



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 29 January 2014

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CONTENTS

	Col.
NATIONAL PLANNING FRAMEWORK 3	2485
HOUSING (SCOTLAND) BILL: STAGE 1	2518
SUBORDINATE LEGISLATION	2533
Water and Sewerage Services to Dwellings (Collection of Unmetered Charges by Local Authority) (Scotland) Order 2014 (SSI 2014/3).....	2533

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

3rd Meeting 2014, Session 4

CONVENER

*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

DEPUTY CONVENER

*Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)

COMMITTEE MEMBERS

*Jim Eadie (Edinburgh Southern) (SNP)
*Mary Fee (West Scotland) (Lab)
*Mark Griffin (Central Scotland) (Lab)
*Alex Johnstone (North East Scotland) (Con)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)

COMMITTEE SUBSTITUTES

James Kelly (Rutherglen) (Lab)
Gil Paterson (Clydebank and Milngavie) (SNP)
John Scott (Ayr) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

John Blackwood (Scottish Association of Landlords)
Professor Glen Bramley (Heriot-Watt University)
David Connolly (Systra)
Professor Michael Fourman (University of Edinburgh)
Professor Geoffrey Gooch (University of Dundee)
Derek Halden (Derek Halden Consultancy)
Patrick Harvie (Glasgow) (Green)
Sarah-Jane Laing (Scottish Land & Estates)
John Lauder (Sustrans)
Phil Matthews (Transform Scotland)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 29 January 2014

[The Convener *opened the meeting at 09:40*]

10:05

Meeting continued in public.

National Planning Framework 3

The Convener (Maureen Watt): Good morning, everyone. Welcome to the public part of the third meeting in 2014 of the Infrastructure and Capital Investment Committee. We have already taken item 1 in private. I remind everyone to switch off their mobile devices, as they affect the broadcasting system. Having said that, some committee members consult their papers in digital format.

Item 2 is a round-table session on the draft third national planning framework. A number of experts and stakeholders are here to discuss a range of issues that are covered in the proposed NPF3 and which relate to the committee's remit, namely transport, housing, Scottish Water and digital infrastructure.

I welcome Professor Glen Bramley, director of the institute for housing, urban and real estate research at Heriot-Watt University; David Connolly, director for technical development at Systra; Professor Michael Fourman, professor of computer systems at the University of Edinburgh; Professor Geoffrey Gooch, chair of water and environmental policy at the Scottish centre for water policy; Derek Halden, consultant at the Derek Halden Consultancy; John Lauder, national director for Scotland at Sustrans; and Phil Matthews, chair of Transform Scotland. We hope that Ewan Wallace, chair of the Society of Chief Officers of Transportation in Scotland, will join us shortly.

Could the transport and digital infrastructure policies and developments as set out in NPF3 be improved to better achieve the Government's ambition of Scotland being "a connected place"?

John Lauder (Sustrans): We very much welcome the inclusion of the proposal to have a national walking and cycling network. We think that it is a very good idea, and we are happy to work with Government to develop it further. As for how that might be improved, from a practical point of view, we think that paragraph 5.26 in the section entitled "A connected place" and

paragraph 4.13 in the section entitled "A natural, resilient place" could be combined very effectively. The proposal could be to have a sustainable transport town in each local authority area. That would be aimed at a green transport future and would encourage people to be more active. That proposal could be strengthened, certainly from an active travel perspective, by placing an emphasis on behaviour change through engagement with people. That would not only be about capital investment in infrastructure.

We might propose that capital funding could be spent on what would ostensibly be a resource funding idea for active travel and engagement with people through personalised travel planning. The principle is that, in order to get people to use active travel facilities and infrastructure more effectively, we need to engage with them. We know from lots of experience and evidence that the build-it-and-they-will-come principle does not necessarily work. If we can combine engagement with people with the ability to use good-quality infrastructure that works effectively, that will be really strong. We would like to propose that capital investment could be used to fund behaviour change programmes.

The Convener: I am not sure how that could be done, but it is an interesting suggestion.

Derek Halden (Derek Halden Consultancy): I will follow up on that last point, as it is an area in which we have been active, including in the smarter travel work that we did for the Scottish Government last year. The report on that was published in May, and some of what John Lauder described formed one of the specific recommendations.

We do a lot of work with the retail sector—development projects, supermarkets and that sort of stuff. The idea of building a new supermarket but not marketing it is just fantasy. There needs to be a reality check: we are doing far too much by way of Government spending—not just on walking and cycling but on roads and railways—without getting the marketing right. I am referring to basic things such as smart ticketing on planes with electronic boarding passes and mobile phone parking payments. We cannot even get the basics like that for public transport. The issues around using well-informed systems to make it easy to pay for and use transport are not trivial.

Just as companies such as Tesco have moved from generalised marketing programmes to very personalised ones, such as the Clubcard, Government needs to move from the very generalised promotion of social messages to a very personalised promotion. That is where such things as personal travel planning come from. Personalised programmes saying something along the lines of, "Here's how we can work with you to

help you succeed” in the context of how people get to work or get a job are, on one level, a separate issue from infrastructure investment. However, they are so fundamental to the success of Government in providing leadership on transport that we cannot ignore them completely in a framework such as this.

We need to consider more broadly the way in which the plan integrates with wider society and with where the economic growth in society will come from. I could go back to a number of detailed points as we proceed through the discussion, but the critical point is that consumers spend about 90 to 93 per cent of all the spending on transport in Scotland. The other 7 to 10 per cent comes from Government. It depends how we score things such as warehouses. A good parameter to go by is that, if we are going to spend £1 of public money on building a new road, say, where is the £9 coming from? It comes from consumers. That would be pro rata with the transport economy as a whole.

One of the problems with publishing something like a national planning framework is that it is a hostage to fortune. Government will be held to account unless it pays for and delivers everything in there. Much more clarity is needed on who pays for what. We need some of this stuff to be locked in, and we need a planning framework for it to happen, but that does not mean that Government needs to put any money into it. If we had greater clarity about what Government was going to pay for and not pay for, that would be a huge help.

That is enough for a kick-off comment.

Professor Michael Fourman (University of Edinburgh): I have some comments on the inclusion of digital, which is to be welcomed. However, it does not go deep enough. It is quite sketchy, to say the least.

Mention has been made of the investment in fibre that is going on under the step change programme up in the Highlands and Islands. The map does not even include the fibre that exists in various forms in the rest of Scotland. There is no real attention to that as a national infrastructure. In particular, there is no talk about how we access that infrastructure. I see the picture as one of ensuring that BT—in this case—builds the infrastructure, and it is up to BT how it gets used. The problem with such infrastructure is that there is a natural monopoly. How it gets used might be up to BT, but it has very little incentive to improve it. There is no competition, and there are no drivers of that kind.

More attention is required for the way in which the infrastructure gets used within the strategy. At the moment, it is rather like having a strategy for motorways without saying that there will be on and

off ramps at various communities, where they will be useful. Not only can the people who work for the owners of the motorway build businesses along it; other people can build businesses by putting their own lorries, trucks and cars along it freely. We need to ensure not only that the infrastructure is in the ground, which is much to be welcomed, but that it is accessible to lots of different businesses in lots of different ways. I do not think that that will happen naturally.

The Convener: We shall explore that further with specific questions.

10:15

Professor Glen Bramley (Heriot-Watt University): I want to follow up on Derek Halden’s point about greater clarity regarding who will fund what. One of my strong themes would be that, particularly in major growth areas of Scotland, most infrastructure will have to be funded by the development. I do not think that we are in a situation where there will be a generous supply of public investment resources to provide the level and quality of infrastructure that we aspire to have in the rest of the plan document to support those developments.

We have not been getting it right. If you look at major developments around Edinburgh, such as the south-east wedge, you have to ask why it has taken so long to build that out, when it was first identified in the mid-1990s. It is largely due to confusion and lack of clarity about who is paying for the infrastructure. In my view, the right way to go is for a large part of that to be paid for by the development through a proper tariff system, reinforced through planning agreements, as was developed quite successfully in some of the growth areas in southern England.

The Convener: How do we build capacity in local authorities to enforce that?

Professor Bramley: It would help if the Scottish Government’s planning policy directorate was more whole-hearted in support of that approach.

Professor Geoffrey Gooch (University of Dundee): Thank you for the opportunity to come here and provide comments. I would like to start with a few words about the central area for our centre in Dundee. Looking through the planning document, I see that there are perhaps three areas that we would like to see more closely connected in a slightly different way than they are at the moment. Those areas are flood defence—that is a major issue, especially considering the possibilities of climate change—ecosystem services and river basin management plans.

I am starting off with that because I think that it could be made clearer that flood defence starts

way up in the catchment, and not at the point of problematic issues when the flood happens. Perhaps it is not directly within the committee's remit, but we would like to point out that the increase in floods has a lot to do with land use up in the catchments, and one of the ecosystem services is flood prevention or flood minimisation. That could be made clearer, even if it involved a shift between the land use strategy and the committee.

The Convener: Could you be a bit more specific about the type of land use that you are talking about?

Professor Gooch: Water percolates into the soil, which retains water and therefore prevents or minimises flash floods. It has to do with forestry, for example, as trees allow percolation into the soil to a much larger extent than is the case with hard-packed agricultural land where heavy machinery is being used. There is a faster run-off from that sort of agricultural land, so planting some parts of the land with trees to provide that percolation and to hold back water is a possibility.

As I am sure you know, we have been conducting a pilot study in the Tweed basin and the Eddleston Water, where the straightened-out river, which is a catastrophe as far as floods are concerned, has been put back into a meandering river with natural flood plains. That is a major issue, and it involves the agricultural community because there is loss of agricultural land, but as we see an increase in the number of floods and in their severity it has to be taken into account that one way of managing the issue is not flood defence at the point of the problem but changes much further up in the ecosystem. It is a question of putting back the meandering in the rivers, allowing natural flood plains and planting forests to allow percolation of water and retainment in the land, to avoid the flash floods that are becoming more usual.

Phil Matthews (Transform Scotland): I will start by saying a few words about the vision in the NPF, how it relates to transportation and connectivity issues and how it sits within the wider Government framework, before commenting on some of the projects that are identified as national priorities.

In our view, the vision is fine. It talks about being successful and sustainable, about low carbon and about natural resilient places and connected places, and that is all fine. However, when we look at how that is divided among sectors of investment, we find that the low-carbon ambition focuses primarily on renewables and the energy supply industry. That is fine, but transport produces 25 per cent of our carbon emissions and it is the one sector whose emissions are not going down. It is a major concern that there is little in the

connectivity and transport section on carbon emissions.

We do not see the logic in the choice of the proposals that are deemed to be national priorities in NPF3. There is no consistency in the scale of projects or their stage of development and so on.

The Convener: Will you give examples?

Phil Matthews: There are connections with the infrastructure investment plan. Most of the major road and rail projects have been developed under that plan, which was not subjected to the same parliamentary scrutiny or public consultation as the NPF has been. The IIP contains much larger projects that are not in the NPF and smaller projects that are in the NPF. We do not see consistency. We are not clear about why the projects that are in the NPF have been selected. We tend to see two aspects of the same thing—the infrastructure in connectivity and transport.

The Convener: Will you give some examples?

