OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 6 May 2025

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

Tuesday 6 May 2025

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LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
12th Meeting 2025, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

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

COMMITTEE MEMBERS

*Meghan Gallacher (Central Scotland) (Con)
*Mark Griffin (Central Scotland) (Lab)
*Fulton MacGregor (Coatbridge and Chryston) (SNP)
*Emma Roddick (Highlands and Islands) (SNP)
*Alexander Stewart (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jeremy Balfour (Lothian) (Con)
Maggie Chapman (North East Scotland) (Green)
Katy Clark (West Scotland) (Lab)
Pam Duncan-Glancy (Glasgow) (Lab)
Ross Greer (West Scotland) (Green)
Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con)
Daniel Johnson (Edinburgh Southern) (Lab)
Ben Macpherson (Edinburgh Northern and Leith) (SNP)
Paul McLennan (Minister for Housing)
Carol Mochan (South Scotland) (Lab)
Edward Mountain (Highlands and Islands) (Con)
Willie Rennie (North East Fife) (LD)
Graham Simpson (Central Scotland) (Con)

CLERK TO THE COMMITTEE

Jenny Mouncer

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 6 May 2025

[The Convener opened the meeting at 08:46]

Housing (Scotland) Bill: Stage 2

The Convener (Ariane Burgess): Good morning, and welcome to the 12th meeting in 2025 of the Local Government, Housing and Planning Committee. I remind all members to ensure that their devices are on silent.

Our business today is day 1 of the committee's consideration of the Housing (Scotland) Bill at stage 2. I welcome the Minister for Housing, Paul McLennan, and his officials. Other members of the Scottish Parliament who have lodged amendments have joined us to debate those amendments.

For anyone who is watching, I will briefly explain the procedure that we will be following during proceedings. Members should have a copy of the bill, the marshalled list and the groupings. Those documents are available on the bill's web page on the Scottish Parliament's website for anyone who is observing.

I will call each amendment individually in the order that is on the marshalled list. When an amendment is called, the member who lodged it should either move it or say that it is not moved. If that member does not move it, any other member present may do so.

The groupings set out the amendments in the order in which they will be debated, and there will be one debate on each group. In each debate, I will call the member who lodged the first amendment in the group to speak to and move that amendment and to speak to all the other amendments in the group. I will then call other members to speak to but not to move their amendments in the group and to speak to other amendments if they wish. I will then call any other members who wish to speak. Members who wish to speak should indicate that clearly by catching my or the clerk's attention.

I will then call the minister, if he has not already spoken in the debate. Finally, I will call the member who moved the first amendment in the group to wind up and to indicate whether he or she wishes to press or withdraw the amendment. If the amendment is pressed, I will put the question, and if a member wishes to withdraw an amendment after it has been moved and debated, I will ask whether any member present objects. If there is an objection, I will immediately put the question.

Later amendments in a group are not debated again when they are reached. If they are moved, I will put the question on them straight away.

If there is a division, only committee members are entitled to vote. Voting is by a show of hands. It is important that members keep their hands raised clearly until the clerk has recorded their names. If there is a tie, I must exercise a casting vote.

The committee is also required to consider and decide on each section of and schedule to the bill and on the long title. I will put the question on each of those provisions at the appropriate point. We will not dispose of any amendments beyond the end of part 1 today. We will now begin.

Section 1—Periodic assessment of rent conditions

The Convener: Amendment 203, in the name of Rachael Hamilton, is grouped with amendments 133, 204, 205, 278, 81 to 84, 480, 206, 90, 279, 142, 143, 280, 144 to 146, 94 to 97 and 69. I remind members of the information about pre-emptions and direct alternatives that is set out in the groupings.

Rachael Hamilton (Ettrick, Roxburgh and Berwickshire) (Con): For transparency on my amendments in this group, I point out that I worked with Propertymark, which is a leading membership organisation that works with hundreds of property agents.

Amendments 203 to 205 seek to make changes that would require local authorities to submit their reports on rent conditions to Scottish ministers on a specified date. As drafted, the bill requires all local authorities to assess rent conditions in their area and to submit a report to ministers at least every five years. The first report must be completed by 30 November 2026. However, that risks creating a scenario in which all 32 local authorities will work to their own timelines and report at different times.

To help tenants and landlords to understand when the designation of a rent control area will take place, local authorities should be required to submit their reports on the same date. That would ensure that the periodic assessment of rent conditions by local authorities was consistent.

Amendments 203 to 205 would improve transparency, ensure consistency across local authorities and make it easier for the Scottish Government to assess national trends and take informed action, where it was needed. Amendment 204 is consequential to amendment 203, as is amendment 205.

Amendment 206 aims to bring greater clarity and consistency on the designation of rent control areas for landlords and local authorities. As the bill is drafted, the designation of a rent control area is open ended, which means that the provision can be interpreted and applied by local authorities differently across Scotland. To help tenants and landlords to understand rent control areas, amendment 206 would require local authorities to specify the rent control area by reference to the street or ward. That would ensure that such areas were clearly defined and easily understood and that implementation was more consistent.

I will now speak to some of the other amendments on rent control areas. Meghan Gallacher's amendment 133 would ensure a layer of protection for rural areas in which a rent control area was introduced. Amendment 90 is similar, in that it would strengthen the bill by ensuring that the impact on rural areas was considered.

Amendments 81 to 84 would change the reporting period for local authorities to assess rent conditions from the five-year period that is specified in the bill to four years, three years, two years or one year respectively.

Amendments 94 to 97 deal with the power to designate a rent control area. They would amend the period after which regulations to designate a rent control area will expire from five years to four years, three years, two years or one year respectively.

I move amendment 203.

Meghan Gallacher (Central Scotland) (Con): As Rachael Hamilton said, amendment 133 would create a layer of protection for rural areas in which a rent control area is introduced. The local authority would conduct an assessment to highlight

"the impact that the level of rent and rate of increase in rent payable under relevant tenancies of properties has on properties, tenants and landlords".

The minister must put the needs of rural Scotland front and centre as the Government seeks to change the private, voluntary and independent sector. He will, of course, be aware that rented housing is vital to many of our rural economies, particularly in attracting workers to an area for seasonal work in sectors such as tourism, farming and forestry. The debate on rent controls has been heavily focused on urban areas, and that needs to change. Rural communities could be at real risk if the Scottish Government fails to take those important sectors into account.

I believe that the chief executive of Scottish Land & Estates, Sarah-Jane Laing, summarised the situation well when she said:

"Between the start of 2022 and the end of 2023, across 18 local authorities with rural areas, 11 saw decreases in the number of properties available for rental.

With the Scottish Government now seeking to move forward with rent caps, it needs to fully understand the further detrimental consequences this could have on rural rental provision before bringing forward the stage 2 amendments."

Therefore, in relation to amendment 133, I ask the minister what specific engagement he has had with rural housing stakeholders on the issue. Is he inclined to support my amendment, which I believe would strengthen the support for rural communities?

Similar to amendment 133, my amendment 90 would strengthen the bill by ensuring that impacts on rural areas were considered and that such circumstances were addressed in the Scottish Government's guidance. If that amendment is not agreed to today, I would be keen to discuss those issues with the minister to see whether we can make sure that they are covered in the guidance on the bill.

I turn to amendments 81 to 84. The bill will require local authorities to make periodic assessments of their rental markets. The Scottish Government is seeking to amend the end of the first reporting period from 30 November 2026 to 31 May 2027.

The proposed policy will replace the current option for local authorities to make rental assessments for the purpose of requesting that the Scottish ministers designate a rent pressure zone with a mandatory requirement for local authorities to make rental market assessments and recommendations as to whether to create a rent control area. Many stakeholders are concerned about whether there is effective and robust data collection, which remains an obstacle to local authority private rental market assessments and reports.

Amendments 81 to 84 would change the reporting period for assessing rent controls by each local authority area from five years, as stated in the bill as drafted, to four years, three years, two years or one year respectively. I believe that five years could be an extensive period for reporting on the impact of controls, and I seek further discussions with the minister to look at reducing the timeframe.

Through amendments 94 to 97, I seek clarity from the minister as to why he has opted for a five-year expiry date for regulations that designate a rent control area—unless those regulations are revoked—and as to what consultation he has undertaken with the PVI sector on expiry and reporting periods.

The Minister for Housing (Paul McLennan): Amendments 203, 204 and 205, in the name of Rachael Hamilton, would change the requirement that local authorities submit a report on an assessment of rent conditions to the Scottish ministers by the end of a specified reporting period. Instead, local authorities would be required to submit those reports on a particular date. The bill as introduced offers greater clarity and increased flexibility, enabling local authorities to submit reports in advance of deadlines if they wish.

Amendment 133, in the name of Meghan Gallacher, would require local authorities to include the specific impact on rural areas in their assessment. I recognise the importance of having the fullest understanding of the impact of rent levels on specific groups of landlords, including those in the rural sector. However, the existing requirements already require local authorities to assess rent levels and the rate of rent increases in their area. Where rural properties are a feature of the local authority, that will be reflected in the assessment. The amendment is not considered necessary, but I will touch on the points that Ms Gallacher mentioned.

I have engaged with SLE on the point that Meghan Gallacher quoted on a number of occasions, and I have encouraged it to take part in the consultation.

As Ms Gallacher may be aware, a consultation to support the consideration of the use of powers in the bill in relation to exemptions and circumstances where rent may be increased above the rent gap was recently published. That presents an opportunity for all those who will be affected to input their views.

For those reasons, I cannot support amendment 133, and I encourage Meghan Gallacher not to move it. However, I am happy to engage on the points that she raises, and I will touch on amendment 90 shortly.

Amendment 278, in my name, will amend the date by which local authorities should submit their first report to Scottish ministers on their assessment of rent conditions from 30 November 2026 to 31 May 2027. We recognise that the current timetable in the bill for local authorities to submit their first assessment report is challenging. Moving the date for local authorities to submit their first report is considered necessary to allow sufficient time for assessment and reporting to be completed. We continue to work collaboratively with local authorities. The later date for reporting will not prevent local authorities from starting their assessments as soon as part 1 takes effect.

Rachael Hamilton: I wanted to intervene on you when you were discussing amendment 203, but my intervention is relevant to what you have just talked about.

Obviously, some rental properties are managed by property organisations that must deal with different local authorities across Scotland. How can tenants and landlords understand when the designation of a rent control area will take place if local authorities are not consistent in their approach? Surely that does not lend itself to good business practice and to the consistency and clarity that those property organisations need. That consistency and clarity would grow the economy, protect jobs and ensure that those organisations do not come out of the market because of all the confusion.

09:00

Paul McLennan: There are a number of points. First, we have discussed the matter with local authorities and, for them, having the flexibility to submit the report in advance of the deadline is key. In relation to the point that you raised, it is relevant to note that communication around the dates is up to each individual local authority.

Secondly, our getting all the reports in at the same time might impact on the speed at which we deal with them. I take on board your points, but we have spoken to local authorities about flexibility around submitting the reports in advance.

Rachael Hamilton: May I intervene again? I just need to be clear on this. Are you saying that the Government will encourage local authorities to submit reports at a fairly similar time? What is it that you are encouraging, and is it just encouragement—that is, that you will say something rather than putting that into legislation?

Paul McLennan: Local authorities have asked for flexibility on that particular point. We would encourage local authorities to be as timeous as they possibly can be, but some of their feedback was about giving them the flexibility rather than setting a specific date.

All the reports coming in on the exact same date would obviously impact on the speed at which rent control areas could be designated. We are asking local authorities to be as timeous as possible, but they asked for flexibility on that point.

The Convener: I remind members that we are following a debate style. Interventions are welcome and accepting them is at members' discretion. However, let us try not to get into a question-and-answer back and forth. Rachael Hamilton will be given a chance to wind up.

Meghan Gallacher: I want to follow up on the points that Rachael Hamilton has raised. The minister will be aware that landlords do not operate in only one local authority area—they

operate in one, two, three or however many local authority areas in which they have properties. If local authorities are not producing these reports at the same time, how will that work? What additional strain will that put on the housing sector and landlords in the PVI sector, who will have to provide data to local authorities in order for them to produce those reports?

Paul McLennan: Again, that is a valid point and I am happy to engage further on it. We reacted to the flexibility that local authorities asked for, but I am happy to engage on that point.

I will keep going, convener. Amendments 81, 82, 83 and 84, in the name of Meghan Gallacher, reduce the local authority assessment period from five years down to four years, three years, two years or one year, respectively. Although I recognise her desire to ensure frequent assessments of rent conditions, those amendments would result in assessments being conducted more frequently than is necessary and would increase the workload on and costs to local authorities. The bill sets out that any designation of a rent control area will apply for five years. That is intended to allow a sufficient period for rent levels to stabilise and provide certainty for landlords and tenants. The five-yearly assessment process supports that approach.

The bill provides a number of checks and balances to ensure the continuing proportionality of rent control. The Scottish ministers will be under a duty to keep the operation of rent control areas under review to ensure that they remain proportionate. That will include a duty to revoke regulations earlier if they are no longer proportionate. Local authorities will be able to carry out an interim assessment of rent conditions in their area where they consider that there has been a significant change in circumstances. There are also powers for the Scottish ministers to direct a local authority to undertake such an interim assessment. Those provisions will ensure that rent controls remain in place only where they have been demonstrated to be necessary in connection with the purpose of protecting the social and economic interests of tenants in those areas. I therefore urge Meghan Gallacher not to move those amendments.

Amendment 480, in the name of Carol Mochan, would change the powers in the bill that enable ministers to change the period in which local authorities must submit reports on their assessment of local rent conditions. The amendment would prevent ministers from extending the period between each local authority report beyond five years. I recognise the importance of ensuring that local authority assessments are undertaken at regular intervals, and I am committed to such assessments being made every five years. However, allowing for the time period to be adjusted in unforeseen circumstances is considered to be essential. I believe that amendment 480 is unnecessarily restrictive, so I urge Carol Mochan not to move it.

Amendment 206, in the name of Rachael Hamilton, would require local authorities to specify areas that were recommended for designation as a rent control area by referring to the street or ward. That would be in addition to the requirement to delineate the area of the plan. Requiring both could cause confusion when a recommended area included only part of a street or ward. I recognise the importance of ensuring that rent control areas are clearly defined, but the powers in the bill already allow for that. For that reason, I urge Rachael Hamilton not to move amendment 206.

Amendment 90, in the name of Meghan Gallacher, would require the Scottish ministers to consult

"persons who appear to them to understand the impact of rent increases on rural areas"

before issuing guidance to local authorities on carrying out assessments of rent conditions. That would be in addition to the existing broad requirement to consult local authorities and representatives of landlord and tenant interests. I have concerns that the amendment would require ministers to consult every person who appeared to them to understand the impact of rent increases on rural areas, which would not appear to be beneficial or necessary. The term "understand the impact" is also entirely subjective.

However, as I mentioned, I am happy to engage with Ms Gallacher on the issue. I have had discussions with SLE in that regard, and I can pick up those points with her. I recognise the importance of the underlying principle behind amendment 90, and I am committed to engaging with the sector as the bill progresses. However, I cannot support amendment 90 at this stage, so I urge Meghan Gallacher not to move it.

Amendments 279 and 280, in my name, allow for the consultation requirements in relation to guidance on local authority assessments of rent conditions and local authority reports, respectively, to be met through consultation before the requirements come into force. Consulting before the requirements come into force will support the issuing of guidance as soon as possible. I therefore encourage members to support my amendments 279 and 280.

Amendment 142, in the name of Edward Mountain, would oblige the Scottish ministers to issue guidance to local authorities about reports that were prepared following their assessments of local rent conditions. I am clear that there is a need to provide guidance to local authorities and,

although I believe that the power in the bill is sufficient, I will support amendment 142. However, I will look to amend the duty at stage 3 to allow time for consultation before any such guidance is issued.

Amendment 143, in the name of Edward Mountain, would require the Scottish ministers to include in guidance to local authorities eligible reasons why a local authority could make recommendations about rent control when reporting their assessment of rent conditions. The assessment process is intended to ensure that local authorities can consider conditions that are relevant in their area and reach their own conclusions about the need for rent control. Having an exhaustive list of reasons for recommending rent control would be restrictive and might not support consideration of local factors. Although I cannot support amendment 143, I offer to work with Edward Mountain ahead of stage 3 so that I fully understand the intent behind his amendment, with a view to informing the guidance, which we all recognise is important. On that basis, I urge Edward Mountain not to move amendment 143.

Collectively, amendments 144 to 146, in the name of Maggie Chapman, would remove the Scottish ministers' discretion in the rent control process when a local authority recommended that all or part of an area should be designated as a rent control area. Ministers would have a duty to designate a rent control area if that was the recommendation of a local authority, even if ministers considered that the rent control area was not supported by evidence or that rent control was not necessary or proportionate. I understand Maggie Chapman's desire to ensure that local authority recommendations are given due consideration, but I cannot support those amendments, because I believe that the Scottish ministers' duty to consider the necessity and proportionality of rent control measures should apply to every decision about whether to designate an area as a rent control area. Therefore, I encourage Maggie Chapman not to move amendments 144 to 146.

Amendments 94 to 97, in the name of Meghan Gallacher, would reduce the period for which, under regulations, an area was designated as a rent control area from five years down to four years, three years, two years or one year, respectively. The overarching purpose of the rent control measures is to stabilise rents in areas where market rents have been increasing particularly steeply. We consider that reducing the length of time in which a rent control area could be in place would reduce the overall effectiveness of the measures in meeting that purpose.

Meghan Gallacher: What work has been undertaken to show that the period should be five years? One of the main reasons why stakeholders are concerned about permanent rent controls is the lack of data analysis and work in that field, so we do not know exactly what the impacts will be in Scotland. What impact assessments did the Scottish Government carry out before arriving at the period of five years?

Paul McLennan: Based on feedback from the sector, the five-year assessment period would allow us to leave sufficient time for rent levels to stabilise, and, as we always aim to do, would provide certainty for landlords. We have previously engaged with the sector through the private rented sector review group. There is also an on-going consultation process, which we will continue with.

Apologies, I am trying to find my place.

On amendments 94, 95, 96 and 97, having rent control in place for shorter periods of time could also create uncertainty for landlords about whether more frequent decisions would apply in their area. The bill provides a number of checks and balances, as Scottish ministers will have a duty to keep rent control areas under review in order to ensure that they remain proportionate, and to vary or revoke the regulations if they are not proportionate. That approach would allow for a shorter duration of rent control, where appropriate. Therefore, I urge Meghan Gallacher not to move amendments 94 to 97.

