



OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 5 December 2023

Session 6



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LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
29th Meeting 2023, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

COMMITTEE MEMBERS

*Miles Briggs (Lothian) (Con)
Stephanie Callaghan (Uddingston and Bellshill) (SNP)
*Pam Gosal (West Scotland) (Con)
Mark Griffin (Central Scotland) (Lab)
*Marie McNair (Clydebank and Milngavie) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Rosemary Agnew (Scottish Public Services Ombudsman)
Tom Arthur (Minister for Community Wealth and Public Finance)
Michael Cameron (Scottish Housing Regulator)
Heather Galbraith (Scottish Government)
Niki Maclean (Scottish Public Services Ombudsman)
James Messis (Scottish Government)
Andrew Sheridan (Scottish Public Services Ombudsman)
Paul Sweeney (Glasgow) (Lab)
George Walker (Scottish Housing Regulator)

CLERK TO THE COMMITTEE

Euan Donald

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament
**Local Government, Housing and
Planning Committee**

Tuesday 5 December 2023

[The Convener opened the meeting at 09:00]

**Decision on Taking Business in
Private**

The Convener (Ariane Burgess): Good morning, and welcome to the 29th meeting in 2023 of the Local Government, Housing and Planning Committee. I remind all members and witnesses to ensure that their devices are on silent and that all other notifications are turned off during the meeting.

We have received apologies from Mark Griffin this morning. Marie McNair will join us online.

The first item on the agenda is to decide whether to take items 7, 8 and 9 in private. Do members agree to take those items in private?

Members indicated agreement.

**Scottish Public Services
Ombudsman: “Annual Report
2022-23”**

09:00

The Convener: Agenda item 2 is to take evidence on the Scottish Public Services Ombudsman’s annual report 2022-23. Rosemary Agnew is our ombudsman; Andrew Sheridan is the SPSO’s head of improvement, standards and engagement; and Niki Maclean is the SPSO’s director.

I invite Rosemary Agnew to make a short opening statement.

Rosemary Agnew (Scottish Public Services Ombudsman): Good morning, and thank you. I also thank you for rearranging the timing of the meeting to before Christmas rather than after it. I can still just about remember last year at this point.

I do not propose to go through everything that members have already seen in updates in the annual report. Our main themes are around our broad statutory functions.

Obviously, public service complaints have their challenges, but one of the biggest challenges for us currently is volumes. We have seen dramatic increases, even in the past two months, in demand and complaints.

The Scottish welfare fund has a very distinct type of function. The numbers of complaints coming in about that are relatively stable. The challenges there are more about policy, guidance and the unpredictability of the future.

We have seen the Independent National Whistleblowing Officer function bedding down a lot more in the first year and going into the second. We are learning a lot more about the approach to investigation, which is quite different from that to public service complaints.

The final area of our work is about engagement, communication and complaint standards. In that area, we have been working on child-friendly complaints, and we have done a lot of development work on our function in terms of training and developing a new approach to outreach since the lockdown finished.

There are four very distinct areas, but the common themes are resourcing, capacity and trying to foresee numbers while at the same time building efficiencies, because we recognise that resourcing will be an issue for everyone.

Members will also have had an update from our six-month point. We found that really helpful to do

because it gives a sense of progression. We even have an update on some of those figures. I know that members have had a particular interest in the backlog of unallocated complaints that we started last year with.

At that point, I will leave things open for questions. I hope that we will cover all four areas.

The Convener: Thank you very much for that introduction.

If we do not ask the right questions for the things that you want to get on the record, please make sure that you get them on the record anyway.

In your opening statement, you mentioned the volumes of complaints received. I am interested to learn a bit more about that. You have written to us about the unprecedented increase in public service complaint numbers so far in 2023. Do you have a sense of why that is? What trends are you observing?

Rosemary Agnew: By the time we started the current year, we were seeing numbers creeping up and, by the time we did the six-month update, we were fairly close to where we were pre-Covid. However, in the past two months, the number of public service complaints received has increased by 40 per cent.

It is easy to say that Covid was the factor in all of that. In 2022-23, we probably saw the legacy of Covid in that it disrupted our service and our ability to get information from public bodies, because their services were disrupted. However, I do not think that that was necessarily the underlying issue; I think that it was an exacerbating one.

Services were already under pressure prior to Covid. There were already complaints about waiting times for elective surgery and concerns about the scope, value and quality of public services. Covid exacerbated some of those existing issues.

The two things that have been significantly different have been the double whammy of the cost of living and inflation, and public expectation. Certainly, the cost of living and inflation taken together did not just increase day-to-day living costs for people; they increased the costs to public bodies in delivering their services. Then, with inflation not reducing as quickly as everybody expected, even when the cost of living started to go down slightly—it is unlikely that it will go back to where it was—the spending power of what is left is reducing. When we combine all of that with coming out of Covid and the impact that it had on public services, we see that people are partly worried and partly frustrated.

We see that in pockets of things. We do not so much get people saying, “I can’t see my general

practitioner,” which maybe we were getting more of during Covid. I do not know how to describe it. It is not about losing patience; it is about the frustration of not being able to get the service. That manifests itself in complaints. My colleagues who have worked with complaints know that, when money gets tight, complaints tend to go up. It is about all those things, not just one of them, and I do not see the demand on our service getting noticeably better for the next short while.

I do not know whether anybody wants to add anything to that.

Niki Maclean (Scottish Public Services Ombudsman): I agree with that. At times, there will be large volumes of complaints about a specific issue. In those circumstances, we would take one lead complaint. However, that is not what we are seeing at the moment; there is a general rise in complaints across the board. Obviously, if there were large volumes of complaints about a specific issue, we would manage it in that way, but that is not what we are seeing, and we are not able to batch cases in that way.

Andrew Sheridan (Scottish Public Services Ombudsman): Through the networks, my team is picking up that public bodies are definitely feeling more stretched, and they are seeing more complaints coming in. We try to support them through engagement activities, sharing practice, and giving a focus on resolution-based approaches to complaints. However, the volume of complaints is still increasing, and we get the feeling from public bodies that they are feeling stressed and stretched. It is just a perfect storm at the minute.

The Convener: That is a good point.

Rosemary Agnew mentioned that Covid disrupted the ability to get information from the public sector. Your website says that there is still a four-month delay. Aside from the inability to get information, did Covid create a delay in anything else?

Rosemary Agnew: We were like every other public body. Covid affected our capacity, because our colleagues had home schooling to do. Do you remember home schooling? We caught Covid as well. For the first three months of the first lockdown, there was the adjustment to working in a different way.

Members can see that we had a much more stable environment in the reporting year that we are discussing. We have been much more geared up to working at home or in a hybrid way, but that still took time, given the disruption to our staff and our ability to work.

The Convener: Thank you very much for that.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning to you all. It is nice to see you.

I want to ask Rosemary Agnew about the number of complaints that went through the investigation stage prior to her being in post. I think that there were 800 or so. After you came in, that seemed to drop to 192. I invite you to reflect on why that was and what happened there. Why are so few cases being investigated?

Rosemary Agnew: At the outset, it is probably worth saying what the word “investigation” means, because it has a specific meaning in the Scottish Public Services Ombudsman Act 2002. That is a formal step in which notice is served on the public body and a more formal investigation is done.

In the everyday sense of the word “investigate”, we do not investigate fewer cases. Over the past couple of years in particular, we have been doing a constant review of our own service. As a result of model complaints handling and engagement work, we are seeing much better investigation at the local level than we have seen over the years for all sorts of reasons, and we have adjusted to that.

Yesterday, I was reading the Crerar report. One of the things that it said was that more complaints handling should be done at the local level. That is what we have achieved, and we are seeing the benefit of that.

There are some complaints that will not go anywhere because they are out of jurisdiction. However, once we have established whether we can investigate something, we look to see whether we should investigate it. It is not that we do not do any work on the complaints—we do quite a bit of work on some of them—but, at that stage, we explore what has gone on before us. We will often get the complaint file from the public body, and we will certainly follow up to see whether it has done what it said that it would do. If we see evidence of a good investigation and we can achieve no more for the complainer than has already been achieved, because learning has taken place or a remedy has been put in place, it does not seem fair to put a complainer or a public body through a more in-depth investigation that will pretty much repeat what has already been done and get to the same place.

There is a fail-safe in that, which is that we also consider the public interest. If there is something that requires us to go through the 192 cases that Willie Coffey mentioned because there needs to be a public report, that is what we will do.

The approach enables us to be much more proportionate in how we use our resources for benefit across the board. The important things are that learning must be captured and the remedies

that are promised must be put in place. If we come across something where that has not happened, we will progress that.

If I were a complainer, I would be saying, “Are you just doing what the public body says that it has done, or are you just not looking at that?” We call it an inquiry, but it is often a mini-investigation, essentially. Such decisions are made under my delegated authority, so I do not see those cases day to day, but there is a right of review. If the complainer or the public body is unhappy with the decision, they can ask for the case to be looked at by me. There is not a huge number of such cases, but occasionally we will do a bit more investigation, and we are open to reopening a case in order to look at it further. That, combined with our quality assurance and the other measures that we have in place, is a much more cost-effective and effective system.

If a public body has said that it will do something and that addresses the issues that were found, and we then do an investigation, it could be quite a long time before somebody gets the remedy that they are due. In the round, we do not do 800 in-depth investigations, but I think that we get better outcomes now, because we focus our resources on where they are most needed.

09:15

Willie Coffey: Okay. May I stick with that for a second? Let us say that 800 complaints were valid in the past and now the number is 192. Where do the others go? Are those complaints being pushed back to the public body—a local authority, for example? Members of public who make complaints to the ombudsman often think of the ombudsman as being their last port of call. They say, “We have to go to the ombudsman.” Do you write to those complainers to say, “We’re not dealing with that. We think it’s better dealt with locally by the public body or the council.”? If so, what message does that give to members of the public who want to use the ombudsman as an independent arbiter on some of those issues?

Rosemary Agnew: I am sorry; forgive me. I made an assumption. The process is that model complaints handling requires the public body to look at something first. If somebody comes to us with what we call a premature complaint, we will signpost them back. We can give help and support if they do not get a response.

Generally, a complaint comes to us when it has been through stage 2. The public body will have a complaint file, and it will have done an investigation. Often, the ones that we send back at the preliminary stage, when someone has made an inquiry and is wondering where they should go, do not come back to us.

We are, in effect, the third stage of the complaints process, and people know that. There is a duty on public bodies, under model complaints handling, to signpost people to us. However, the best and quickest remedies are often those that take place at the local level, because instant action can be taken. Local authorities in particular resolve a lot of their complaints at that very early stage. Basically, they just put things right.

I cannot remember the numbers. I do not know whether Andrew Sheridan can.

Andrew Sheridan: I will add a little bit to that.

Two things have helped to reduce those numbers. As Rosemary Agnew said, we have focused on signposting with public bodies and making sure that that takes place, but only after a complaint has gone through their process first.

I think that I said the last time I was here that we have relaunched our training offer for public bodies. We now offer two different courses, on good complaints handling and investigation skills. Through those courses, we have focused on what makes good complaints handling.

There has been a focus in all public bodies on putting their everyday complaints handlers through the good complaints handling course. Some 425 people have signed up in the past year. For the investigation skills course, we have had almost 500 officers from local authorities and bodies under our jurisdiction, and we take them through the whole process.

That is part of what we have taken from learning and improvement. We have taken things back to the public bodies and said, "This is what makes good complaint handling" to stop complaints escalating to us. Obviously, if somebody is still unhappy, there is signposting. We say, "This is what you should do. This is how you get to a good resolution, and this is how you agree on it." We take people through that step by step.

We are going to start to refine that through sector-specific training. At the moment, we offer courses on good complaints handling and investigation skills, but the feedback that we are getting is that more specific examples would be helpful. We are seeing that impacting on the complaints that are coming through. People are handling them better at that stage.

Willie Coffey: Are the public happy with that change in emphasis? Are we tracking their overall satisfaction with the complaints process?

Rosemary Agnew: We have revised our approach to customer feedback. Traditionally, we asked for feedback only after we had done an investigation. Clearly, we now have a lot more closure points that mean that we do not proceed any further, so we will relaunch the feedback

process next year. The two current indicators are complaints about our service and, probably more so, requests for reviews of initial decisions. Compared with the number of cases that we deal with, the number is very small. It is like everything else: there will be some people who are very unhappy, some who are very happy and those in between. The key is explaining and explaining well.

There is a communication challenge, because, although we are not saying that a complaint is unimportant—in fact, we are saying the exact opposite: the complaint is really important—it might be that we cannot do any more for the person. Sometimes, though not frequently, that ties in with the expectation of what an investigation can achieve. For example, after looking at a complaint about education, we cannot say that a teacher must be sacked. There are occasions when the outcome is not what somebody wants, but we are not talking about lots and lots of people. However, those people are often the most vociferous, which is absolutely right, because if we are not challenged, we will not review ourselves and look at whether we could have communicated better.