Phil Matthews: As I said, major road schemes such as the A96 and A9 dualling schemes and the investment in rail infrastructure in Scotland are being taken forward not through NPF3 but through the IIP.

The Convener: Those projects are mentioned in NPF3.

Phil Matthews: They are mentioned, but they are not national developments.

The Convener: Are you saying that those projects should not go ahead?

Phil Matthews: I am saying that the methodology for selecting some projects as national priorities and excluding others is unclear. It would be useful to assess transport investment as a whole, which includes what is in the IIP and in NPF3. It is difficult to get a firm handle on and a strategic overview of how investment is being undertaken if the two documents are not linked in the way that they should be.

The Convener: Are you saying that connecting our cities is not a major priority?

Phil Matthews: I am saying the exact opposite. It is a major priority, so it is interesting that such projects are not in NPF3. We might not necessarily agree with some of those projects and might not see them as priorities but, to turn your argument round, I question why they are not in NPF3, given that they are priority projects for connectivity.

I will give another couple of examples. NPF3 identifies three projects to invest in ports, but there is nothing about rail freight. We do not see the reason for that. Airport expansion is included in NPF3, but each of the airports has a master plan

in place, as NPF3 says, so we do not see the need for the NPF to focus on that as a priority investment, when electrification of the Scottish rail network and investment in intercity connections, for example, are not part of the NPF.

The Convener: I detect a central belt view, but we will carry on.

Phil Matthews: I am from Aberdeen. We argue that the priority in the north of Scotland is the upgrade of the Highland main line, which is much more important than some other schemes that have been talked about. I refer the committee back to the principles and the vision of a sustainable and low-carbon place. I question whether some projects, such as the A96 dualling, are consistent with that.

The Convener: Will the policies and developments that are set out in NPF3 equally benefit people who live in cities, towns, rural areas and coastal and island communities? If not, how could they be amended to ensure that all areas benefit equally, as far as possible, from improvements?

David Connolly (Systra): It would be impossible to achieve equality in the outcomes of investment across Scotland. The framework identifies areas with clusters of development, such as the Forth estuary and Aberdeen and the north-east. That is the correct approach, because targeting, focusing and building hubs where skills and the workforce come together will produce a better return for investment.

If we tried to spread the investment across the whole of Scotland, we would end up getting less in total than we will get from that clustering, which I think is sensible. We cannot achieve equality of benefit, nor should we try to do so. Scotland as a whole will benefit more from sensible targeting and clustering whereby the benefits of revenue, income and wages will stay in Scotland and spread. To try to spread transport investment uniformly so that everyone gets a small benefit would be less effective in the round than targeting investment in the way that has been done.

The Convener: Does anyone else have a view on that?

Professor Fourman: I certainly have a view on the digital aspect. I am doing a report with the Royal Society of Edinburgh on digital participation, and we have found that demand is higher in rural places, all other things being equal. The local authority area with the highest take-up of broadband in Scotland is the Shetland Islands. It has fantastic broadband because it is connected via the Faroes to Iceland as well as to the United Kingdom system, so there is some competition at that level that we do not see elsewhere. A couple of nights ago, I was pleased to see Up Helly Aa

being streamed internationally from Mareel in Shetland at a rate that I do not think we could have managed from any venue in Edinburgh. That is a good example.

However, there is no competition whatsoever in the Western Isles, Orkney and the inner isles. There is step change, but a point that I made earlier applies. In those areas, there will be a monopoly. In towns such as Edinburgh, Glasgow, Dundee and Aberdeen, there is competition, so lots of things can happen. We need to open up the network so that remote places can benefit in the same way as the rest of Scotland does. Without that, there will continue to be a geographic divide.

Derek Halden: The answer to your second question was almost hinted at in your comment on the first one, convener. We need to build local authorities' capacity to deliver better performance, because the postcode lottery in what is happening across Scotland is a problem. It really depends on where people live.

One of the greatest weaknesses in the planning framework is that it is too vague in the area of performance. When I looked at what is said about connectivity to Elgin with the A96, I thought, "How will I know whether this has been achieved?" It is so vague. What is it about? Is it about reducing travel times to the central belt or reducing travel times to Inverness and Aberdeen? Can we be a bit more specific? If we are, we will be able to go back and say, "Did it work?"

People often try to use the plans that are in place, saying, "How can I get my development through and make a bit of money?" The more specific we can make the plans, the more effective they will be. Looking back to NPF2, I note that a lot of people focused on the list of projects. We have the general planning policies sitting alongside the national planning framework, but there is a great opportunity to articulate things in more performance-led terms rather than having the very vague stuff that we have. The analogy of not being slip ramps off motorways is a great one in relation to the postcode lottery point. We want to look at who is connected up and from where.

I return to my first point. I would not advocate a national, top-down approach whereby we say, "Let's decide where our transport hubs are going to be, who connects in where and how we connect up Scotland," because it is right that that is done locally with a bottom-up approach. However, are we enabling our local authorities and ensuring that they have designated hubs around which the appropriate land use development will congregate and link with the transport network? We need a framework that says, "The following hubs will be established through the following process," or at least to be a little more detailed. At the moment, it is a wee bit too wishy-washy.

There is a critical word missing from paragraph 5.8 of the proposed NPF, which reads:

“Connectivity is not just about physical movement”.

I thought that that was completely incorrect until I realised that it was a Freudian slip—it actually meant to say that connectivity is not just about enabling physical movement. The major theme that is missing throughout the document is how the Government will enable the good things to happen; there is more about what the Government thinks that the good things are. It is the enabling mechanisms—funding may be one of them, which we talked about before—that will make the difference in making connectivity happen in towns, cities, villages and islands. A lot more detail on those enabling mechanisms would help.

10:30

Professor Gooch: Looking at the focus on renewable energy in the document—which is on offshore renewable energy, to a large extent—there is a good spread of investment around Scotland although, by its nature, it is somewhat limited to the coasts of Scotland. Seen from that perspective, there is an impressive spread of investment planned around the coast of Scotland—not just in Aberdeen and Edinburgh, but in the Orkney Islands and on the west coast, too. That is definitely a positive aspect. We have the newly formed Offshore Renewables Institute in Dundee and Aberdeen, and we look forward to being able to provide input to that programme in the future.

John Lauder: We welcome a number of the points that are made in section 5 under the heading “Rural areas will be more accessible”. It is particularly welcome to see, in paragraph 5.26, talk of encouraging at least one walking and cycling-friendly settlement in each local authority in a rural area. A sensitive issue that we have touched on in the committee many times is the perception that in rural areas, because of the distances between towns, active travel through walking and cycling is an irrelevance. In fact, many small rural market towns are heavily congested and there are lots of problems around the school gates—as we have seen recently in East Lothian, where the council has now banned cars from the streets around some primary schools at pick-up and drop-off times. Paragraph 5.26 is particularly welcome.

There are some welcome points in paragraphs 5.24 and 5.25. For example, Sustrans has been asked by the Government to be part of the A9 dualling process that is mentioned in paragraph 5.25, which will look at how towns along the A9 corridor can benefit from the dualling through having greater facilities and better infrastructure.

We are also working with Network Rail to address the accessibility of stations along the Borders railway line, which is mentioned in paragraph 5.24. If those points could be added, that would be welcome.

I welcome the thrust of what the document says, which is that active travel is as relevant in rural areas as it is in what we think of as urban areas—cities, big towns and the central belt.

David Connolly: I really welcome the inclusion of digital in a document about infrastructure and transport. Normally, it would have been in an entirely separate document.

In a situation that is almost the opposite of a cluster, the wider that you can spread the digital investment, the better, as people in remote and rural areas are the ones who will benefit from not having to travel. No matter how much you spend on some of those communities, they will still be a long way from the central belt, and if people do not have to travel because they have good digital connectivity, they can join meetings by videoconference and so forth. That is much better than trying to provide an equally good dual carriageway all the way to Wester Ross.

The Convener: This issue has already been mentioned, but what are your views on the intention to develop five main airports in Scotland? Is that about the right number for our size and geography?

Phil Matthews: As you say, I have commented on that already. The relevant section is paragraph 5.34 of the main issues report, which states:

“Whilst air travel accounts for some 12% of Scottish transport emissions, in the long term a shift in emphasis towards low carbon options and digital links, supported by aspirations for high speed rail links to London, will play a role in offsetting these emissions.”

On one hand, we have master plans for the airports in place already, and they are deemed to be national priority projects. On the other hand, given that the aspiration is for a low-carbon, sustainable economy, that paragraph seems to argue that various things will come into play over the next 20 or 30 years that will offset the rise in demand for air travel.

There is an inherent contradiction in that position, in that there is talk about both significant expansion across all five airports and the potential for significant mitigation against growth in those airports, as well as a recognition of the carbon impact. My further comment is therefore about the consistency between the Scottish Government’s climate change commitments and its other aspirations and in its assessment of what the demand will be. Will demand grow or not grow?

The Convener: But is that contradictory? If we can get people to travel from Glasgow and Edinburgh to London on high-speed rail, that would be great and would reduce the domestic airlines, but surely there is an argument for having international routes from our airports to prevent planes from having to land and people from having to change airlines.

Phil Matthews: If we are saying that high-speed rail, which is one of the identified national projects, is going to come on stream and that information technology, which has already been alluded to, can play a role in offsetting the need to travel—I think that that is becoming increasingly apparent—why is there a need for major expansion at all five airports, as well?

The Convener: For international routes.

Phil Matthews: But surely if more domestic travel within the United Kingdom will be by high-speed rail, extra slots will become available through that process. I am simply pointing out that paragraph 5.34 of the main issues report seems to suggest that, over the long term, we can contain the growth of airports, while at the same time it argues for expansion of all five airports. I just question whether those numbers stack up. We know that, in the past decade or so, growth projections that have come out of some Scottish airports have been significantly out compared with the reality. I therefore question the underpinning of the paragraph.

Derek Halden: It is very easy to think about modes in isolation, but the lowest-carbon mode of travel from Orkney to the mainland, for example, is air travel.

On the idea of trying to tick boxes on numbers of airports or on anti-air, pro-rail, pro-bus or whatever approaches, I do not see the world in that modally divided-up way; rather, I ask whether people can get access to services, work and international business. If we do not know that, we are not really championing the public interest. The primary role of Government in transport is to ensure that every citizen and business can successfully achieve their potential by being able to do those things. That is my starting point.

Do we need more air travel? If we look at carbon footprints and add the cost of the full environmental footprint of aviation to the costs of aviation travel, we will still see growth in aviation. Aviation market growth globally is quite resilient to additional costs. We do not know exactly how fast it will grow, but perhaps we should reserve space for growth.

The issue for me is that we have not really started to capture the full environmental costs of all transport modes in the way that we must in order to achieve sustainability. Economic growth

will not come from pumping more and more out of the production and consumption economy; we would then just consume the planet. Economic growth will come from adding value to what we have—that is, the other part of the circular economy: the upwards bit.

We could do a lot more in all transport modes, including aviation, to close down waste and inefficiency. Our analysis of aviation markets suggests that, if that means that people need to pay a little more, there will be an impact but not as big an impact as higher costs would have on, for example, bus travel. What I am saying is that different modes are sensitive to higher costs. A bit of aviation demand might be suppressed with slightly higher costs.