Amendment 69, in the name of Graham Simpson, would oblige all local authorities to establish rent boards, regardless of whether there is a rent control area within the local authority area, although the rent boards would have certain functions only if a rent control area was in place. Although I agree with the importance of monitoring the operation of any legislation, establishing 32 local authority rent boards would be costly and, arguably, disproportionate, given that some local authorities may not have a rent control area in place at a given time. Many of the functions of the rent board, as set out in the amendment, are already provided for in the bill. Section 11 requires ministers to keep rent control areas under review. The bill also includes regulation-making powers that would allow ministers to specify properties that should be exempt from rent control, or circumstances in which a modified rent cap should be applied. The bill would also require Scottish ministers to consult before the powers are used, and regulations under those powers would be subject to parliamentary oversight. The same level of scrutiny would not be applied to the functions of a rent board.

I note the intention that rent boards should support tenants with any appeal to a rent officer or the First-tier Tribunal. Although those processes

are designed to be accessible, I recognise the intent in Graham Simpson's amendment 69 and will continue to consider how to best support his amendment. I would be happy to engage with him in that respect. However, I do not consider that creating another statutory body is the best approach to delivering what he intends. For all those reasons, I cannot support amendment 69, and I urge Mr Simpson not to move it.

I urge Rachael Hamilton not to press amendment 203. I also urge her not to move her other amendments in the group, Meghan Gallacher, Carol Mochan, Maggie Chapman and Graham Simpson not to move their amendments, and Edward Mountain not to move amendment 143. I urge committee members to support amendments 278, 279 and 280 in my name, as well as amendment 142, in the name of Edward Mountain. I urge the committee not to support the amendments in the group in the names of Rachael Hamilton, Meghan Gallacher, Carol Mochan, Graham Simpson and Maggie Chapman and Edward Mountain's amendment 143, if they are moved, for the reasons that I have set out.

The Convener: I call Carol Mochan to speak to amendment 480 and other amendments in the group.

Carol Mochan (South Scotland) (Lab): I draw members' attention to my entry in the register of interests. I previously owned a rental property.

I am happy to speak to the amendment that is lodged in my name. All my amendments seek to strengthen the capacity of local authorities to assess rent conditions in their area. My amendment 480 adds a requirement that regulations made by the Scottish ministers may not increase the time period within which local authorities are required to submit their periodic assessment of rent conditions. Amendment 480 seeks to optimise the time span for information that will be collected by local authorities and to increase the accuracy of that information in the medium to long term. The amendment would still allow the Scottish ministers to change the intervals at which information about rents is shared by local authorities, but, importantly, it would limit the minister from extending the reporting period beyond the five-year range that is proposed. In short, the amendment would ensure that the data collection period will not be allowed to increase to six, seven, or eight-year intervals, for example. I note that other amendments propose limiting the frequency of reporting to not more than once per year. That is reasonable, but my amendment would ensure that the five-year range remains optimal and that we collect an accurate national picture over time. Such a picture does not yet exist in Scotland and, once initiated, it should be maintained. This is an important amendment.

The Convener: As Edward Mountain is not present, I believe that Meghan Gallacher will speak to his amendments in the group.

09:15

Meghan Gallacher: I thank the minister for agreeing to support Edward Mountain's amendment 142. I believe that it is a step in the right direction to ensure that the Scottish ministers must issue guidance to all local authorities on rent conditions reports. That is a way to strengthen the bill, and I will therefore move amendment 142 on behalf of Edward Mountain.

As the minister pointed out, Edward Mountain's amendment 143 would mean that the guidance would have to include provisions about "eligible reasons" for rent controls. I believe that the proposal in the amendment to look at the scope for introducing rent controls in specific local authority areas or across the board is sensible. We need to tease out some of the reasons why rent controls may or may not be brought in. Edward Mountain would welcome the opportunity to work with the minister on that ahead of stage 3.

That is all that I have to say on Edward Mountain's amendments but, before I finish, I want to raise a concern about the lack of attendance from members who want to be here. Because his committee meets at the same time as this one, Edward Mountain has not been able to attend today. I know that the Parliament is currently talking about the processes and functionality of committees but, if the proposed heat in buildings bill, for example, reaches this committee, it will have a heavy focus on net zero and energy, which relate to another committee that meets at the same time as this one. I hope that that can be reflected on, because there are members who want to attend the committee to speak to their amendments.

The Convener: Thanks very much for that comment.

I call Maggie Chapman to speak to amendment 144 and other amendments in the group.

Maggie Chapman (North East Scotland) (Green): If I may, I will take a little time to talk about the bill overall but, before I do that, I express my thanks to the legislation team, the minister, MSPs from other parties and the organisations with which we have all had lots of conversations over the past many months.

I am proud that we are here discussing amendments to the Housing (Scotland) Bill, which, of course, was introduced by my Scottish Green colleague Patrick Harvie as part of our work with the Scottish Government to deliver a new deal for

tenants. That bit is key, so I will repeat it: this is part of a new deal for tenants.

That is the point of the bill. The aim is to make living more affordable, healthier and happier for renters; to make renting safe and secure for those who choose to rent as well as for those who have to rent; and to make renting not just something from which landlords profit but something that is viable and non-stigmatising as part of our housing system. It is for renters that the bill exists at all. It aims to tackle and check the soaring rents to which they have been subjected for far too long; to give them rights to make their home really feel like their home; to provide protections against homelessness; and to give specific groups of tenants, such as students, protections against rip-off rents and to make housing fairer for them. It is with renters in mind that we have lodged the amendments to the bill that I will speak to today.

My amendments 144, 145 and 146 would establish a simple but important principle that the Scottish Government should respect local decision making on rent control areas. Under the bill at present, an application for a rent control area could simply be vetoed by the Scottish Government by not acceding to a request to designate a zone or by not making a decision on it. The Verity house agreement, which was signed by the Scottish Government, says:

> "The powers held by local authorities shall normally be full and exclusive. They may not be undermined or limited by another, central or regional, authority".

With all due respect to the minister, I do not see how a Government that signed up to that principle can then give itself an unchecked right of veto, however unintentionally. I think and hope that that is simply a drafting issue.

My amendments suggest a compromise and a way to deal with the issue. They would require the Scottish Government to introduce a suggested rent control area unless it brings a motion to the Parliament on not doing so. Therefore, the minister's point that the amendments would remove ministers' discretion is not actually the case; rather, the proposals would respect local decision making while guarding against any unlikely scenarios where a proposed rent control area is fundamentally flawed—that is very specifically what amendment 145 would do. It would give ministers the power to say, "No, not at this time," but to do that in a democratic way, through the Parliament.

Turning to the other amendments in the group, I question why the minister's amendment 278 kicks the can further down the road by ensuring that the process starts another six months later, given that the process has already been delayed on more than one occasion.

On the timing of the process, I support Carol Mochan's intent in amendment 480 to ensure that local authorities need to look at bringing in rent control areas at least every five years. Doing it more frequently than that and limiting the lifetime of RCAs, as some of Meghan Gallacher's amendments suggest, would add too much uncertainty for renters and landlords and would severely overstretch local authorities.

Although we cannot support all the Conservative amendments in the group, Conservative members have a number of helpful amendments, such as Rachael Hamilton's amendment 206, which would help us to be clearer about how we draw the boundaries of rent control areas, and Graham Simpson's amendment 69, on the establishment of rent boards. I have a couple of questions about the powers and responsibilities of those boards, but the principle is sound and we support amendment 69.

The Convener: I call Graham Simpson to speak to amendment 69 and other amendments in the group.

Graham Simpson (Central Scotland) (Con): As I prepare to speak to amendment 69, it is, as always, good to have the support of my good friend Maggie Chapman. My approach to the bill has been to accept the parliamentary arithmetic and that we are going to have rent controls, and to work to achieve the best possible system of such controls. Even though my party is opposed to rent controls, my approach is to get the best system possible, for tenants and landlords.

Convener, you are well aware of the important work that the cross-party group on housing has done over the years, because you are deputy convener of that group, which I convene. In 2022, we produced a detailed report on rent controls, which looked at systems that are used throughout the world, and I was pleased to write a foreword to that report. In some parts of the world—San Francisco is a good example—rent boards are a feature of the system. I have to say that San Francisco is not a good example on homelessness, because it has a terrible problem with that. However, the rent board there protects tenants from excessive rent increases and unjust evictions while ensuring that landlords get fair and adequate rents.

Having a rent board in each local authority area would create a one-stop shop for people. They would know where to go. Remember that, if we accept that we are going to have rent controls, we should make the best system possible. Amendment 69 says that rent boards should be established and sets out their functions. Currently, we have rent service Scotland, and I bet that most people have never heard of rent service Scotland, let alone know how to use it. The committee has

heard about the difficulties that tenants face in exercising their existing rights, which has led to low take-up of the right to rent adjudication by rent service Scotland. That makes the point for me.

Amendment 69 would create a new system. I accept that it might be a new idea for some members, but I argue that it is worth looking at—maybe not at this stage, but perhaps for stage 3. The minister, in his usual style, has offered to talk about it, and I am happy to do that. I accept that the amendment as drafted could be onerous and costly, but I hope that I have explained what I hope to achieve, which is a local system. I will take the minister up on his offer.

There was a bit of a gasp when the minister accepted Edward Mountain's amendment 142, which was the first Opposition amendment that he has accepted today. I hope that it is not the last.

The Convener: As no other members want to speak, I call Rachael Hamilton to wind up and press or withdraw amendment 203.

Rachael Hamilton: I will press amendment 203. I am slightly disappointed that the minister is not minded to support most of the amendments. However, he has committed to supporting Edward Mountain's amendment 142, which will change the wording slightly to create some clarity. I also understand the comments that the minister made about ensuring that local authorities have flexibility. That is really important, because we accept that local authorities want to be flexible, and we are supportive of encouraging that autonomy.

I understand Maggie Chapman's concern that limiting the lifetime of RCAs could be overburdensome on local authorities, and I thank her for her support for amendment 206.

It is important that we recognise that consistency in local authority approach is essential to driving the local economy, particularly in rural areas, which need to be supported, as Meghan Gallacher eloquently set out. Improving data collection and giving the rental sector confidence, which has been lacking lately, are really important, because we know that some of the legislation has had an impact and affected the sector. It is reasonable to ask for clarity and consistency, and that is very important when it comes to rent control assessments, rents and designation.

Alexander Stewart (Mid Scotland and Fife) (Con): Will the member take an intervention?

Rachael Hamilton: Yes, of course.

Alexander Stewart: You are making a very valid point about the necessity for local authorities to have flexibility and for rural areas, as you have already identified, to be given the opportunity to be flexible, because they will potentially be marginalised, as we have heard. The points that you make about ensuring that we have consistency and robust timescales are very valid.

Rachael Hamilton: Although we do not want to be overburdensome, we want to offer flexibility, as the minister said. It is our job in this Parliament to ensure that the approach is consistent, while recognising that we must not put too much of a burden on to local authorities.

It is really important for the economy, jobs and the sector that we see improvements—we all want that, as I can hear in this room. I also recognise that the minister has said that he will work with me, my colleagues and others on some of the amendments. I thank him for that.

The Convener: The question is, that amendment 203 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Ariane Burgess (Highlands and Islands) (Green)
Meghan Gallacher (Central Scotland) (Con)
Alexander Stewart (Mid Scotland and Fife) (Con)

Against

Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
Mark Griffin (Central Scotland) (Lab)
Fulton MacGregor (Coatbridge and Chryston) (SNP)
Emma Roddick (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 3, Against 4, Abstentions 0.

Amendment 203 disagreed to.

Amendment 133 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 133 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Ariane Burgess (Highlands and Islands) (Green)
Meghan Gallacher (Central Scotland) (Con)
Mark Griffin (Central Scotland) (Lab)
Alexander Stewart (Mid Scotland and Fife) (Con)

Against

Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
Fulton MacGregor (Coatbridge and Chryston) (SNP)
Emma Roddick (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 133 agreed to.

09:30

Amendment 204 not moved.

The Convener: Amendment 205, in Rachael Hamilton's name, has already been debated with amendment 203. I remind members that if amendment 205 is agreed to, I cannot call amendments 278 or 81 to 84, due to pre-emption.

Amendment 205 moved—[Rachael Hamilton].

The Convener: The question is, that amendment 205 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 3, Against 4, Abstentions 0.

Amendment 205 disagreed to.

Amendment 278 moved—[Paul McLennan].

The Convener: The question is, that amendment 278 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)

The Convener: The result of the division is: For 6, Against 1, Abstentions 0.

Amendment 278 agreed to.

The Convener: Amendment 81, in Meghan Gallacher's name, has already been debated with amendment 203. I remind members that amendments 81 to 84 are direct alternatives—that is, they can all be moved and decided on, and the text of whichever is the last one agreed to is what will appear in the bill.

Amendments 81 to 84 not moved.

The Convener: Amendment 480, in the name of Carol Mochan, has already been debated with amendment 203.

Carol Mochan: Given what the minister said, I will not move amendment 480 but I will seek to bring it back at stage 3 after understanding what the barriers are.

Amendment 480 not moved.

The Convener: The next group is on student tenancies and accommodation. Amendment 51, in the name of Graham Simpson, is grouped with amendments 52 to 59, 59A, 59B, 60, 427 to 439, 183, 535, 407, 536, 537, 540, 541, 474, 475, 548, 549, 441, 75, 556, 559 and 560. I point out that, if amendment 281 in the group on "Rent control areas: amount of rent cap" is agreed to, I will be unable to call amendment 54 due to pre-emption. I also point out that, as noted in the correction to the groupings, if amendment 286 in the group on "Rent control areas: amount of rent cap" is agreed to, I will be unable to call amendment 55 due to pre-emption.

Graham Simpson: This is a hefty group with quite a lot of amendments. I have lodged a number of amendments that deal exclusively with students. I mentioned the cross-party group on housing, which has produced another report, this time on student housing and homelessness. The report followed on from the very powerful presentations that we heard from students and from meetings that I had with students and student organisations. The minister was at at least one of the meetings of the cross-party group and also heard those presentations. The report included some challenging recommendations for Government, which led to my amendments that we are considering today, along with others that were considered by the Social Justice and Social Security Committee.

My strong view is that, if we are to have rent controls, students ought to be covered by that system. I would love to hear from anyone who has a contrary view, and if anyone does, they can intervene on me at any point. The committee correctly identified in its excellent stage 1 report that students have been overlooked by the bill, but we can rectify that quite easily.

I turn to my amendments and others in the group. Section 1 of the bill deals with the designation of rent control areas. Amendment 51 provides a definition of "student residential tenancy", namely that it is a tenancy where the tenant has

"the right to occupy the let property while the tenant is a student".

The amendment adds student residential tenancies to the definition of a relevant tenancy so that student tenancies might be considered in the rent control provisions that are contained in the bill.

Amendments 52 to 58 insert the word "student" into various sections of the bill. Amendment 52

says that the report that councils send to ministers recommending that an area be subject to rent controls should also include student tenancies. Amendment 53 provides that student tenancies must be included when a minister makes a decision about designating a rent control area. Amendment 54 includes students in a subsection that makes reference to private residential tenancies, this time for regulations that designate an area as a rent control area. Amendment 55 seeks to explicitly include student tenancies under the type of tenancy that is included in the definition of a rent control measure.

Ross Greer (West Scotland) (Green): I absolutely agree with the principle that Graham Simpson sets out, which is that students should benefit from the same protections as other tenants. However, I am interested in his thinking on the approach to applying rent controls to the purpose-built student accommodation sector and whether it should be covered by the geographical rent control zones that we are talking about, as opposed to other proposals that have been floated that we treat the PBSA sector as entirely separate, and perhaps as a rent control zone in its own right. This is not a disagreement in principle; I am just interested in the approach of grouping rent controls into geographical zones.

Graham Simpson: I have approached the issue in that way because that is the approach in the bill. I am working with the bill, I guess, which Mr Greer may not do at various points. We will come on to deal with his amendments later, but that is my approach. The PBSA sector needs to be looked at.

As I explained earlier, I and my party are against rent controls, but we accept that they are going to come in. If we are going to have them, there ought to be a comprehensive system, and it would be very unfair if students were not covered.

Amendment 56 adds student tenancies to the private residential tenancies that Scottish ministers may make regulations for under section 14. Amendment 57 is another amendment that brings student tenancies in alongside private residential tenancies.

On amendment 58, section 18 of the bill, which relates to the

"Power to modify the law in connection with the expiry of a rent control area",

also refers to private residential tenancies, and my amendment seeks to include student tenancies in that section, too. You will see a theme emerging here.

Amendment 59 is a substantial amendment that seeks to give ministers the power to subject student residential tenancies to rent controls. It does not say that they have to do so; it just says that they can. I note that Maggie Chapman seeks to change my "may" to "must"; I have some sympathy with that, but I have had a brief—and it was brief—chat with the minister. We all know that the minister is a fan of consulting. I think that he wants to consult on this one, too, but if he wants to intervene to clear that up, he can do so.

Paul McLennan: I will pick up the member's points and touch on those issues when I come to speak.

Graham Simpson: That is fine. I will get to close the debate on the group, so I can address the minister's comments then. I have spoken to him, and I will wait to hear what he has to say.

Amendment 60 adds student residential tenancies to the definition of "a relevant tenancy" by repealing paragraph 5 of schedule 1 to the Private Housing (Tenancies) (Scotland) Act 2016. That schedule lists the tenancies that cannot be private residential tenancies, and the list includes a tenancy whose

"purpose ... is to confer on the tenant the right to occupy the let property while the tenant is a student".

Repealing that paragraph of the 2016 act will promote greater equivalence between private residential tenancies and student residential tenancies.

Amendment 75 provides that the new regulation-making powers under amendment 59, which empowers Scottish ministers to make provisions for student residential tenancies to be subject to rent controls on an equivalent basis to private residential tenancies, are subject to the affirmative procedure. I note that the amendments relate to rent control and rent increases, and not to other aspects of the bill.

I turn to Maggie Chapman's amendment 535, which deals with guarantors for students who are non-UK domiciled. I have a lot of sympathy with that, not least because I address the issue with an amendment in a later group, and I am keen to hear about it from Ms Chapman when she speaks to her amendments.

I shall close there, convener. I move amendment 51.

The Convener: I call Maggie Chapman to speak to amendment 59A and other amendments in the group.

Maggie Chapman: Purpose-built student accommodation can, and does, provide an important source of accommodation for students, but the sector is, quite frankly, getting out of control. A basic room in one PBSA block—the Vita student block in Fountainbridge in Edinburgh—is £406 not a month, but a week. That means that a

student will be paying over £1,600 a month for the smallest—just 20 m^2—and most basic room on offer. All that that does is line the pockets of private developers at the expense of students at a time when, as we know, student homelessness is on the rise.

The National Union of Students Scotland and student living rent groups across the country are very clear that student accommodation must be included in the bill. After all, students deserve the same protections as any other renters. That is why we need to look at controlling rents for student accommodation, too.