In relation to cases that are resolved or addressed and do not result in a large investigation, we are increasingly trying to find a resolution where both parties are happy with our intervention to put something right, as long as there is learning. A good example might relate to an issue with a housing repair. Rather than carry out an investigation into whether a housing association should have done it, we might just phone up the housing association and say, "We have this complaint. You have already acknowledged that this should have been done. Will you just put it right?" It sounds counterintuitive, but our approach has changed from being process focused to people focused, which can only be a good thing.

Niki, do you want to add anything?

Niki Maclean: The only thing that I want to add relates to premature complaints. When we receive premature complaints, we tend to signpost the complainant back to the public body. However, if it is clear that the process is very frustrated, that there is a long-running issue or that somebody is having real difficulties and challenges, we certainly take into account any vulnerabilities that the person is experiencing. We consider taking such cases, even if they are premature. We do not often do that, for the reasons that Andrew Sheridan explained, but we have the authority to do so.

As Rosemary Agnew said, we use the term "investigation" advisedly, but when it comes to cases that do not involve fully published investigations, 63 per cent of the cases on which

we seek advice are at that initial advice stage. That illustrates that it is not that no investigatory work goes on in such cases; we seek professional advice and look at the cases carefully. In communicating our decisions, our findings are sometimes 16, 17 or 18 pages long—arguably too long—and incredibly detailed. As Rosemary Agnew said, the numbers and terms might not describe the extent of the work that goes on at that phase.

Willie Coffey: I certainly think that it is important to keep track of public satisfaction with the process, if that is possible.

My next question might yield the same answer, but I will ask it anyway. We have information that suggests that, last year, only 25 out of a possible 1,151 local authority complaints were closed after the investigation stage. Again, the question arises about why so few local authority complaints are investigated. It is quite a substantial difference. I invite you to explain that, if you can.

Rosemary Agnew: A range of things are assessed before we decide whether to proceed. Local authorities were the first to have model complaints handling procedures. They are also the network with which we have had the most contact over time. Part of the explanation is that we see good complaints handling in the first instance.

Another issue relates to the breadth of services that local authorities cover. As Niki Maclean described in relation to professional advice, with a lot of complaints—those on planning, for example—we are limited in what we can investigate. Our initial advice might be that everything that has happened up to that point is exactly what was said should have happened, so we would not proceed further in those cases.

I could not tell you chapter and verse why the figure is as you said, but I think that it is down to a combination of issues: the types of cases being so diverse, the length of time and the existence of a very active network group. Andrew Sheridan and his team work with that group, and it is good at sharing good practice and is proactive in comparing and monitoring stats and stuff like that. I think that it is something to do with the sector itself, as well as the complaints handling.

Andrew Sheridan, do you want to add anything about the network group?

Andrew Sheridan: I will just add that it is a very active network. When it meets, it splits into family groups that share trend analysis of the data that they have captured on complaints handling. They now actively share good practice with one another, now that we have established that conversation. We go along to support that and share more relevant or up-to-date examples of support and learning that have been put in place. As a network,

it is now doing that itself in small family groups, and we are there to support that.

It is the network that probably engages most on any tweaks or changes that we make to guidance documents or information that is shared. It is quite embedded in the language, and it understands the process really well. Of all the networks, it is the one that is furthest down the route of good complaints handling, as Rosemary Agnew said, and good outcomes. It now focused on taking a more people-centred approach.

Rosemary Agnew: That said, we take nothing at face value, so we constantly monitor. Housing, education, social care and planning are the four areas in which we get the most complaints, and the complaints about education and social care tend to be the ones that are most likely to result in an investigation, because they can be more complex.

As I said, we take nothing at face value, so we monitor. By the end of quarter 2 this year, the number of local authority cases was up by 29 per cent. Significantly, for me, the premature rate—people coming to us before they have been through the process—is 28 per cent, which is slightly up. Before model complaints handling, it was 50 per cent. The figure is okay for this reporting year, but we are not complacent, and we will monitor it. However, we can only monitor what people bring to us. The other side of that is that, if you are not happy with something, please progress it to us.

Willie Coffey: Let me pick up on that. As I said, 25 out of 1,151 cases were closed. Can you give the committee and the public an assurance that the other 1,126 have not been dismissed and are being dealt with by someone in a different part of the complaints process?

Rosemary Agnew: I do not have the numbers to break that down by local authority, but we could do that afterwards, if it would help.

I will give you an indication of the cases for which we did not do a formal investigation—sorry, I am just trying to find the numbers. In the reporting year, 1,915 cases were closed after the initial stages. Of those, 1,288 were closed because of good complaint handling. Therefore, a significant number had already been through a good complaint process. In 376 cases, the investigation looked reasonable, although the complaint was not upheld, and we could see nothing more that could be achieved for the person. We resolved 44 cases, and our resolution rate is rising.

That means that the number of cases that we did not look at in great detail was very low—probably under 150. Of those, we accepted 110, but we sent them back. We said that they were

valid complaints, but we formally returned them to the organisations and told them to investigate. Obviously, we talk to complainants when we do that.

Therefore, the vast majority of complaints involve some form of investigation, but they do not come under the formal investigation category. If I could change some of the language in the legislation, I would do so.

Willie Coffey: Thank you very much for your responses.

09:30

Pam Gosal (West Scotland) (Con): Good morning, panel. In the past seven years, complaints regarding the services of the Scottish Public Services Ombudsman have doubled. The SPSO has largely put that down to the backlog, which is in the process of being cleared. What steps does the ombudsman plan to take to lower the volume of complaints? That question is for you, Rosemary.

Rosemary Agnew: That is a good question. I am not sure that I would necessarily try to lower the volume of complaints, as they are a valuable source of feedback. Of course, we would like fewer, as that would demonstrate that our service is there to be accessed.

In the past few years—at least, since I have been in post—we have adopted the equivalent of the model complaints handling procedure, with an identical two-stage process. Obviously, we cannot have a third stage, as that would involve the ombudsman, so we contract an independent person to do that third-stage investigation for us. That is the process, and we would treat that person's findings, whatever they might be, as if they had been established by an ombudsman—that is, we would look for improvement and, obviously, feedback.

Delay has been a big issue, certainly in this reporting year; however, we have reduced the number of complaints in that respect, partly by reducing that delay but also by managing and communicating things better. Over and above that, I think that what we are seeing is a reflection of what all public service is seeing. There are other factors—it is not just about us. When a delegated decision is made, and there is a right of review, what we often see is the person engaging with the review process and then, if their complaint is still not upheld, their switching to a customer service complaint process. I completely understand that: you will try everything that you can to get the answer that you want to hear.

For me, part of this is about listening to what people have to say. We would like fewer

complaints, because they use our resources, but it is important that we monitor the trends first of all and then monitor whether any specific subject areas are arising. As delay was the only theme that appeared throughout, we have tried to learn how to tackle it. There are delays not only in unallocated cases but in other areas of casework; indeed, one of the reasons for having unallocated cases has been the knock-on effect of investigations taking us longer. Because reviewers had more old cases, we could not allocate the new ones. We have done both together, and we are seeing a reduction in that respect.

With regard to other reductions, there is a combination of issues to address. For a start, it is not just about what is being complained about, but about the type of complaint itself. Very often, the same person is making the same complaint about everybody with whom they come into contact; I want to help them understand that we are giving them a good service, but that we cannot always tailor it 100 per cent to every person. We try to engage and make reasonable adjustments, as far as we can. At the beginning of a complaint process, we actively ask, “Is there anything you need us to do or communicate differently?” Sometimes, it ultimately comes down to the fact that we cannot please all of the people all of the time in every way, but we do try very hard.

Pam Gosal: You have said that, sometimes, the complainer can be the same, with complaints in the four areas or challenges that you have talked about. How often does that happen? Do you get a lot of repeat complainers rather than different—I would not say “new”—complainers?

Rosemary Agnew: It is not a huge number—we can probably recall who they have been over a two-year period. The issue is more to do with the volume of complaints and the similarity in what they complain about. Their complaints are often the same or very similar, and I find that quite challenging, because I want to help people move on. However, there comes a point when we—and the public body—can do no more.

It is not quite a non sequitur to talk about reducing times and constantly reviewing our processes—we do a lot more agile testing of new ways of working—but we are currently testing and working on a process to make sure that, instead of our taking 10 complaints over a few months, we address the basic and central issue. It is not that we do not want to take every complaint, but doing so does not help the complainer, fundamentally; it does not help us; and it sometimes does not help the public body, either, to have the same issue going round and round, sometimes for five or six years, without anybody getting any further on.

There is no single answer to this question. We try to do everything that we can while sticking to our value of being people focused.

Pam Gosal: Thank you.

Miles Briggs (Lothian) (Con): Good morning, panel, and thank you for joining us. I want to return to the question that Willie Coffey asked about the trends that you outlined. Has there been any national analysis of what trends there have been since the SPSO took over the role of standardising complaint procedures in 2010?

Rosemary Agnew: You have to have data to analyse trends, and our engagement through the networks enables us to analyse trends in particular sectors. Like many sensible organisations, we do horizon scanning and look for wider societal trends, because there is often a correlation between those things and our complaint numbers. In the past two years, we have shifted our approach to how we use our information; Andrew Sheridan's team has an insights officer, who is able to pull together all the bits of information—not just numbers but recommendations that have been made and the themes within recommendations. Indeed, communication is an eternal theme amongst all public bodies.

That also enables us to identify from our data whether, proportionally, we are getting more complaints from one public body or sector than another. We couple that with our support and intervention policy—with the focus on the support element—to see whether there is something that we can do or offer to that organisation or sector to address some of the trends. During the reporting period, we identified a trend of delays in health complaints—indeed, sometimes, they were not even being looked at—so we proactively wrote to national health service boards a couple of times to highlight the issue and to offer support on how to address it during the Covid lockdowns and times of high demand. As part of our policy, if an organisation needs to improve but is not doing anything, we have different powers to address the issue under the complaint standards.

At the moment, we cannot analyse the reports of all bodies, which is partly a resource issue and partly to do with the way in which the organisations are set up. We do it for the whistleblowing function, because that involves fewer public bodies and because there is a requirement to publish annual statistics in that respect. We incorporated in the whistleblowing standards an annual reporting requirement, so we see all the annual reports for whistleblowing.

What we do not see in the same way are all the wider annual reports, because we are simply not resourced to be able to say to every single public body, "Send us your annual reports so that we can

analyse them." Undoubtedly, there will be a technical solution to all of that somewhere down the line. I think that, when I was the Scottish Information Commissioner, we managed something along those lines, but, ultimately, it comes down to the benefit of doing it. Right now, we get enough from our own data to be able to do the intervention, the training and the development.

Miles Briggs: Thank you for that.

The relationship that you have developed—that is, of being closer to bodies that people are complaining about in order to try to speed up the process—has attracted comment. For example, in 2014, Professor Chris Gill, who is now at the University of Glasgow but was formerly at the SPSO, wrote about not only those new responsibilities and engagement with public service bodies but the need to demonstrate sufficient independence during that period. What safeguards are you making sure to embed in that process?

Rosemary Agnew: I would use the word "closer" advisedly, as it implies a different sort of relationship. If you look at our investigatory and welfare fund work, you will see that we make our decisions independently. Our findings are our findings, and they are not negotiable unless there is some form of material error—that is very clear. We do not talk to public bodies about specific cases, unless, obviously, we are investigating something.

Andrew Sheridan's team has officers who give advice and guidance about complaint handling generally. It is almost as if there are two tramlines. The first is about our making it clear that, as much as we want to get on professionally, I am the ombudsman, you are a public body, and my staff and I act independently and objectively, while the other is about our wanting to improve the process for everybody, so we will give general advice, guidance and training.

It brings me back to something that Mr Coffey touched on. Our challenge at the moment is how we communicate on those cases that do not make it all the way through to the big investigation. We have to be able to convince and demonstrate to people that such decisions are taken independently; we do not go just on what the public body has said, simply because it said it. I think that we still have a challenge in communicating that. There are no Chinese walls—it is all about being professional and recognising the limits. We will always make decisions independently. If you were to take any of my investigation staff and cut them in half, they would say "independent" in the middle. We are all really conscious of that.

I am well aware of Professor Gill. His advice was very timely; with the complaints standards stuff, it would have been very easy to get too close. However, even with the network groups that we mentioned, we do not run those; instead, we are invited to go and speak to them, so we are not necessarily there for everything that they talk about.

At a different, more senior level, Niki Maclean and I have had to go and speak to public bodies about complaints handling or trends that we have noticed. In that case, it is a bit of a combination of the two tramlines that I mentioned. We say, "This isn't good enough, but we'd like to be able to help you help yourself."