There are big steps to take. The issue goes back to what we pay for, how we pay for it, and where we really think our economic growth will come from. The vision in the framework is great and is what we want to achieve. If that is what we want to achieve, let us apply the framework in the way that we fund and develop our systems, which might include expansion.

Professor Gooch: It is quite clear that the national planning framework has a focus on the development of relatively new industries such as the renewables industry. That is not just a Scottish or UK industry; it definitely has a global reach.

In that respect, the airports are obviously completely necessary because we are looking at not just transport between Scotland and London but the opportunity to bring in business people from all parts of the world to see what is happening in Scotland. As such, what is proposed is sensible. I agree with what has been said about the carbon footprint but, in order to create jobs and employment possibilities with renewables, people have to be able to get into the country to see what is happening.

The Convener: Mark, do you want to come in on this one?

Mark Griffin (Central Scotland) (Lab): Yes, thank you.

Airports have been given national priority status

“to provide a gateway to Scotland and in particular to the cities network.”

Under airport enhancement in previous national planning framework documents, surface access improvements have always featured highly. Do panel members think that there is a conflict because surface access improvement has been dropped from the NPF document but the focus still seems to be to connect Scotland to the wider world through its airports and to link to the cities network?

Derek Halden: The issue of surface access to airports goes back to the key point about integrating the information systems. One example is looking at going from Glasgow airport to Paisley Gilmour Street rail station as being done by a bus running every two minutes. We actually have excellent rail access to Glasgow airport, but we do not treat it as part of the airport and do not manage it effectively.

Provided that the information is available around the world in every country so that customers, who might be travellers who are unfamiliar with the airport and not sure where to go, can get straight on to efficient transport, that will deal with airports that have the sort of demands that we currently have, even at our biggest airports in Glasgow and Edinburgh.

Are airports also good places for transport hubs? That is a different question—and they often are. There are issues about Edinburgh airport as a transport hub that would cut out travelling into the centre of the city and, for example, connect with transport going north. The question is therefore different: it is more than just where the surface access to the airport is from; it is about whether airports need to be transport hubs. That is different from the question of whether we need a connection to the city centre from Glasgow airport. I do not think that anyone would argue about whether Glasgow airport would be the transport hub west of Glasgow, but there are questions about whether Edinburgh airport could be a more important transport hub west of Edinburgh.

The issue is how we plan. I do not think that we are yet planning effectively for hubs and spokes, to go back to the previous point, and how we see the role of town centres around Scotland. I just do not see that in the transport planning that is going on, because of a disjoint between national Government and local government transport planning.

David Connolly: I—

The Convener: If panel members can hold their comments, we can bring them in on another question.

David Connolly: Sure.

Jim Eadie (Edinburgh Southern) (SNP): I would like to stay with this subject, if that is okay. I am keen to explore the idea of the contradiction between different Government objectives, to which I think Mr Matthews alluded.

If the Government's objective is to grow the economy, we can make a very strong case for expanding the number of direct flights to key markets in the global economy. A role in my past life makes me think of the fact that the biggest market for pharmaceutical medicines, medical

devices and diagnostics is probably the United States of America and Canada. We have a growing life sciences sector here, with companies working in partnership with our universities. That would make the case for expanding the number of direct flights to those North American markets. Professor Gooch made the point that the renewables industry, too, is global, so there would perhaps be a case for expanding flights into renewables markets in other parts of the world.

However, if the objective is to reduce our greenhouse gas emissions by 80 per cent by 2050, given that transport accounts for 25 per cent of those emissions, that objective would act as a brake on the objective of achieving economic growth.

How do we reconcile what are, on the face of it, contradictory objectives on the part of Government? That is my opening question to the panel. I have other specific questions on the active travel aspects of decarbonisation.

10:45

Professor Gooch: I have not been able to look at those statistics. You said that 25 per cent of carbon emissions are from travel.

Jim Eadie: That was a statistic that Mr Matthews quoted.

Professor Gooch: I imagine that a large percentage of that travel is in and around Scotland; it is local travel. Enormous things could be done about local travel in Scotland.

I have been at the University of Dundee for a few years now—I came from Scandinavia—and I am amazed that so few of the 20,000 students in that city cycle. One of the obvious reasons for that is that cycling is dangerous, because there simply are not cycle paths to cycle on. In the Netherlands and Scandinavian countries, there are cycle paths for the students. Such cycle paths would bring down a lot of car travel.

In the planning framework there is a very nice discussion about cycle paths and walking paths in between areas on a national scale—20km here and 20km there. However, a lot of the transport emissions are within the cities, such as from taxis sitting at ranks with their motors on all day long. One thing that is lacking in the framework is therefore the development of cycle and walking paths within the cities, specifically within the cities that have large populations of students, who could be encouraged to cycle.

The answer to your question depends where the 25 per cent comes from. There is no alternative to air travel if you want to go long distances abroad, but there are alternatives for short or medium-distance travel within Scotland.

Professor Fourman: I return to the point about airports, although this subject is out of my comfort zone. The convener asked about the scale of the country and the number of airports. If the objective is to encourage international air travel, spreading one's bets over five airports cannot be the best way to do so.

Amsterdam is an international airport hub. Many people fly into Holland. Holland does not have lots of other airports that many people fly into; it has Amsterdam. One would have to place one's bets securely on one airport and say, "This will be the international hub."

There are all sorts of economies of scale for the airlines in having a hub where they can exchange passengers and baggage between different flights. All that means that I cannot imagine a world where we would have five airports that had significant international links. They might all have a few European links, but if you really want an international hub, you need to focus your bets.

David Connolly: What you need are the connections from the hub—let us say that it is Edinburgh—so that you can step off the plane and on to a train that goes at a European speed, rather than just clickety clack, and gets to Dundee, Inverness or Aberdeen.

Let me go back to the point about carbon. It is not a problem to have people flying if they would be flying somewhere else and all you are doing is getting them to fly to Scotland instead. It is only a carbon issue if you are generating more flights and, by implication, more flying.

The danger in expanding an airport is that you generate more flights of Scottish residents to sunny places in the summer, rather than bringing in business trips and connections through links to America, for example, or bringing in tourists. If you look at the departures board in Edinburgh airport, you see a lot of flights going to holiday-type destinations, which almost certainly means that there is more flying than there was previously, when the airport was smaller. If you build a bigger airport, you need to make sure that the extra flying that is generated is good for business and will potentially bring in visitors, rather than just allow people to get an additional flight and an additional holiday.

On the point about connectivity and airports, I think that it is a mistake to separate surface access from airports. If someone comes in on business and arrives at the airport but does not know how to get to, or cannot find their way to, their meeting or the city centre, or if they go for a taxi and fall into a pothole somewhere at the gate of the airport because the link has not been made, that creates a bad perception. We have to connect

the surface access to airports by all modes. Anything that separates that should be avoided.

Phil Matthews: I have already made some points about airports, but I will add a couple of things.

A quarter of all carbon emissions in Scotland come from transport. The figure for aviation is about 12 per cent of Scotland's transport-related emissions just now but, as Mr Eadie said, we have a reduction target of 80 per cent by 2050 and 42 per cent by 2020. The more we grow one sector—for example, aviation—the further we have to achieve the reductions elsewhere if we are going to hold to those targets, so the challenge is big.

I echo many of the points that others made about thinking about connectivity within Scotland and within the UK, such as high-speed rail to offset emissions for travel to London and the south. We advocate the enhancement of the Scottish intercity rail network, particularly the links up to Aberdeen and Inverness, as a national priority within the NPF. That could play a major role. We have done many studies recently that show how receptive business is to using rail because, with new technology, one can work on the railways in a way that one cannot in the car, so there is potential for big economic gains.

We need to think about how we move within cities—that has been touched on already. About two thirds of journeys within our cities are less than 5km. There is huge scope for the expansion of cycling and walking, as well as public transport for those who are less mobile. Such expansion would have massive positive benefits for health and in providing a quality environment.

We can look at comparable European cities that have embraced positive policies towards cycling and walking, such as Copenhagen, some of the Dutch cities or Stockholm. In Copenhagen—an urban area as big as Glasgow—30 per cent of journeys are made by bike and 25 per cent on foot. There are big health and economic benefits. Increasingly, those are the places to which inward investment goes and in which people choose to live because they are attractive and successful.

The vision must be about that. Of course there is a global dimension and we are part of the global economy, but we can do an awful lot within Scotland to help cut our emissions by thinking more creatively and sensibly about our transport links within the country.

John Lauder: I endorse much of what Mr Matthews said.

Although I welcome the inclusion of the long-distance cycling and walking networks, a major reason for me doing that is that those networks are used for short trips as well as for long-distance

recreational touring and riding. Where such networks exist, particularly the national cycle network, the plan is that they should provide a good realistic option for anyone aged eight to 80 to cycle at a slow pace and should be a panacea. The network is not a panacea—it does not work perfectly—but it exists. The endorsement within the framework is to be welcomed because it should take the national cycle network and other networks a step forward.

Following on from your point, Mr Eadie, I point out that everything that Professor Gooch touched on is in paragraph 4.13 of the draft NPF3. It talks about rolling out the designing streets policy, which is a great Government policy—it is really good—and would make a difference to the urban realm whether in a small market town or in a big city. In addition, it cites the cycling action plan for Scotland, which is totally welcome. Perhaps the plan could be promoted to the premier league and moved into the NPF3—forgive me for the football metaphor.

Paragraph 4.13 encapsulates what the professor says. I do not necessarily share his view that cycling is dangerous. For every man—

Alex Johnstone (North East Scotland) (Con): It is dangerous in Dundee, I think.

Professor Gooch: It is very dangerous at the moment.

John Lauder: Well, for every man sitting—

The Convener: No more conversations off line, please.

John Lauder: I will finish my point. It is more dangerous for every man around this table not to take regular physical exercise than it is to exercise. Cycling is a great way to do that—I do it every day. Although deaths from cycling are rising, we do not know exactly why—one possibility might be that there are more people cycling. If we can roll out paragraph 4.13, we might make Scotland a far more welcome and far better environment for people to take regular physical exercise in, which would do them all good.

Derek Halden: I want to return briefly to the issue of hubs. There are two or three aviation hubs in Europe. The question is whether the UK will have a hub. We will not have a hub in Scotland—and do we want one, anyway? Frankfurt and Amsterdam are battling it out for the European hubs, so what we need is good aviation connections.

The hubs thinking applies just as much at a local level, and it goes back to our report on smarter travel, which was published last year. You could stand outside many of the houses in the seven pilot towns and, even at the end of their four-year development programmes, you could

ask, “Would you really ask a 12-year-old to walk to the shops?” Of course you would not. It is not safe. Regardless of the cycle safety issue, let us look at the reality of living in Scotland today, which—I think that this is Professor Gooch’s point—contrasts with many other countries in the world.

That said, the changes that were made in those towns led to behaviour change that on average, compared with other towns in Scotland, saved more than £60 a household. That pays for a £0.5 billion investment in transport. That is economic growth and success. It is people not making unnecessary car journeys and instead just walking to the shops when they can, regenerating our towns and bringing all sorts of benefits.

