ensure that we have a solid case and a clear understanding of the cost.

We must consider two options. The railway at Kintore is single track, and we could put a platform there at relatively modest cost to support a single-track operation. However, if we do that, we need to ensure that we do not design out the option of providing for a two-track operation at a later date. That forms part of what we need to consider.

**Alex Johnstone (North East Scotland) (Con):** Does the minister accept that the strategy that has been so successful for Laurencekirk, with campaigning and the making of a business case for the station, is the strategy that is most likely to be successful at Kintore, and that in the current era of spending restraint, such a strategy is most likely to be successful at any other points along the line, where stations may be built in the future?

**Stewart Stevenson:** That is self-evident. If community demand is demonstrated, it gives credibility to estimates of patronage, and it builds the case. It is important to qualify the matter about the estimating tool—estimated patronage levels will be raised at all the stations that one might consider throughout Scotland, so the ranking of any particular station is not necessarily changed. Nonetheless, we should have accurate figures.

**Alison McInnes:** Will the minister take an intervention on that point?

**Stewart Stevenson:** Am I likely to get more than seven minutes, Presiding Officer?

**The Deputy Presiding Officer:** You might.

**Alison McInnes:** If the minister is thinking of reconsidering how to measure patronage, surely there should be a way of factoring in local issues at the same time, rather than using another nationwide system.

**Stewart Stevenson:** I was not seeking to suggest that we are doing something on that based on a nationwide system; I was making the general point that, if we change the model, it is likely to affect all estimates everywhere. I am not posting a recipe for delay, by any means.

Richard Baker raised the question of funding for the Aberdeen western peripheral route. I say from memory—this is subject to confirmation, so I will e-mail him if I am wrong—but I believe that the

written answer that was published in June this year to question S3W-24477, in the name of Nicol Stephen, addressed the issue of funding for the AWPR, and indicated that there has been no change in recent times.

Nanette Milne stressed that a station should be opened at Kintore only if there is demand. Nobody could possibly disagree with that.

Alison McInnes's contribution was extremely helpful and constructive. She highlighted the structure plan for Aberdeenshire and Aberdeen. It is a very good plan that has been produced according to a very good process. I note that one of the things that are contained in it is protection of a corridor. It takes the long-term view that it might, at some point, be possible to construct a case for a station and a new railway to Ellon. There are some interesting ideas in that plan.

Alison McInnes spoke about happiness. I am reminded of an old saying—although I cannot remember whose it is:

"Always be happy, but never be satisfied."

That is absolutely on the money as far as this issue is concerned. As she recognised, the incremental approach enables us to make progress as funds become available.

On a matter of general concern, of course we are supporting the north-east through improving services between Aberdeen and Inverness. We have increased the number of services that run up to Inverurie and patronage is beginning to grow, which enhances the case for Kintore by showing that there is increased and genuine demand in the area. I hope that there will be further growth in the area, because that will give us the step change that I want.

I note and encourage the cross-party support that underpinned delivery of the reopened station at Laurencekirk. I urge members to try to find consensus and not to create the false discord that has been slightly apparent from time to time during the debate. It is sensible for us to consider Kintore as the next step, and to ensure that we have an objective case and can find the funds to do the work. We continue to do the work that is necessary on that.

*Meeting closed at 17:40.*



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