I do not know whether that helps at all.

Miles Briggs: It does. I did not want to pick over all of Professor Gill's comments, but I thought that they contained some interesting pointers, as you have said. He expressed a specific concern about the new responsibilities that SPSO has had since 2014, saying:

"we should be asking whether such roles will help or hinder the ombudsman institution in fulfilling its constitutional role".

Have you considered the points raised in those comments, given your new responsibilities?

09:45

Rosemary Agnew: If we are talking about what has happened since 2014, I should say that I became the ombudsman in 2017 and, since then, have taken on the whistleblowing stuff. We are also likely to develop child-friendly complaints.

The fact is that we learn so much from stakeholder engagement and from actually doing the work. It is very good advice to consider that relationship, as it alters slightly each time, but it is definitely a help, not a hindrance. It would be a hindrance, if you did not do it well or professionally. If you come at it with the approach that we take to our values and our strategic aims for learning and improvement, you see that it is about building capacity, too—not just our capacity, but the capacity of the complaints system. That takes us all the way back to the Crerar review, which recommended better complaint handling locally. They all fit together in a different way. It is definitely a help, though, not a hindrance.

Miles Briggs: That was helpful. Thank you.

The Convener: I have a couple of questions around the public petition relating to the SPSO, which the Citizen Participation and Public Petitions Committee is considering. Among other things, the petition calls for an independent review to

"establish whether the current legislation governing the SPSO is fit for purpose."

Given that you are also pushing for legislative change, I would be interested to hear whether you agree that, 20 years after the legislation to set up the SPSO, a review might be required. If so, who do you think should conduct that review?

Rosemary Agnew: How long have we got? I absolutely and fundamentally think that there should be a review. I have been trying, almost since I came into office, to get that review. There are a number of reasons for that. From a complainer point of view, the Scottish Public Services Ombudsman Act 2002 was written at a time when everybody did everything in writing and kept paper files. I do not think that it is adaptable enough, or as adaptable as it should be, for the different ways of delivering services and making complaints. Each time that we have had a new function, something has been added to the act. It is an incredibly messy piece of legislation to read now, and there is something about making it clearer. It is not just lawyers who read legislation.

Within that, though, there are some areas where, as an ombudsman's service and organisation, we are not keeping up with our colleagues in other areas of the UK and across Europe. That relates to own-initiative investigations, which I will not go back to, because we have talked about them before. There are other things that would help, but they may not be as obvious. It almost goes back to the relationship point about being able to share information differently with other scrutiny and oversight bodies, because as public services become more complex, the scrutiny and oversight of those services becomes quite complicated. There needs to be a review of how those bodies are enabled to work together, because it is often the legislative things that get in the way.

I will leave the point about who should conduct a review to the greater and better, but I cannot see that parliamentary scrutiny of our legislation would go amiss.

The Convener: It would certainly kick things up in the air or get things started, would it not? You mentioned that you are not going to go over the own-initiative investigative powers, and we discussed that when you were here earlier this year. Just to get it all on the record, can you say what you think the ombudsmen in Wales and Northern Ireland, for example, and other international schemes are able to do that you are not able to? Do you have a sense that the lack of own-initiative powers hinders your ability to fulfil your responsibilities?

Rosemary Agnew: I can investigate a complaint at whatever stage only if it is brought to

me. If somebody does not complain, I cannot investigate. Under own-initiative powers, you are able to investigate of your own volition something that is in the public interest. Someone could say, "Can't you research it now?". You can, but own-initiative powers and the other things in the act that come with them, such as being able to compel evidence and information, enable you to focus on an issue, a demographic or a theme without having to focus on a particular public body. It also means that you can word an investigation in such a way as to get to the issue that you are trying to look at.

Sometimes, with complaints, you have to go with what the complainer is complaining about. The benefit of an own-initiative investigation is that you can do one investigation that is cross cutting in one way or another. You do not necessarily have to do this or that, but it can really highlight an issue or underlying themes that may prevent other complaints or help other complaints and complainers. The other benefit is that that is a far more effective use of resources. You might achieve with one investigation what you could not achieve with 10 or 20 complaints.

Fundamentally, the way in which you choose and decide what to investigate ties in with what Niki Maclean said about people who are in vulnerable situations. I am as interested in knowing why some people do not complain and whether the complaints system as a whole serves everybody as it should. You can look at very different issues. To go back to textbook phrases such as "A voice for the voiceless", own-initiative investigations would give far more of a voice to the voiceless than our being able to look at only the complaints that come to us.

The Convener: That is certainly a good point: not everybody complains, but there are people who are sitting on something with which they could really do with some help and support. Thanks for unpacking that a bit. It was very helpful.

Marie McNair (Clydebank and Milngavie) (SNP): Good morning, panel. Rosemary, in your opening remarks you touched on what you are doing to develop child-friendly complaints. You may want to expand on that a bit.

When we heard from you last year, you talked about vulnerable groups who did not make complaints, and you referenced them a second ago. We do not know what the barriers are to making complaints, but what are you doing to reach out to those groups and individuals?

Rosemary Agnew: This will not be in the most recent report, but, this year, we have partly refocused our stakeholder engagement strategy on trying to identify how we can get better contact. We have a number of individual initiatives, and I

will ask Andrew Sheridan to talk about one that is related to data.

We have been working jointly with the Northern Ireland Public Services Ombudsman and a couple of academics, one of whom you know. They are looking specifically at how to identify people who are in vulnerable situations. We have had a couple of workshops with them. They will be developing some resources that we will host on our website to provide advice for public bodies. Although we would like to have greater contact, it is about how, on the front line, there is more support for complaints. It is a work in progress. I will ask Andrew Sheridan to talk about the data bit of it.

Andrew Sheridan: The insight officer in my team started to look at all the stats from last year. We pooled all the complaints that came in and broke them down by local authority, and we used the deprivation index to target the complaints that were coming from people in deciles 1 to 4, looking at the most vulnerable deciles to begin with. We drilled into that to look at from which sector the complaints in those deciles were more likely to come.

We now have a vast amount of data that will help us direct our engagement over the next year. For example, we can look at a local authority and see that people who are experiencing the most vulnerabilities in those deciles are more likely to complain about housing issues. That allows my team to engage with those public bodies and support them with what the issues are and how we can help them to have better complaints handling. The key thing that Rosemary Agnew touched on is the hidden data, and that is the bit that we are trying to pull out now. We can see the data across the 32 local authorities and, if a local authority does not have anybody in decile 1 and 2 complaining about a service, we can ask why that is the case. It might be that that public body is doing a fantastic job and there is nothing to complain about, but it might be that the process is not right for it.

We could go 100 miles an hour and go down every avenue on this, but we are trying to pull it back to look at how our materials are supporting public bodies and members of the public to access a service. Is it that the language is not right? Do we need to look at using easy-read materials? Do we need to look at how we are communicating to bodies that are under our jurisdiction, which relay information back to members of the public? Myriad projects can come out of the draft of data that we have pooled.

We have only been doing that this year, and the key factor for next year will be the engagement that comes out of that. That will be driven by the data, so my team will actively look at where we can have the biggest impact and where we will get

the most from the data to improve complaints handling.

Rosemary Agnew: I talked about the fact that we do a lot of very quick small projects. For example, it is quite challenging to communicate with, and make complaints for, prisoners, so we completely reviewed the literature for prisoners and followed the advice, because there are low rates of literacy in prisons.

I assume that Marie McNair is still with us remotely even though I can only see her name showing.

We reframed that literature using guidance from the Dyslexia Association on how to communicate. There has not been a big-bang moment for everything; we are just trying to do it within our resource as much as we can individually.

Niki Maclean: We take all our welfare fund applications over the phone, whereas that is not the case at the first-tier review stage for local authorities. For example, some local authorities have freephone numbers, but not all of them do. As Rosemary Agnew said, the issue obviously is about providing easy access to our service, and we have worked really hard with our teams to make sure that, across all three areas of casework, that happens through regular training and feedback. It is also about how people access the public services themselves, and there is more work to do, particularly on the welfare fund.

Marie McNair: One of my constituents raised an issue about a complaint not being accepted because it was made in the name of a local community council. What avenue does a community council have to make a complaint if it is about a local authority?

Rosemary Agnew: I would find it difficult to answer the question without it being obvious what I was talking about. Would it be possible for me to write to you about community councils? It is quite a complex area, and I would rather make sure that I give you the right answer than try to edge around it, if that is okay.

Marie McNair: I would certainly welcome that. That would be really helpful. Thanks.

I will move on to my last question. Earlier in the year, you said that you had started to log complaints about housing repairs, specifically about dampness and mould. The committee is very interested in that. You said that the numbers were very low. Can you advise the committee of what you are doing to find out what complaints there are? Has there been a big jump in numbers?

10:00

Rosemary Agnew: The first thing that we did was to start logging them in our case handling system. When we spoke to you in May, we had 10 cases logged; that figure is now 39. Obviously, they are going up. Statistically, what is interesting is that 17 of those were premature cases, which meant that the issue had not even been looked at or addressed at local level. That is probably due to a combination of not knowing where to complain and not knowing how to push that. We have cases in the pipeline, obviously. Some of them are still under investigation. In six of them, when the complaint about damp and mould was made, they were properly investigated at the local level and addressed.

We are finding that—this is a generalisation, and it is only a small number—organisations are responding to concerns. We have not had to do a really big in-depth investigation yet—I will always say “yet”. Some of that will be driven by the publicity about it and, because of the way in which the issue has emerged publicly, it is less likely that we will see a public body not looking into a case, because of the implications. At the moment, we are tracking the cases and saying, “Watch this space.” Yes, they have almost quadrupled in number.

Marie McNair: Thanks for that. Back to you, convener.

The Convener: That is the end of our questions, but you said at the beginning that you wanted to cover certain areas. We have a little time, so, if there is anything that you want to highlight or make sure that we really hear, you are welcome to do that.

Certainly, what I have been hearing from you is that you are taking, in general, a very proactive approach and doing pre-emptive work, all of which is being effective, and you are going for a people-centred approach. I love the idea that, rather than being stuck with the process and following that to the end, you are actually looking for the solution for people and meeting that need. It is tremendous that that is beginning to work out.

Rosemary Agnew: I want to highlight a couple of things. The first is the work on the Independent National Whistleblowing Officer. I am sort of running out of voice. Niki Maclean, would you like to do that and touch on the current state of unallocated cases? There is good news there.

Niki Maclean: I am happy to give a brief update on INWO, which is in its second year. A lot of work, including work with boards, went into the preparation for that. Earlier, we talked about the annual reporting process. Unlike with public service complaints, we have been able to analyse the first set of annual reports on INWO, and that

has been able to direct the activity that we have undertaken with boards, including producing guidance for them on what they need to consider.

At the moment, one of the challenges for boards is how they report the learning from the cases while protecting the confidentiality of the parties involved. We are still learning from that. We had a successful second speak up week in October, where the focus was on how you ensure that you are driving learning and improvement from those cases and sharing that more widely across organisations.

Some of the investigations are proving to be complex in nature, and we are using a wider range of investigative techniques than we would normally use on public service complaints. Our INWO team is a relatively small team of around five people. There is learning on our part, and, as we undertake cases, we are working well with public bodies and carrying out reflective reviews of them. You will see from our website that we publish findings.

All that is just to highlight the fact that there is still work to do in this second year. We are very much finding our feet in the investigative processes that we use.

The Convener: Thanks for that. That sounds like a positive direction. I remember seeing promotion for the speak up week in October, so it cut through, even for someone who is very busy.

Rosemary Agnew: Finally, I know that the committee has an interest in our unallocated cases. As of yesterday, 288 cases were awaiting allocation. Those are obviously not the same 288 that there were at the beginning of the year. That figure is in the context of a 40 per cent increase in the number of cases coming in.

The systems that we have put in place are working effectively. It is marginally under four months before some cases—I have to stress the “some”, because we prioritise cases, and they will be allocated in half that time—are allocated. It is not ideal, but we are still seeing the direction of travel, and it has been a helpful learning experience for us in how we manage that and keep the throughput of work going. At the same time, we are still working on making sure that we do not have lots of older complaints by the end of the year. The direction of travel is still right. I had hoped that it would be a little quicker, but I did not anticipate quite such a big rise as 40 per cent.

The Convener: That is great—thanks for that update. Willie Coffey wants to come in.

Willie Coffey: I will follow up briefly on Marie McNair’s question on dampness and mould. Are you aware of authorities that still regard complaints from tenants about dampness and

mould as being about condensation and therefore do not categorise them as dampness and mould? We have had that problem for many years, and some of us who have served in local authorities have experience of it. It appears that dampness and mould was not recognised as a danger that should prevent a council from allocating a house in that condition. I would not like to think that it is still the case that people’s complaints about dampness and mould are being disregarded as being about condensation only. Could you say anything about that and about whether we are gathering such complaints fully and properly now?