What I would say is that the review of consultation responses, which is covered in the Scottish Parliament information centre briefing note, seemed to be saying that many of the suggestions that were made—things such as safe routes to shops, safe routes to stations and safe routes to schools—are local issues for local authorities. Maybe they are, but where we are at the minute is a national disgrace.

That takes me back to the point about enabling. If a national planning framework cannot do something to enable local authorities to succeed on an agenda that they have been struggling with for so long, I do not think that we have the right framework. I go back to the key point: the national planning framework must be an enabling document.

The Convener: Have all your points been answered, Jim?

Jim Eadie: I asked one question.

The Convener: Can you wind up, then?

Jim Eadie: I thank the panel for making a good stab at reconciling what appeared at first to be the irreconcilable objectives of economic growth and the decarbonisation of transport.

I have a couple of specific questions on active travel. A number of panel members have made a very good case for why we need to invest in active travel and cycling. Mr Lauder, you mentioned the health benefits. It is always good to have an evidence base when we are trying to inform the development of policy, and you say in your submission:

“Using the World Health Organisation’s Health Economic Assessment Tool ... the present value of the mean annual health benefits attributable to walking and cycling ... are estimated to be £23.2 million for walking and £48.3 million for cycling trips.”

Those are quite big figures. In an ideal world, it would be great to be able to pocket that money for

cycling investment, but it is not as simple as that, is it?

John Lauder: Absolutely. That is a respected assessment tool and those figures are submitted annually to Transport Scotland's sustainable transport team, which provides funding for the national cycle network. However, I accept that they are a long-term gain and are not an actual fiscal benefit.

Where investment in networks such as the long-distance walking network or the national cycle network creates real spend is in tourism and recreation. In fact a report last year from Transform Scotland, which is mentioned in our submission, estimates that the real spend is getting on for £230 million a year. Generally speaking, from the evidence that was gathered, it seems that it is not visitors who are spending that money; it is residents of Scotland who are going out and about for short trips or daily journeys and are spending money on the network.

Similar figures are available from Scottish Natural Heritage, which has been looking at the long-distance walking element. There are also figures from Scottish Canals, which has a good resource for walking and cycling. Therefore, there are spin-offs from those networks, not just in terms of long-term health, reducing congestion or, as Derek Halden says, improving the public realm and everything that goes with that; there is a real fiscal spend.

We have a good project running just now between Oban and Ballachulish in Argyll, where we are hearing anecdotally from local hoteliers and bed and breakfast owners that about one in five of their guests either expects to be able to cycle or comes with a cycle to go out on a trip. That is real spend.

11:00

Jim Eadie: There is a commitment in the framework to the national long-distance walking and cycling network. I rather thought that we already had that, or at least part of it, through the national cycle network. Do you want to say anything about that, given that your organisation is involved in that initiative?

John Lauder: As I have mentioned before, there is already a national cycle network. It is not perfect and there are significant gaps in it, some of which we have set out. We have submitted evidence on that to the team that was gathering evidence on a longer-term basis. There are also long-distance walking networks. What we have not had so far is cohesion to bring those networks together and to market them, which the Norwegians have done really effectively. We talked about Norway's great trails project, which

has brought in significant tourism, both domestic and international. This has not been said specifically, but the intention is for Scottish Natural Heritage, Sustrans and Scottish Canals to continue the work that we have done together to bring better cohesion between the networks and, in addition, to highlight the significant gaps in the network, where things break down because they need to be plugged with new infrastructure.

Jim Eadie: In paragraph 5.26 of the framework there is a commitment to encourage local authorities to identify one walking and cycling-friendly settlement where accessibility will be significantly improved by 2030. I seek feedback on whether the 2030 timescale is realistic or ambitious enough. In its evidence, Sustrans recommends one exemplar walking and cycling-friendly settlement. That seems to be very much in keeping with the thinking behind the framework.

What more can we do to encourage that development and embed it within local authorities and local communities? Can you see a place for an award, whereby local authorities would compete against each other for the prestige and recognition of having an award for an exemplar project? Through that, we might have local authorities competing to do the best—

The Convener: Jim, please be a bit more concise. We really are running out of time.

John Lauder: I will be as concise as I can. I would never suggest that local authorities like to win awards, but if there was one, they might well want to compete for it. As I said at the beginning, it would be really useful if paragraphs 4.13 and 5.26 could be combined. That would be very powerful. I do not understand the 2030 date. It does not fit in with the cycling action plan, which is to have 10 per cent of trips made by bike by 2020. Maybe it is a typing error; I do not know, but it needs to be investigated.

It is a great idea to have one exemplar town per local authority, irrespective of whether it is an urban, rural, suburban or mixed authority, where walking and cycling is really invested in and where we focus what we have. There are good pilots; Derek Halden has mentioned some of them. There are others that could be built upon.

Funding is always the issue. The new funding that the Minister for Transport and Veterans found to push forward the cycling action plan was significant; it was £20 million of new money. That is being delivered through our community links project. We are seeing real appetite from local authorities to bid for it. That is a good sign, and I hope that it shows that there is a real appetite for even more. Remember that the £20 million is match funded 50:50 by the local authorities, so

there will be a £40 million spend over the next couple of years.

The timescale is odd, but the aspiration is the right one.

Mark Griffin: Has the Government identified the right transport and digital infrastructure developments as national priorities? If not, would the panel suggest any alternatives?

John Lauder: A marked improvement for active travel would be to combine paragraph 4.13 with paragraph 5.26.

Phil Matthews: I will not repeat some of the things that I have already said. I think that my views on the inclusion of airports are quite clear.

I reiterate that we would support the extension of support for the rural cycling and walking network, which we are very much in favour of, so that urban routes are considered as well. We certainly do not object to high-speed rail, but we think that the focus should be much more on the intercity rail network in Scotland and its electrification and upgrading. The business community and many others have recognised that that network is not necessarily currently fit for purpose in respect of journey times, for example. Therefore, we would like to see investment in it.

As I have already touched on, three port infrastructure projects are included, but there is nothing on rail freight, which, economically and in its environmental impact, could significantly enhance the Scottish economy. We would like to see something included on that.

Derek Halden: I go back to funding. I simply do not think that we should set priorities in the absence of looking at the money. Ten years ago, we did an analysis of development in the inner Moray Firth for Highland Council and Highlands and Islands Enterprise. We said that the rate of growth there would depend on what transport investment was needed, and that £5,000 could be put on each new house that is opened or whatever as a transport fee to help to fund roads or railways, for example. That is just not happening, because the presumption is, "Oh, it's in the national planning framework so it will happen." However, there is no money for that, and we end up bankrupting the transport budget to do stuff that perhaps was not anybody's top priority simply because we have a haphazard approach to linking land use and transport planning. We need to be thinking that if we are going to have a development in the inner Moray Firth, we will need lots of investment in the transport links to Inverness. The two are linked. We should not try to separate that stuff.

Priorities are about funding, and that will apply more. However, one of my concerns about

another £40 million or whatever for local walking is that some of that still is not embedded in natural practice when new houses and supermarkets are built. If we were leveraging developer contributions on that, as we do on roads, we would have the money to rebuild our towns—not some towns by 2030, but all towns by 2020. That is what we have got to say.

Come on: let us join the modern world. People must be able to walk around their towns.

That is where I am on the matter.

The Convener: I hope that you will take that message to developers.

Mark Griffin: The planning framework has a statement of need for a digital fibre network, and mentions

"the construction of new broadband cabling where the length of the cabling exceeds 8 kilometres."

Is that enough to fill the gaps across Scotland? Is enough detail provided to hit the next-generation broadband goals for 2015 and 2020?

Professor Fourman: That is a very difficult question to answer, because there is no transparency yet on what will be delivered by the step change programme. I was jotting something down when I heard about the Oban to Ballachulish cycleway. The framework mentions that cabling could be integrated with things such as the provision of cycleways. I bet that that was not done for those 33 miles. If it had been, it would have made a huge difference to Ballachulish. BT will have a better presence in Oban—as anyone would—but I very much doubt that it will have a better presence in Ballachulish. Therefore, such approaches are useful.

I could not understand the 8km reference. If there is a mountain in the way and one cannot reach something by radio, going 3km can make a huge difference, so I do not understand where the 8km came from. However, I suppose that we have to say that if the distance is too short, it is not nationally important, so stating 8km is one way of saying that.

It is not just a matter of having the fibre in the ground. It would be useful to think through the detail of who it belongs to, who operates it and who is able to access it. We need to ask those questions. Until that is in the plan, it is very difficult to see how it all hangs together. Until BT opens up about what access it will provide at the roughly 50 hubs that the step change programme will allow, nobody else can do anything, because they do not know where they are. Even if they did know where they are, they would not know how much it would cost to access them and what they would get when they did so. Therefore, the issue is very difficult.

The Convener: Alex Johnstone has some questions.

Alex Johnstone: A number of my questions have been answered, but there are a couple of key points that I would like to bring out. We are all aware that a digital fibre network on a national scale will make a big difference to connectivity. Paragraph 5.28 of the draft framework briefly mentions the priority for

“digital infrastructure, both fixed and mobile,”

but mobile does not get mentioned again. Are we missing a trick by not having more in NPF3 about how we can provide mobile access?

Professor Fourman: If the mobile operators can get access to the fibre at reasonable cost, they have every incentive to put connections in. I saw a lot of talk in the consultation document leading up to NPF3 about mobile masts, planning and so forth. That is certainly necessary, but it seems far more important to focus on the fibre at this point. If we put the fibre there, we enable the mobile delivery. Without the fibre, we cannot get the connection to the remote places where the mobile delivery can be built. I would say that the balance is good in that respect.

Alex Johnstone: The other thing that I wanted to clear up was to do with the fact that although we are currently working our way through a plan for improving digital connectivity across Scotland, there is always the problem of technology advancing. The concern is whether the quality of what we are currently putting in the ground is appropriate to deal with the future needs of residents and businesses. Basically, is what we are doing today—what is in the framework—future proof?

Professor Fourman: The bit about putting in fibre—I refer to the diagram showing the 1,200km that BT is putting in under the step change programme—is future proof. The connections that go from there to individual houses will still largely be copper, and they will be limited in what they can deliver by the length of the copper. Those connections are not future proof. There may come a time when we have to take fibre to the houses or make the copper shorter, which will mean digging up roads again and getting closer to the houses than at present.

Alex Johnstone: Rather than considering alternative technologies today?

Professor Fourman: The competing technologies today are copper, wireless and fibre. Where there are small communities, wireless can do an awful lot, but we are limited by the availability of the spectrum. We are all sharing the same airspace, so that only works with small communities. Between copper and fibre, fibre wins

as far as technological performance is concerned, and copper can only go so far—literally: “so far” is probably under a kilometre.

At the moment, we are using copper because it is there—it was put in for the telephones. In some countries, all of it is getting replaced. If we could do that, it would be good to do, but that is very expensive. That bit is not future proof.

The Convener: Let us move on to housing.

Gordon MacDonald (Edinburgh Pentlands) (SNP): I will touch on some aspects of housing. In particular, does NPF3 provide sufficient guidance to planning authorities on where major housing developments should be located?

Do you see any conflict between Scottish planning policy and planning advice? Planning policy states:

“Redevelopment of urban and rural brownfield sites is preferred to development on greenfield sites.”

Planning advice refers to marketability, where planning authorities discuss with housing providers what can be developed. Does anyone see any conflict in that?