I welcome Graham Simpson's amendment 59, which empowers the Scottish Government to introduce rent controls for student accommodation. However, as he alluded to, the way in which the amendment is written means that the Government will not have to do anything. Given the student housing crisis and the risk of homelessness that too many students face, doing nothing should not be an option for us today. My amendments 59A and 59B therefore require the Scottish Government to introduce controls into the sector. The detail of how that will be done will have to come later—after the appropriate consultation, of course—but I hope that we can take the first step today.

09:45

My other two amendments in the group—amendments 535 and 536—address a different set of issues, which I am sure that the National Union of Students Scotland and others highlighted to many of us. We know that, by virtue of not necessarily having family or other connections here, international students can struggle to get a guarantor, but we also know that they are very unlikely to default on rents. Amendments 535 and 536 therefore seek to introduce specific controls for non-United Kingdom domiciled students.

Amendment 535 would create a

"guarantor scheme for non-UK domiciled students"

whereby

"a public body"

would

"act as guarantor"

for international students, which means that they would not struggle to get rents simply because they do not have somebody who can say, "Yes—we will be the guarantor."

Amendment 536 creates a review of deposits for international students. Deposits can be a further barrier for students who not only do not have a guarantor but also do not have access to other funds in the UK. We know of too many stories where international students are asked to pay three, six or 12 months' rent up front in advance of signing a lease for a flat. That cannot be acceptable. We would not expect any other renter to pay so much money for accommodation in advance. I hope that we can move to reducing deposits so that the students whom we welcome here to study, many of whom play such an important role in our communities, are not priced out of doing so.

Accommodation is one of the key limiting factors for many international students. I hope that members will take amendments 535 and 536 seriously, because the situation is out of control.

The Convener: As Edward Mountain is not present, I call Meghan Gallacher to speak to his amendment 427 and other amendments in the group.

Meghan Gallacher: Amendment 427 seeks to insert a part called

"Student residential tenancies: rent variation instigated by landlord's notice",

and a section called

"Landlord's power to increase rent".

Amendments 427 to 439 all relate to a similar issue. They seek to bring student residential tenancies and purpose-built student accommodation into line with private residential tenancies regarding the landlord's power to increase rent and the protocol to be followed. As I have described, they are part of a wider group of amendments whose purpose is to include PBSA when dealing with the determination of rent in the First-tier Tribunal. I believe that my colleague Edward Mountain is seeking to bring those amendments back at stage 3, so it would be helpful to hear what the minister thinks about amendments 427 to 439.

Edward Mountain's amendment 407 proposes a different approach to the tenancy deposits of students who are non-UK domiciled from that which we have just heard about from my colleague Maggie Chapman. In my view, we are facing huge issues when it comes to not only student accommodation but the ability of students who move across Scotland or the UK to find that accommodation. Amendment 407 sets out that landlords who let to overseas students without a UK guarantor should be able to increase the deposit to

"three times the monthly rent".

Again, that is to secure accommodation for students who are moving across the UK in order to find a university place and accommodation close by as well.

On the amendments that my colleague Graham Simpson has set out, I agree that amendments in relation to students must be included in the bill. It is evident from the committee's stage 1 report that students have not been front and centre in the bill. However, we are experiencing so many different issues in relation to students who are trying to find good accommodation and affordable rents that we must seek to improve the bill in that area.

Jeremy Balfour (Lothian) (Con): I have only one amendment to the bill. As Meghan Gallacher pointed out earlier, some of us are due at other committees—indeed, I am already due in another place—so I have asked my colleague to move or not move the amendment in due course.

We have heard from Mr Simpson and Ms Chapman about the need for the bill to give students more protection. Amendment 183 is similar to but goes further than Ms Chapman's amendment 535 in the requirement for a guarantor.

I lodged the amendment after having a number of meetings with people in my region, particularly the University of Edinburgh.

The Government and the Parliament need to look at two issues before the bill becomes an act. As we heard from Maggie Chapman, overseas students arrive here looking for accommodation. Many of them know no one in the country and they do not know how to get a guarantor. They either have to pay excessive amounts of money or are unable to find appropriate accommodation. I am not sure that I want to move amendment 183, but, when the minister closes, I would welcome him speaking to what it suggests, to find out what way he believes we can go forward.

We seek to encourage people from different backgrounds to attend our universities in Scotland, so the second issue that we have to consider is those who come from a low-income background. Many of them do not have an individual who can guarantee their rent. That can put them off going to their choice of university or the type of course that they do. That seems to go against everything that we are trying to achieve as a Parliament. My understanding is that all parties want universities to be open to anyone who has the academic ability, rather than just to those who have the financial ability only. For that reason, I look forward to hearing what the minister is going to say.

I should say that it is not my intention to move amendment 183, but I think that we can come together on all the different amendments in the group. I look forward to something coming forward, either from the Government or from me or another member at stage 3, to give that protection.

Pam Duncan-Glancy (Glasgow) (Lab): As we heard this morning, students as a group have been adversely affected and impacted by the current housing emergency. In fact, figures from NUS Scotland show that 12 per cent of students in Scotland have experienced homelessness while studying. We have just heard from my colleague Jeremy Balfour about how we in the Parliament want to ensure that people can study because of their ability, not their ability to pay. That is incredibly important.

For those who are in student accommodation, it has become increasingly unaffordable, insecure and poor quality. Students cannot learn properly if they do not have warm, secure and affordable homes to live in. That is why I lodged my amendments on student tenancies and accommodation.

Amendment 537, on pre-tenancy requirements and student funding, was lodged because landlords can refuse to rent to students, and some express preferences based on the source of student income, such as loans or student grants. That can create challenges for students who are seeking housing, especially those who rely on student loans or who have limited income. Amendment 537 would require Scottish ministers to introduce regulation to provide student funding with equal status to other forms of income for the purposes of pre-tenancy checks. The purpose of the amendment is to ensure that students are not discriminated against based on the source of their funding, and that they can secure housing in the same way as non-students can.

Amendment 541 is on the power to enable tenants to terminate student residential tenancies—I know that other members have an interest in that, too. Students are not currently defined as tenants under the Private Housing (Tenancies) (Scotland) Act 2016 if they live in private purpose-built student accommodation or halls of residence.

Purpose-built student accommodation is exempt from several tenancy regulations and, instead, falls under common law. Most notably, students can struggle with the 28-day notice period in certain circumstances. Student accommodation continues to operate on a fixed-term lease, which is practical for the academic year. However, students sometimes have valid reasons to leave their leases but often find it very difficult to do so, and the system gives providers a strong upper hand. For example, students who are on an interruption of study do not have the choice to end their lease in a private PBSA without incurring costs or being required to find a replacement student. The same is the case for students who withdraw from their studies.

Amendment 541 would give Scottish ministers the power to provide, where necessary, for a student residential tenancy to be terminated by a tenant in the same manner as a private residential tenancy may be terminated by the tenant under part 5 of the 2016 act. The purpose of the amendment is to ensure that students in PBSAs can end their contracts with the student accommodation provider if they withdraw from or take an interruption from their studies without incurring any financial losses or emotional distress as a result of their decision.

I turn to amendment 474, which is on a purpose-built student accommodation charter. Purpose-built student accommodation rent typically costs 30 per cent to 50 per cent more than the average rent in any given area. In fact, rent for PBSAs increased by more than 34 per cent between 2018 and 2021, which is much higher than the rate of inflation. It means that PBSAs are often financially inaccessible to students from low-income backgrounds, particularly those from the 20 per cent most deprived areas according to the Scottish index of multiple deprivation. As a result, some students are left with no choice but to travel long distances from their family homes, to face homelessness or to experience unsuitable housing situations. Furthermore, increased prices for PBSAs do not always reflect a higher standard of accommodation. An NUS report pointed out that the quality of student accommodation can affect students' mental health and wellbeing and, in turn, their ability to study.

Amendment 474 would require Scottish ministers to publish a purpose-built student accommodation charter within 12 months of the act coming into force. I am aware that the Scottish Government is working with universities and Universities Scotland to look at practice and codes in that area, but I am keen to see what can be done through legislation to set out a statutory right to and responsibility for such a charter. It would set out

"the purpose of purpose-built student accommodation ... the rights and responsibilities of landlords and tenants under a student residential tenancy"

and

"the processes for dispute resolution".

It could also include the standards and outcomes that landlords should aim to achieve. The amendment aims to ensure that landlords and tenants are aware of the purpose of such accommodation. It is for the Government to set out, via regulation, that the premise is to ensure that PBSAs are affordable, accessible, safe and connected.

My amendment 475 is about introducing a purpose-built student accommodation strategy. Since 2015, PBSAs have made up 28 per cent of approvals for accommodation across Glasgow alone. That is in spite of the fact that students make up only 18.5 per cent of the city's population. Students and residents across all areas, cities and regions in Scotland need accommodation. However, not all students want purpose-built student accommodation and residents need a wide range of affordable housing options to be available to them, too.

Amendment 475 would require ministers to prepare a purpose-built student accommodation strategy that sets out ministers' objectives with regard to purpose-built student accommodation, their plans for meeting those objectives and arrangements for monitoring progress towards them. The strategy could include aims for the ratio of student residential tenancies to other types of tenancy, as well as the Government's view on the role of PBSAs within the available housing stock. My amendment sets out that, in preparing the strategy, ministers would be required to consult higher education institutions, local authorities, representatives of students and, crucially, non-students and residents in local areas. Ministers would be required to lay the charter and strategy before the Scottish Parliament. The purpose of the amendment is to ensure that a more strategic approach is taken to the provision of different housing tenures in any local authority area.

Amendment 556 is a consequential amendment to amendment 537.

Ross Greer: My amendments in this group cover a lot of the same ground as those lodged by Pam Duncan-Glancy and Graham Simpson. That those of us reaching a consensus on this point span the whole ideological spectrum, from me and Maggie Chapman to Graham Simpson and Edward Mountain, is an example of how strong consensus is on the need to improve students' living conditions.

My amendment 540 gives tenants in student residential tenancies the right to bring their tenancy to an end after 28 days' notice. It is a copy and paste of the temporary provisions from the Coronavirus (Scotland) (No 2) Act 2020, thus the anomalous-looking 7-day provision for existing tenancies. Given the volume of work for the legislation team to do on the bill, I thought that it would be quickest at this stage to copy and paste the 2020 drafting in order to test the principle of bringing student tenants' rights closer to those of other tenants. If the principle is agreed, I will tidy up the amendment at stage 3 and remove the now superfluous 7-day provision.

10:00

Bringing in that right would prevent tenants in student halls from, in essence, being trapped in their tenancies when they no longer need them, as Pam Duncan-Glancy said. For example, they might need to leave their studies due to illness, a change of family circumstances or sudden caring responsibilities. It is very rare that a student has to leave their accommodation because of a positive change in circumstances. Those who have to leave are already experiencing some difficulty.

The Scottish Government consulted on the issue in July last year. As far as I am aware, the Government has not yet published its response to that consultation—certainly not anywhere that I could locate. If the principle is agreed, I also want to work with the Government ahead of stage 3 in order to capture some of the other issues that were explored in that consultation, such as the issue of students paying fines or fees for ending a tenancy early. The impact on the PBSA business model is a legitimate concern that can be addressed, and it is entirely achievable to provide some compensation to a student who leaves before Christmas, for example, so that they do not have to pay for the full year.

My amendment 548 mandates ministers to publish a set of model terms and conditions for student residential tenancies, which would cover the topics that are listed in the amendment as a minimum. The list is not exhaustive, and ministers would have the power to make some of those provisions mandatory for relevant tenancies. That mirrors the existing model tenancy agreement that exists for the private rented sector, so the amendment continues the theme of equalising students' experience of housing with that of other private renters.

It would guarantee a minimum standard for student residential tenancies, and it delivers on one of the Government's own PBSA review group's recommendations. The amendment would tackle a number of the issues that were commonly raised in that review, such as cooling-off periods, data sharing, information support and so on, and it would bring student tenants' rights closer into line with those in private tenancies. For example, we would all consider a 24-hour notice period for maintenance and inspection to be completely legitimate. It also addresses issues such as the need for a notice of rent increases and a cap on deposit amounts.

I note the other amendments to apply rent control provisions to student tenancies. My amendment 548 would enable the Scottish Government to set a mandatory condition on rent affordability, particularly in relation to available student support. For example, it could mean that the rent in PBSA is no more than 30 per cent of the basic Student Awards Agency for Scotland living costs loan.

The sector has always claimed that its terms and conditions are already adequate, but the PBSA review and our inboxes show that the reality is quite far from that. It is important that we put in place some statutory provisions, and the bill is the only legislative vehicle with which to do that in this parliamentary session. Non-statutory model terms and conditions would go on to gov.scot and immediately be forgotten. I have lodged the amendments because we are 15 months on from the publication of the PBSA review recommendations and I see no evidence of progress, particularly on anything that would require statutory provision. As I said, this is the last vehicle with which we can do that.

My amendment 549 mandates ministers to publish a model complaints procedure for student residential tenancies, which may be made binding. It clarifies and standardises a tenant's right to complain and make other representations to their landlord. It is another amendment that delivers on one of the PBSA review group's recommendations.

My amendment 559 is consequential to my amendment 548. My amendment 560 is consequential to my amendment 549. Any regulations that would be made under provisions introduced by those amendments would be subject to the affirmative procedure.

The Convener: As no other members wish to speak, I call the minister to wind up the debate.

Paul McLennan: The debate has been really interesting in terms of the consensus that has emerged. I will touch on suggested ways ahead, but I will first speak to individual amendments and touch on the points that have been mentioned.

Amendments 51 to 59 and amendment 75, all in the name of Graham Simpson, and amendments 59A and 59B, in the name of Maggie Chapman, have the effect of including student tenancies in rent control measures.

Amendments 427 to 439 and 441, all in the name of Edward Mountain, support the inclusion of student tenancies in rent control measures through the creation of a new process to increase rents within student tenancies. The measures would have an impact on the PBSA sector and on university halls of residence.

Although I understand members' concerns about the affordability of student accommodation and the calls for rent controls that could apply in rent control areas to also cover student tenancies, there are significant concerns about that approach due to its lack of alignment with how the student accommodation sector operates in practice. I

therefore do not support the amendments that have been lodged by Graham Simpson, Maggie Chapman and Edward Mountain, but I will touch on a suggested way ahead later.

Student accommodation provision operates on a different basis from the wider private rented sector, taking account of the needs of students. As a rule, students seek accommodation for a fixed period, covering the academic year, at a fixed cost. That is unlike the wider PRS, in which tenancies are open ended and must be brought to an end by the tenant or the landlord. That is reflected in the business model of PBSA and university accommodation providers, which align move-in and move-out dates with the academic year. PBSA is not generally rented to those who are not students during term time, and university halls of residence are generally rented only to students of the institution in question during term time. As such, student accommodation cannot be considered as part of the wider supply of rented housing that is available to all tenants.

In addition, rental costs for PBSA and university halls of residence usually cover more than just rent. As a result, generally, student accommodation costs are not directly comparable with mainstream rents.

Graham Simpson: I know that the minister is going to outline a way forward, but I am trying to understand his argument. Is it his argument that student halls of residence should not be subject to rent control rules because they might be rented or let out to people other than students at some point during the year?

Paul McLennan: No, although that happens at the moment, and there needs to be wider discussion on that issue. I will touch on the role of the PBSA review group, which Ross Greer mentioned. It is important that we all engage with that group on the matter that Graham Simpson has raised and on wider issues. I will come on to suggest a way forward in how we engage with the PBSA review group, which is important because the group includes providers, universities, local authorities and student groups. It is important to engage with that group, which includes all the major stakeholders, regarding what is being proposed in the amendments in relation to the work that it has done and to get its thoughts on the amendments. I will come on to that specific point.

Including student tenancies in rent control measures would be a significant change to the measures that are set out in the bill, but there has been no prior consultation with student tenants or accommodation providers on the proposal. There is therefore no clear understanding of the potential implications of the measures—for providers or for students—on the provision of student accommodation.

Amendments 51 to 59 and 75, in the name of Graham Simpson, would have the effect of including student tenancies in rent control measures and would give the Scottish ministers the power to set out in regulations the necessary provisions to allow for that.

Amendments 59A and 59B, in the name of Maggie Chapman, would require the Scottish ministers to exercise those regulation-making powers to set out such provisions.

Amendment 60, in the name of Graham Simpson, would amend schedule 1 to the Private Housing (Tenancies) (Scotland) Act 2016, on tenancies that cannot be private residential tenancies, by removing paragraph 5, on student lets. That would have the effect of making every student tenancy, hall of residence and PBSA a private residential tenancy. That would mean that every student tenancy would be regulated in the same way as a private residential tenancy. There would be no fixed duration, so the tenancy could be terminated only when notice was given by the tenant or when the tenant was evicted by the landlord. Therefore, I ask Graham Simpson not to move amendment 60.

Amendments 427 to 439 and 441, in the name of Edward Mountain, which seek to replicate the regulation of rent increases in private residential tenancies for student tenancies, raise similar concerns. As I said, rent increases in student tenancies do not generally take place during the tenancy, as it is for a fixed duration, and the amendments could make way for a change in that approach, which could be unwelcome. I am therefore not convinced of the need for those provisions. In addition, there has been no consultation with the sector to understand the impact or suitability of the approach that has been set out.

Given the unique nature of the PBSA sector, we do not think that it is appropriate to extend certain measures in the bill to cover those living in PBSA. The recent PBSA review looked at a number of issues, including supply, affordability and regulation. Work is on-going on the review's recommendations, and it is important that that work be allowed to conclude before any decisions are made. I will touch on that point in a second.

Ross Greer: I recognise and appreciate the importance that the minister is placing on the PBSA review group, but its recommendations were published 15 months ago. A number of the recommendations would require a change in legislation, but the Government has not lodged any amendments to deliver that change through the bill. Will the minister confirm that, unless we make changes through this bill, there will be no legislative vehicle with which to make such

changes in the remainder of this parliamentary session?

Paul McLennan: I recognise the points that have been made and the consensus that has arisen in this debate. For me, one of the key things that is coming out of this discussion at stage 2 is the need to consult the PBSA review group, which includes the major stakeholders. The group will have to conclude its recommendations. I am aware that there will be no other measures arising from the group's work that will be coming forward in legislation, but it is important that, before we progress with some of the amendments that have been lodged at stage 2, we engage with it.

Indeed, Mr Greer, I will touch in a second on how we take that forward with regard to all the amendments that have been lodged. However, engaging with the PBSA review group, which as I have said includes all the major stakeholders, will be important; members will then have to decide whether they press the issue at stage 3 and the Government will have to consider where it takes things, too.

Meghan Gallacher: Ross Greer has raised a really important point. It has been 15 months since the findings in question were published, and I note, too, that the stage 1 report of the Housing (Scotland) Bill was published on 14 November 2024. In both, concerns about these issues from students, student bodies and student representatives feature heavily.