Rosemary Agnew: I do not have the data to say absolutely one way or the other. It is unfortunate, in a way, that dampness, mould and condensation are three different things—they may cause each other, but they are not necessarily the underlying issue. I would come at it from a slightly different perspective. We are seeing better handling of complaints about those issues generally, and, in fact, no complaint that has come to us in the current year—we are tracking it this year—has raised that as a major issue. That does not mean that such complaints will not reach us, but the theme, as I recognised it in the past, has not come through.

Niki Maclean: I am sorry—I was looking at our policy officer who knows the cases in more detail than I do. Dampness and mould have not been raised through a case, but we will alert our teams to make sure that we look out for it so that we can capture it as an issue.

Willie Coffey: Okay. Thanks for that.

The Convener: That concludes our questions. It has been helpful to hear from the SPSO again, and I am glad that we were able to move the session to this side of the year, when the report is fresh in your mind, rather than six months on. Thank you very much for your evidence today. I will briefly suspend the meeting to allow for a change of witnesses.

10:09

Meeting suspended.

10:13

On resuming—

Scottish Housing Regulator: “Annual Report and Accounts 2022-23”

The Convener: We turn to agenda item 3, under which we will take evidence on the Scottish Housing Regulator’s “Annual Report and Accounts 2022-23” from George Walker, who is the chair of the Scottish Housing Regulator, and Michael Cameron, who is its chief executive. I also welcome to the meeting Paul Sweeney MSP, who has joined us for this item.

I begin by inviting George Walker to make an opening statement.

George Walker (Scottish Housing Regulator): Thank you very much, convener. I might take a minute or so more on my opening statement this time than I have done previously, because so much has gone on since we published our annual report. I hope that that is acceptable to the committee. I promise that I will not drone on for too long.

Thank you so much for inviting us to present the annual report for 2022-23. As you will know, we published it in October, but so much has happened since March—the end of the period that the report covers—that we want to draw your attention to some of those important developments. I will start with homelessness, before sharing some analysis on new build and what is happening there. I will also update you on reinforced autoclaved aerated concrete—RAAC—which is an issue that is pretty hot off the press.

We have previously spoken about homelessness. In February, in “Homelessness services in Scotland: A thematic review”, we said that, for some councils, there was

“an emerging risk of systemic failure.”

That was a significant statement. Since then, the Scottish Government has published statistics that show an increase in the number of homelessness applications. As we sit here, the number of people in temporary accommodation—including children—is the highest on record, and they are spending longer in temporary accommodation than they did in the past.

Our on-going engagement with councils on the delivery of services for people who are homeless has found that breaches of statutory duties are now a regular occurrence in some councils. In the annual assurance statements that have recently been submitted to us as the regulator, 14 local authorities state that they do not always fully

comply with their duties, and some acknowledge that they are not always able to meet their duties to people who are homeless.

Our analysis of registered social landlords’ recently submitted annual returns on the Scottish social housing charter has identified that fewer existing homes are becoming available and that, when they do, they are staying empty for longer. The net effect is that fewer homes are available to let.

In addition to the issue of people who are already in temporary accommodation, some councils are concerned that there will be additional demand for homelessness services as a result of the Home Office’s initiative on streamlining the asylum process.

We see that, in some areas, the demand now certainly exceeds the capacity to respond. We are now of the view that there is a systemic failure in the services that are provided by some councils, and that there is a heightened risk for other councils.

We will, of course, continue to monitor, assess and report on homelessness, but we recognise that systemic failure requires an intervention beyond the regulatory powers that have been given to us by Parliament. Yesterday, we published a statement updating our thematic review to reflect the current position with regard to systemic failure in some of the homelessness services that are provided by some councils. We, of course, stand ready to work with the Scottish Government and stakeholders to address the acute issues that we see in homelessness.

We were very aware of Parliament’s recent debate on housing. Our view is that the context for tenants and social landlords has never been more challenging, but social landlords have worked hard and have kept rent increases in the past few years to levels below the prevailing rate of inflation. That has undoubtedly been of immediate help to tenants who are struggling to manage household finances. However, rent arrears are at the highest level since the introduction of the charter, and landlords are facing real pressures in funding future investment in their tenants’ homes and in services.

Related to that, I want to highlight our recently published analysis of registered social landlords’ five-year financial projections up to 2027-28. In that, we can see a reduction in the number of new homes that RSLs will build and in the number of RSLs that plan to build. That is due to cost increases in construction and the impacts of the cost of borrowing for RSLs. They are also planning to cut back or delay investment in existing homes, which is troubling. Those same organisations are halving expenditure on non-core activities, which

include things such as the provision of welfare and energy advice. The halving of expenditure on those non-core activities is significant. The impact on current tenants and people who are experiencing homelessness could be very significant. That is further evidence of the significant pressures that tenants and landlords are having to cope with.

As you know, convener, we discussed RAAC when we last met. We have been working with stakeholders to establish the extent of RAAC in social housing in Scotland. From our on-going data collection, which we started in October, we know that nine social landlords have a total of 953 homes with RAAC. We will continue to update those figures as landlords conclude their on-going investigations into possible RAAC, and, of course, we are engaging with those landlords that have confirmed the existence of RAAC in homes to get assurance about their plans to deal with managing it.

Finally, I want to report that we are progressing well with the review of our regulatory framework. We started that in June with a discussion paper, and we used the feedback from that to develop specific proposals that we are consulting on. That consultation closes on 15 December. We will consider and cogitate on the feedback from that, and we will produce a final framework in February, for implementation in April. Alongside that, we are revising our corporate strategy, which will also start from April. I am happy to say that the feedback has been broadly very supportive. There is a clear sense that the sector wants stability and that the existing framework has been working well. We agree with that: the existing framework has been working well. At present, although we are engaging with a number of landlords, I am very pleased to report that we have no statutory interventions under way.

The main proposals that we have made are around allowing for us to ask for further detailed information on emerging topics, such as damp and mould, in the annual landlord assurance statements and to seek clarification on regulatory status based on feedback from tenants and, importantly, lenders to the sector.

We will also do a comprehensive review of the annual charter return. Part of that is safety related—we want to collaborate with the sector to develop key measures around safety issues such as damp and mould. That is complex, so a collaborative approach matters. We will wrap that up with work on the indicators that we will use to monitor landlords' achievement of the newly proposed social housing net zero standard, and we will do a further combined consultation towards the end of the year.

Of course, throughout the process, we will be happy to keep the committee updated on our work, via the clerks or by coming to visit, should that be needed. I am sure that you will have questions for us, so I will hand back to the convener. We will be happy to answer any questions or to discuss anything that members would like to discuss.

The Convener: Thank you very much for that very thorough introduction and for getting into some of the detail about homelessness. Thank you, too, for highlighting your awareness of the fact that more data needs to be gathered on damp and mould, which has become an issue that the committee has taken on.

In your opening statement, you mentioned the challenging operating environment for social landlords and the financial pressures on tenants. I would be interested to hear how that has impacted on your regulatory approach and what that means for tenants and other service users and landlords.

George Walker: I am happy to take that. I will start, and Michael Cameron might want to add something.

It is a very sensible question. There is no doubt in our minds that this is probably the most challenging, volatile and uncertain environment that social landlords, tenants and service users have experienced—that is clear. The economic uncertainty and volatility over the past three years have been unprecedented, and, frankly, at times, it has felt pretty relentless. That is what we hear from tenants and landlords. I could give you rhyme and reason on inflation and the Bank of England, but I think that you all know about that, so I will not get overly bogged down in the detail. We know about the effect that that is having.

There are a couple of points to make. We all know that food and drink inflation remains high, despite the fact that headline inflation rates have fallen. The annual rate hit just over 19 per cent in March, and it fell a little to 17.3 per cent in June. The latest monthly data shows that it has slowed to around 10 per cent, which is good, but that simply means that prices are rising more slowly; they are still rising by 10 per cent. Why do I comment on that? I do so because the reality is that poorer households spend much more of their budget on essentials such as food. We know that they are the most exposed to high food inflation. We must not be drawn into thinking that the fall in headline inflation has taken the pressure off some of those poorer households. In many cases, it really has not.

On your point about the whole sector, we are very aware that, for landlords, cost inflation—especially in maintenance and new construction—is running at between 10 and 20 per cent, which is

significant. In our regular meetings with landlords that operate in rural and island areas, we have learned that cost inflation there is even more dramatic. We recently heard of increases in maintenance costs of between 30 and 40 per cent over the past two years. That is just one area where the experience of social landlords is that inflation is running way ahead of the consumer prices index.

I will touch on the fact that the rapid increase in the Bank of England rate to 5.25 per cent is beginning to hit home. About 25 per cent of the borrowing by social landlords is on variable rates, so the rate increase has fed through to increases in interest charges of about £66 million a year. That means that quite a significant chunk of revenue is being hit. There is no doubt in our minds that social landlords have made considerable efforts to minimise the impact of those challenges on their tenants. We can really see evidence of that. They have certainly tried to limit rent increases to levels that are below what they had in their original business plans, which are usually linked to inflation. Of course, that means that landlords will have less income than they originally planned to have in current and future years, which will mean their having less to invest in tenants' homes and services, as we have said.

Another example relates to landlords' wider activities. In my opening statement, I touched on the cutback in wider non-core activities, such as welfare advice and energy advice. Social landlords support tenants in a host of ways and, as I mentioned, we are seeing plans to cut the investment in such support by half, which is quite significant. We recognise that the current context means that social landlords are having to make tough decisions to prioritise what they pay attention to and focus their resources on. Those are the most critical issues for them.

I reassure the committee that we absolutely take those challenges into account in our risk assessment this year, which we went public with fairly recently, and that we will continue to respond to that changing landscape and the challenges that landlords and tenants face. The committee can rest assured that we will focus on the big challenges that tenants and landlords face in the cost of living crisis. We will not do regulation by tick box. We will focus on what is in front of us at the time: the cost of living crisis; affordability, of course; the acute issues around the number of people in temporary accommodation; and the emerging requirements for landlords on net zero, damp and mould and residents' safety. In answer to the final part of your question, the approach that we will take, as a regulator, is to focus on those live issues as they emerge. I hope that that helps.

The Convener: It is very helpful to hear that that is your approach.

You spoke extensively about the thematic review of homelessness, and you covered part of the question that I was going to ask you. You mentioned that a number of local authorities are not able to comply or meet needs. How are you monitoring how those councils are making progress and moving towards compliance?

George Walker: Michael, do you want to take that?

Michael Cameron (Scottish Housing Regulator): Yes, I am happy to pick that up.

As you said, in February, we published our thematic report on homelessness services in Scotland, in which we flagged the very real risk of systemic failure. Yesterday, we updated that statement, as George Walker advised, in order to highlight that we are now of the view that there is systemic failure in some of the services that some councils deliver for people who are homeless. We are engaging with all those councils that we have identified. We will update the engagement plans for each of those councils in order to reflect that current assessment. That will happen in the coming weeks. We will look to all those councils to continue their best efforts to meet their statutory duties towards homeless people and to engage in the dialogue that is going on at a national level to look at alternative approaches to dealing with the most immediate challenges, particularly the acute problems for people who are in temporary accommodation or who want to access temporary accommodation.

As George said, we will continue to work with the Scottish Government and other stakeholders in the area of homelessness to look for opportunities and different ways to address those very real and acute issues.

The Convener: Is the issue the same across all 14 of the councils concerned, or is it nuanced? Is it really just about a lack of housing stock?

10:30

Michael Cameron: We looked across six different aspects of performance and statistics for each of the councils. For example, we looked at breaches of the unsuitable accommodation order or failures to provide temporary accommodation when it is required, but we also looked at issues such as the number of people, including children, in temporary accommodation and the direction of travel in terms of demand for that type of accommodation.

We looked across a number of dimensions. Some of the councils that we are focusing on have the red status, if you like, on some of those

dimensions. A smaller number have it across all the dimensions. Therefore, the picture is variable across councils and across the country.

The Convener: I will bring in Pam Gosal for a supplementary question.

Pam Gosal: Thank you, convener. Good morning, panel. I have two supplementary questions. You mentioned 14 councils. Three councils have declared a housing emergency so far, and many are breaking statutory duties every day. Is it time for the Scottish Government to declare a housing emergency?

Michael Cameron: We set out very clearly that we consider that there has been systemic failure in provision of services to homeless people. Language such as “housing emergency” does not sit in our regulatory framework. It is for others to consider whether that is an appropriate form of language.