David Connolly: There is not enough guidance on sustainable development, particularly in housing. If it builds any houses at all, this country continues to build them on green fields that the developer likes, laid out for the car user without any facilities within walking distance. There is not enough guidance on how to build properly. Reference is made to living streets and so forth, but questions remain about how developments should be laid out and which facilities should be provided before the first resident moves in. Houses should not be designed with a driveway for two cars and a link to the nearest motorway.

The guidance should be much stronger on materials, energy levels, building quality, the need for travel at all and the ability and need to travel by car as opposed to more sustainable modes. That guidance is one area where the framework is weakest.

11:15

Professor Fourman: I will add a digital aspect. Many business parks and housing developments are still being built without provision being made for high-speed connection. There is an opportunity to put in something that is future proof. At the moment, it often happens that we still put in copper connections when we build new things because there is no national guidance on the matter and there is no incentive for the provider to provide new fibre connections because the exchange might need upgraded before they can do it. We need to ensure that fibre goes into the premises in a new housing or, in particular,

business development because that is future proof. That could be achieved through planning.

Professor Bramley: It is not really the national planning framework's place to be prescriptive about exactly where new housing developments should happen; that is the role of city region plans. We have a planning system, and it is working on that reasonably effectively.

There is a considerable need for additional houses in some parts of the country and it is unrealistic to think that those can all be built on brownfield land. There is some greenfield land that is not of particularly high value ecologically or in its present use, and in some cases the best option might be to provide housing on that greenfield land. It should not be a matter of having some simplistic sustainability equation for brownfield and greenfield. I agree that we should aim for higher standards of development, but each case needs to be considered on its merits.

I would be suspicious of just asking developers to tell us about marketability. We should have our own independent assessment of the economics and viability of developments and that should be what influences our decisions. In most parts of Scotland, but not all areas, a housing development is viable and we should not just let developers cherry pick.

The planning system should determine where we build. In some cases, that will involve changing the shape of our cities and expanding on to green fields. We should not be afraid of that. In the past, some of our stances have been a bit dishonest about that. Certainly, if Edinburgh is to expand to achieve the growth targets, it will have to change its shape a bit and expand beyond its existing boundaries.

Mary Fee (West Scotland) (Lab): On brownfield sites and greenfield sites, I would be interested on the witnesses' views on land banking. Does it have an impact on local authorities' ability to identify brownfield sites? Is it forcing them to use greenfield sites? Also, does the requirement that the Scottish planning policy puts on local authorities to have a generous housing supply force local authorities to identify greenfield sites rather than brownfield sites for housing?

Derek Halden: We do a lot of work for developers. They are simple: they largely just want to make money and, if it is easier for them to make money on greenfield sites rather than brownfield sites, that is what they will do.

Coming at the matter from a transport perspective, it grieves me to see so many brownfield sites having to be given up—even places right next to railway stations and points of high transport access—because the local authority

decides, because it is an urban area and there is congestion, to load the developer with transport costs that are so high that the development becomes unviable. However, the same developer can develop a greenfield location and get loaded with next to nothing; even though the social and environmental footprint is far larger, it is not being charged to the developer.

There is quite a basic structural funding issue. There is a lot of scope for local authorities to do more to capture that by the way they manage land themselves. However, I am not an expert and I am sure that Glen Bramley or somebody else has a much more expert view on the matter than I have. I wanted to make the funding point about incentives.

Professor Bramley: One should draw a distinction between developers and landowners. Developers are in the business of converting land use, and they will try to make profits where they can. What varies so enormously between different sites is the windfall gain that goes to the landowner. At the moment, we do not have as effective a way of capturing that as we should have. Such a mechanism would help to finance the infrastructural support that developments need, and it is a major challenge to get that mechanism working better. It might work better in some cases. It worked well in the past for new town development corporations, and there is still merit in that sort of model involving a publicly accountable public development agency that processes the land and puts in the infrastructure, after which the site is auctioned for development to developers who want to build on it, rather than those who want to bank it. It is worth keeping that possibility in reserve.

That might be the right approach in some high-growth hub areas, but it is unfortunate that some of the major development opportunities in Scotland on what was previously public land are now sitting with privatised organisations. That has been lost, in a sense, although there might be scope for creating a legislative basis for that kind of development vehicle if it is needed.

The first requirement is to have a proper planned system, in which the planning system determines where development is going to happen and in roughly what time sequence. If developers are not willing to develop sites, we should invoke reserve powers or something.

Gordon MacDonald: You have spoken about the need to use the green belt for housing. People have raised concerns about infrastructure constraints. In Edinburgh, which you have mentioned, three of the four arterial road routes into the west of the city are already reaching capacity at peak times. The local strategic development planning authority, SESplan, has

suggested that another 107,000 houses could be built in the south-east of Scotland in the next 10 years, most of which could be in locations that are commutable into Edinburgh. How do we strike a balance between housing need and the constraints on our infrastructure?

Professor Bramley: There is a gap between the different stories, and that is why it is so important to look more assertively at recapturing the development gain and using it to finance the bridging of some of that gap. Other colleagues can comment on whether there are technical solutions to enable development in the west Edinburgh area without completely clogging up those key transport routes further. There will probably need to be a combination of measures that include improvements to the cycling, walking and public transport access to the new development areas, rather than just thinking about road solutions.

If we consider the development economics and the residual land values, for every house that is built in that area, there will be hundreds of thousands of pounds of free development gain to the landowner. We should be capturing that to pay for the infrastructure.

John Lauder: As regards the physical infrastructure as it goes down on the ground, I have already mentioned the Government's excellent designing streets policy, which is referred to in paragraph 4.13 of NPF3. According to my understanding, that policy is enshrined in planning policy. David Connolly has said—and no one has contradicted him—that developments are not encouraging people to walk or cycle for shorter trips, and that they are not better accessed by public transport. That is all in the designing streets policy, which was created to move away from the cul-de-sac developments that have taken place over the years. If that is not happening, it is quite concerning. It is perhaps worth a further look.

That is the point that I would make on a purely practical basis: the issue is how the infrastructure works for people. If the place where someone lives encourages them to make a short trip by car, that is what they will do, if they have a car. On the other hand, it should give them more options to walk, to cycle, to get a bus easily or, indeed, to get a bus to a better public transport interchange. In northern Europe, the vast majority of cycle trips are simply to the next public transport interchange, not place to place. People go to a station or bus stop and then make an onward trip. If we cannot deliver the policy that we have, which is the envy of other parts of the UK, that is a serious issue.

Derek Halden: There is a critical issue here. Consider the incentives and pressures on, say, a hard-pressed local authority officer who is considering a planning application. What is the risk and reward balance for him in being seen to be

the spoilsport who turns down a development on the basis that the developer is not going to take the kerbs out and follow designing streets principles? We do not have the incentives right at all.

A national enabling framework must mean that a typical officer in a local authority roads and transport department is perceived to have been more successful if they get the right thing to happen. Currently, I do not see that happening in practice either when we work with a developer make a planning application or when we work for the Government.

It is back to what we said in the work on smarter travel. We have to get smarter at it. The bit that is missing in the Scottish economy is the added value that we can get from underused resources. We did the transport analysis for the Edinburgh structure plan 2015. There are plenty of underused resources. They are not in west Edinburgh so, if we want to build in west Edinburgh—we should not rule it out, as John Lauder and Glen Bramley said—we need pretty hefty fees. The Germans do that with a very nice national framework with everything zoned out—if you want to build a house in a certain place, it will cost you X thousand euros.

We need some framework that allows local authorities to succeed. I observe as a consultant on the outside that the system does not work because the wrong incentives are in place.

David Connolly: The tools are available to check the impact on car traffic and other motorised modes of transport in different areas. SESplan is good at using those tools and not building its big developments where there is nothing but car access. However, the individual developments are still built too much for car. The issue is not only about paths for walking and cycling but about having facilities such as the primary school and a decent shop in a development before the first resident gets there so that they get used to shopping at the local shop and not driving half a mile to the big Sainsbury's or Tesco.

The planning in this country is weak because it has been focused on car access to new houses for too long.

Gordon MacDonald: Are the housing and settlement policies and proposals in NPF3 consistent with the Government's climate change targets? I am thinking about the press release about polluted streets in Scotland that Friends of the Earth Scotland issued last week. We have housing pressures in Aberdeen, Perth and Edinburgh, but we have streets in those three cities and in Glasgow and Dundee that fail the European standards on air quality before we build any more houses.

David Connolly: The framework is short on mention of air quality. Poor air quality is killing more people than road accidents in the UK and Scotland. We could say that local air quality is a local issue and, therefore, not national but, if the European Union starts to issue fines—particularly for NO₂ concentrations—it will become a national issue because the fines will be issued at the national level.

Air quality is a big issue, but the houses do not cause poor air quality. If we build houses and people from those houses walk, cycle or take an existing bus, the houses have not added to the air-quality problem. It is a problem only if we build houses where, for instance, the traffic has to go through the centre of Perth to get where it wants to go or has to fight its way through Edinburgh because we have not provided facilities.

Building houses does not affect air quality. Building houses at the end of a corridor that has poor air quality when all the jobs are at the other end without providing a tram, bus, underground or other system that does not generate air pollutants from traffic is a problem. The issue is not the houses; it is where we put them relative to where the residents are trying to get to.

11:30

Phil Matthews: I would echo a lot of what Mr Connolly said. The interesting thing is that if you use planning principles to try to address climate change impacts through transport—through thinking about the location and the integration of new development—that also leads to benefits across a whole range of other areas.

Air quality is a big problem in Scotland. It is affecting an awful lot of people—it is killing people prematurely in Scotland on a significant scale every year—and it should be a central concern of local and national Government. What is striking is that albeit people have said that the guidance is fairly weak—it does not require the location of housing in the most suitable and sustainable locations—the guidance is clear in the SPP, in the planning policies, and in NPF3 about locating new development around decent public transport and integrating it with walking and cycling.

However, the reality is that that is not happening—that guidance is not being followed. We can see that if we look across central Scotland—across the M8 corridor—and if we look around Aberdeen, where the issue will be heightened further because of the Aberdeen western peripheral route and the potential for new development around that. We can see that even if we look at one of the priority areas for NPF3—the development of the Moray Firth corridor, which is predicated on the dualling of the A96 and

development along that strip, which is currently very poorly served by public transport.

There is a clear discrepancy across the country between the rhetoric and the reality of what is happening. The impacts are not just on climate change; they are also on air quality, public health and other things.

John Lauder: The fundamental issue is the on-going dependence on the use of a car even for quite short trips. We have not yet broken that dependence in Scotland. We have all the right levers in place, but we are not giving them enough impetus to really succeed and that impetus is perhaps missing from the planning framework.

The Convener: I think that we have that message loud and clear.

Derek Halden: One of the joined-up bits of work that we have not discussed in relation to the low-carbon economy is very important in this whole sphere. If we look at any of the predictions—even the more pessimistic ones—we will certainly have electric vehicles by 2020 to 2030 and what we are building now will have a longer shelf life than that. Electric vehicles will be the dominant vehicles on the road network, yet even in the modern housing that we are building today, we are not putting in charging points.

