



**PRESS RELEASE**

**12 October 2004**

**PROBLEMS OF SCOTTISH WATER THREATEN FUTURE  
ECONOMIC AND SOCIAL DEVELOPMENT SAYS HOUSE BUILDING INDUSTRY**

Responding to consultations on Scottish Water's future investment programme and how customers should pay for water services, Scotland's house building industry today warned that the country's future economic and social development was under threat should the Executive fail to adequately address current problems.

With every part of Scotland affected by inadequate water and drainage infrastructure, blocking whole communities from new development of any kind, and the cost of solving this problem alone identified at over £1 billion, the industry has demanded a commitment be given that all necessary funding be made available and called for this to be provided from general taxation.

Bruce Black, Executive Director of Homes for Scotland, the organisation that represents companies building over 90% of new homes in Scotland, said:

"The house building industry makes a hugely significant economic and social contribution in providing the new homes that people in Scotland need and want. Indeed, many now believe that the level of building needs to increase by as much as 25% if we are to tackle the current housing shortage that is fuelling higher prices and exacerbating issues of affordability. We need to ensure that the network can accommodate the new development that is absolutely essential to Scotland's future.

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It simply beggars belief that Ministers did not see fit to include any provision to meet development need when the current investment programme was being prepared some years ago. As a direct result, the country now finds itself in a position where less than half of the land currently approved for housing can be built on.”

The total investment need for Scottish Water in the period 2006-2014 has been identified at £8.5 billion and Black believes that there is a clear case for funding much of the programme through general taxation, particularly where, as in relation to the removal of development constraints, the problem has arisen due to inadequate investment or poor political decisions.

He concluded:

“The over-riding issue is not whether to remove the constraints facing the development industry but the potential social and economic costs of not doing so. With regards to how this should be paid for, the options offered in the consultation paper are far too narrow. We don’t believe that these costs should or can be met through water charges. Why should costs arising from Ministerial short-sightedness be visited on chargepayers or achieved from reductions in expenditure elsewhere in the programme?”

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**Note to editors:**

1. Homes for Scotland ([www.homesforscotland.com](http://www.homesforscotland.com)) is the representative membership body for the home building and residential development industry in Scotland. Its member companies provide over 90% all new homes in Scotland. The largest user of the planning system in Scotland, the industry also contributes more than £3.5 billion to the economy and employs more than 110,000 people.
  
2. Key among the points raised by Homes for Scotland in its submissions to the Scottish Executive's consultations on "Investing for Water Services 2006 – 2014" and "Paying for Water Services 2006 – 2010" are:
  - The need to recognise Scottish Water's investment programme as an economic driver.
  - The inflexibility of the regulatory regime imposed on Scottish Water by SEPA.
  - The requirement for more transparency in the decision-making process of Ministers.
  - The call for further public consultation on priorities and project-level detail should the total investment needs for Scottish Water in the period 2006-2014 (identified at £8.5 bn) not be implemented.

View Homes for Scotland's full submissions at [www.homesforscotland.com](http://www.homesforscotland.com).