We look at individual councils and the position in them. In the coming weeks, we will set out our assessment in the published engagement plans for each of the councils, and we will then engage with them on what they are in a position to do.

It is important that we will also engage with the Scottish Government and other stakeholders to consider wider options for tackling the acute issues that we are seeing, particularly in provision of temporary accommodation.

Pam Gosal: Thank you for that response, but councils are going through really challenging times. I have, over the past couple of weeks, had the opportunity to speak to many council representatives who have spoken about budget cuts and pressures.

More than 200,000 people are on the social housing waiting list, including 100,000 children. What should the Scottish Government do that is different, in order to ensure that those lists are drastically reduced? You mentioned that you are looking at councils, but the councils are looking to the Scottish Government for support and help. Do you feel that there is anything that the Scottish Government could do differently?

Michael Cameron: Our role is to regulate individual landlords, including local authorities. That said, we engage with the Scottish Government on the wider systemic situation. A systemic failure requires a systemic intervention, which is well beyond the powers that Parliament provided us with: we do not have systemic intervention powers.

At the heart of the issue is the supply of homes to allocate to people who are experiencing homelessness. The Scottish Government has a programme to deliver new social homes. That is

critical. It takes time, however, to deliver new-build programmes and developments.

We see real challenges around the cost of new builds. George Walker touched on our analysis of the financial projections of RSLs, which has given us a clear sense that RSLs are significantly reducing plans to build new homes and reducing the number of homes that they will build.

The supply side remains critical. The Scottish Government is considering a national acquisition plan to see whether there are alternative approaches to delivering the increase in supply that will be needed. Our sense, however, is that that now needs to happen at pace in order to deal with the immediate challenges that are in front of us all.

There is also a need to consider direct provision of support to local authorities and registered social landlords to enable them to maintain the services that people who are experiencing homelessness need now, and that they will need to help them sustain tenancies.

Pam Gosal: Thank you.

Willie Coffey: Good morning to you both. I will follow up on Pam Gosal's point. After this item with you guys, we will discuss a paper that tells us that, in Scotland, there are 70,000 long-term empty houses. How does that square with your comments about the systemic failure of some councils to deal with homelessness? How do we have such a huge number of long-term empty houses and such a high number of homeless people in Scotland?

Michael Cameron: Many of those empty houses are, obviously, not in the social rented sector, so there is an imperative to understand where those homes are and how quickly and effectively they might be brought back into use. For a home to be let as a social home, it has to meet the Scottish housing quality standard. That, in itself, can be a challenge for some empty homes.

A national acquisition plan such as I mentioned is one vehicle through which that could be done. I know that a number of other initiatives are in place to bring empty homes back into play. In the current financial context, in which we see the costs of construction being prohibitive in some regards, maximising use of existing stock is increasingly important.

As for empty homes in the social housing sector, we have engaged with some landlords to ensure that they are maximising their bringing those homes back into use. Part of the conversation that is happening with the Scottish Government and other stakeholders is about

whether there are further initiatives that could accelerate that.

We know that it is taking longer to get homes that become empty back into use. A lot of that is to do with challenges around the cost and availability of contractors. There are challenges around the ability of utilities companies to ensure that appropriate supply is available in homes when they are ready for re-let. That is a growing concern among social landlords.

There are a number of areas in which initiatives can be undertaken. The statement, "There are a lot of empty homes out there", understates the challenges in bringing some homes back into use. As I said, a number of initiatives are in play that might help to increase supply through targeting of homes that are available for purchase or homes that are empty and can be brought back into use.

Willie Coffey: Do you track the important figures, such as the number of long-term empties in the social rented sector that are being allocated to people who are temporarily or long-term homeless?

Michael Cameron: We monitor landlords' performance in letting and management of empty homes, and we produce annual statistics on that. We are in conversation with the Scottish Government and other stakeholders on whether it would be helpful for us to put in place more regular data collection from landlords on some of the key things—letting of homes, management of empty homes and the number of homeless people being allocated such homes on a short-term basis, for example—in order to understand the effectiveness of any measures that are brought forward.

We will have a meeting later this week at which that topic will be discussed further. Although we do that annually, it might be that we will, before too long, do it more frequently. That would reflect the approach that we took during the pandemic, when we had monthly data collections from landlords on key areas of performance, in order to ensure that everyone understood the pandemic's impact on landlords' ability to deliver services. A similar approach might be put in place within the next couple of months.

Willie Coffey: That is really helpful, Michael. Thank you very much for that.

George, in your remarks and in response to questions, you made really positive comments about attempts by landlords to control their expected rent rises. You mentioned that several times. Can you flesh that out a wee bit and talk, conversely, about the impact of that initiative and work that they are doing to invest in their stock? Can you add more about the numbers? How many landlords are doing that? Is it widespread? Is it a small number? Can you give the committee a

sense of how many landlords are embracing your recommendations?

George Walker: I have some information to give you. I probably do not have specific numbers to hand, but I can provide you with more data. What I am about to say is maybe more high level, if I can put it that way.

On coming back from the pandemic, I suppose that the place to start is with the good news that we hear from landlords. In many cases, they are back to providing pretty much the full range of services that they were providing pre-pandemic. That is a good thing; it might even be surprising, given the cost challenges that they have been hit with.

Are those things perfect? No—there are gaps here and there, but it is fair to say that landlords have stepped up to that challenge. Of course, they have been hit not only by the pandemic but by the dual challenges of the global impacts and inflation, which we have touched on.

I will come on to the rent question in a second, but I must first highlight that there is a struggle related to the fact that there is lower turnover of homes now than there was pre-pandemic. It is quite significant that turnover has not come back to pre-pandemic levels, and that situation plays through the system. Around 1,700 fewer homes became empty during the past 12 months—that is a big number—but it is nearly 5,000 fewer than in 2019-2020. That is a significant slowing of turnover, if you like, of social housing, which is impacting on landlords and tenants.

You asked about empty homes and so on. Michael Cameron touched on the fact that landlords were struggling to re-let rapidly enough. I will give you some specifics on that. In 2019, it took about 32 days to re-let an empty property. Today, it is taking 56 days. That is a gap. Michael touched on some of the reasons for that increase: there are, for example, issues around availability and cost of services to deliver re-letting.

I will draw your attention to the fact that, of course, such delays mean that landlords lose rent from those empty homes, even in re-letting. By our estimates, there is between £38 million and £39 million—£38.7 million, to be exact—of lost rent due to that delay. You can see where some of the challenges are.

What are landlords doing to alleviate that? It is fair to say that landlords are making significant efforts. The evidence says that, over the past couple of years, rents have increased at below the rate of inflation. I will give you some numbers on that. Consumer prices index inflation was averaging 8.7 per cent, the average rent increase by social landlords was 5.1 per cent and the

median was 5 per cent. It was reasonably far behind what CPI inflation was showing.

I make it clear that averages and medians can mislead. There was a range of RSLs' increases, from zero per cent—some had no rent increases—up to as high as 8 per cent. However, that 8 per cent was still behind the 8.7 per cent average inflation at the time. That gives members a sense of the scale of the rent increases that RSLs have been tackling and what they have been trying to do against the current backdrop.

The final thing that I want to draw your attention to, because it is important, is the fact that, during the pandemic in particular, we had concerns around gas safety inspections and access to homes. You can imagine that, during the pandemic, access to homes was difficult for landlords and worrying for tenants. There was a gap in some landlords getting that done. However, I am pleased to say that, post-pandemic, social landlords are back to carrying out those inspections and have, in the past year, completed 99.8 per cent of gas safety inspections. That is a significant recovery from where they were when they struggled with access during the pandemic.

Going back to your question, I say that I hope that the rent increase numbers give you a flavour of the situation. We will have a look at what other specific data we can give you on numbers, landlords and so on, because we have all the data on the suite of what landlords have been doing with rents. I am sure that we can provide you with that.

Willie Coffey: Again, that is really helpful. The only other thing that occurs to me to ask is this: if the median rent rise is below inflation, will that have any impact on landlords' ability to retrofit their properties to meet net zero?

10:45

George Walker: Michael Cameron might have something to say specifically on retrofit. I do not, at the front of my mind, but I touched on the idea of reinvesting in existing stock and the five-year financial projections that we are looking at. There is no doubt that evidence is emerging that landlords are finding it challenging to reinvest in their existing stock, which can mean investment in a host of things from replacing roofs to a regular cycle of fitting new kitchens and bathrooms.

Michael, do you have anything to add on retrofit? I do not want to comment on something on which I do not have the information at the front of my mind. Generally, there is a reinvestment challenge, if I can put it like that.

Michael Cameron: Yes. Specifically on retrofit to tackle energy efficiency and net zero, George is

right that the financial projections show a reduction in planned investment by landlords in existing homes. Also, the vast majority of plans did not necessarily include the future cost of meeting energy efficiency requirements and net zero, largely because of the on-going review of energy efficiency in social housing.

The proposal was published last week for the social housing net zero standard. When the consultation has concluded, landlords will have greater certainty about the expectations and the standards that they will have to meet. We expect to see landlords starting to plan the costs of delivering those standards, and we will see that coming through in the financial projections. We anticipate that the cost of retrofitting will be substantial.

The other uncertainty—you will hear this from landlords, if you speak to them—is the level of public subsidy that might be made available to help them to invest in their homes to meet the new standards. At the moment, there is a degree of uncertainty about that. We anticipate a substantial investment requirement. The exact impact on rent levels for tenants will be, in a large part, determined by the answer to the question about public subsidy.

Willie Coffey: Thank you, Michael.

George Walker anticipated my last question and almost answered it. You obviously have second sight and know what I am going to ask. The question is about the time that landlords take to re-let their properties. You mentioned that it is now taking longer. Do you pin that on the residual impact of Covid?

George Walker: We hear a mixed economy, if you like, of answers on that. There is a flow through from two things. First is the availability of the services and providers for re-letting, which not all landlords have in-house. The service is often outsourced, and landlords might use a mix of insourced and outsourced providers. There are issues of availability and access to services—some of which is about people, as I understand it, and landlords recruiting skills and qualified trades to do that work themselves or through outsourced partners. That has possibly followed on from the pandemic and the recruitment challenges that we hear exist in so many sectors since then.

The second thing is inflation and cost. Earlier, we rehearsed some of the numbers involved, and I gave you a flavour of the construction and repair inflation that we see. We hear from landlords about inflation at 10 to 20 per cent for those things, so there is an impact from that. We have tended to hear about a combination of those two things from landlords.

I should also draw attention to the challenge of reconnecting gas and electricity supplies to homes as they go through the turnover. We are aware, because we have discussed the issue with it, that the Scottish Government has flagged concerns about that at United Kingdom level. That is certainly coming up as an additional challenge. One might think that landlords have control over what they spend and control in relation to access to services, to a degree, but they have no control over that. That is one thing that has emerged recently.

Willie Coffey: George Walker mentioned a figure for loss of income due to lost rent. Was it £38 million or around that?

George Walker: It was £38.7 million, I think, just to be clear.

Willie Coffey: Can landlords attempt to recoup that?

George Walker: That is the cost of lost rental while properties sit empty, which they do for an average period of 56 days now, as I said.

Willie Coffey: Is there any sense from landlords of how or whether they intend to try to recoup that loss?

Michael Cameron: That resource is gone. There is nowhere to recoup it from. The house is empty; there is no tenant in the home who would be due to pay rent. The longer a home stays empty, the greater that lost rent figure becomes. We are very aware that landlords work hard to minimise the length of time for which a property is empty, principally so that they can provide a home to somebody else as quickly as possible, but also because they recognise that homes that are empty have a significant financial impact on them.

Willie Coffey: Homes being empty is bound to have an impact on landlords' retrofitting intentions as well, is it not?

Michael Cameron: Absolutely—because that money is gone from their available resources. That is another reason why, as I said, landlords work very hard to try to minimise the length of time for which homes are empty.

However, as George Walker said, there are, unquestionably, contextual factors that are making it increasingly difficult for landlords. The availability of materials and supply, the cost of labour and materials, and other challenges around utilities companies and connection of energy supply are making it increasingly difficult for landlords to bear down on the length of time for which homes are empty.

Willie Coffey: Okay. Thanks very much, both of you, for the answers.

Marie McNair: On that last bit, local authorities have robust void strategies, but there is huge pressure on the housing revenue account just now.

The annual report on the social housing charter shows that tenant satisfaction with the quality of their homes remains around the same: 84 per cent compared with 85 per cent previously. What are you doing to ensure that you meet your priorities around quality of homes and tenant and resident safety? You have touched on that a bit, but will you expand?