Unobtrusive, easy charging for vehicles near all new housing should be an absolute must, yet it is not embedded in the system. Also, there are opportunities for energy storage through electric vehicles so we should not just put in charging points; we should put in smart meters or put in the capability for them so that, in effect, consumers are buying Scotland's energy storage and by buying Scotland's energy storage, we then have enough energy—it makes renewable energy so much more viable. Doing that would be a case of win, win, win, all the way through.

However, whenever there are these potential multiple wins, there is complete silence, apparently because the work is cross-sectoral, which seems to be difficult for people. If we cannot put such work in the national planning framework, where can we put it? That is what I ask. That work has to be in planning guidance—it is sort of there at the moment, but there is no detail about how to do it and it is just not happening. Day to day, planning applications are going through that do not include effective charging facilities—never mind the idea of feeding the energy back into the grid.

Mary Fee: I have a very brief point. Edinburgh, Perth and Aberdeen are identified as the areas with the most acute housing requirements, but the lack of affordable housing supply in rural areas is also an issue. Do you think that there is enough in NPF3 to help solve the problem of rural housing?

David Connolly: I did not see anything in NPF3 about rural housing, so by implication, no, there is not enough.

Mary Fee: That was a short and sweet answer.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): In the context of infrastructure constraints on development, does NPF3 pay sufficient regard to water and sewerage developments?

The Convener: Is that your area, Professor Gooch?

Professor Gooch: It is. I will repeat my earlier point, because when we talk about water we are also talking about flood control and how the run-off from developments in Glasgow and elsewhere can be managed. Although it is mentioned in the framework planning, I do not think that there is a clear enough understanding of the mechanisms of flooding and run-off. Those different points need to be connected a little more clearly. The document mentions plans for river basin management, which is the starting point for water supply and wastewater disposal in the areas that they cover, and it mentions ecosystem services, which are central to water supply and management, but it needs to connect those elements a bit more clearly.

Adam Ingram: Finally, does the proposed framework further the Scottish Government's hydro nation agenda?

Professor Gooch: Sorry—could you repeat the question?

Adam Ingram: How does NPF3 further the Scottish Government's hydro nation agenda?

Professor Gooch: It does so very strongly. There is a focus on renewable energy, offshore energy and hydro power, and on the expertise of Scottish companies in those fields, which is one of the central aspects of the hydro nation agenda.

The agenda consists of the expertise of the companies on the one hand, and the expertise in management and governance on the other, and the NPF pushes it forward. Renewable energy, a lot of which is based on water of some kind, whether it is sea or freshwater, is also in there. That is one reason why I was pushing the point that we need airports. If Scotland is to develop as a hydro nation, it must be able to bring people in to show them—we cannot do everything through videoconferences.

There are strong links between the different elements, but they are not sufficiently clear. Catchment management, for example, is the starting point for a lot of things in the hydro nation.

The Convener: Would you like to bring anything else about water to the committee's attention?

Derek Halden: Speaking as a civil engineer who is involved in a range of such things, I would say that we are not yet doing nearly enough in terms of storage, which includes tidal as well as inland storage. We need to do an awful lot more work on things such as tidal renewable energy. The economics of what the French were doing on tidal storage a few years ago can be improved on quite dramatically around Scotland's coast.

There is a lot to do in that space, but it does not get the attention that it needs. We need to remember, looking back at civil engineering history, that the only reason why we have the current generation of hydro is that most of the projects were put through under war powers, which were stronger on planning and made it easier to do things. Planning is a very important process for enabling and disabling what goes on, and national plans and frameworks are important to help to make things happen. I am not a big supporter of the Severn barrage anyway, but we really should not be looking there to learn about tidal estuary storage. However we want to develop that type of hydro project, there are many less environmentally sensitive locations around the coast that could be used for such a scheme.

Professor Gooch: I have a small comment, which will probably not be very popular with the companies that produce bottled water. Given the quality of drinking water in Scotland, we could save a great deal of energy in transport, packaging and so on if we made it clear that Scottish water is often of better quality than the bottled water that people pay for and take their car to fetch from the supermarket; I do not think that we market it enough.

The Convener: That is a good positive point to end on. I see that committee members have no further questions. Gentlemen, do you have any final comments?

Professor Gooch: I have a very brief comment, although I am not sure whether it is relevant. What was missing in NPF3 was any discussion of waste management. Whatever we think about waste, it is being produced and it is a resource. We have a company in Scotland, for example, that uses bottles to create filters for water quality. There is also the possibility of using waste to generate electricity. I know that it would not generate low-carbon electricity or heating, but waste can be used to produce energy—for example, it can be connected with district heating systems in order to provide reasonably cheap energy.

There is a gap in the loop that we have been discussing in terms of what happens with waste. At present, it just seems to go out of the system, when it should be brought back in one way or another.

Derek Halden: There were more crosses in the “State of the Nation” report by the Institution of Civil Engineers under the category of waste than under any of the other categories that we were looking at, including energy and transport. Transport was the best of the major civil engineering areas—we were also thinking about energy and saying, “Will the lights go out? Maybe.” With regard to that type of scorecard, waste is a really important element to get right in the NPF.

David Connolly: Waste can be used to produce biomethane, which can be used as a fuel for vehicles. If that can be combined, we can cut fossil fuel use and produce a lot less pollution because we will be burning methane rather than diesel.

On the point about health benefits being a bit intangible, they are in fact more tangible than travel time savings or whatever, because they actually reduce money. It is being saved somewhere else, but it is actually money rather than just a perception among people that their drive up the A9 is three minutes quicker. As was mentioned earlier, people should not discount the health benefits when they are out walking and cycling.

The Convener: Gentlemen, this has been a very informative session. I am sorry if it felt a bit rushed—we have gone over the allocated time—but all your evidence has been very useful, and I thank you once again for coming.

11:41

Meeting suspended.

11:44

On resuming—

Housing (Scotland) Bill: Stage 1

The Convener: Item 3 is to take evidence from private landlord representative groups on the Housing (Scotland) Bill. I welcome John Blackwood, who is the policy and parliamentary affairs director for the Scottish Association of Landlords, and Sarah-Jane Laing, who is the director of policy and parliamentary affairs for Scottish Land & Estates. I also welcome Patrick Harvie MSP, who is joining us for this session. Adam Ingram will start.

Adam Ingram: Good morning. The Scottish Government’s vision for housing is that all people in Scotland should live in high-quality sustainable homes that they can afford and that meet their needs. To what extent do the bill’s provisions promote that vision?

11:45

John Blackwood (Scottish Association of Landlords): I will kick off. From our perspective, there are some positive elements in the bill. In effect, it is about redress and access to justice, and it also introduces the potential for letting-agent registration. It will help the consumer to get redress, if they feel that they need to do so. Overall that can only increase the quality and standard of the physical condition and management of properties.

Sarah-Jane Laing (Scottish Land & Estates): I support what John Blackwood says; we believe that the bill will help to increase standards and deliver on its aims. It is the next step in a long process that landlords’ organisations, tenants’ groups and the Scottish Parliament have been working towards for a number of years. As John Blackwood highlighted, a number of the bill’s provisions will help to deliver on the aims that we seek to achieve.

Adam Ingram: Good. My only other question is on the consultation process. Were you satisfied with the process? How did you participate? What are your reflections on the consultation?

Sarah-Jane Laing: The consultation process was very inclusive. We were able to participate as an organisation through the stakeholder group, but there were also a number of opportunities for individual landlords—certainly among our members—to participate. Over the past few years, there have been a number of routes for consultation on policy objectives and on particular provisions in the bill, so we are entirely happy with the process.

John Blackwood: I would say the same. There are a number of things in the bill for which we have been campaigning for some years, so we are delighted that those things will eventually—we hope—be introduced in legislation.

Jim Eadie: The bill makes provision for transferring jurisdiction for certain types of civil court action concerning the private rented sector from the sheriff court to a first-tier tribunal. It would be useful first to hear about your experience of landlords taking civil actions through the sheriff courts, and any problems with access to justice. Secondly, do you agree with the proposal to transfer jurisdiction?

Sarah-Jane Laing: Our experience to date has been pretty unsatisfactory. We have provided a number of pieces of evidence to the Scottish Government and to Parliament in the past few years concerning the speed—or, rather, the lack of speed in consideration of cases. The lack of specialist housing knowledge in the court system has also been a huge issue for landlords, and there is a lack of confidence in the court system's ability to deliver adequate outcomes within defined timescales.

Looking to the future, our organisation initially wanted the court system to be improved—if possible improvements have been identified, it makes sense to carry them out. We thought that a number of the Gill review's recommendations, for example, could have resulted in improvements. However, after discussing the matter with the Scottish Government and others, we bought in to the tribunal method, and if that is going to be progressed, the system that the bill sets out is the most appropriate plan to follow.

John Blackwood: Again, I largely agree with that. The current system involving the sheriff courts is expensive, for a start, and very cumbersome. There are inconsistencies in decisions and it lacks expertise. We have been campaigning for a number of years for a specialist housing tribunal. There are already a couple of tribunal services in Scotland, which are respected and could easily be built on. Such a service would be more cost effective for the public purse and would provide better access to justice where that is required.

Jim Eadie: You mentioned cost effectiveness and better access to justice. Can you say a bit more about the potential benefits for tenants and landlords, from your perspective?

John Blackwood: One of the main points concerns the speed of getting to the sheriff court in the first place. The process is very much a postcode lottery—it is based on where one lives—and many landlords and tenants alike feel that it is too adversarial. We need another system that

takes a more holistic approach to dealing with the housing issues that are faced by landlords and tenants. A tribunal service would be much more appropriate, and mediation—which is already available in existing tribunal services—could be provided where that would be appropriate.

Sarah-Jane Laing: I agree with everything that John Blackwood has said. There would also be a financial benefit to landlords, especially in rent arrears cases. The time that is spent in court means that arrears continue to increase as one goes through the process. If the tribunal works as it should, there will be financial benefits for landlords because cases will be resolved much more quickly.

Jim Eadie: That is helpful. I have one further question. With regard to the licensing process for houses in multiple occupation, the bill will not transfer civil cases from the sheriff courts to the first-tier tribunal, but rather will give ministers an enabling power to do so at a later date. The Scottish Government has committed to consult further on the issue. What are your views? Are you open minded on the transfer taking place at a later stage?

John Blackwood: We would certainly encourage it to happen, because it is important that the tribunal would deal with all private rented housing cases, including HMO cases. We believe that the reason for the decision is that the issue has not been consulted on, but we would have no problem at all with those cases being transferred.

Sarah-Jane Laing: I echo those thoughts; we would have no issues with the transfer being included in the bill. We would not want to wait until a later date; as John Blackwood said, we would like everything to be brought together.

Gordon MacDonald: Continuing on the tribunal theme, it has been suggested that the Scottish Government may provide support for people to access the proposed tribunal, possibly through legal aid or an advocacy service. Do you have any views on what the policy on access to legal aid and expenses should be? You already touched on the location of tribunals.

John Blackwood: I believe that more work needs to be done on the cost benefits. Overall, the tribunal system will be cheaper for the public purse; we know that from experience of tribunals. Access is important, and the opportunity to use an advocacy service is even more important, especially for vulnerable tenants. Any system needs to have such provision built in. It would be for all users of the service—landlords and tenants. Where it is appropriate, people should be able to access any type of advice, support and information that they need.