Basically, we are collectively saying that progress has been very slow. I, too, am concerned that if these amendments are not at least considered, there might not be an opportunity to legislate to help to protect students. The minister needs to take the matter seriously and I hope that he will conclude that he will work with members on some of these issues and tease things out before stage 3.

Paul McLennan: I come back to a point that Mr Greer made. I will probably come on to this, but I think that it would be useful for everyone who has lodged amendments to engage, either individually or collectively, not just with me, obviously, but with the PBSA review group and discuss their amendments with it. That group includes all the major stakeholders, who are incredibly important when it comes to dealing with this issue.

I said that I was going to come on to this, but I am happy to meet either individually or collectively with members. Obviously, I will have to contact the PBSA review group, but I am sure that it would have no issues with engaging with members on their amendments.

In recognising the points that members have made and the amendments that they have lodged, I have to say that I think it is important that we engage with the sector and hear its thoughts about the way ahead. At that stage, it will be for the Government to continue to push things—and, indeed, individual amendments will be lodged, too—but it is important that we engage with the sector to discuss matters on a much broader basis. As I have said, I am happy to take forward that engagement either individually or collectively.

Pam Duncan-Glancy: For my understanding, can I check whether the minister is suggesting engagement with the review group with a view to the Government lodging amendments at stage 3?

Paul McLennan: I cannot say at this stage what the Government will do in that position. Obviously, that will have to be discussed with colleagues, too. However, it will be really important for me as minister, having heard the consensus that has arisen today, to engage with colleagues in other parties on amendments. We might come to an agreement on that, or not, but that would be a process for stage 3. What I am hearing is a clear consensus coming through on some of these issues, and I think that we need to hear the thoughts and views of the PBSA review group on how we take things forward. The group, which includes all the major stakeholders, will probably come forward with a response, and then it will be for all of us to go away and reflect on what has come out of that engagement. Obviously, that will happen at stage 3.

Willie Rennie (North East Fife) (LD): Has the minister not asked that question already?

Paul McLennan: We have engaged with the PBSA review group—

Willie Rennie: What did it say?

Paul McLennan: As you will appreciate, some of the amendments were lodged at a late stage and are quite new. We have been engaging regularly with the group, but some amendments were lodged only a short time ago, and a large number of amendments have been lodged on this part of the bill, as there were on the previous part. It is important that we engage with the PBSA review group on the amendments that have been lodged. I know that we have to be timeous here, so we will need to engage with it as quickly as possible.

Ross Greer: I think that what members are looking for from the Government is an indication of whether it agrees with the principle behind the amendments. If it agrees on the principle—and it has recognised the consensus on this matter across the Parliament—and if it is simply a question of working with the PBSA review group on drafting that can be agreed at stage 3, that is one thing.

If the Government disagrees with the principle behind the amendments, which is that student tenants should have the same right to end their tenancy as private students, as well as the principle of a set of model terms and conditions, as the PBSA review group has recommended—I believe that the Government has accepted that recommendation—there is no incentive for members to hold back at this stage and come back at stage 3. We are all looking for an indication from the Government on the point of principle behind each of the amendments. If that indication is there, there is scope to work with the Government before stage 3, but if there is not, my intention would be to move my amendments at this stage and see what the committee's view is.

10:15

Paul McLennan: One of the important things in all those issues is engagement with the PBSA sector. I appreciate that one of the key things right the way through the bill was consultation. I mentioned that the PBSA review group has engaged with us on the specific amendments, and I would like to engage further with the PBSA sector and work together with members on that particular issue. It is important that we listen to the views of the sector. It is up to us, as individual members, or as the Government, to respond to that, and we can do that on a very early basis.

I ask members not to move their amendments in this group at this stage, given the offer of meeting the PBSA review group, but they will have the ability to lodge amendments at stage 3.

Ross Greer: On a point of clarity, my understanding is that the Government accepted the PBSA review group recommendations, but the minister has not confirmed that so far. Will he confirm whether the Scottish Government accepted the recommendations that the PBSA review group set out 15 months ago, or is that is no longer the Scottish Government's position?

Paul McLennan: In terms of where the issue was 15 months ago, the Government accepted the recommendations and has been working with the sector on how they would be implemented. The important point for me is how they would be implemented. That is the point that I am trying to make on the further consultation that would be required. They were accepted, because it was an independent review group, but the important part of the issue is how they would be implemented.

The principle of the recommendations and how they are implemented merits further discussion. The important point is how the recommendations would be implemented. The amendments, which were lodged at a relatively late stage after the PBSA review group reported, need to be discussed further with the group in relation to how the recommendations would be implemented. I ask members not to move the amendments, but to continue to work with me and the sector on the issue. I am happy to have discussions about individual amendments, but I think that it would be collectively advantageous for us all to meet with the PBSA review group to discuss that as we look forward.

I say to members that, whether they want to move their amendments at this stage or not, it is important that we have discussions about the implementation of the recommendations, and that we further discuss the amendments with the review group. I am asking members not to move their amendments in the group at this stage, but, as I said, I am willing to engage with members, either individually or collectively, along with the PBSA review group, regarding the actual implementation of the recommendations.

Amendment 183, in the name of Jeremy Balfour, responds to concerns about difficulties that students in purpose-built student accommodation have in providing a suitable guarantor. Although the amendment is well intentioned, it could inadvertently make things more difficult for students, particularly foreign students and those from poorer backgrounds, to find accommodation, increasing their risk of homelessness. That is because a guarantor and advance rent are options that can be used to facilitate a let where the prospective tenant is unable to demonstrate sufficient income or creditworthiness. I ask Jeremy Balfour not to move amendment 183.

Amendment 407, in the name of Edward Mountain, would increase the maximum limit for tenancy deposits from two months to three months for international students who are not required to provide a guarantor. I understand that there can be barriers for international students to accessing the PRS, such as the difficulty of providing a UK-based guarantor. However, the introduction of an increased deposit amount in place of a guarantor requirement is unlikely to be a sufficient reassurance for private landlords where a prospective tenant is unable to sufficiently demonstrate income or creditworthiness without a suitable guarantor. Careful consideration would also need to be given to ensure a fair approach for all students and the amendment does not strike that balance. I therefore ask Edward Mountain not to move amendment 407.

Maggie Chapman's amendment 535 would require ministers to establish through regulations a public body to act as a guarantor for non-UK domiciled students. I am sympathetic to the outcomes that she seeks to achieve, but it would be a complex issue, and there would be on-going

financial implications for the Scottish Administration. There are a number of rent guarantee schemes across Scotland, operated by universities, local authorities and charities, that can help tenants who are unable to make use of other alternatives to access rented accommodation. A quicker and more cost-effective alternative would be to consider strengthening those avenues of support. I ask her not to move amendment 535.

Maggie Chapman: The minister has mentioned that there are other rent guarantor schemes across Scotland. However, international students are quite often not allowed to access them. The minister has asked whether we can strengthen those existing avenues of support. Has he had conversations with any of the existing schemes to explore what might be possible, given what he said in response to both my and Jeremy Balfour's amendments?

Paul McLennan: The PBSA review group has discussed the issue and is trying to take it forward. I think that the issue could be explored again. The fact that discussions are taking place in the PBSA review group opens the opportunity for Maggie Chapman and me to introduce amendments at stage 3, after those discussions have been held.

Maggie Chapman: Is the Scottish Government sympathetic to finding some solution for students who struggle to get guarantors, regardless of whether they are international students?

Paul McLennan: Yes. Looking at my speaking notes, I think that I said that. You know that we are sympathetic to the outcomes. It is about engaging with the sector to strengthen what is already there. If that does not happen, we will look at what we are doing. It comes back to the point that you made about engaging with the PBSA review group and so on. However, I mentioned that I was sympathetic to the intentions that you have stated in your amendment.

Maggie Chapman: Okay.

Paul McLennan: Amendments 537 and 556, in the name of Pam Duncan-Glancy, would provide ministers with an enabling power to make affirmative regulations to set out requirements that

"student funding has equal status to other forms of income."

I do not think that additional regulations in that area would work in practice.

Maggie Chapman: I am sorry, minister. I want to ask a question about amendment 536, which is about deposits. I had thought that you might say a bit more about it.

Paul McLennan: I will come to it in a second.

Maggie Chapman: Okay. Apologies.

Paul McLennan: I will finish my point on amendment 537 and then come back to amendment 536.

It is also unclear how such requirements could be effectively enforced with no formal agreement being in place between the prospective tenant and the landlord or agent. Setting additional requirements in this area might also inadvertently discourage mainstream landlords from letting to students rather than support better access. I therefore ask the member not to move that particular amendment.

Pam Duncan-Glancy: I am not sure that I understand the minister's logic. Why does he think that it would be difficult to regulate in that area? What does he think the problem would be for landlords to determine whether that source of income is equal to another one?

Paul McLennan: As I mentioned, it is about the fact that no formal agreement is in place between the tenant and the landlord or agent, which might discourage that.

I will touch on number of points—I was going to come on to income, which is just one of the requirements. I am happy to engage further on that particular point with Ms Duncan-Glancy.

Pam Duncan-Glancy: Does the minister recognise that student loans are used for income in other areas?

Paul McLennan: Yes.

Pam Duncan-Glancy: If they are recognised as income for other areas, why not for this one?

Paul McLennan: Give me a wee second—I am looking at my notes.

Again, the issue has been raised in the PBSA review group, and it is about recognising individual circumstances. However, as I said, I am happy to engage with you on that particular point.

Pam Duncan-Glancy: Okay.

Paul McLennan: I come back to amendment 536, in the name of Maggie Chapman, which proposes to gather more information about non-UK domiciled students and tenancy deposits. The amendment provides for the use of regulatory powers.

There are practical issues with obtaining the data sought. Tenancy deposit schemes do not currently collect any information from tenants that would enable them to establish whether a tenancy deposit protects a non-UK domiciled student, and placing a requirement on the schemes to collect that data would be a significant change, with resource and cost implications.

I have concerns about the proposed enabling regulations. Placing restrictions on the amount of tenancy deposits that can be lodged by a non-UK student might also result in the unintended consequence of landlords choosing not to let their properties if they cannot obtain sufficient security over them. I also have concerns about treating non-UK students differently, as there is a need to ensure a fair approach for all students. I therefore ask Maggie Chapman not to move amendment 536.

Maggie Chapman: The minister has concerns that a system that would restrict up-front rent payments would mean that international students were treated differently, but they are already treated differently by the sector. It is international students who are often asked for three, six or 12 months' rent up front—UK-domiciled students are not asked for that level of up-front rent. The sector is already treating international students differently, and they are disadvantaged as a consequence. The scheme is an attempt to equalise the system so that they would not be treated differently. What is the minister's response to that point?

Paul McLennan: We recognise that. It is part of the discussion that we have had with the PBSA review group in terms of what it is looking to do about the issue. It comes back to engagement.

I am sympathetic to Maggie Chapman's intentions, but we need to engage with the sector on the work that is already being done. It is important to engage with the sector and the work of the PBSA review group, and to recognise the work that the sector is already doing.

Maggie Chapman: Is it the minister's view that the PBSA sector should not be able to treat international students differently?

Paul McLennan: It is important to ensure that overseas students have the ability to come to Scotland.

Maggie Chapman: Should they be treated differently or not?

Paul McLennan: No. We need to encourage them. We know that there have been issues with landlords and foreign students who have come here, and we have all had casework about it. It should be made as easy as possible for foreign students to come to and reside in Scotland. We also need to recognise where landlords sit in relation to the issue. Again, I am sympathetic to the point that we are looking at. We should be working to engage with the sector to progress that and to make the system as easy as possible. The sector is looking at the issue.

Amendment 540, in the name of Ross Greer, would enable students living in PBSA to bring their contract to an end with either seven or 28 days' notice, depending on when the accommodation agreement started. A 28-day notice period would reflect the notice period in the mainstream PRS. The amendment reflects the temporary emergency legislation that was introduced in response to Covid.

Although I understand the purpose of the amendment, I cannot support it. The Scottish Government led a review of purpose-built student accommodation, working with a multi-agency group, the outcome of which contained 11 recommendations. Those covered issues such as regulations, supply and affordability in the PBSA sector. The recommendations are currently being progressed—I come back to the point that I made to Mr Greer earlier. Further consultation on notice periods has been undertaken by way of student and provider surveys; the results are currently being analysed.

In addition, a PBSA agreement is a very different type of agreement. Voids in PBSA can only be filled by students, which is difficult to do in the middle of the academic year. Amendment 540 would have a substantial impact on the current operation of PBSA, with the possibility of higher rental costs for students and an increase in affordability issues.

Ross Greer: Will the minister take an intervention?

Paul McLennan: Yes.

Ross Greer: The minister is making two lines of argument against my amendment. One, which we have heard already this morning, is about the need for further consultation with the PBSA review group; the second is an argument in practice against the principle of students being able to end their tenancies early like any other private tenant.

To clarify, is the Scottish Government's position that, because of the different business model, students in PBSA should not have the same right as other private tenants to end their tenancy early? As I said, if the argument is one about the need for further consultation with the review group so that amendments that will have the same effect can be lodged at stage 3, that is one thing. However, it sounds as if the Government disagrees with the principle that PBSA tenants should have that same right to end the tenancy early. I would be grateful if the minister could clarify that point.

Paul McLennan: The consultation in respect of the notice period involved student and provider surveys. The results of that are being analysed. When we see those results, the Government will come to a position, and it is important to consult the PBSA sector on that. The survey results will affect what that position will be.

Ross Greer: Can you clarify, then—I do not know whether committee members are aware of it, but I am not—what the timescale is for processing those consultation responses? Is the minister indicating that the Government intends to collate those consultation responses and come to a view ahead of stage 3 and, therefore, it would be able to lodge amendments at that point? If amendments are not lodged at stage 3 of this bill, there is no other legislative vehicle for making those changes in this parliamentary session.

Paul McLennan: That point has been mentioned. It is up to the Government to decide what it will do, depending on the results of the analysis. I take cognisance of the point that you made about the only way to make changes being through amendments at stage 3 of the bill.

10:30

Pam Duncan-Glancy: My question is similar to the one about timescales. What I am hearing in relation to a number of amendments is the need for consultation with the review group. I have to say that I share Ross Greer's concern, if that is the right word—I do not want to put words in my colleague's mouth—that we are not hearing that we should consult the review group on lodging stage 3 amendments that do the same thing, albeit with some specific changes. I again ask the minister whether the Government is prepared to lodge an amendment at stage 3 that looks to address the student loan income issue that we have been discussing.

Paul McLennan: I come back to my earlier point that, whatever an amendment is about, it is important that we speak to the sector. If the Government agrees with the points that have been raised, we will look at that. It is important that we engage with the sector before we make any final decisions on what amendments will be lodged at stage 3.

I have indicated that I have some sympathy with some of the amendments. However, some of the other amendments will need to be considered. For example, it is important that the analysis of the notice period surveys is considered before we bring something in at stage 3.

Pam Duncan-Glancy: Does the minister recognise that members will have done some of that engagement?

Paul McLennan: Of course I do. I know that members have done that over a period of time. It is important to get that broader view from the PBSA review group collectively. There will be a number of interests in the sector—providers, investors, student groups, universities and local authorities—and it is important to consult widely on the amendments that have been lodged. As I said, many of them were lodged later on and so have not been allowed that extensive consultation. That has been partly addressed by the PBSA review recommendations. However, with some of the amendments that were lodged later on, that broader engagement with the stakeholder group has not taken place, and I would encourage members to have that engagement. I am happy to speak to the group to arrange that; there could also be discussion of individual recommendations at that point.

I thank Pam Duncan-Glancy for lodging amendments 474 and 475. At this stage, it is important that we have that wider discussion with the PBSA review group.

On amendment 474, the review group made a specific recommendation on the development of a model of terms and conditions for the PBSA sector to support improvements in the consistency of the rights that PBSA tenants can expect across all providers. Work is under way in the sector to implement that recommendation by developing model tenancy agreements alongside a model complaints procedure to ensure that all PBSA tenants are empowered to raise complaints in the future.

The measure in amendment 541, in the name of Pam Duncan-Glancy, raises similar considerations. It proposes an enabling power rather than imposing a requirement, but it is premature, as the need for action in that area has not been recognised.

On amendment 475, in the name of Pam Duncan-Glancy, I understand the drive to recognise the issue with the supply of affordable student accommodation and to clarify a plan for future action on changes to the regulation of student residential tenancies. The PBSA review group work recognised those key issues, which were reflected in its final recommendations.

In particular, recommendations were made about the importance of effective partnership working at local level. Local authorities have been involved in that broader work, which is looking at the provision and use of student accommodation, and considering local supply issues in the short, medium and long term. The PBSA review group has also undertaken work to drive progress on the development of local strategic partnerships.

Pam Duncan-Glancy: Do the minister and the Government recognise that the work that he has outlined still results in a less-than-strategic approach to the ratio of residential accommodation, affordable accommodation and cross-tenure accommodation to purpose-built student accommodation within each area, and that a strategy could bring some coherence to that?

Paul McLennan: Having been involved in the PBSA review group, I know that that is one of the key areas that it is looking at. The local authorities in Edinburgh and Glasgow have worked on that point and considered how it feeds into the wider issues of housing supply and housing strategy. That is a key piece of work that local authorities are doing. The work is on-going, hence I come back to the point about engaging with the PBSA review group on the matter.

You raise important points, but the issue needs further discussion with the review group, which is working on implementation, about the best way to proceed in relation to your amendment.

For me, it comes back to the principle that the PBSA review group is already doing work on implementation. On the amendments that have been lodged, it is important that we engage with that group on where we all go and reach conclusions on what we do at stage 3. That work is on-going. It is important that we engage more collectively and more widely in terms of some of the work that the group is already doing.

Pam Duncan-Glancy: For clarity, can I check whether the minister is, in principle, supportive of a charter and a strategy on purpose-built student accommodation?

Paul McLennan: Again, that is something that the group is discussing at this stage. For me, it is important that we get the review group's conclusions. I have reflected on what is being said today about where members are at stage 2. The point that I have been trying to make all the way through this is that the PBSA review and implementation group is already doing some of that work. Rather than agreeing to amendments at stage 2, and before anything is brought forward at stage 3, it is important that we have consultation with that group. That would allow me to conclude where we are with the amendments and, more broadly, where the group is on the amendments.

Ross Greer: The minister has talked a number of times this morning about amendments being lodged relatively late in the process. I want to clarify the timeline. The PBSA review group reported in February 2024 and the bill was published in March 2024, so I accept that the group's recommendations could not have been written into the bill, which had already been signed off at the point that the review group published. However, there have been 15 months since then. I cannot speak for other members, but my intentions to lodge amendments on this area were sent to the Government in January of this year.