Michael Cameron: Landlords' compliance with the Scottish housing quality standard is the principal measure of the quality of the homes that are provided to tenants by social landlords. Landlords' compliance with the Scottish housing quality standard improved, between 2021-22 and 2022-23, from 73 per cent of all homes meeting the standard to 79 per cent. That is still below the compliance rate prior to 2020-21, when it sat at 87 per cent. Most of the homes that fail the Scottish housing quality standard do so on one criterion only. There is a broad range of criteria within the Scottish housing quality standard that homes have to meet and, as I said, the vast majority fail on just one. Less than 4 per cent of homes fail on more than one criterion.

It is important to flag up that the Scottish housing quality standard was amended in the past couple of years to include the requirement for electrical installation condition reports to be carried out every five years and for interlinked smoke and heat detectors to be installed in every home, with compliance targets of March 2022 and February 2021 respectively. The decline in overall compliance levels with the Scottish housing quality standard has principally been because of the challenges that landlords have experienced in meeting those target dates. Landlords are continuing to work through that backlog. There is a clear sense that that was impacted by issues to do with the availability of materials and labour as a consequence of all the economic challenges that we have touched on.

We are engaging with a number of landlords around our compliance levels, and we expect to see full compliance with those particular elements around electrical safety and fire safety when landlords report their performance in the annual return on the Scottish social housing charter that they will give us next year.

On satisfaction levels, you are right that there was a very small reduction in overall satisfaction levels, but, generally, the picture shows that almost nine out of 10 tenants remain satisfied with the homes and services that their landlords provide. It is down ever so slightly to 87 per cent. We look for landlords to carry out a satisfaction

survey at least every three years, and, in January 2023, we updated our advisory guidance to landlords on surveying their tenants and service users. That was to include a wider range of available approaches to ensure that they have the capacity to reach as many tenants as possible through those satisfaction surveys.

Just under half of all landlords did surveys in 2022-23, which means that the figures that we are presenting have changed on the basis of that volume of surveys having been carried out during that year. There have been some slight decreases in satisfaction levels in some regards. The percentage of tenants satisfied with the quality of their home decreased slightly from 85 per cent to 84 per cent. Tenants satisfied that their rent is good value for money decreased slightly from 82 per cent to 81 per cent. Tenants satisfied with the repair service remained level at 88 per cent. There are fairly marginal changes in the overall satisfaction levels. In the context that we have just been describing, you might very well consider that to be a positive outcome.

Marie McNair: Thank you. In the interests of time, I will stop there.

Pam Gosal: In 2021-22, 12,000 incidents of damp and mould were recorded in social homes across Scotland. We heard, in our previous evidence session, the ombudsman mention that complaints around that had quadrupled. Do you need to do more work in that area to ensure that good practice is widespread and that tenants live in safer homes? What support should the Scottish Government offer to ensure that social homes are warm enough to prevent the re-emergence of damp and mould?

Michael Cameron: I am happy to kick off on that question. Clearly, ensuring that tenants live in safe and warm homes is a critical priority for all social landlords. In December 2022, we wrote to all social landlords with advice on the importance of timely and effective action to respond to any incidents of damp and mould. That is very much in the frame of the requirements around tenant and resident safety. In that letter, we asked all governing bodies of RSLs and all committees of councils to consider the systems that they had in place to ensure that their tenants' homes are not affected by damp and mould and that they have appropriate and proactive systems to identify and deal with any reported cases of damp and mould.

11:00

Following on from that, we worked jointly with the Chartered Institute of Housing, the Scottish Federation of Housing Associations and the Association of Local Authority Chief Housing Officers to produce a briefing note to landlords,

which we published in February. It was about how to deal effectively with damp and mould problems. The briefing recognises that the issues are complex and can be multilayered and that solutions can include tackling issues with the property, as well as supporting tenants with advice in that regard. The partner organisations that we worked with to produce the briefing went on to run a series of workshops for landlords to disseminate best practice in responding to incidents of damp and mould. Those were incredibly well attended by landlords, which indicates how seriously landlords take the issue.

In July this year, we wrote to social landlords to ask them to include in their annual assurance statement a specific statement on their compliance with all tenant and resident safety issues, including damp and mould. They provide that statement to us at the end of October every year. We received all those statements from landlords at the end of October, and we will use that information, including the specific statements on damp and mould, as part of our risk assessment, which we are now delivering. We have also published all those annual assurance statements on our website, so that anyone, including tenants, can see what their landlord is saying specifically about their approach to damp and mould.

We will fully analyse that information to ensure that we have as good an understanding as possible of the landlords' response to damp and mould, but we recognise that it is a critical issue and that we need to go further on data collection. That is why, as George Walker indicated, we are developing a suite of indicators to include in the annual return in the charter, alongside a wider suite of indicators that will focus on other aspects of tenant resident safety. We will consult on that in the coming year to ensure that we have a suite of indicators that is as comprehensive as possible to help us to understand landlords' responses to any reports of damp and mould.

We have asked our tenant advisers, who are tenants who work with us voluntarily to scrutinise landlord performance, to look at the information that landlords are putting out on damp and mould for their tenants. Again, when we have that analysis fully done, we will use that as part of our risk assessment process, and we will reflect any outcomes in the published engagement plans that we produce for social landlords.

Pam Gosal: May I come back in with a supplementary question, please?

The Convener: Very quickly, and the response should be brief.

Pam Gosal: It is great to hear that you are doing so much stuff, Mr Cameron, but, earlier this year, the UK Government passed Awaab's law in

memory of two-year-old Awaab Ishak, who died in 2020 due to poor housing conditions, to force social landlords to fix damp and mould within strict limits. Should similar legislation be passed in Scotland?

Michael Cameron: That is a matter for the Scottish Government to consider. The guidance that was put out was effective in setting out a good approach that landlords should take. When we develop our suite of indicators, we will look to ensure that they are capable of assessing appropriately whether those responses are being delivered.

Miles Briggs: You have already touched on my question, which is on a review of the regulatory framework. What were the results of the review of communications with stakeholders, and what changes are you looking to make in that regard?

George Walker: I will pick up that question. The review is going well. As I touched on in my opening statement, we kicked it off in June with a discussion paper to get feedback from the sector. Probably the best way to summarise the broad feedback is that it was very supportive of our thinking, particularly on two things. First, landlords said to us that they would really quite like a period of stability post pandemic. They also said, “Thank you very much, regulator. We’d quite like it if you didn’t change too much”. To us, that seemed to be not an unfair response. The other thing that came through from landlords and, indeed, from a whole range of stakeholders, including tenants and lenders to the sector, was that the framework was working pretty well. We agree that it has been working well. That was the broad feedback on the discussion paper.

The specifics are now out to consultation, which closes later this month. I will give a little flavour of some of the specifics. It is not a huge number, for reasons that I have explained.

Michael Cameron referred to the annual assurance statements a number of times. We introduced those in the previous framework review, and they have been enormously effective in getting a finger on the pulse of landlords. I have sat with chairs and chief executives in various meetings who have told me how helpful they have found the statements and that they have helped them to look into dark corners that, in the past, they had not always looked in. The statements have given them a focus. We introduced some adjustments to the statements, which were prompted partly by discussions similar to the one that we have just been having on damp and mould, in order to bring aspects such as those emerging issues into the annual assurance statement each year. Clearly, we have signalled that we would give landlords time to prepare for that. We are not about to announce in September

that we would like something on damp and mould in October. They were very clear that they would like notice. There are some adjustments to the annual assurance statements to allow that.

There are some specific changes to the language around our regulatory status. The language that we have currently includes terms such as, “working towards compliant” and “compliant”. There is an “in review” category and an “in statutory intervention” category. We have made some adjustments to that language, primarily to the language of working towards compliance, which was very important to lenders and to tenants. They felt that there was some vagueness in it and that the language was not helpful.

We touched on the fact that we wanted to develop the suite of metrics around damp and mould, which Michael Cameron has mentioned. We did not want to take a sledgehammer to crack a nut to do that, hence the collaborative approach that we are taking with the sector, both in the advice that was developed and on the suite. We have expanded that into the annual return on the charter—ARC. We are kicking that off with a series of working groups involving landlords and others. Normally, we would have made that part of the framework review itself, but, partly because of the timing of the new consultation around the replacement of the second energy efficiency standard for social housing—EESSH2—that was published recently, we wanted to combine those two things. That is the final part of that process, and it will be on-going, rather than implementable, from 1 April.

That is an overview summary. We are really quite pleased, having made significant changes to the framework last time around, that it has been working well, which is what we hear from landlords. As the regulator, I will say that it is fairly unusual that those whom you regulate come to you and say, “Actually, this is working quite well. You have made lots of changes, and we do not believe that you need many more changes”. We agree with that, and perhaps the evidence for that is in how well the annual assurance statement is working. Although, as you would expect, we are in discussions and engagement with a number of landlords, no statutory interventions are taking place. I think that I am right in saying that our last one closed a number of years ago.

Michael Cameron: It was in 2021.

George Walker: I was hesitating on the year, because I could not quite remember. Michael Cameron has pointed out that it was in 2021. That is perhaps evidence of why we are hearing what we are hearing from landlords, lenders and tenants across the board.

Miles Briggs: That is helpful. You will be aware that the Government has signalled that the Housing (Cladding Remediation) (Scotland) Bill will include new homelessness duties. Has part of the communication with stakeholders been about pre-empting that? It will be a statutory piece of legislation and will, I accept, cross public services. Has work started already on that?

Michael Cameron: We have been working closely with the Scottish Government on its plans to introduce the proposed new duties on prevention of homelessness. We will ensure that the approach that we take to setting out a regulatory framework is such that it can accommodate changes in legislation as they come through. We are therefore sighted on what is being proposed. Where the proposals around prevention bring in and place new duties on social landlords, we will ensure that we monitor the delivery of those duties.

Miles Briggs: That is great. Thank you.

The Convener: I have a question that kind of connects to the regulatory review. I am interested in how you deal with complaints about how you have dealt with regulatory matters and whether you think that some social landlords' staff may be unwilling to raise complaints with you.

George Walker: It is hard for me to say whether people are unwilling to raise complaints. We certainly get complaints from time to time, and we have laid out a clear process on our website for how we handle them.

I would point to a number of things. We have extensive engagement across the sector, including with a number of landlord groups. At any one time, we are engaging with around a third of landlords, through three live groups. One of those, which existed pre-pandemic, is the systemically important landlord group. We then introduced two new groups. We called out to the sector to ask whether landlords would be willing to get involved to up our engagement even further after the pandemic. We planned to introduce a second group but, because the response was so significant—I think that we had 70 landlords wanting to join us—we instead ended up establishing two further groups, in addition to refreshing the systemically important landlord group.

One of those groups focuses on landlords operating in urban areas, while the other is for landlords in more remote rural and island areas, because they sometimes tackle different challenges. As I said, those groups involve around a third of landlords. They certainly engage with us regularly. Do they raise issues and concerns in the discussions that we have? They do. Does that result in specific complaints? Rarely, but things

certainly come up. I think that we have an open relationship there.

As to what we are trying to do, we certainly work hard to be an effective, open and transparent regulator. If there are any specific concerns about how we regulate and, I suppose, how that applies in statutory interventions in particular, we have a clear complaints process that can be followed at any time, as is set out on our website. There is, of course, a route to the Scottish Public Services Ombudsman, whom you heard from earlier this morning. That has happened at least once recently that I can think of. It does not commonly happen, but it is certainly there.

Since 2012, we have used statutory powers 12 times, so that is not a significant number of times over 10 or 11 years. We go out of our way to publish a final report and to be transparent about why an intervention was required. I assure the committee that we do not take, or enter into, statutory interventions lightly. That typically happens only after quite a significant period, which is usually after several months of engagement. In fact, statutory powers are used really only where a landlord either cannot or, in some cases—I will be honest—will not engage to tackle the issues that we are raising.

That is a summary of how I would answer the question. We try to be as open as we can be. We certainly encourage people to talk to us, and they do. There may be individual issues that feed in from tenants through the tenant liaison committee, which involves the registered tenant organisations and which we meet regularly—Michael Cameron and I are at each of its meetings for a period—through to the various landlord groups that we have and sometimes the various professional bodies that are around and their memberships. I will not name them, but you know the ones. That is the approach that we take. We are certainly open to concerns, complaints and any other issues that come to us, and we are transparent about the routes that can be taken, internally to us and externally to the ombudsman, to take such things forward.

The Convener: Thanks very much—that was helpful.

11:15

Paul Sweeney (Glasgow) (Lab): Thanks, gentlemen. How does the Scottish Housing Regulator's oversight of the loss of several community-controlled housing associations to takeovers by a large national housing group square with the Scottish Government's community wealth building and empowerment missions?

Michael Cameron: We regulate individual landlords; we do not have any kind of sectoral role. We have no remit from Parliament to effect

sectoral change or restructuring or consolidation. The role given to us by Parliament is to monitor, assess and report on landlords' performance and to intervene as appropriate. We are an effective regulator, doing the job that Parliament has given us, and we will continue to do that in a proportionate and risk-based manner.