Sarah-Jane Laing: I agree with John Blackwood. We do not want to create a system in which legal representation becomes the norm. It must be there for when it is required, but we do not want a system in which it becomes a business.

Gordon MacDonald: It has been suggested that there could be scope for the tribunal to charge a fee. What are your views on that?

John Blackwood: That would depend on the fee, as you can imagine. A charging system is currently in place in the sheriff court system. We are open to looking at the issue in the context of the tribunal service, when it has been properly costed.

Let us not get too bogged down in the charging process and who would pay for what. What is important is that we produce a system that is effective, robust and easily accessed by all, and in which all users—landlords and tenants—feel that the system will listen to their case and operate in their best interests. I think that tribunals can do that better than traditional court services.

Sarah-Jane Laing: What is important is that we have an effective system. If it is deemed necessary to charge fees to ensure that the system operates effectively, we will not object to that.

Gordon MacDonald: We heard from Shelter Scotland and the Govan Law Centre that the tenancy regime in the private rented sector should be changed to give tenants more rights. What is your view on that?

Sarah-Jane Laing: The Shelter proposals are not just about giving tenants more rights; they are much more complex, when we look at them in detail. They are about making the tenancy regime work more effectively. I do not think that landlords' representatives would argue with that; where we disagree with Shelter is on how to achieve such effectiveness. Shelter's view is very much that we should remove the short assured tenancy and move to assured tenancy.

However, we have been able to provide evidence on why the short assured tenancy is used. It is used largely for two reasons. First, it provides flexibility for both parties. We have evidence of landlords trying to offer longer tenancies, but tenants not wanting them. The other reason is to do with the lack of confidence in the court system, which I mentioned. If a landlord is not confident that they can get their property back as a result of rent arrears or another reason, their default position will be a short assured tenancy. If we can create confidence, I think that the sector will change and longer tenancies will be provided. There might even be a move to assured tenancy.

However, it is very much about change coming about as a result of increased confidence, rather than because of regulation.

John Blackwood: I concur with that. It is important that we get the message across that we support the current short assured tenancy regime. Research by the Scottish Government backs up the claim that both landlords and tenants feel that the regime is in their interests—there has been recent work on the matter. The Scottish Government is actively involved in reviewing the system and hearing from all stakeholder interests.

There is an argument for reconsidering the system. For example, landlords think that the grounds for repossession are not strong enough. We often hear from communities about antisocial behaviour. Landlords feel disempowered and feel unable to take action on it through the courts, and communities feel that no one is doing anything about the problem. There is an issue in that regard, perhaps more so than there was 30 years ago, when legislation to deal with such problems was introduced.

We need to consider how to modernise the service without throwing the baby out with the bath water. The current system works.

Patrick Harvie (Glasgow) (Green): The witnesses represent organisations that want bad practice to be driven out of the sector, and I am sure that all stakeholders share that view. A concern is that even if the tribunal system works well, there is a big disincentive to raising issues in the first place. Someone who has a complaint but knows that they can be given a month's notice to quit will not make that complaint. If you are not convinced by Shelter's proposal on security of tenure, what would be a better way of removing that barrier and ensuring that people have the confidence to express concern and to challenge bad practice where it exists, without feeling that they will lose their home?

John Blackwood: There is an issue to do with tenants getting used to the service and feeling that it is accessible to them. The current service is not publicised enough; tenants are not aware of it. I know that lots of tenants access the service after having been issued with notice to quit—the private rented housing panel is able to continue cases even when tenants have been given notice. The system needs to be used more, and perhaps that can happen if information, advice and support is given to tenants. Likewise, landlords need to have confidence in the service.

12:00

It is still a new system. The tribunals have only recently been introduced and many people out there are still not aware that they exist. I think that

they are important and that they do a good job. However, we must ensure that everybody is aware of the new system and can access it, and that there are no legal or financial barriers to their doing so.

Patrick Harvie: There may be no legal or financial barriers, but if someone still feels that they will lose their home, that is obviously a barrier that is very difficult to overcome.

John Blackwood: It can be, but I question whether that is much of an issue for tenants taking their cases to the tribunal, because that is certainly not what I have seen going through the tribunals so far. Perhaps some people are put off before they even approach the tribunal, but I am afraid that we do not know that that is the case. I do not see much evidence of that at the moment. I am sure that it must happen, but the point is that we need a system in which people feel confident. I do not know whether security of tenure alone would address the problem.

As I said, we often have tenants who have already been given notice to quit, so their security is gone but they still pursue cases through the PRHP because they want their case to be dealt with. That is an important message to get across.

Patrick Harvie: I am sure, however, that I am not the only member who has had such concerns raised by constituents who I do not think are making it up. Thank you very much, convener, for the opportunity to ask the question.

The Convener: Okay.

Mark Griffin wants to address other issues related to private rented housing.

Mark Griffin: What are the witnesses' views on the bill's provision to allow third-party applications by local authorities to the PRHP to enforce the repairing standard?

Sarah-Jane Laing: We are wholly supportive of the proposals in the bill.

John Blackwood: We think that the provision is a very positive step that would help tenants who feel disenfranchised in that respect. The provision would allow local authorities to take on their cases.

Mark Griffin: Is other action required to improve physical standards in the private rented sector?

John Blackwood: Overall, improved enforcement of the existing legislation is needed. We see that as being the problem, largely. As we have said many times, landlord registration is not being enforced properly by our local authorities. That is often put down to a resourcing issue. Even with cases that are going to tribunals at the moment, is anybody really enforcing that regulation and taking action against a landlord as a result? We are not seeing that. We therefore

need to ensure not only that people can access the legislative provisions that we have, but that the provisions have teeth and are properly enforced. That is a big issue for us.

Mark Griffin: Do you therefore agree with the Government's intention to introduce at stage 2 a provision on enhanced discretionary powers for local authorities to designate enhanced enforcement areas to tackle poor standards in private rented housing?

John Blackwood: Absolutely—we have no problem with that at all.

Sarah-Jane Laing: We originally suggested that approach a number of years ago in order to focus limited resources on problems that had been identified. We have no problem with the Government's proposal.

Mark Griffin: Do you agree with Shelter Scotland's suggestion that carbon monoxide alarms should be mandatory in all private rented properties in Scotland?

Sarah-Jane Laing: Yes.

John Blackwood: Again, we have no problem with that. Electrical safety should be taken into consideration, too. Safety measures are recommended at the moment, but there is no legal requirement to have them. However, it is in everybody's interest to ensure that properties are as safe as possible.

The Convener: So, you would be quite happy for electrical safety measures to be made mandatory as well.

John Blackwood: Indeed. We are on record as supporting that proposal.

Mary Fee: Part 4 of the bill provides for the regulation of letting agents through the establishment of a register of letting agents, with the necessity for them to pass a fit-and-proper-person test. Do you agree with that general policy approach of a regulatory framework? If so, what benefits would that have for landlords and tenants?

John Blackwood: We agree with that approach. The regulation of letting agents is long overdue. There was always a question as to whether this Parliament had jurisdiction to deal with the matter, so we are delighted that it is considered that it does and that the issue can be progressed.

We have heard for a long time from landlords—tenants are saying the same thing—that somebody could set up an office in the high street of their local town without the need to be regulated by anybody at all. They can set up as a letting agent, take rent, carry out property repairs and take deposits, but nobody is checking that.

Ultimately, the landlord is the legally responsible person, but landlords say that it is not right that somebody can set up a business in that way. They assume that somebody, somewhere—at the very least, trading standards—has checked them at some point. That anomaly has always existed. I hope that the proposed system—we will need to ensure that it is properly enforced and has teeth—will make sure that letting agents are properly checked and registered and that a fit-and-proper-person check is carried out on those individuals.

There are issues when companies are checked out as opposed to individuals. What could happen—this is a concern of ours that we want to share—is that an agent who has run away with the tenants' deposits and the landlords' rents could close down their high street office one night and set up a new office on the same high street the next day under a new trading name and nothing can be done about those individuals. That situation—it has happened a number of times in Scotland—is wrong.

As part of the fit-and-proper-person test we must take into consideration previous offences carried out by a company's principals, as well as the company name, if that is a legal entity in its own right. There are issues around how we enforce the fit-and-proper-person test when we are dealing with legal entities or, in other words, companies.

Sarah-Jane Laing: As John Blackwood said, both organisations are on record as saying that we support the proposals. Landlords, as well as tenants, have suffered through bad practice by letting agents. We do not oppose the proposals at all. However, we have an issue with the definition of a letting agent. Under the terms of the Antisocial Behaviour etc (Scotland) Act 2004, a tenant farmer is deemed to be a letting agent for the head landlord. We do not want to impose duties on a tenant farmer—who, in reality, is not acting as a letting agent—because he is defined as an agent in another piece of legislation. We are talking about people who are performing a letting agent service on a commercial basis. It is those people we must target.

John Blackwood: An additional issue is people who are acting as agents and voluntarily registered as agents through the landlord registration system who might be relatives of the landlord. An example would be a mother who is managing a property because her son is in the forces or working overseas, which may even be only temporarily, for a year. We need to look at whether that individual needs to be registered through the proposed scheme. They are not acting commercially. You could argue that that is part of their business and they are acting as the landlord,

but where do we draw the line with agents and how do we define what an agent is?

A similar approach is taken in the Property Factors (Scotland) Act 2011, under which the definition of a property factor refers to what they do

“in the course of that person's business”.

However, that could apply to anybody, such as someone who is maintaining the common stair or fixing the front door because they are doing that in the course of their business. We do not want to deter people from making repairs and improvements. They are not getting paid to do that; they are just taking on the onus. Everyone is in agreement about that. We must ensure that we are not disenfranchising some individuals or executors dealing with estates, all of whom are regarded as agents.

Mary Fee: A code of practice will be developed. Will some of the concerns that you have raised be covered in that code? Should that code include other elements?

Sarah-Jane Laing: All the issues to do with good practice, unfair fees and widespread bad practice are fine to cover in a code, but the issues with the definition must be dealt with through the legislation.

John Blackwood: We welcome the consultation on the code to which the Scottish Government has committed. Our organisation has been looking at a range of things, such as whether agents should have professional indemnity insurance. That is the sort of thing that you would expect from a commercial outfit and which would be in the consumer's interest. However, I question whether that would be appropriate in the case of a family relative who is managing a property on behalf of someone else.

Mary Fee: What measures should the Scottish Government undertake to ensure that letting agents, tenants and private landlords are aware of the registration requirements?

John Blackwood: It largely comes down to good publicity, to be honest. We had the same argument and the same issues with landlord registration. It is a bit easier with commercial firms, as letting agents are easier to identify—they tend to be more visible in our high streets and local communities, and they advertise their properties at some point, making them easier to access. Again, however, it is about ensuring that the information is proportionate and targeted.

People must be aware that enforcement action will be taken. At the moment, there seems to be a culture in our sector in which people think, “Well, nobody does anything about it, so it doesn't really matter whether we're registered.” That is not good

news for good agents, of whom there are many out there who are doing a really good job. They feel that they are always the ones who have to pay the dues and sign up to everything while nobody chases the bad agents. We must ensure that the bad ones are being chased. We believe that that would be in the interests of all consumers, tenants and landlords alike.