Can the minister confirm whether discussions have already taken place with the PBSA review group on recommendations that it made that would require statutory change and, therefore, what amendments to the bill would be required? If those discussions have taken place with the review group about what could be changed via the bill, could the minister clarify which specific elements of the recommendations were discussed?

Paul McLennan: There have not been discussions on specific amendments to the bill. The group has met more generally to discuss some of the recommendations that are being taken forward, and it has continued to meet on that point. I have attended a number of meetings, and there have been similar meetings involving stakeholders. As far as I am aware, there have not been discussions about individual amendments that have been lodged.

Ross Greer: Why not? Given that the minister's key argument against the amendments at this stage is about the lack of consultation and discussion, and given that we have had 15 months since the review group's recommendations and, at least in the case of my amendments—as I said, I cannot speak for other members—the Government has had four months to consider those, why has no discussion taken place?

Paul McLennan: As I said, the group has met to discuss its recommendations at this point. Not knowing which other recommendations would be brought forward at that point, it has not discussed individual recommendations.

Graham Simpson: When I close the debate on this group, I will have more to say about this then, but the process has been immensely frustrating. I feel the pain of Mr Greer and Ms Duncan-Glancy. Many of the amendments have been lodged for some time now. I lodged my amendments ages ago, and as soon as I could.

The minister has seen them. If he is hiding behind the review group, it should have seen the amendments—and that applies not only to my amendments but to others. The review group and the minister have had time to consider the amendments. Why has that not been done?

Paul McLennan: As I said, the review group has been discussing the implementation of the review, and not the bill, in its own particular regard.

I will continue. I mentioned the amendments on terms and conditions. Complaint procedures are also provided—

Willie Rennie: Did the minister ask the review group to consider the amendments? Did he not think that that would be an appropriate thing to do?

Paul McLennan: I think that officials have been discussing that with the review group. I have not

met the review group for a period of months, in terms of preparation for the bill.

Daniel Johnson (Edinburgh Southern) (Lab): This is a frustrating issue. Mr Greer's point makes an awful lot of sense. The Government's position is that it cannot take a position because it has not had time to consider the amendments. However, those amendments, both in substance and, more importantly, in principle—Mr Greer's point on that is really important—have been discussed for some time, because the bill has been in the public domain for that period. It is also the Government's position that it cannot come to a position because it has not consulted with the review group, but it has not asked the review group, and, more than that, the minister has not met with the review group.

Does the minister not accept that the Government has not done the required preparatory work before coming here this morning to discuss the amendments? Based on what the minister has just said, the Government has set up a process that it has not even attempted to meet. Can he understand the frustration of members in hearing that?

Paul McLennan: I can of course understand that. The review group has had its own timescale for meeting and for taking forward implementation. Obviously, in terms of timing, the group has not had the chance to look at the particular amendments.

Daniel Johnson: Forgive me for intervening again, but you said that it is the group's lack of consideration that prevents you from taking a position, but you have not asked the group to consider the amendments. Is that correct?

Paul McLennan: No. With some of the amendments that have been lodged, there are a number of issues that the group has not been asked to look at. With some of the amendments—those that were lodged at a late stage—the group has not been asked to look at those. Hence my suggestion of a further discussion with the review group going forward.

The Convener: I remind members and the minister that whether to take interventions is at the minister's discretion.

Paul McLennan: I appreciate that, convener.

On the amendments, given the work of the PBSA review group, I ask Mr Greer not to move his amendments 548, 549, 559 and 560. If any of the amendments are moved, I ask members of the committee not to support them, for the reasons that I have set out.

The Convener: I call Graham Simpson to wind up and to press or withdraw amendment 51.

Graham Simpson: I will press amendment 51. At the start of this debate, while members were speaking to their amendments, I wrote down the word "uplifting"—it was uplifting, because we had virtual unity across the board on what people think ought to be achieved. Then, as soon as the minister started to speak, my mood darkened. I was watching the body language of members who are on the committee and those who are not, and there was a lot of head shaking going on, as the minister dug a hole deeper and deeper. He does not appear to have been able to get out of it.

What he seems to be saying—in fact, what he is saying—is that he has not reached a conclusion on many of the amendments in the group. He cannot reach a conclusion, because the PBSA review group has not reached a conclusion on many of the amendments in the group.

I see that Mr Johnson wishes to intervene, and I shall, of course, let him.

Daniel Johnson: I am grateful to Mr Simpson for letting me intervene. Does he share my understanding of the standing orders that the member in charge, which in the case of a Government bill is the minister, has the ability to delay stage 2 in order to take further evidence? Given that we are talking about substantive matters and that the minister says that there is a lack of evidence, does Mr Simpson agree that the Government should think about whether it needs to do that? The Government says that a lack of consideration prevents it from reaching a conclusion at this point but, ultimately, stage 2 is about trying to reach a conclusion. Does he share my understanding of the standing orders?

Graham Simpson: I have not studied the standing orders recently, so I will take Mr Johnson's word for it. However, today, the committee members, who will have to vote on the amendments, are in a very tricky position. The members who are proposing amendments have given a great deal of thought to them, but the minister does not appear to have done so. He is hiding behind the review group, which, as Mr Greer said, reported 15 months ago.

10:45

Ross Greer: On that point, does Mr Simpson share my confusion at the minister's line of argument that he cannot come to a position on these amendments until the review group has come to a position on them, when many of the amendments are aimed at implementing the recommendations that the review group itself made 15 months ago?

Graham Simpson: That is correct. It is absolutely right.

Pam Duncan-Glancy: Like me, are you faced with a very difficult circumstance, which is to try to press an amendment at stage 2, which may or may not carry the support of the committee, without knowing the position of the Government?

Graham Simpson: That is also correct. When I came to discuss this group having had a very brief chat with the minister, I was minded, as I often am, to work with him and allow him to do his consultation, but I am afraid that I have changed my mind. If I was a committee member with a vote, I would vote for many of the amendments in this group in order to put the minister in a position where he has to deal with them. Whether or not you agree with the individual amendments, the minister has to be forced to the table.

It may be uncomfortable for the minister, who I like personally and who knows that, as I have said it many times, but if that does not happen, he will hide behind the review group, the can will get kicked down the road, no amendments will be agreed to at this stage nor at stage 3, and—to answer the point made by Mr Greer, who is realistic enough to know this—we will end up with a bill that does not address student housing, guarantors or the issues that were raised by Ms Duncan-Glancy.

In my view, the minister has got himself into a position that he should, frankly, not be in. That is because he has not given any guarantees that he will work with people with a view to bringing forward amendments at stage 3—I notice that he is not intervening, so he must agree with that point.

Paul McLennan: I take Mr Simpson's points on the discussion about the review group. As I said, the review group sets its own agenda. I appreciate the points that have been made on that, and I have offered to work with members both on their individual amendments and collectively.

My work with the PBSA sector is not about hiding behind it but engaging with it—including with the whole range of stakeholders that I have talked about—to make sure that it is comfortable with the amendments that have been lodged. I am not saying that I will not engage; I have already mentioned that I will engage with members both individually, on their amendments, and collectively, on where the PBSA review group is. It is not about hiding behind the review group; it is about ensuring that we get its full views, including from stakeholders from different sectors, students, local authorities, providers and investors. That is not hiding behind the review group but taking cognisance of the importance of its views on where the work is going. It is not about hiding behind anything.

Graham Simpson: All that work should have happened already, frankly.

Meghan Gallacher: My colleague Graham Simpson has done a lot of work on this area of the bill. He has been speaking to student representatives and student boards, as I am sure other colleagues have throughout the process. We know about these issues and have done so for quite some time. It is not something new that has been brought to the table that individuals were not aware of. I understand that the review group sets its agenda, but, given that there is a housing bill, various parts of which relate directly to students, as was outlined in the stage 1 report, is Graham Simpson as frustrated as I am that, after this section is concluded, we will not know what amendments the minister is seeking to work with colleagues on ahead of stage 3? What does that mean for the recommendations that have already been clearly set out by the review group? Where does that leave students at the end of the day? Does Graham Simpson have any suggestions or thoughts on that?

Graham Simpson: I share Ms Gallacher's frustrations. The committee and, indeed, the minister are in a pretty astonishing position. Some members may be wondering what to do. The minister has not been clear at all, but I am clear that the committee needs to think tactically. I should not be speaking in those terms: we should just know what to do, but I think that committee members need to vote for most of the amendments in the group, unless they are ideologically opposed to them, which they may be. I think that the minister needs to be brought to the table. Despite my suggestion to the minister in our private conversation that he ought to bring parties and MSPs together to discuss what we could do at stage 3, he has not offered that—he has not offered anything.

Paul McLennan: I have offered to meet individuals and the group collectively, as well as the PBSA review group, which includes major stakeholders. That has been offered.

Meghan Gallacher: I realise that this could look as though I am making an intervention through an intervention, but I am still none the wiser as to which MSPs that would include, which amendments have been completely thrown out, and which amendments the minister is likely to work on with MSPs. As a voting member of the committee, I am unclear as to the direction. Therefore, in my view, it is unclear how committee members should vote and whether ministers are willing to work alongside colleagues on amendments, or whether the Government is suggesting that it would oppose the amendments.

Graham Simpson: That is entirely right. I am clear on what I would do if I was voting, which I am

not. I would be trying to get the minister to engage with the matter in a way that he has not done to date. To be honest, it is a pretty extraordinary situation. My position is clear and I have outlined what I think. I had hoped that the minister would have come to committee today to say, "I am not sure about that amendment. Maybe that amendment needs a bit of work and we'll engage with the review group. I will ensure that MSPs can meet the review group, maybe collectively, and that, together, we can agree on some amendments to deal with the issues for stage 3," but he has not done that. My strong suggestion to the committee members—I cannot really make it any stronger or clearer—is that, if you can bring yourselves to, you should support most of the amendments in the group.

The Convener: The question is, that amendment 51 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 51 agreed to.

The Convener: We will take a 10-minute break.

10:54

Meeting suspended.

11:08

On resuming—

The Convener: The next group is on removal of part 1. Amendment 85, in the name of Meghan Gallacher, is grouped with amendments 86 to 89, 91 to 93, 98 to 101, 107, 108 and 110 to 118. If amendment 115 is agreed to, I cannot call amendment 361, due to pre-emption.

Meghan Gallacher: It will not come as any shock to members to hear that the Scottish Conservatives are opposed to rent controls in principle, as we believe that they will further harm an already delicate housing sector. This stage 2 consideration is critical for the potential of new investment in purpose-built rental accommodation in Scotland. The changes that we make at committee and at stage 3 will shape the housing sector's future.

Scotland must be investable—otherwise, the Parliament will collectively fail to provide enough supply to meet demand in future. The pipeline of new-build rent projects is now frozen, and there has been a 0 per cent increase in the number of planned projects over the past year. Build-to-rent construction activity has fallen by 26 per cent over the past year, as schemes already under development have been completed. Schemes and planning have stagnated due to uncertainty, and investors remain unwilling to commit to new schemes.

Build-to-rent is an investment opportunity, and it should be additional to the delivery of private homes for sale and affordable and social housing. It is an opportunity to significantly boost housing supply that has been frustrated by years of sudden policy interventions by the Scottish Government and uncertainty on the long-term system of rent controls.

To put the issue into perspective, Scotland has delivered only 3,485 build-to-rent-led schemes in more than a decade. That compares to 122,279 completed and operational homes in England during the same period. We are in a housing emergency—Parliament has declared a housing emergency—so we cannot afford more ill-thought-out policies such as permanent rent controls.

I appreciate that committee members might not agree with the position that I am laying out to remove rent controls. However, I believe that this is an opportunity to have an open discussion in which we talk about opportunities to grow the mixed-tenured housing that Scotland desperately needs.

Rent controls will not sufficiently address issues that the private rented sector faces. My concern is that billions of pounds' worth of investment into new-build homes will be held back due to this move. On that point, I need only refer to the last time that rent controls were introduced. According to a survey by the Scottish Association of Landlords, 17 per cent of landlords said that they had sold their rental properties or were considering selling them.

Rent controls have discouraged landlords from investing in the upkeep of their rental properties. According to the same survey, 44 per cent of landlords have reduced or stopped spending money on maintenance and improvements since rent controls were introduced.

It has also become more difficult for new renters to find housing. According to the Scottish Government, since the rent control introduction, the average time that it takes for a new tenant to find a property has increased from 12 to 16 weeks.

Reduced supply, a disincentive for investment, exacerbation of the housing problem and other unintended consequences could await the private rented sector as a result of rent controls.

For those reasons, I have lodged the amendments in this group. I ask members to think carefully about the decision and what impact rent controls could have on those who provide housing, as well as about opportunities to ensure that we have enough housing stock for people who need homes.

I note that the minister has supported the removal of section 13, which relates to exemptions. That is probably the only area where we could find consensus in relation to rent controls being made permanent, but members will have lodged amendments on exemptions—I have done so, too. Through this debate, that issue must be made clear—we need to try to tease out from the minister what exemptions, if any, will be applicable and which ones he is sympathetic to.

I understand that there is on-going consultation on exemptions. I hope that the minister will realise that he has his work cut out for him in trying to navigate the issues and achieve a balance in the bill and its processes.

I move amendment 85.

Paul McLennan: Amendments 85 to 89, 91 to 93, 98 to 101, 107, 108 and 110 to 115 would remove sections 1 to 20 of the bill. They would collectively remove the provisions of the bill that provide for the establishment of rent control areas and associated rent controls. With the exception of amendment 107, each of those amendments would significantly impede the implementation of provisions of the bill relating to rent control areas.

Although I recognise that Meghan Gallacher has concerns about the provisions that allow for the establishment of rent control areas, the Government is committed to making provision for that, as we recognise that people who rent their homes are more likely to live in poverty, be financially vulnerable and live on low incomes, compared with those who own their home either outright or with a mortgage.

The rent controls that are provided for in the bill are just some of the measures that we are taking to improve lives and work towards achieving our goal of ending child poverty in Scotland. Rent controls will support tenants to remain in their homes by helping to keep rents affordable. Rent controls exist in most European countries, and they allow for investment in the buy-to-rent, mid-market and private rental sectors. Our proposals achieve a balance between rent controls and allowing for investment in the sector.

Meghan Gallacher's amendment 107 would remove the power in section 13 to exempt properties from rent controls. I support that amendment, because the power in section 13 can be removed in consequence of my amendment 329, which will be considered in a later group. My amendment 329 seeks to move the power in section 13 into a different bit of legislation. As my amendment would insert the same power into that other legislation, the power in section 13 will no longer be needed. I therefore support Ms Gallacher's amendment 107 on that basis.

11:15

I turn to the amendments in the group that seek to remove provisions of the bill that modify other rent control provisions. Amendment 116 would remove section 21, which provides that the rent payable for a private residential tenancy must not be increased during the first 12 months of a tenancy. Section 21 applies to properties that are not in a rent control area and to exempt properties that are in a rent control area. It provides tenants with the security of knowing that the rent that they have agreed to at the start of a tenancy will not increase during the first 12 months. Amendment 116 would remove that clarity and certainty for tenants, and for that reason, I cannot support it. I urge Ms Gallacher not to move amendment 116.

Meghan Gallacher's amendments 117 and 118 would remove sections 22 and 23. Those sections make provision to ensure that, where a proposed rent increase is referred by a rent officer to the First-tier Tribunal, the rent will not be increased by more than the amount originally proposed. Under those measures, the rent would be set at the lower of either market rent or the rent increase proposed by the landlord. Again, those provisions would apply to properties that are not in a rent control area as well as to exempt properties that are in a rent control area.

Sections 22 and 23 are designed to address concerns about the current process, which enables a rent officer or the First-tier Tribunal to increase the rent to the open market rate, even if that is higher than the rent increase proposed by the landlord. Without those changes, tenants may be reluctant to pursue their right to refer a proposed rent increase for independent adjudication. I cannot support amendments 117 and 118, which would remove that additional protection for tenants.

I therefore encourage members to support amendment 107, but I urge Meghan Gallacher not to move her other amendments in the group. If any of those amendments are moved, I urge members of the committee not to support them, for the reasons that I have set out.

Meghan Gallacher: Although I understand the minister's position and, indeed, the Scottish Government's position, it is certainly not one that I support in principle. I believe that rent controls will punish the private rented sector when we need all sectors of our housing market to work together to provide safe and secure homes for people during a housing emergency. That needs to be worked on collectively, and the Government needs to be aware that, should it bring in rent control measures, landlords could leave the sector.

In addition to the points that I raised in my opening remarks, I believe that the Government has not taken into consideration the fact that, when rent controls were introduced previously, people waited significantly longer to find a property. Should rent controls not work—I have my doubts that they will—other options must be looked at to ensure that we do not decimate a sector that has already suffered at the hands of knee-jerk policies from the Scottish Government. I ask the minister to look at ways that we can naturally reduce rents by increasing housing supply across all areas of the housing sector.

I will leave my comments there, convener, but I press amendment 85.

The Convener: The question is, that amendment 85 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 85 disagreed to.

Section 1, as amended, agreed to.

Section 2—Report to Scottish Ministers following periodic assessment

The Convener: The next group is on taxes and local government finance. Amendment 519, in the name of Ross Greer, is grouped with amendments 74, 191, 192, 192A, 462 to 464, 542, 543, 132, 224, 225, 255, 465 to 469, 492, 493, 544 to 547, 193, 194, 459 to 461, 550, 478, 197 and 198.

Ross Greer: I should say at the outset that I have tried to keep this as concise as possible, but it will be a lengthy contribution. Members will be glad to hear that amendments of mine do not come up again for a number of groups so, at the current rate of progress, they will probably not need to hear from me again for a few weeks.

I will start with my amendments on council tax revaluation. I imagine that members of the committee will be more aware than anyone else in Scotland of just how discredited our council tax system has become after 34 years. We are long overdue to make progress on it. My party believes that an outright replacement is required, but views vary and the bill is not the right vehicle for that. It is, however, an appropriate opportunity to make progress on a genuinely technical but fundamental issue—the valuation roll.

Regardless of our position on whether taxes are too high or too low and whether they catch the right people or the wrong people, we all agree that it is ludicrous for the system to have reached the point at which most people in Scotland now pay the wrong rate of council tax. The amendments would allow the Parliament to finally resolve the issue that has been caused by the continued use of the 1991 valuations.

Amendment 462 would make it explicit that, when council tax bands are varied under section 74 of the Local Government Finance Act 1992, the number of bands can be changed. That empowers ministers to follow the Welsh Government's recent addition of bands to make its council tax system more proportionate and progressive.

As well as individual property values changing in the past 34 years, the range of values of residential property in Scotland has widened significantly. It is not proportionate for a house that is worth 15 times less than another to pay just three times less in council tax, as is currently the case with the average property values in band A versus band H. Updating the valuation roll but sticking with the existing set of bands would be a job half done, which is why I have lodged amendment 462.