The job that Parliament has given us is to ensure that we protect the interests of tenants and others who use the services of social landlords and, in particular, to monitor their performance against the Scottish social housing charter and the regulatory standards of governance and financial management. That is the extent of our role, and we do that. We monitor, we report and we intervene where there are failures against any of the three elements. That is the job that Parliament has given us to do: we believe that we are an effective regulator in doing that.

Paul Sweeney: Do you not think that community control of asset wealth is in tenants' interests?

Michael Cameron: All I can say is that we deliver our role of assessing landlord performance against the things that are set out in the Scottish social housing charter and the regulatory standards of financial management and governance. Those are the things that we are tasked with monitoring landlord performance on. If they had different requirements and specifications, we would monitor, assess, report and intervene in accordance with the requirements that were set out. We are doing the job that Parliament has set for us, and we believe that we are doing it effectively.

Paul Sweeney: Just to be clear on your point, do you agree that the current remit of the Scottish Housing Regulator is inadequate to safeguard community control of assets?

Michael Cameron: The remit of the Scottish Housing Regulator is set by Parliament.

Paul Sweeney: Standard 7.3 in the SHR's regulatory standards of governance and financial management states that a registered social landlord must ensure that there is "adequate consultation" before engaging in an options appraisal. Why was that not done at Reidvale Housing Association in Glasgow? When it was reported to the Scottish Housing Regulator, no action was taken, allowing the housing association to carry out, post appraisal, a consultation that had predetermined that there should be a transfer of engagements owned by the community to another housing association, assets that are conservatively valued at over £100 million and have no debt secured against them.

Michael Cameron: The first thing that I would say is that we are happy to meet the member to

discuss his specific concerns about a specific organisation. We are always happy to do that with any MSP. I am conscious that there is a lot in the specifics of what you raised. I can say that we engaged early with Reidvale in its consideration of a possible transfer and that we highlighted the importance of its engaging with tenants on proposals. We expected it to carry out effective consultation with its tenants. Reidvale then developed a detailed tenant consultation plan and commissioned the Tenants Information Service as an independent tenant adviser, which was a requirement that we placed on it. We have engaged closely with Reidvale to get appropriate assurances on how it was consulting its tenants and that tenants have been given meaningful opportunities to feed into the transfer proposals and give their views. At the end of the day, tenants will have a vote on it. That tenant vote is on-going, and we expect Reidvale to abide by the outcome.

Paul Sweeney: At that stage, of course, the precondition for transfer had already been set. The regulator has a role in overseeing those processes. In the case of Reidvale, we know that Places for People group, a London-based organisation, was present at Reidvale's annual general meeting, posted promotional material on Reidvale's website, sent targeted literature to tenants, put up signage in the area and struck a deal to take over a community centre owned by Reidvale Housing Association after the housing association withdrew funding for it. Do you think that that sort of aggressive and insidious lobbying is appropriate?

Michael Cameron: We will ensure that tenants have the opportunity to vote on any proposal that is set in front of them, and we will expect Reidvale to abide by that tenant vote.

Paul Sweeney: I have observed 18 separate regulatory breaches, conflicts of interest and procedural abuses by the interim director and management committee co-optees at Reidvale Housing Association. I and other members of the Parliament have written to you about that today. If a potential transfer partner has breached data protection law by obtaining the personal contact information of a target housing association's tenants to canvass them, without their explicit consent, with unsolicited text messages and calls, what action will the Scottish Housing Regulator take in that instance?

Michael Cameron: Thank you for writing to us. We will take any of that information under consideration to identify whether there have been any failures on the part of Reidvale or any other party to the transfer. I will say again that I am happy to meet you to discuss those concerns.

Paul Sweeney: Okay. I very much thank you for answering my questions, and I look forward to further discussion.

George Walker: Can I just add to what Michael said?

The Convener: Yes.

George Walker: I just want to reassure you, Mr Sweeney, about how the board looks at this. You asked direct questions about your support for community control. The board is completely agnostic about structures or ownership, and I can tell you that we have two strong tenants on our board who would not let us be otherwise, even if we wanted to be. We are interested in fulfilling our statutory duty, which is to protect the interests of tenants, and therefore the board has looked at and been very well sighted on what has gone on at Reidvale and any issues that may affect tenant interests.

I will give you a flavour of what those are for Reidvale. There were and remain serious governance and financial management weaknesses at Reidvale. There is no business plan. There is no up-to-date stock condition survey. There is no long-term investment programme. We have now established that many of its homes require significant investment and, in its most recent annual assurance statement, it said that it cannot meet its investment requirements. It told us that it would need to significantly raise rents and borrow to fund the necessary investment to maintain its homes. To give you a sense of what that means, Reidvale is telling us that it needs to raise rents by 5 per cent in year 1 and 10 per cent a year thereafter to fund those things. There are very high overheads that are well beyond the overheads that we see at other landlords. Salaries are higher than those that are being paid at other landlords. The organisation has not managed its resources to ensure its financial wellbeing or its financial position. There were serious weaknesses in the governing body, and it is currently having to rely heavily on the support of voluntary co-options.

Reidvale told us about weaknesses in its organisational structure, its pensions approach and its commercial assets and investment requirements. There are examples where it has not received remuneration for commercial properties that it has rented or given to organisations to use at no cost. The rent increase last year, for some of the reasons that I have explained, is, as you might expect, among the highest across social landlords, at 6 per cent, and a recent internal audit reported very weak assurance in the delivery of the factoring role. With an organisation like that, the board of SHR worries about those things and how they will, in the long run, affect and impact on tenants, rather than

about structures, local control and so on. I want to reassure you that the board of the regulator is very sighted on the issue and is closely briefed, as I am personally. I also want to reassure you about what is on our agenda when we discuss an organisation such as Reidvale, because I know that you will want to understand what role the board would play and what would be on our agenda for that. That is the role that the board plays, and we can get this list of concerns around Reidvale. That is not to say that community ownership is not a good and important thing, but what matters most is that Reidvale can deliver for its tenants.

Paul Sweeney: If I may come back briefly, convener, I appreciate the challenges in governance that Mr Walker and Mr Cameron have outlined and which I am sighted on as well, but the fundamental point is that this is about 900 tenements in a highly desirable part of Glasgow with no debt secured against them, and it is unusual for a housing association to have that level of fiscal headroom to raise capital through secured debt against the properties.

Furthermore, there does not seem to be any proactive effort to support the community to improve the governance of the housing association without having to surrender control of the assets. Also, several professionals who are engaged in community-controlled housing associations across the Glasgow area offered to come in to the housing association to support the restructuring without having to surrender control of the assets to a large national housing group but were denied en bloc by the Scottish Housing Regulator. Those are matters of concern, as I understand it, in terms of co-options on to that board. In the light of that and what you have said today, we should consider how to strengthen protections for community-controlled housing in Scotland.

The Convener: Certainly, as you say, if we have a community empowerment agenda, we perhaps need to look at that. It was also helpful to hear that the board of the Scottish Housing Regulator has a specific and clear remit to look after the interests of tenants. How we deal with tenants and community is something that we should take away.

I thank our witnesses for coming in and giving their evidence. It has been very helpful to hear about your work over the past year and, obviously, the challenging landscape in which social landlords and tenants live and work.

I suspend the meeting briefly for a changeover of witnesses.

11:26

Meeting suspended.

11:32

On resuming—

Subordinate Legislation

Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 [Draft]

The Convener: Agenda item 4 is evidence on the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 from Tom Arthur, the Minister for Community Wealth and Public Finance in the Scottish Government. Mr Arthur is joined for this item by Scottish Government officials Heather Galbraith, who is a solicitor; James Messis, who is the council tax policy lead; and Jessica Niven, who is the unit head at the more homes division. I welcome the minister and his officials to the meeting and invite the minister to make a short opening statement.

Tom Arthur (Minister for Community Wealth and Public Finance): Thank you very much, convener, and good morning to the committee.

The draft instrument under consideration has a twofold purpose. First, it is intended to provide councils with discretion over the council tax treatment of second homes. If introduced, it will enable councils to charge up to a 100 per cent premium on second homes. The instrument also seeks to allow councils to grant a six-month grace period from the 100 per cent empty homes council tax premium, which is aimed at incentivising the reoccupation of empty homes. The regulations seek to deliver both changes with effect from 1 April 2024.

In the spirit of the Verity house agreement, both of the policies contained in the instrument have been developed in partnership with local government. Last year, I convened the joint working group on sources of local government funding and council tax reform, which was co-chaired by Scottish ministers and the Convention of Scottish Local Authorities. That group has considered and endorsed the final policies in the instrument.

In April 2023, we published a consultation in partnership with COSLA on the council tax treatment of second and long-term empty homes. That consultation sought views on giving discretionary powers to local authorities to increase the rate of council tax on second and empty homes, and the 100 per cent council tax premium on second homes received majority support from respondents to the consultation.

The discretion to apply to second homes a discount of up to 50 per cent or a premium of up to

100 per cent ensures parity with the treatment of long-term empty properties. If implemented, the discretionary power would put councils front and centre in deciding how to achieve the right balance in the use of housing to meet local needs, enabling them, where necessary, to encourage more residential accommodation to be in occupation and used as homes for living in. That is consistent with our intention, set out in the Verity house agreement, to provide greater flexibilities to local government. It also dovetails with the Scottish Government's "Housing to 2040" strategy, which commits to providing local authorities with greater discretion to encourage greater occupancy of second homes. It should also be noted that the UK Government has very recently legislated to provide councils in England with the same power to apply a 100 per cent council tax premium on empty homes.

Let me turn to the empty homes grace period that is contained in the instrument. The issue was considered by the joint working group following the publication of an independent audit report on the effectiveness of Scotland's long-term empty homes policy that was produced by Indigo House. That report recommended that the council tax premium on empty homes could better incentivise bringing empty homes back into use. Reflecting on that recommendation, in partnership with COSLA, we agreed that the council tax premium on empty homes could be a disincentive to bringing empty homes back into use when a long-term empty property changes hands after a sale.

Therefore, the regulations provide for a six-month exclusion from the 100 per cent council tax premium when a long-term empty property is purchased by a new owner and renovations or repairs are being undertaken, and local authorities will have discretion to extend that six-month grace period. The measure will prevent the empty homes council tax premium from becoming a deterrent to new ownership.

The draft regulations that have been laid before Parliament deliver on our commitment to a fairer housing and taxation system. They empower local authorities to make decisions about the council tax treatment of second homes in determining the balance in the use of housing to meet local needs. They recognise that local areas differ across the country and that what may cause pressure in some communities could equally provide a benefit to others.

Convener, I will conclude there. I hope that members will agree to support the instrument today.

The Convener: Thanks very much for that introduction, minister. I am interested in hearing why you think that a council tax premium of 100 per cent might encourage second home owners to

use their accommodation differently for the benefit of local communities—for example, by making their property available for long-term rent. Do you understand the typology of second home owners enough to determine whether that would be effective?

Tom Arthur: The questions that you raise get to the heart of why this is a discretionary power for local government. Local authorities are best placed to determine whether tax measures can be utilised in a way to support their policy objectives, recognising, as I pointed out in my introductory remarks, that second homes in some areas might be making a positive contribution.

Equally, in other areas, it might be the view of local authorities that they are causing pressures and that a way of helping to address that, in tandem with other policy levers at the disposal of a local authority, would be to use these discretionary powers. We very much recognise that this is a decision for local authorities, to be informed by their expertise with regard to their local priorities and the best way to address them.

The Convener: Thanks for that. That certainly underscores the intentions of the Verity house agreement.

In Wales, as we know, councils have been able to charge a council tax premium of up to 100 per cent on second homes since 2017, and they have been able to charge a premium of up to 300 per cent since April 2023. I am interested in whether you have considered the implementation of that policy in Wales. I understand that there is a consultation on raising the premium on second and empty homes to 200 per cent, but it is 300 per cent there. What lessons can be learned for Scotland?

Tom Arthur: As, I am sure, the committee appreciates, the changes in Wales were relatively recent. As you would expect, we continue to have dialogue at official level with the Welsh Government and, indeed, with our colleagues in the UK Government. We will, of course, monitor with interest developments in Wales as more evidence becomes available. As you highlighted, in our consultation we posed the question whether there should be the option to go beyond a 100 per cent premium, and we are reflecting further on that in the on-going work of the joint working group.

The Convener: Thanks very much.

Miles Briggs: Good morning, minister, and good morning to your officials. Thanks for joining us.

What consideration has the Government given to the argument that has been put to the committee that people with second homes are not using public services to the same extent as

permanent residents and that they might have already paid an additional dwelling supplement to land and buildings transaction tax?