Sarah-Jane Laing: Lack of awareness has been an issue with all new regulation for the tenancy sector. One of the issues has been the fact that we have a plethora of acts and new legislation of which there is a lack of awareness not just among tenants, but among landlords. The Scottish Government is to be commended for having spent a lot of time and effort in trying to raise awareness. The most success has been achieved where action has taken place at quite a local level. Scottish Borders Council, for example, really took ownership of the awareness-raising aspect and there were radio campaigns and campaigns within the letting pages of the local newspapers. That approach seems to have achieved much more success than nationwide campaigns. All of us in the sector have a role to play—it is not just down to the Scottish Government to raise awareness.

John Blackwood: It is important to emphasise that agents, too, welcome registration, as they believe that it is a good, positive step in legitimising their businesses. Letting agents are not generally regarded by society as being the best of the bunch in providing a service to local communities, so those who are providing a good service welcome registration. We hope that it will distinguish them from others, and for the industry overall it is a positive step in legitimising what is already a very good service. We must make sure that it continues to be so and is seen to be so.

Mary Fee: Do you think that the proposals will provide landlords and tenants with easy access to a redress mechanism that will help to resolve disputes between letting agents and tenants?

Sarah-Jane Laing: I think that it will, but as part of the system. If it was on its own, as a stand-alone measure, I would have concerns. However, if it is linked to the new tribunal, I think that it will.

John Blackwood: Exactly. It is only a positive step. Who they feel they are contracting the service from is an issue for many tenants. They get the property from the landlord and the agent is the middle man, but the agent has not entered into any contract with the tenant. Tenants are not aware of that—nobody informs them of that and makes them aware of their rights and what they can do if something goes wrong. Equally, they could have a gripe with the agent as opposed to the landlord, just as the landlord could. Often, if the middle man does not communicate properly

with both the landlord clients and the tenants of those landlords, that is where things start to go wrong. If there is a redress mechanism, at least experts can get round the table and have a really good look at the situation to see where bad practice is happening and how it can be stopped or changed.

The Convener: There may be cases in which the mechanism to resolve disputes just will not do that. Should there be more penalties for rogue landlords and letting agents, to hammer home the point that they have to be up there with the best or we are not going to get any improvement in the relationship between tenants and landlords and improvements to the properties?

Sarah-Jane Laing: As John Blackwood has touched on, we do not need more penalties; we need more use to be made of the penalties that we have and more profile to be given to penalising that bad behaviour.

12:15

John Blackwood: I think that that is true. We do not have any regulation for letting agents at present, so anything is welcome, but the point is that a number of bits of legislation are in place that are just not being enforced. There is an issue with the enforcement of that legislation and with its being publicised that it is being enforced. We could send that strong message to landlords and agents alike.

Patrick Harvie: The issue about enforcement of existing legislation has come up two or three times. Is there room for the bill to do a bit more to achieve that, particularly in relation to the deposit protection system? I have honestly lost count of the number of tenants who have contacted me to say either that they are being denied information to which they are entitled—it has to be said that that is most often by a letting agent, but sometimes it is by a landlord—or that they have not been told whether their deposit has been protected. In many cases, people are told that they will have other charges or fees or so-called advance rent, but that that is not really a deposit, when it is a deposit in all but name. Apparently, the Scottish Government still cannot gauge the level of compliance with the deposit protection system. What could the Government do, through policy, the code of practice or the bill, to get the system working better and to prevent bad agents and landlords—I am sure that they are in the minority—from finding workarounds rather than complying with the spirit of the system?

Sarah-Jane Laing: There are a couple of points to pick up there. On the scale of compliance, I think that, at the outset, the Government overestimated the number and levels of deposits

held in Scotland. At the time, we certainly made representations on that, because we had canvassed our members, and we knew that only about 50 per cent of them actually took deposits. However, when the Government looked at the sector as a whole, it assumed that the figure was much higher. That is why the Government is struggling to gauge the level of non-compliance. Similarly, the discrepancy in relation to the level of non-compliance with registration arose because the number of landlords in Scotland was underestimated.

However, there is no excuse at all for non-compliance with the tenancy deposit scheme regulations, for landlords who take a deposit. Regulations are in place to say that any other fees are illegal so, again, the issue goes back to enforcement. Local authorities, through the landlord registration process, can take such issues into account. More instances should be being fed into the landlord registration process, and questions should be asked about whether someone is a fit and proper person to be a landlord. We have no problems at all with that being used as relevant information. However, there is no excuse for non-compliance with the tenancy deposit scheme standards.

John Blackwood: Again, I concur. It is difficult for us to gauge the numbers. We still do not know how many private landlords are out there, and we are going on the basis of how many have registered. On the assumption that the majority have registered, we are saying how many have lodged deposits. Often, we come to the conclusion that all landlords take a deposit but, especially in rural communities in Scotland, we find that that is not the case and that deposits are not taken. It is always difficult to know that.

Patrick Harvie: Yes, but it is pretty clear that some letting agents, including large and very professional ones, simply stop calling it a deposit and start calling it advance rent. Tenants find that they are in the same position as they would have been in previously, because in effect they have a deposit that is entirely unprotected.

The Convener: Alternatively, it is called a management fee or something like that.

John Blackwood: Advance rent is not a deposit, so I take issue with Mr Harvie on that. Advance rent covers only rent on a property and is not used for any deductions that a landlord could make for damage. However, I can understand the principle.

Patrick Harvie: In some cases, it is used for that. If tenants are told that they will not be charged a deposit any more, but that their advance rent will go from one month to two months and when they leave they will get some of

it back if they have not damaged the property, that is a deposit in all but name—it is a workaround.

John Blackwood: Well, certainly, if landlords say that the tenant will get something back if there is no damage at the end of the tenancy, that is a deposit. I am talking about genuine cases of advance rent. In fairness, that happens and it has always happened; we should not automatically confuse the two. We argued that this would be a problem if tenancy deposits were brought in. We said that people would find a way round it. There will always be a way round it.

Patrick Harvie: That is what I am asking. How do we stop that? How do we crack down on that kind of behaviour?

John Blackwood: A good way could be through the new tribunals service. At the moment, it is not easy for tenants to take summary cause action through the sheriff court system. They are often not aware that they can do that. They could be made more aware of it through the tribunals service, if we get it right. It should be easier for them to access such a service. That would be a positive step, rather than having people take the cumbersome route of the sheriff court.

Patrick Harvie: If they had the confidence to do it without thinking that they are going to lose their home.

John Blackwood: Yes, although many who go through the system do not find that their deposit is not protected until the end of their tenancy. It is only when the tenancy comes to a natural end, or the tenant wants to move out, that they research everything and realise that the landlord or letting agent never lodged the deposit in the first place. Even beyond the end of the tenancy, the legislation is such that they still have three months to make a claim against their landlord.

A big issue is that many letting agents have not complied with the law, which has disenfranchised the landlords for whom they are acting, because the landlords are liable in law but the agent is not. That is wrong, and many letting agents have been hiding behind that. That is a major issue and it is probably bigger than we realise.

The Convener: We move on to discuss mobile home site licensing. Sarah-Jane Laing, your organisation's response to the Scottish Government's consultation on licensing of caravan sites indicated that it did not believe that the proposed licensing of mobile home sites would be the best way of preventing rogue operators from continuing to operate. Your organisation also expressed concerns about the fit-and-proper-person test for mobile home site owners, and about the three-year licensing period. Does your organisation still have those concerns and, if so, why?

Sarah-Jane Laing: Our concerns relate to the operation of landlord registration. They are built on our experience that the landlords who operate within the system and who are fit and proper are the first to register, and the first to reregister after three years, while the rogue landlords still have not registered. Our concern was that if a similar system is set up for mobile home parks, the ones that are already being run to standard will be the first to register and will already have reregistered before we have targeted the ones that need to raise their standards.

We have no problems with looking at ways in which to raise standards but, as it is laid out, the system has inadequacies. We wonder whether replicating a system that is almost aligned with landlord registration is the right way to go.

The Convener: I have a fair bit of experience in this area and it seems to me that some local authorities are much better at registration systems and keeping tabs on mobile home sites than others are. To be fair, we are not talking about a huge number of sites throughout Scotland, so what are your concerns? The local authorities should know where their mobile home sites are and which have registered and which have not.

Sarah-Jane Laing: Certainly you would think that. When I worked in the local authority and private rented sectors, we knew where some of the bad landlords were. However, how the system was set up meant that it was hard for local authorities to target the resources where they were required. The focus was very much on licensing the landlords who came forward. It was the same during the first round of HMO licensing. I know that the number of mobile home sites is not the same as that, so, if the local authorities are convinced that they know where all the mobile home sites in Scotland are, we have no issue.

The Convener: Do you have any comments, Mr Blackwood?

John Blackwood: No, the issue does not come within our organisation's remit, so we do not have a comment.

The Convener: Sarah-Jane Laing, I suppose that this question is for you as well. What are your views on the enforcement provisions for proposed site licensing? You might have answered this question already: do you think that they are an effective deterrent to rogue site operators?

Sarah-Jane Laing: I think that the Scottish Government's proposals do deliver. They refer to the term "the polluter pays" and the Government has developed a system of sanctions under which the person who is responsible and who should be sanctioned and fined will be.

The Convener: Do the witnesses have any other general comments or anything to say about any aspects of the bill?

Sarah-Jane Laing: I have a comment to make about the costs and the impacts of the private rented sector tribunal. John Blackwood mentioned the costs of raising awareness and, when we look at the impact of legislation, we see that the costs of raising awareness are an important part of that consideration. I would also like some comfort that the cost of running a PRS tribunal in rural areas, and of allowing rural tenants and landlords to have access to the system, has been fully taken into account.

John Blackwood: I want to add something about exemptions for letting agent registration. With the exception of the mother who is managing the property for her son, there should be no further exemptions. All agents who are operating on a commercial basis should be classed as the same.

The Convener: Absolutely. Thank you very much. I suspend the meeting to allow the witnesses to leave the room. We have one more item on our agenda.

12:26

Meeting suspended.

12:27

On resuming—

Subordinate Legislation

Water and Sewerage Services to Dwellings (Collection of Unmetered Charges by Local Authority) (Scotland) Order 2014 (SSI 2014/3)

The Convener: Item 4 is subordinate legislation. The committee is asked to consider a negative instrument on water and sewerage services to dwellings, as listed on the agenda. The order makes each local authority and not Scottish Water responsible for the collection of the charges that are payable for water and sewerage services that are provided by Scottish Water. The order applies to the financial years from 1 April 2014 to 31 March 2018. The order also requires each authority to make payments to Scottish Water for the charges collected.

The Delegated Powers and Law Reform Committee determined that it did not need to draw the order to the attention of Parliament. The committee will now consider any issues that it wishes to raise in reporting to Parliament on the order.

No motions to annul have been received.

As members have no comments on the instrument, does the committee agree that it does not wish to make any recommendation in relation to the order?

Members *indicated agreement.*

The Convener: Thank you. That ends our business for today. The next meeting of the committee will be on 5 February, when we will hear evidence from the Minister for Local Government and Planning on national performance framework 3 and further evidence on the Housing (Scotland) Bill.

Meeting closed at 12:29.

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