The key amendments in the group, however, are amendments 463 and 464, which would mandate that ministers undertake a council tax revaluation exercise, with updated values to come into force no later than 1 April 2029—the 2029-30 financial year. Amendment 463 would mandate regular subsequent five-yearly revaluations. Amendment 464 would mean a one-off exercise.

My preference is very much for amendment 463, because I do not want us to resolve the issue now and then have to wait another 34 years while the problem repeats itself. However, I have lodged both amendments, because I recognise the inherent difficulties in the situation and the reason why it has taken us 34 years, and I am keen to seek the Parliament's view on that. The amendments also specify that ministers can make

transitional arrangements to make any changes in household council tax liability more manageable. There is particular reference to those with low and fixed incomes.

Amendment 478 is consequential on amendments 463 and 464 and would apply the affirmative procedure to any regulations that are made under those provisions.

As far as I and the Scottish Parliament information centre have been able to tell, the Parliament has never voted on the question of revaluation. I do not think that the issue should have become as political as it has. Fundamentally, I do not think that it is as politically fraught as we all fear. It is right that we debate and disagree on the fundamental questions of reform or outright replacement of the council tax, but we all agree that using accurate data is appropriate. We would not tolerate a system of income tax where most people were paying the wrong rate, and it cannot be justified for council tax either.

I am sure that the Government will say that an engagement exercise is under way, but no one disagrees with revaluation. We have done consultation, listening, working groups and cross-party agreements previously, but they have not moved the issue forward, because the Parliament has never had the question put to it or the opportunity to vote on it. After 34 years of the problem getting worse and coming to a stage that I suggest is now intolerable, I want to give the Parliament the opportunity to address the technical aspect. If we do that, it will give us more space to address the more substantial areas of appropriate political disagreement.

Amendments 542 and 543 are on council tax arrears. Amendment 542 would require ministers to review the scale and impact of council tax arrears and state what action they intend to take as a result. I want to give the Government a bit of a nudge to address the issue. In England, council tax arrears are written off after six years, but in Scotland it is 20 years, and that 20-year clock resets every time the individual with arrears engages with the system. Essentially, the process is never-ending. Every time that someone engages with the system, as they are obliged or pressured to do, that 20 years resets itself. Other forms of debt in Scotland are typically written off after five years, so that is a major discrepancy. The Robertson Trust has done a substantial report on the issue, which I sent to members, although that was just last night.

Amendment 543 would require ministers to review the impact of joint and several liability for council tax arrears on domestic abuse victims and survivors, and to state what action ministers intend to take. Through my casework, I am familiar with the situation, as I am sure others are, of survivors of domestic abuse ending up having to pay off the arrears debt of their abuser. We can all agree that that is completely inappropriate, but the system allows that to happen, and it is happening. I encourage the Government to review that and look at ways in which we could resolve it, because it could probably be resolved through some relatively simple measures.

Moving on from council tax to land and buildings transaction tax, amendment 465 would mandate that ministers extend LBTT liability to open-ended investment companies in a way that mirrors the liability of unit trusts. OEICs are a type of investment fund that is similar to a unit trust. The power to apply LBTT to that particular form of company was included in the Land and Buildings Transaction Tax (Scotland) Act 2013, but the regulations to activate the provision were never brought forward.

Amendment 467 is almost exactly the same, but it refers to residential property holding companies. RPHCs are just a tax avoidance scheme, and it is particularly odd that the Scottish Government gave itself the power to apply LBTT to them in the 2013 act via regulation but, in the 12 years since, it has not brought forward those regulations. I am keen to understand the Government's position on that. I do not see any justification for exempting those two company types from paying the same tax that anybody else would pay when buying a property. Any time any of us has bought a property, we paid LBTT, and quite rightly. I cannot understand why RPHCs, which are a notorious tax avoidance scheme, do not have to pay because the regulations have not been brought forward—well, by and large, they do not have to pay, although there will be situations where they might have to for other reasons.

Amendment 547 would mandate that a new LBTT band be created for properties that are sold at the starting rate of £1 million or more. For example, just down the road from here, Newliston house is on sale at offers over £3 million if you want just part of the estate and offers over £15 million if you want the whole estate. I do not think that anyone purchasing that should be purchasing it at the same rate of LBTT as they would pay on a townhouse in the new town, for example, at £800,000 or £900,000. The system requires a bit more progressivity in it.

Amendment 466 would remove the current LBTT exemption for foreign militaries. In post-war Scotland, only one Government has had a significant presence in Scotland and that is the United States. It can more than afford to pay LBTT if it is purchasing any additional property, regardless of the views that some of us might have about whether we would want it to do so.

On the additional dwelling supplement, amendment 468 would require ministers to introduce a relief or exemption for the purpose of an additional property when it is to be used by someone who does not have the capacity to take on the obligations of home ownership but is able to live in the property. That could be done with reference to the receipt of disability benefit such as disability living allowance. The amendment is the result of casework that I have been engaged with, and this is clearly not the kind of situation that the additional dwelling supplement is designed to catch. At the moment, it typically catches individuals who purchase property on behalf of family members who have the ability to live independently but not the ability to be the home owner.

Amendment 469 would let ministers set a scaling rate for the additional dwelling supplement, so that the owner's liability would be greater for the third or fourth property, and so on. It would progressively tax those who are most able to purchase additional property, seeking to discourage the accumulation of large portfolios.

Amendment 493 would allow for the setting of a surcharge for companies for purchasing dwellings. That would allow ministers to align LBTT in Scotland with the 17 per cent company rate for stamp duty in England. It is unusual that, although the LBTT system that we have created in Scotland is a bit more progressive than stamp duty in England, that step was missed out. There is more flexibility in the English system, because it can distinguish between an individual and a company. It would be useful to have that flexibility in the system here, regardless of the debate that we might have through annual budgets about the appropriate rate to set for individuals or companies and being able to distinguish between the two. LBTT and ADS are relatively blunt instruments.

Amendment 544 would allow ministers to apply a further surcharge to ADS in the rent control zones that the bill would establish. It would therefore disincentivise the purchase of properties in areas where there is acute housing pressure, which is particularly relevant. The reason for the amendment is to deal with the circumstances in rural and island communities, where short-term lets and holiday homes are the key drivers of the local housing crisis. I point to Lochranza on Arran, which Katy Clark and I represent, where around 40 per cent of houses in the community are either short-term lets or holiday homes. That is the driver of the housing crisis in that area, and it results in young people having to leave the community that they were brought up in because they are simply unable to find a home for themselves.

11:30

Amendment 519 would require councils to state whether they want the surcharge created by amendment 544 to be applied to a rent control area when they are recommending that it be designated under section 2. It would allow ministers to consider the local context, and reflects the fact that the measure would be more appropriate in some rent control zones than in others, in particular where holiday homes and buy-to-let, short-term lets are the main driver of the issue.

Amendment 545 would allow ministers to apply a further surcharge to ADS, but this time in national parks, and to have regard to the view of the national park authority when doing so. It recognises the unique pressure on communities in our national parks from second homes, buy-to-let landlords and properties that are being acquired and used as short-term lets in particular. At the moment, the national average is that about 1 per cent of properties are second or holiday homes, but in Loch Lomond and the Trossachs national park, the figure is five times as many, in the Cairngorms national park, it is 12 times as many, and in some communities—Braemar is probably the clearest example—it is 20 times as many.

Both national parks have set out in their strategic planning documents—in the Cairngorms, it is in section 7 of the partnership plan—the significant negative impact of that and the pressure that it puts on communities who actually live in the parks. Similar comments can be found in the Loch Lomond and the Trossachs national park's housing strategy.

Amendment 546 would let ministers apply a further surcharge to ADS when the buyer is not ordinarily resident in Scotland. That seeks to tackle overseas property speculation. The UK has now become the world's number 1 destination for overseas property investment, which is essentially property speculation from outside the country. It is a huge problem UK-wide.

At this point, I flag up that Revenue Scotland does not collect that data for Scotland, so we rely on UK-wide figures and anecdotal examples. That is another area that should be addressed—although not in the bill—and I encourage the Government to start collecting data on overseas buyers of property, in particular those from tax havens. The number of properties in Scotland that are being bought in what are recognised by the UK as tax havens has doubled in the past couple of years, and we should disincentivise that.

Amendment 193 moves us on to a different topic entirely, which was raised with me by local government colleagues. It would allow for housing revenue accounts for the purpose of accounting

for council housing to budget for transfers from the local authority's general fund. That is a pretty simple matter of fiscal empowerment for local authorities if they want to top up their council housing budgets to allow for extraordinary investments, if they have a particular reason for doing so.

Amendment 194 would remove the requirement for ministerial approval for local authorities to transfer from the general fund to their housing revenue account. I am not aware of a single instance in which ministerial consent was withheld when it was requested, but that requirement has created a lot of confusion in some local authorities. I have heard from officers who believed that transfers were not possible because of it. In any case, even when it is possible, ministerial consent being required for what are often routine transfers is just a huge waste of everyone's time—the officers involved, the councillors, the minister and his officials. We should trust local government to manage its own finances and its own risks on this.

Amendment 459 would impose a non-domestic rate surcharge and prohibit NDR relief or exemptions for short-term lets. Again, reflecting on the experience of some of the communities that I represent, Airbnb-style short-term lets for tourists are driving local housing crises and pushing young people out of fragile rural and island communities.

Rachael Hamilton: In the rural areas that we represent, short-term lets are important to the local economy. I wonder whether the removal of the NDR relief and exemptions, and the additional surcharge, would mean that those businesses, which are very small businesses, would be unable to apply for the small business bonus scheme, which would be quite detrimental to that economy.

Ross Greer: I am grateful for the intervention. There is a much wider point. The small business bonus scheme was reviewed independently for the Scottish Government by the Fraser of Allander Institute, which could find no measurable positive economic impact from it. I think that the small business bonus scheme needs to be redesigned, because I agree that small businesses should be supported, and the tax system is a way to do that through exemptions, reductions, and so on. As it stands, we spend about a quarter of a billion pounds on the SBBS every year, and in many cases, it is received by businesses that many of us would not recognise as small. It is not a particularly well-designed scheme.

Rachael Hamilton's point also relates to my amendment 461. At present, a short-term let property would pay 200 per cent council tax if it is available to let for fewer than 140 days a year, or if it is actually let for fewer than 70. When it passes that threshold, it moves from paying double the rate of one tax to paying non-domestic rates. At that point, it potentially qualifies for, most commonly, the small business bonus scheme, meaning that it can end up paying no rates at all.

At the moment, we have a system that has two contradictory aims and a relatively arbitrary threshold between the two of them. We are not getting the balance right, in certain areas in particular. As much as I take on board the point about the importance of short-term lets to the tourist economy, the most common bit of feedback that I hear from employers and businesses in those areas is about their inability to recruit staff to run their business because there is no permanent housing available for them. Lochranza on Arran is the perfect example—40 per cent of housing there is either a holiday home or a short-term let, which makes it incredibly challenging for local employers to find staff to work in bars, restaurants, cafes and leisure facilities.

I will move on as I recognise how much time I am taking with this group. The infrastructure levy is covered by amendment 550. Amendment 550 would repeal the sunset cause that is currently in place for the levy under the Planning (Scotland) Act 2019, although the repeal would extend only to housing developments, due to the scope of the bill. Parliament's ability to replace or complement the existing framework of planning obligations is set to expire by the summer of 2026. We should all probably reflect on why we put a sunset clause into the 2019 act, because the rationale for it was not particularly clear and it means that the infrastructure levy power expires in the summer of 2026 unless regulations are made. At that point, we will have lost the ability to bring in an infrastructure levy in the future if we believe that it is appropriate, unless that power is recreated through primary legislation. Given that it is already in legislation, I suggest that that approach is inappropriate.

I accept that the Government has decided not to proceed with the infrastructure levy at this point, but unless regulations are made, or amendment 550 is agreed to, to nullify the sunset cause, the power disappears completely. In 2019, we took the view collectively that such a power was required, so I think that it would be wasteful to let it expire. If we decided in a few years that an infrastructure levy was justified, we would need to recreate it through primary legislation.

The current system of developer contributions under section 75 of the Town and Country Planning (Scotland) Act 1997 is applied exceptionally unevenly, and it clearly disadvantages smaller and rural and island authorities, which lack the in-house expertise and the legal capacity to secure those agreements. For example, 10 councils had no section 75 agreements last year. Such agreements provide

for the voluntary contributions that developers make to local authorities. Sixteen councils had fewer than 10 such agreements each, and the relative value of them varied massively. Only half a dozen councils had more than 10 agreements. I am happy to share more information on that with colleagues if they would find it beneficial.

The rationale behind the infrastructure levy is that building houses does not mean building communities; all sorts of other infrastructure is required to turn a housing estate into a successful functioning community. You need funding for the provision of schools, health centres and public transport infrastructure, including roads, pavements and active travel. It is right that developers contribute towards that because they are the ones building the houses but not building the community as a whole. We can have that debate again—I suggest that it is a debate for the next parliamentary session, because I accept that the Government has decided that it will not introduce an infrastructure levy for now.

It would be a real shame if we allowed the sunset clause to take away our ability to have this debate again in the future without having to go through the cumbersome process of recreating something that we have already created in primary legislation because we have allowed it to lapse.

You will be pleased to hear, convener, that that is the end of my contribution.

I move amendment 519.

The Convener: I call Graham Simpson to speak to amendment 74 and all other amendments in the group.

Graham Simpson: I will not address all the amendments in the group, because that might take some time, but I will address my amendment.

You would expect a group of amendments that deals with taxation to be dominated by the Greens, and, sure enough, they have not disappointed. Amendment 74 is my one amendment in the group. Again, it deals with students. It would exempt students from paying council tax until they have graduated. It directly amends the Council Tax (Discounts) (Scotland) Consolidation and Amendment Order 2003. I lodged the amendment after getting representations from students about that very issue. It really is as simple as that, so it is a case of whether members agree or disagree with the amendment. I think that it is worth voting for.

Mr Greer has raised a number of issues. You might consider that this bill is not the place for them, but he has managed to air his views. One calls for a council tax revaluation. We have a system in which property values for council tax purposes are based on 1991 values. That is clearly absurd, but if you were to change that and revalue, there would be winners and losers. As there would be losers, that is, no doubt, why his amendment will not be agreed to today.

Ross Greer: I absolutely agree—of course there are winners and losers from any revaluation. However, I would argue that there are winners and losers right now and that the people losing out and most likely to be paying more than they would if an up-to-date valuation was being used are often those in the smallest or the lowest-value properties and on the lowest incomes, too.

Both versions of what is proposed include a requirement for ministers to look at transitional relief, in particular for those on low and fixed incomes. The classic example that is given is of a pensioner living in a large property but on a low income for whom it would be harder to pay an updated and likely higher council tax bill. That is not what I am proposing. I am proposing that people in that scenario would have appropriate reliefs and that those who are, frankly, paying much more than they should, who are often those struggling the most, get a little bit of justice.

Graham Simpson: If you just look at the revaluation issue, it is indeed quite absurd, but the bill might not be the place to deal with that. Frankly, Parliament has been playing around with the issue for far too long. I think that it falls into the "too difficult" pile, and that is probably why parties will not deal with it. However, the issue needs to be dealt with, and it is probably one for the next session of Parliament. I am sorry to say that, Mr Greer, but that is the reality.

The Convener: I call Meghan Gallacher to speak to amendment 132 and other amendments in the group.

Meghan Gallacher: Similar to Graham Simpson, I do not intend to speak to every amendment in the group, because I know that time is becoming precious.

My amendment 132 is a probing amendment on the land and buildings transaction tax. Scotland's budget for 2025-26, which was published in December 2024, announced an immediate increase in the surcharge in land and buildings transaction tax on the purchase of second and rental homes from 6 to 8 per cent. The Scottish Conservatives were opposed to that.

Interestingly, the Institute for Fiscal Studies has—rightly—stated:

> "Despite the publication of a Tax Strategy alongside the Scottish Budget, it is not yet clear what the Scottish Government's vision for tax policy is—but increases to LBTT are not consistent with any economically sensible strategy."

We are in that position with various taxes, and it is imperative that the Scottish Government finally comes clean as to what its tax strategy is and what it will be in the future. That will allow us to make clear assessments on what its thinking is and what its objectives are.

Amendment 132 would modify the land and buildings transaction tax to change the number of dwellings from "one dwelling" to "two dwellings", thereby altering transactions relating to third homes. That would act as a partial relief on LBTT for smaller home owners. My colleague Rachael Hamilton will expand on the arguments about LBTT, as she has lodged amendments 224 and 225.

11:45

I want to pick up on the points that were raised by Ross Greer in relation to council tax. I agree with Graham Simpson that it is absurd that we use valuations from 1991. The committee has begun an inquiry on council tax, in which we have heard from various stakeholders and from the minister. However, not enough time has been afforded to the committee to undertake the inquiry or to reach a consensus on what the next stages of council tax reform would look like.

I understand why Ross Greer has lodged his amendments and he has articulated the points that he wishes to raise. However, the bill is not the correct mechanism to make those changes, given that it is such a wide-scale topic and that there are various different views on it, not just among political parties but among stakeholders and groups that would be impacted. A wider piece of work would need to be undertaken, not just by the committee—which we have already tried to do—but by the Scottish Government, which would need to decide whether to introduce legislation on council tax reform.

Ross Greer: The member is talking about a wider piece of work that needs to happen, and I always welcome more work being done on tax policy. However, we should recognise that a significant piece of work was done on this in 2015, on a cross-party basis but led by the Scottish Government. That was not the first time that the issue had been revisited since 1991. As we have heard this morning, everyone agrees that the system is absurd and that revaluation needs to happen in some way, shape or form, but no Government has ever held a vote on it. If the Parliament does not agree to do so at this opportunity, there certainly will not be another opportunity before the next election.

Meghan Gallacher: Absolutely—but, again, that issue is in the Scottish Government's bundle of issues that are too hard and too difficult to sort out that we have been dealing with for many years. I do not believe that we have sufficient time to examine what council tax reform would look like. As I said, the principle may well be supported. However, there needs to be a wider discussion about what that would look like and what the party positions would be. Legislation would need to be brought forward by the Government and parties would need to make their own considerations following that wider piece of work. I do not mean to take away from the work that has already been undertaken and the assessments that were concluded.

I will leave my comments there, other than to say that amendment 132 is intended to be a probing amendment on the LBTT.

The Convener: I call Rachael Hamilton to speak to amendment 224 and other amendments in the group.

Rachael Hamilton: Amendment 224 would modify the Land and Buildings Transaction Tax (Scotland) Act 2013 to repeal schedule 2A, which makes provision for the ADS, and section 26A, which introduces that schedule. Other changes to the act would remove references to schedule 2A. We all know what ADS is, but I want to set out that we should not be doing things that cause more harm than good.