Tom Arthur: Again, those matters will be determined by the local authority. This power provides for something that is discretionary, and local authorities have existing powers to apply a discount. It would really be a question for an individual local authority in recognition of the fact that the decision is ultimately taken by elected members who are democratically accountable to the people who live in that local authority area. We recognise that there may well be a range of views in a particular area, but I note the broad support for the proposals in the consultation and the evidence that the committee has taken from some local authorities, which recognised—at this stage, at least—an intention to explore the utilisation of these powers.

Miles Briggs: Has the Government considered other available mechanisms—for example, conditional grants or leasing schemes—that could be used to incentivise second home owners to use their homes differently? Was that part of the consultation?

Tom Arthur: The consultation focused specifically on the provisions that we are considering today, the other matters to which I have referred and potential ancillary issues around non-domestic rates, of which you will be aware. That is the overall package of proposals that was considered in the consultation.

Clearly, a range of work is under way across local and national Government to increase the supply of housing. I recognise that no single policy will act as a solution to all the challenges that we currently face, but this is one tool that will become available, should Parliament agree to it, as a discretionary power for local authorities. It will be for local authorities to consider the utilisation of this discretionary power in the broader context of the policy tools that they have at their disposal.

Miles Briggs: Thanks for that. The policy's intended impact is quite clear. The Government has said that the policy's aim is to bring more homes into the full-time, long-term letting domain. However, I do not see any numbers from Wales to suggest that the policy actually delivered that there. It is perhaps more a tax to raise revenue for councils. The Government estimates that potentially £35 million will be raised. Is your reading of this that the lack of statistics on how many additional new homes and long-term lets the policy will provide means that it is just another revenue stream for councils?

Tom Arthur: Again, it goes back to the point about seeing the power being utilised in a broader context of policy interventions. Tax can play a role.

We set out the various functions of the tax system in the framework for tax that we published two years ago. Those functions can include, for example, revenue raising, promoting behavioural change, providing economic stimulus and carrying out redistribution.

Clearly, revenue raising will always be taken into consideration in any tax policy, but behavioural change is also an aspect of tax policy consideration. Again, the particular circumstances will be for local authorities to determine. It is a completely discretionary power, and it will be for local authorities to decide, on the basis of their local understanding of the priorities in their area, whether to use it.

Willie Coffey: Tom, are you concerned about any possible behavioural response to the measure in that second home owners might shift their properties into the short-term letting domain, making them liable for non-domestic rates, and thereby potentially not pay anything at all?

Tom Arthur: In a broader sense, we will continue to monitor that and keep it under review. I appreciate that I am coming back to this point, but it will be for local authorities to consider what monitoring of any behavioural response takes place and, in doing so, to reassess whether any policy decision that they take in utilising the power has had the desired effect.

More broadly, we considered the existing thresholds for non-domestic rates in the consultation, but we recognise that the existing thresholds are relatively new. Therefore, we propose not to make any changes at this stage; rather, we will allow those to bed in further.

Willie Coffey: The potential for that to happen was certainly raised by Councillor Lobban, I think, at previous meetings.

You have just touched on the second part of my question, which is about the consultation and the potential to increase council tax by more than 100 per cent. Did you consider that, or did you rule that out?

Tom Arthur: The joint working group is considering that as part of its broader programme of work. Moving beyond what is in the regulations would require primary legislation. At this point, the joint working group is carefully reflecting on what emerged through the consultation and its analysis.

The Convener: How would you monitor the impact of the legislative change? Is sufficient data being captured to indicate, in the future, whether the change is having the intended impact of increasing the availability of housing?

11:45

Tom Arthur: We continue to engage with local authorities. Should Parliament agree to pass the regulations, local authorities will have the option to introduce the measure from 1 April next year. I recognise that some local authorities are actively considering it. A period of time would need to pass before we would be in a position to assess the impact of such a policy intervention on a particular local authority and to consider the impact in the various geographies of a local authority and on different local authorities. We would consider those impacts over time.

Local authorities would, of course, monitor the efficacy of the policy. Our continued engagement in dialogue, as per the Verity house agreement and, for that matter, the joint working group, would provide a forum for that. We all recognise that, if any local authority were to introduce the measure in April next year, we would need to allow it some time before making any initial assessments. Of course, there will be on-going engagement and dialogue throughout that process.

The Convener: Okay. Thanks for that.

Pam Gosal: Good morning, minister and officials. When I spoke to the councils about the regulations, some of them said that they will raise a substantial amount in revenue from additional taxes, but some said that they will raise nothing or will have much less. Has the minister considered that the regulations may create a huge disparity between different council areas? How should the revenue that is generated be spent, and should it be ring fenced?

Tom Arthur: On the latter point, through the joint working group, we are engaging with COSLA to produce joint guidance in that space. More broadly, the relative number of second homes in different local authorities will be a factor in the disparity that exists between councils. It will also come down to whether a local authority chooses to utilise this power, and a number of different factors will bear upon that decision for a local authority. As I touched on in my previous answer, we will continue to engage with local authorities to monitor and understand any impacts of the policy that are observed and how they relate to the revenue that individual local authorities raise.

Pam Gosal: The Verity house agreement will, hopefully, relax a lot of the ring fencing of funding for local authorities. In this area, do you propose to ring fence the money in order that it can be spent in certain ways, or is it completely up to local authorities whether they take it on and how they spend it?

Tom Arthur: We want the discretion and flexibility of the existing premium on empty homes to apply to this measure. As I say, we are

committed to engaging with COSLA in dialogue on joint guidance. We recognise that it is a discretionary power for local authorities, so we want the approach to how the revenue is used to be consistent with that discretion.

Pam Gosal: Thanks.

Marie McNair: Good morning, minister and officials. The regulations also propose a period of grace from the application of the premium for new owners of empty homes when repairs and renovations are being undertaken. How does that proposal fit with your wider audit of empty homes, and what progress has been made on it?

Tom Arthur: That is demonstrative of our commitment to address the issues. We are utilising all the powers at our disposal in the progression of our wider ambitions around housing to 2040. It was identified via the housing audit report, which I referred to in my opening statement, that the 100 per cent premium on empty homes could act as a disincentive for those who are purchasing empty homes. The regulations help to address that through the six-month grace period. Individual local authorities also have the discretion to extend that period, but that is a matter for them.

Marie McNair: Thank you for that.

Miles Briggs: A grace period is important, but why is there not a formal process beyond that? You suggested that councils that are trying to bring empty homes back into use will have to have discussions with developers and individuals, but it will create a postcode lottery if each council has a different process and a different ruling. We are trying to encourage councils to bring empty properties back into use—we have heard that there are 47,000 such properties—but it will be open to councils to decide whether six months is to be taken as a cut-off point. If properties are to be looked at on a case-by-case basis, who will do that work?

Tom Arthur: I understand the premise of the question. It is inherent in our empowering local authorities to have that discretion that variation will be part of it, but it will be a matter for local authorities to determine. It is a shared ambition with local authorities to ensure that we bring as many empty homes back into use as possible, and I am sure that that will inform the decision-making process that local authorities follow. The discretionary elements across the board that we have discussed today are, however, matters for local authorities to take into account. Ultimately, they reflect the fact that local authorities are democratically accountable to their electorates. James, do you want to make any further points?

James Messis (Scottish Government): Yes. The policy note contains a commitment to

establish joint guidance with local government so that there is a more standardised approach to what we mean by repairs and renovations, and examples will be cited. As the minister said, there are individual circumstances that will require a single perspective or a case-by-case assessment. For example, someone who is undertaking repairs and renovations that will go beyond six months might get in touch with the local authority to request that the grace period be extended to accommodate that.

Miles Briggs: That is helpful. Those of us who watch certain television programmes will understand that expected timescales can slip. Having that flexibility in the guidelines is therefore really important. The City of Edinburgh Council told Edinburgh MSPs recently that it takes up to eight months to bring a council-owned property back into use. That is the period of works that it expects. It is therefore important that the guidance provides that flexibility.

The Convener: Thank you for seeking that bit of detail, Miles.

That concludes our questions. I thank the minister and his officials for the evidence that they have given.

We turn to agenda item 5, which is consideration of the motion on the draft regulations. I invite the minister to move motion S6M-11186.

Motion moved,

That the Local Government, Housing and Planning Committee recommends that the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 [draft] be approved.—[*Tom Arthur*]

The Convener: Do members wish to make any points?

Members: No.

The Convener: The question is, that motion S6M-11186, in the name of Tom Arthur, be agreed to. Are we all agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
McNair, Marie (Clydebank and Milngavie) (SNP)

Abstentions

Briggs, Miles (Lothian) (Con)
Gosal, Pam (West Scotland) (Con)

The Convener: The result of the division is: For 3, Against 0, Abstentions 2.

Motion agreed to,

That the Local Government, Housing and Planning Committee recommends that the Council Tax (Variation for Unoccupied Dwellings) (Scotland) Amendment Regulations 2023 [draft] be approved.

The Convener: The committee will publish a report setting out its recommendation on the draft regulations in the coming days.

I will suspend the meeting briefly to allow the minister and his officials to leave before we move on to our next agenda item.

11:53

Meeting suspended.

11:57

On resuming—

Housing (Cladding Remediation) (Scotland) Bill: Stage 1

The Convener: The final item on our agenda is to discuss our experience of last week's visit to a residential building in north Edinburgh that has external cladding, which was made to inform our consideration of the Housing (Cladding Remediation) (Scotland) Bill.

I will begin with a couple of comments and I will then invite others to give their views. I found it useful to go and see the building and meet people who are living in that context. It might not be relevant to the bill, but my takeaway was that, although it is cladding that we have been talking about all along, a great deal of what came across was people's concern, to varying degrees, about having to live with the risk of fire, and their considerations around that.

We had some good conversations with the person who is producing single building assessments. It was striking that reports are being made but the challenge lies in getting the throughput of action on those reports. Some of that involves challenges around procurement processes and getting enough people to assess the buildings.

Another thing that was striking, which would not have come home to me had I not gone to see the building, is that cladding is of a particular weight and, when it is removed, it needs to be replaced with something different. I think that it is called Rockwool. That is heavier, which has the knock-on effect of requiring considerable structural changes to the building.

Those are just a few comments. There are many other things that I could say, but I would love to hear from members.

Willie Coffey: It was a very helpful and useful meeting. It told me, once again, that many of us in Scotland do not know what our houses are constructed from, be they old or new. That is probably a wider issue that goes beyond the scope of our consideration, but it is really important for people to know what their homes and buildings are constructed from, who holds the records of that, and who has legitimate access to them. That is an important issue for us all.

The only issue in your draft summary report that I would draw your attention to, convener, concerns the comment on the single building assessment process. I do not think that it is quite the case that those assessments are not being actioned by the

Scottish Government. That may have been stated by one or two participants, but it is not actually the case. A slight modification of that wording would be welcome.

12:00

Pam Gosal: Following on from what Willie Coffey said about what the buildings are constructed of, I note that we need to see not just what they are constructed of, but whether they are compatible with the new regulations on electric vehicle charging points, whether they are provided in an underground car park or one that is right next to the building. We need to consider the application of new technologies and whether the construction and materials of buildings are suitable.

Miles Briggs: I put on the record my thanks to constituents in north Edinburgh for hosting us. Those of us who have been working with home owners across Scotland know how stressful this period has been for them. It is important to put that on the record. I was struck by the fact that they feel that the Scottish Parliament and the Scottish Government have made limited progress on the matter compared with what has been done at the UK level. It is important that, through the cladding bill, we address the matter as urgently as possible and develop solutions.

As my colleague Pam Gosal said, there are specific issues that we need to investigate with regard to electric vehicles; e-bikes, which were specifically raised; and charging points in developments. I raised concerns with ministers a few months back about the regulations that we passed to make it easier to have charging points in properties for electric vehicles. We need to look at that in the context of cladding and the significant time that is needed to resolve the issue. We need to take that forward in our work on the bill.

Marie McNair: I found the visit to north Edinburgh helpful. Due to the scale of the work that is required, it is estimated that the cost will be in the region of £40 million for that development alone. I am concerned about how the work will be funded. Is it likely that the developer will meet the costs? How much assistance will the UK Government and the Scottish Government provide? It would be interesting to look at that as well.

The Convener: Something else that came up in our conversations was a concern that, in some situations, inspections show that the materials that were set out in building plans in the first place were not then used. We heard that in relation to a number of points across the building. That relates to Willie Coffey's point about people not knowing what their homes and buildings are made of.

Perhaps the Parliament can look at that in the longer term.

Thank you for your comments. We will hear from the Scottish Government bill team for the Housing (Cladding Remediation) (Scotland) Bill next week.

We agreed at the start of the meeting to take the next three items in private. As that was the last public item on our agenda, I close the public part of the meeting.

12:03

Meeting continued in private until 12:28.

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