In the recent budget, the Scottish National Party made the decision to increase ADS from 6 per cent to 8 per cent. I will quote the Institute for Fiscal Studies, which published "Assessing Scottish tax strategy and policy". It noted that

"Taxing property transactions is an exceptionally damaging way to raise revenue."

It went on to state that

"The increase in the ADS makes a bad tax bigger and even more harmful."

It also highlighted that the increase in ADS will make it

"more difficult and expensive for those who remain in the rental sector – tenants (who are likely to face higher rents as a result of the policy) as well as landlords."

It is highly damaging. It is a vindictive tax on the housing sector. It unfairly targets landlords and second-home owners without any consideration of the wider implications of the tax or any meaningful solution to address the root cause of our housing crisis. Amendment 224 aims to restore a functional housing market in which the private sector can work with the Government to tackle housing shortages.

I want to speak to Ross Greer's amendments in the group. He kindly took an intervention from me and addressed my question. However, this bill is not the place for those amendments. He did not address how the amendments can achieve his

aims. The point that I tried to make was that if those amendments were adopted—to remove the NDR and put an additional surcharge on council tax rates—it would be impossible to access schemes such as the small business bonus scheme. The amendments would mandate higher rates specifically for the self-catering and short-term lets sector, which is a really important sector.

Ross Greer: Rachael Hamilton questions how my amendments would achieve the aim that I have set out. As evidence of how they would do that, I highlight that, as has already been pointed out, the additional dwelling supplement as it stands has been doubled from 4 per cent to 8 per cent, at the request of the Greens during budget negotiations. Between that and the doubling of council tax on second and holiday homes, there were 2,500 fewer ADS-qualifying purchases last year—that is, 2,500 fewer homes were bought as second or holiday homes last year. Is that not evidence that the objective that I am looking for, which is to push those houses back into the market for people who will live in them permanently, is achieved through tax measures such as the ones in my amendments?

Rachael Hamilton: Self-catering properties are about 0.8 per cent of Scotland's total housing stock—that is compared with 3.4 per cent that are empty homes and 0.9 per cent that are second homes. We are talking about small landlords here, not large investors. Although your aim is laudable, it does not deal with the root cause of the housing shortage. It only pushes small landlords into a detrimental financial situation; it does not deal with the cause of the situation.

Meghan Gallacher: Does Rachael Hamilton agree that, with rent controls on top of such measures, it will tend to be smaller landlords who will leave the sector? In rural areas in particular, the measures will not allow people to utilise the homes for the local rural economy, which is very important.

Rachael Hamilton: I agree with Meghan Gallacher. For example, the self-catering business is important in my area in South Scotland: it is a crucial part of the bed stock and drives the local rural economy. Having spoken to many people across Scotland, I know that they have had a difficult few years with the short-term let licensing and other legislation that has come down the road. I fear that this will be the straw that breaks the camel's back.

If I were a member of this committee, I would not support Ross Greer's amendments because, even though he has tried to explain them, I do not believe that they would achieve what he is aiming to do.

The Convener: I call myself to speak to amendments 255 and 492. [*Laughter*.]

Housing co-operatives are a largely untapped resource for solving the housing crisis and reducing burdens on health and social care budgets. Given the huge imbalance between the supply of and demand for social homes in Scotland, it is vital that we do everything that we can to build up the sector.

At present, housing co-ops face significant barriers to getting started and scaling up. One of the biggest issues that they face is exposure to the land and buildings transaction tax and the additional dwelling supplement. The LBTT makes it harder for co-ops to purchase sites so that they can get going, and the ADS means that they have to raise significant funds before they can expand. The co-operative sector is being not only restricted before it can house anyone, but prevented from meeting the needs of local communities when demand has clearly been established. My amendment 492, on the LBTT exemption, and my amendment 255, on the ADS exemption, would remove those burdens and allow the co-operative sector in Scotland to grow and provide more people with affordable homes, which would bring Scotland closer to solving the housing crisis.

The amendments also contain what the legislation team informs me is Scotland's first ever legal definition of a housing co-operative. I have consulted key stakeholders, including Co-operatives UK and the Confederation of Co-operative Housing, to draw up a watertight set of rules that co-operatives and their structures must meet. Those rules would ensure that housing co-operatives are run properly, meet the needs of their tenants and owners, and cannot be abused. For example, I have included a specific provision on what a prospective tenant should be. That is intended to close a loophole that has arisen in legislation in England, whereby co-op members use the vagueness of the term to assign tenancies to family members or close acquaintances instead of going through the proper processes. That has had the effect of locking people out of co-operatives in areas where housing costs are high, such as London. My work on the definition will mean that we would not have the same problems here in Scotland.

Mark Griffin (Central Scotland) (Lab): I want to speak on Ross Greer's tax proposals. I do not necessarily disagree with them—in fact, I agree with a lot of what he said about the ridiculous nature of having a 1991 valuation system and with a lot of his other points. I applaud him for his efforts. However, I simply say that what he is seeking to do with his amendments is to put a bill within a bill. The provisions could be included in a stand-alone domestic property tax bill, which

would benefit from the level of scrutiny and engagement that such proposals need and deserve. Although I support the principle of what Ross Greer is trying to do, I think that the provisions need a legislative vehicle of their own, to get the proper scrutiny that they deserve.

Ross Greer: I agree that a bespoke bill on those issues would be preferable, but in 34 years, we have not had one from a Government of any colour, before or during the devolution era. Does Mr Griffin think that such a bill is likely, clearly not in the remainder of this session, but in the next session? If he agrees that such a bespoke bill is not likely, is it really more important to not do this at all than to do it in this manner, particularly given that everyone agrees that revaluation in some shape or form is clearly necessary?

Mark Griffin: Whether or not the Government introduces a bill in the remainder of this session is a moot point. You have lodged amendments to this bill, but you could have introduced your own member's bill in the absence of Government action over the past 34 years. As I said, I support a number of the proposed changes in principle, but given the nature of the changes that we are talking about, they need to be debated and scrutinised in a bill of their own. It is purely for those reasons that I cannot support them as amendments to the bill. However, I applaud the work that Ross Greer has done to try to get the provisions into the bill.

The Convener: I call the minister to speak to the amendments in the group.

Paul McLennan: There have been some lengthy contributions, and I am afraid that I have some lengthy speaking notes for this group, so please bear with me.

Some of the amendments in this group would make changes to LBTT, council tax and non-domestic rates. Changes to those taxes would normally be dealt with in tax-specific legislation and in line with our framework for tax principles and tax strategy. A key issue that has been mentioned is revaluation—it would be important to understand what the structure of that revaluation would be, but I will come to that later.

Any such proposed changes would be expected to follow focused taxpayer and stakeholder consultation. It would also normally involve collaborative working with Revenue Scotland or local government to ensure effective administration and compliance. Proposed changes would then be considered by the relevant committee.

For LBTT, that approach was reflected in the announcement of a review as part of the 2025-26 Scottish budget. That review is under way and will incorporate a broad range of issues that have been highlighted to us by a range of stakeholders, including some of the issues that are covered by the amendments. With that in mind, I ask members not to support the amendments relating to the land and buildings transaction tax.

For similar reasons, I ask members not to support those amendments that would make changes to the council tax and the NDR regime, with the exception of the amendment that would remove a cap on powers to vary council tax for unoccupied dwellings, which I will discuss later.

12:00

Ross Greer: It would be beneficial for me if the minister could confirm on the record whether the Scottish Government thinks that a revaluation exercise is necessary after 34 years. If it does, how does it intend to go about that exercise?

Paul McLennan: I cannot speak for the First Minister, but the importance of council tax reform has been discussed in various debates. As I said, such reform would have to be made in tax-specific legislation following consultation.

Ross Greer's amendment 519 would amend section 2 of the bill to require a local authority, when stating in a report whether it recommends designating a rent control area, to also state whether it recommends that a higher rate of additional dwelling supplement should be payable in the area.

Graham Simpson's amendment 74 would modify council tax discount law so that it applied until a student had graduated from, rather than just completed, their course. Graduation ceremonies can occur weeks or even months after a student has completed their course and, in some cases, individuals might defer their graduation. That raises two concerns. First, the amendment would extend council tax discounts to those who had, in practice, finished their studies and had potentially entered the workforce but who had not yet formally graduated. Secondly, the lack of a consistent meaning of "graduated" would create enforcement difficulties for local authorities. Therefore, I cannot support amendment 74 and I ask Graham Simpson not to move it.

Graham Simpson: I hear what the minister is saying—I accept that people can graduate long after finishing their course—but does he accept the general principle of what I am trying to achieve, irrespective of the details?

Paul McLennan: I am happy to further engage with Graham Simpson on the drafting and the point that he has made.

Ross Greer's amendments 191, 192, 192A, 197 and 198 seek to devolve responsibility for the setting of council tax for unoccupied dwellings. I

agree in principle with the proposal to remove caps imposed on the variation and modification of council tax for unoccupied dwellings. The Government is committed to delivering a fairer housing and taxation system. In line with that commitment, we worked closely with local government, through the joint working group on sources of local government funding and council tax reform, to deliver the first council tax premium on second homes from 1 April 2024.

Local authorities should have greater flexibility in relation to the council tax that applies to unoccupied dwellings in their areas. The pressures that are associated with second homes vary significantly across Scotland. In some areas, second homes reduce housing availability and, in others, they might contribute to local economies. Such decisions are best made by local authorities based on the needs of their local communities.

Amendment 191 would remove a cap on increasing council tax for unoccupied dwellings by means of regulations under section 33(1) of the Local Government in Scotland Act 2003. I agree with that and ask members to support the amendment.

Amendment 192, along with amendments 192A, 197 and 198, would remove caps on powers to vary or modify the application of council tax for unoccupied dwellings. Although I agree with that, I cannot support the amendments because they would also impose duties on the Scottish ministers to exercise powers in a particular way. However, I offer to work with Ross Greer ahead of stage 3, with a view to removing the cap on the power of local authorities to modify the application of council tax.

Ross Greer's amendments 462 to 464 and 478 would commit the Government to a revaluation and modify valuation plans used for council tax purposes. There is broad agreement on the need for council tax reform, but views differ on how it should be reformed. The Scottish Government and the Convention of Scottish Local Authorities have announced a joint programme of engagement to build consensus on long-term council tax reform. A revaluation exercise might look different depending on the form that that ultimately takes.

Ross Greer: I highlight that my amendments do not specify exactly how the revaluation exercise should take place, with two exceptions. First, my amendments would set a deadline of 1 April 2029 and, secondly, they would place a duty on ministers to consider appropriate transitional reliefs. I agree that there is a wider debate, but everyone who is involved in the debate agrees that we cannot use 1991 valuations as the basis of any substantive reform to, or replacement of, council tax. No reform process can move forward without revaluation taking place first. Why has the Scottish Government never put a revaluation proposal to the Parliament, never mind simply moved ahead with a revaluation exercise?

Paul McLennan: I appreciate Mr Greer's point, but I cannot speak for decisions that were made by previous ministers or First Ministers. As I said, our approach is to ensure that future changes are informed by robust data, expert analysis and wide public consultation. I ask Mr Greer not to move his amendments.

Ross Greer: I absolutely agree with the minister that future decisions about reform should be made on the basis of robust data, but we do not have that. We have valuations that were done before I was born and most people are paying the wrong rate of council tax. Surely, the only way to get robust data is to complete a revaluation exercise. I am confused by the Government's rationale for opposing that. I understand the political challenges that other members have implied. If that is the case, I would welcome the Government being honest about that. The minister has just said that we require robust data in order to move forward with the process, which is what my amendments 463 and 464 propose. I am not proposing to replace the council tax through amendments to the bill—I am proposing simply that we collect data that is accurate for this century.

Paul McLennan: As I mentioned, the programme of engagement that the Scottish Government and COSLA have announced will be key and it is the best way to proceed. I appreciate Mr Greer's points, but the issues can be picked up in the engagement programme.

Ross Greer: Does the minister agree that a consultation, engagement and listening exercise has been done before? The most substantive exercise was completed a decade ago in 2015. It is perplexing to argue that further consultation is required on an issue that is as specific as revaluation when everyone agrees that 1991 values are inappropriate and that revaluation is required. What are the minister's expectations of the current consultation exercise versus the myriad of other consultation exercises that have all said the same thing, which is that we cannot use 34-year-old values for a modern council tax system?

Paul McLennan: I understand the comments that have been made, but I cannot speak for previous decisions. The Welsh Government consulted on the issue in 2022 and is talking about beginning a planned revaluation exercise from 2028. Some valuable points have been raised but, as I said, the Scottish Government and COSLA have announced an engagement programme that will seek to build consensus on the issues.

I move on to Ross Greer's amendment 542, which would require

"a review of the scale and impact of council tax arrears."

Council tax is a local tax and responsibility for the collection and enforcement of arrears sits, rightly, with local authorities. Councils have the tools that they need to manage arrears, including the discretion to write off debts. In addition, support for financially vulnerable people continues to be provided through the council tax reduction scheme, which benefits 460,000 households across Scotland, with an average saving of £850 per year. The Scottish Government will continue to work with local authorities to explore the best ways to deal with such debt. Therefore, I ask the member not to move amendment 542.

Ross Greer's amendment 543 would require a review of the impact of joint and several liability for council tax arrears in relation to individuals who are experiencing domestic abuse, with a report to be laid before the Parliament within six months of royal assent to the bill. Joint and several liability is a long-standing feature of council tax collection. It allows local authorities to recover the full amount that is owed from any liable individual, which helps to ensure that local services are funded effectively. However, that can also present difficulties, particularly when domestic abuse is involved, as those cases are often complex. A review would be an opportunity to shed further light on how joint and several liability operates in practice for those who are affected by abuse and, crucially, could help to inform guidance or best practice that might assist local authorities in navigating those situations more effectively. Therefore, I support amendment 543, although I may seek to adjust the timescale at stage 3. I thank Ross Greer for raising that important issue.

Meghan Gallacher's amendment 132 seeks to apply the additional dwelling supplement to the purchase of three or more dwellings, rather than second homes. That departs from the stated policy intent of the additional dwelling supplement and has the potential to have a significant negative impact on revenues. I cannot support the amendment and ask the member not to move it.

Meghan Gallacher: Given that the IFS has raised concerns about the Government's strategy for tax, can the minister expand on when we can expect to see a full strategy for taxation in Scotland? How will that apply to the housing sector, which we are discussing today?

Paul McLennan: I cannot speak for the Government on tax policy. I mentioned that LBTT is under review.

Rachael Hamilton's amendment 224 seeks to repeal the additional dwelling supplement entirely, which is at odds with the policy intent of supporting opportunities for first-time buyers and homeowners. It would also be likely to have a significantly negative revenue impact. Therefore, I ask Rachael Hamilton not to move amendment 224.

Rachael Hamilton's amendment 225 seeks to exempt properties from the additional dwelling supplement in cases in which a buyer intends to renovate a property to make it habitable. We consider the amendment to be unnecessary on the basis that properties that are genuinely unsuitable for use as a dwelling are deemed non-residential and, as such, ADS does not apply to their purchase. If the intention is to exempt purchases of otherwise habitable properties, such properties will be correctly treated as dwellings for ADS purposes. In such cases, the current ADS repayment arrangements are considered sufficient. Therefore, I ask Rachael Hamilton not to move amendment 225.

Rachael Hamilton: As I am sure that the minister will know from his constituency mailbag, there are people who want to buy properties that are in a state of disrepair but who are discouraged from doing so because they are concerned that they would be liable for ADS. Amendment 225 would provide an exemption for up to 12 months from the time of purchase to allow an individual to bring such a property back into a habitable state. Obviously, that would allow us to have more housing stock at a time of a housing crisis.

Paul McLennan: There is no evidence on that point. ADS does not apply to properties that are unsuitable for use as a dwelling, which are deemed non-residential. If there are individual cases that the member has in mind, I would be happy to engage with her on those, but there is no evidence on the broader application of ADS in such circumstances.

Ariane Burgess's amendment 255 seeks to exempt registered housing co-operatives from ADS, while her amendment 492 seeks to wholly exempt all transactions by co-operatives from LBTT. The existing LBTT arrangements provide relief to those co-operatives that are registered as social landlords with the Scottish Housing Regulator or that operate as registered charities. The requirements in the Co-operative and Community Benefit Societies Act 2014 that are referred to in the amendments do not act to restrict co-operatives that have been incorporated under that act to the purchase of affordable housing.

Therefore, in our view, what Ariane Burgess's amendments propose represents a risk to revenue and a legislative approach that may not wholly align with our affordable housing ambitions. Furthermore, the exemption that is proposed in amendment 492 would mean that such transactions would not have to be notified to

Revenue Scotland, which presents a clear compliance and avoidance risk. We propose that the challenges that Ariane Burgess's amendments raise should be fully considered as part of the LBTT review. I ask her not to move her amendments.

Ross Greer's amendments 465 and 467 seek to amend sections 46 and 47 of the Land and Buildings Transaction Tax (Scotland) Act 2013, which relate to open-ended investment companies and residential property holding companies, respectively. The amendments require that regulations "must" be made in respect of such entities, rather than saying—as the existing legislation does—that they "may" be made. It is our view that amendments 465 and 467 are unnecessary and that, should regulations be required, the current wording is sufficient. I am happy to engage with Ross Greer on that point.

Ross Greer: I recognise that amendments 465 and 467 are not required. Ministers currently have the regulation-making power in question, but it is 12 years since Parliament gave ministers that power and they have not applied it. Will the minister clarify what the Scottish Government's position is, as of today, with regard to why residential property holding companies, in particular, which are an infamous tax avoidance vehicle, should be exempt from LBTT?

Paul McLennan: I think that regulations have been used in that regard, but I am happy to engage further on that point.

Amendment 466 seeks to remove the exemption from LBTT for the purchase of military headquarters and barracks by overseas visiting forces. When it was introduced, that relief was considered necessary as a consequence of United Kingdom international treaty obligations and NATO agreements. In the light of the defence and international relations reservations under the Scotland Act 1998, the removal of the exemption from LBTT in such circumstances is outside parliamentary competence, so I ask Ross Greer not to move amendment 466.

Amendment 468 proposes the introduction of an exemption from ADS where a taxpayer purchases a property on behalf of an individual who is disabled and is not capable of assuming the responsibilities of home ownership. We are sympathetic to buyers who find themselves in those difficult and challenging circumstances. However, the proposal attracts significant legislative and administrative complexities, including considerations around the sharing of sensitive personal and medical information of a third party who is not connected to the legal substance of the transaction in order to ensure that only those who are genuinely entitled to the relief benefit from it. Complex equalities issues would also need to be addressed to ensure that the relief is designed fairly.

12:15

All that requires time for consultation and policy analysis. We propose to assess the issue as part of the LBTT review to allow us the necessary time to fully evaluate the challenges, engage in meaningful consultation, and work with Revenue Scotland to ensure that compliance and avoidance sensitivities have been considered in full. I therefore ask the member not to move amendment 468.

Ross Greer: I understand and appreciate all the technical issues that you mentioned, particularly in relation to data sharing and privacy, but I want to clarify something. If the Government agrees with the principle that ADS should not be applied in the circumstances that I have outlined—where somebody is buying a home on behalf of a disabled individual who can live there but cannot be the property owner—and the issue is about doing something to enable that to happen, either through regulation or at stage 3, I would be happy not to move amendment 468 at this stage. However, given the discussions that we had earlier, I am looking for absolute clarity on whether the Government agrees with the policy objective and will work with me to achieve it through other means.

Paul McLennan: I am happy to engage with the member on that particular point. On the complex issues that are there, we need to work with Revenue Scotland.

Ross Greer: I am sorry, minister, but I am still not clear on your position. I agree that this is a complex area and that there is a need to work with Revenue Scotland and so on. Does the Scottish Government agree with the policy objective that ADS should not be applied in those circumstances? If the Government agrees with the objective and will work with me on a different means of achieving it, I will not move the amendment. However, if the minister simply responds again to say that the issues are complex and require further consideration, I will move it. I am genuinely not trying to be difficult; I am just looking for clarity on the Scottish Government's position on the policy objective.

Paul McLennan: On that particular point, I cannot give a commitment at this stage until we have discussions on that with Revenue Scotland. I appreciate that you may or may not want to move amendment 468.

Amendment 469 would introduce an enabling power that would allow the Scottish ministers to apply different ADS rates for different reasons, such as according to the number of properties that

are already held by a taxpayer. Likewise, amendment 493 would introduce an enabling power that would allow a different ADS rate to apply to companies that purchase residential properties in Scotland. Amendment 544 seeks to impose an additional amount of surcharge on properties in rent control areas unless the Scottish ministers disapply the surcharge for any such area.

Decisions on the rates and bands for additional dwelling supplement and land and buildings transaction tax are taken centrally as part of the Scottish budget process. Any new surcharge would increase administrative complexity and might reduce revenues as a result of efforts to avoid the surcharge.

Amendment 545 seeks to allow the Scottish ministers to set a specific separate rate of ADS for property transactions in national parks, as designated under the National Parks (Scotland) Act 2000. Members will be aware that ADS is set at a flat rate of 8 per cent in addition to the core residential rates of LBTT, and is charged consistently across all types of relevant transactions. Amendments 469, 493, 544 and 545 would allow for a significant divergence from existing arrangements of long-standing policy and would thus require a thorough consultation to ensure that such amendments have the intended effect. I ask the member not to move those amendments.

Amendment 546 would enable the Scottish ministers to set a specific separate rate of ADS for property transactions that are made by individuals who are not ordinarily resident in Scotland, where the property purchased is not intended to be that individual's only or main residence. Consultation and engagement with Revenue Scotland would be essential here to allow us to fully consider potential administrative challenges and compliance risks, including access to necessary data and the inherent complexity of establishing ordinary residence for tax purposes. I ask the member not to move amendment 546.

Amendment 547 would require the Scottish ministers to introduce for the 2026-27 year an additional residential LBTT for properties with a chargeable consideration of £1 million or more. Members will be aware that decisions on the rates and bands of LBTT are taken as part of the Scottish budget process. Further, given the small number of transactions that take place at that price point, the proposal would likely generate limited additional revenue. I therefore ask the member not to move amendment 547.

Amendments 193 and 194 would remove the requirement for a local authority to obtain ministerial consent to transfer amounts from the general fund to the housing revenue account to support social housing provision, while ensuring that any such transfers are recorded in the housing revenue account. I support those amendments as they align with the Verity house agreement in giving local authorities greater financial autonomy over how to fund social housing.

Amendments 459 to 461 would require the Scottish ministers to levy a non-domestic rate supplement on short-term lets that are suitable for providing housing on a temporary or permanent basis or require the Scottish ministers to remove reliefs.

Amendment 459 would require the Scottish ministers to levy a higher non-domestic rate on such properties and would also prevent the amount of rates charged from being remitted or reduced. The properties would not be able to receive any relief, such as small business bonus scheme relief, business growth accelerator relief, fresh start relief or local reliefs the council might wish to offer.

Amendment 460 would only require the Scottish ministers to levy a non-domestic rate supplement on such properties. Amendment 461 would only require the Scottish ministers to provide that the rates charged are not remitted or reduced.

I understand Mr Greer's concerns, particularly those around the contribution of self-catering accommodation to local taxes. However, the classification of such accommodation has already been significantly tightened to prevent tax and rates avoidance in relation to second homes in recent years, following a recommendation from the independent Barclay review of non-domestic rates. Since April 2022, owners must evidence an intention to let for 140 days and actual letting for 70 days a year.

The Scottish ministers already have powers to adjust reliefs and apply supplements, and the amendments would constrain that flexibility. For instance, the Scottish ministers could no longer choose to provide transitional relief to the self-catering accommodation sector following a revaluation, no matter how high the increases in rateable value might be, or offer relief to support the sector during a pandemic.

Although I accept that many self-catering properties receive 100 per cent relief, and I understand concerns about their role in the housing market, I do not believe that the amendments offer a nuanced or proportionate solution. They risk being a blunt tool that would not take into account the varied landscape of the businesses that operate in the sector.

Ross Greer: Will the minister take an intervention?

Paul McLennan: I will just conclude my point first.

The scope of the amendments could also unintentionally capture a wide range of property types, such as hotels, guest houses and timeshares, that might not be the intended target. A more effective way forward lies in the use of tailored local measures that are already in place, such as licensing schemes.

Ross Greer: With a lot of the amendments, my intention is to reduce the number of properties that are second and holiday homes or that are used as short-term lets—specifically, I am looking at property that would be appropriate as permanent accommodation. I understand that the Government does not support the amendments. Will the minister clarify whether the Scottish Government believes that the current proportion of properties that are being used as second and holiday homes and short-term lets is an appropriate balance? Lochranza on Arran, Braemar and Loch Lomond and the Trossachs national park have been cited as examples. Is the balance proportionate or does the Scottish Government believe that further action is required to rebalance the housing sector in those areas? If so, what alternative is there?

Paul McLennan: I can make a number of points on that. On short-term lets, there has to be a balance. I appreciate Rachael Hamilton's point on that. There must be a balance between the housing provision that is required for people and for the needs of tourism. In my experience, that varies across Scotland.

As I said, the best approach is to introduce tailored local measures, including licensing schemes. The Scottish Government also has the ability to look at control areas for short-term lets, which would be a matter for individual local authorities. I think that that is the best way to take forward what we are supporting, as local authorities know their individual circumstances.

Noting that the next revaluation is on 1 April 2026, I am open to discussing with the member how the targeting of the small business bonus scheme could be improved. I would want to ensure that business and other stakeholders can comment on any specific proposals for change, including via the consultative non-domestic rates sub-group, which was set up under the new deal for business.

Amendment 550 would modify a sunset provision so that the power to establish an infrastructure levy in section 54 of the Planning (Scotland) Act 2019 will not lapse in July 2026 in so far as it may be exercised in relation to housing developments.

The Scottish Government consulted last year on introducing an infrastructure levy. The responses made clear that neither the development industry nor local government strongly supported it. There were widespread concerns about the complexity and uncertainty that the levy could introduce, and the limited funds that it would likely raise. We therefore decided to stop that work and allow the powers to lapse.

Retaining the power to establish an infrastructure levy in relation to housing developments would create additional uncertainty in the market, potentially limiting investment and the provision of much-needed housing. I would therefore ask the member not to move the amendment.

In summary, I support amendments 191, 193, 194 and 543 in the name of Ross Greer. I oppose all other amendments in the group. If any of those other amendments are pressed, I would urge members of the committee not to support them.

The Convener: I call Ross Greer to wind up and to press or withdraw amendment 519.

Ross Greer: I will briefly address some of the points that have been raised in the debate. However, given the temperature in the room and how time has gone on, I hope that members will appreciate that I might not catch everything.

I recognise that I have maximised the potential for amendments to LBTT within the scope of the bill and that most of my amendments would be more appropriate in a dedicated tax bill. However, the Scottish Government does not introduce such bills. For example, there is no finance bill introduced each year that is associated with the budget, which is normal in many other Parliaments. Given that, I have taken the opportunity to try to better understand the Scottish Government's position on a number of these issues.

It is frustrating—and not for the first time in this group—when the minister's position is that he cannot speak for the Government more widely. Given that I notified the Government of the vast majority of my amendments in January, I would have thought that the minister would have been able to come to this meeting with a position and with more information.

For example, it is not satisfactory to use the LBTT review to avoid addressing the fact that Scottish Government policy, as it currently stands, is to not apply LBTT to two particular types of company, one of which is infamous for tax avoidance. Those are regulations that the Government has had in place since 2012. It sounds as though the minister said that regulations have been made in regard to one of

those types of company. However, that is not SPICe's understanding and nor is it mine.

The reality is that, as things stand, the Scottish Government has specifically exempted from paying this tax a company type that is infamous for tax avoidance yet it cannot justify why that is the case, despite the fact that I raised the issue months ago. It is frustrating that the minister is not as prepared to discuss these issues as would be appropriate.

I hear what members are saying on council tax revaluation. I heard members say that we need more time to consider that. We have had 34 years to do so, and we have spent most of the past 34 years discussing council tax in one way, shape or form. I heard suggestions that we should consider council tax revaluation in the next parliamentary session. We said that in the previous session, particularly on the back of the 2015 commission on local tax reform and the comprehensive piece of work that it produced, which is still sitting largely unactioned.

When the commission came up in a recent meeting of Parliament's Finance and Public Administration Committee, I discovered that the domain name for the website that was set up by the Government for the commission has expired. Therefore, all the documents have been lost, and the Government needed to use the wayback machine—the internet archive—to recover them. That was a poor example of document handling, but there you go.

There was a suggestion that we need to do more work. The 2015 commission did the vast majority of the work on this for us—it was cross-party but led by the Government and included other stakeholders. That was not the only group to have done such work; a huge amount of work has been done outside the Parliament by many people who are frustrated at the lack of progress.

There has been a suggestion that revaluation should be dealt with in a separate bill. I will take that as an indication that, if I am fortunate enough to be re-elected, Mark Griffin will encourage me to immediately announce my intentions to introduce such a bill and that he will support it.

I have heard suggestions—particularly from the minister—that we have not yet decided how revaluation should work. That is fine, because my amendments do not specify how the revaluation process would take place; they just specify what the deadline would be and that there would be consideration for reliefs.

Fundamentally, the problem that members have been quite candid about is that this is often regarded as an issue that is just too difficult to solve. However, the longer that we defer addressing the issue because of the difficulty, the more difficult it becomes. We are now at a point at which, as I and others have said, most people are paying the wrong rate of tax. That is absurd, and we all agree that that is absurd. We all have the opportunity to do something about it.

Putting aside the various positions that we would take on the more substantial issue of reform and the potential replacement of council tax, revaluation would just update the valuation rolls to make sure that they are accurate. That is also a prerequisite for any substantive discussion about council tax reform and replacement. No one is suggesting that, if we replace the council tax, we would stick with 1991 valuations for whatever we replace it with.

I am frustrated about this point, particularly because, as I have said, this is—as far as I am aware—the first time that the Parliament has had the opportunity to vote on revaluation.

I will move on briefly to the various proposals that I have put forward on the additional dwelling supplement and non-domestic rates, which are my collective efforts to address the imbalance of second-home and holiday-home ownership and short-term lets relative to permanent housing.

12:30

Rachael Hamilton said that the biggest impact would be on landlords with a small number of properties, not large investors, and that is who we are talking about. We are talking about landlords, but I am really talking about the people who cannot get a home, because in communities such as the ones that I represent—particularly on Arran and up the west side of Loch Lomond—so many people have purchased houses as an investment opportunity and have become a small landlord, perhaps to provide a pension or an extra income during their working life. However, that has come at the cost of people being unable to live in the communities that they grew up in.

There is a perfectly legitimate argument that we have not built enough affordable and social housing for decades. Absolutely, we have not. I suggest that there is very little value in building more affordable housing if that housing is then purchased by those who will use it as an investment opportunity. There is no point in building more affordable housing in a community such as Luss, in Loch Lomond, if it is going to be bought by those who want to use it as a holiday home or to rent it out through Airbnb. That does not solve the housing crisis in those areas. We need to combine the construction of far more homes with measures to ensure that those homes go to the people who need somewhere to live.

I was particularly confused by what the minister said in relation to a lot of those issues, because I

think that he contradicted himself. The minister said that there needs to be balance and that the situation is varied across Scotland. Of course it is; there is a significant divergence across the country. Rachael Hamilton pointed out that, nationally, we are talking about less than 1 per cent of properties being used as second or holiday homes, but, as I mentioned, in Lochranza it is 40 per cent. There are communities in the Highlands where the percentage is above 50 per cent. Why oppose amendments that would give us flexibility in the tax system to recognise that nuance? Surely, if we believe that the situation is varied across the country and that a localised approach is required, it would be appropriate for us to set a different rate for the additional dwelling supplement in a national park that is experiencing significant difficulties, versus the rate that we set nationally and in areas where there is not that challenge.

I do not quite understand the Government's position, because it is saying simultaneously that a blunt national approach is appropriate and that a localised approach is appropriate. However, all the amendments that I have lodged that would give the Government the flexibility to take a more localised approach are being opposed. I could understand if the Government was simply opposed in principle to what I am proposing, but the argument that it has made is inherently contradictory.

I am particularly disappointed by the Government's position on amendment 468, not only because it is an issue that I raised with the minister four months ago, but because I have been raising that issue with the Government for a couple of years now. No one has ever disagreed that the additional dwelling supplement was not intended to catch people who are buying properties on behalf of disabled relatives who can live independently but are not in a position to own the property. If the Government had been in a position to agree to that policy objective and to work with me on a different way of achieving it, I would have been happy to do that. I am always happy to co-operate with the Government, but the lack of agreement on that point of principle is going to force me to move amendment 468 and press it to a vote. The amendment is not prescriptive. It gives the Government appropriate scope to work through the technical issues that are associated with it, particularly in relation to data sharing. Those are not insurmountable or even unprecedented issues.

I will certainly press amendment 519 because the issue has affected a number of my constituents, about whom I have been engaging with the Government for some time. I do not think that I should have needed to lodge that in the bill, but, through lack of engagement from the Government up to and including at this point, I will have to press it to a vote. I hope that Parliament will address what I see as a minor significant issue for the individuals that it affects—a minor issue that the Scottish Government, for reasons that I am still not clear on, has, as of yet, failed to address.

I press amendment 519.

The Convener: The question is, that amendment 519 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)
Stewart, Alexander (Mid Scotland and Fife) (Con)

The Convener: The result of the division is: For 1, Against 6, Abstentions 0.

Amendment 519 disagreed to.

Amendment 52 moved—[Graham Simpson].

The Convener: The question is, that amendment 52 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 52 agreed to.

Amendment 206 moved—[Rachael Hamilton].

The Convener: The question is, that amendment 206 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 206 agreed to.

Amendment 86 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 86 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 86 disagreed to.

Section 2, as amended, agreed to.

Section 3—Interim assessment and reports by local authorities

Amendment 87 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 87 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 87 disagreed to.

Section 3 agreed to.

Section 4—Scottish Ministers to review local authority report

Amendment 88 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 88 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 88 disagreed to.

Section 4 agreed to.

Section 5—Further assessment of rent conditions and report by local authority

Amendment 89 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 89 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 89 disagreed to.

Section 5 agreed to.

Section 6—Ministerial guidance on assessments of rent conditions

Amendment 90 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 90 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 90 agreed to.

Amendment 279 moved—[Paul McLennan]—and agreed to.

Amendment 91 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 91 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 91 disagreed to.

Section 6, as amended, agreed to.

Section 7—Ministerial guidance on reports following assessments of rent conditions

The Convener: Amendment 142, in the name of Edward Mountain, has already been debated with amendment 203.

Edward Mountain (Highlands and Islands) (Con): I believe that I must make a declaration before talking to the committee in any shape or form. I apologise that I was unable to attend the meeting earlier but I was convening another parliamentary committee.

I would like the committee to be aware that I was a surveyor before I became a parliamentarian, letting houses under the Housing (Scotland) Acts of 1988, 2001 and 2014. I am also a private landlord in my own right and have been since 1989. I let houses under long-term private residential tenancies—no short-term lets for me, Mr Greer—and I also let them under licence to employees.

Amendment 142 moved—[Edward Mountain]—and agreed to.

The Convener: Amendment 143, in the name of Edward Mountain, has already been debated with amendment 203.

Edward Mountain: In the hope of getting a run, I will move amendment 143.

Amendment 143 moved—[Edward Mountain].

The Convener: The question is, that amendment 143 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 143 agreed to.

Amendment 280 moved—[Paul McLennan]—and agreed to.

Amendment 92 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 92 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 92 disagreed to.

Section 7, as amended, agreed to.

12:45

Section 8—Scottish Ministers' duty to report

Amendment 93 moved—[Meghan Gallacher].

The Convener: The question is, that amendment 93 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Gallacher, Meghan (Central Scotland) (Con)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Burgess, Ariane (Highlands and Islands) (Green)
Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
Griffin, Mark (Central Scotland) (Lab)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

Amendment 93 disagreed to.

Section 8 agreed to.

Section 9—Power to designate rent control area

Amendment 144 moved—[Maggie Chapman].

The Convener: The question is, that amendment 144 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 144 agreed to.

Amendment 145 moved—[Maggie Chapman].

The Convener: The question is, that amendment 145 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 145 agreed to.

Amendment 146 moved—[Maggie Chapman].

The Convener: The question is, that amendment 146 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 146 agreed to.

Amendment 53 moved—[Graham Simpson].

The Convener: The question is, that amendment 53 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

For

Burgess, Ariane (Highlands and Islands) (Green)
Gallacher, Meghan (Central Scotland) (Con)
Griffin, Mark (Central Scotland) (Lab)
Stewart, Alexander (Mid Scotland and Fife) (Con)

Against

Coffey, Willie (Kilmarnock and Irvine Valley) (SNP)
MacGregor, Fulton (Coatbridge and Chryston) (SNP)
Roddick, Emma (Highlands and Islands) (SNP)

The Convener: The result of the division is: For 4, Against 3, Abstentions 0.

Amendment 53 agreed to.

The Convener: At this point, we will conclude for today. I thank the minister and his officials for attending. At next week's meeting we will continue our consideration of the Housing (Scotland) Bill at stage 2, beginning with the group entitled "Rent control areas: amount of rent cap".

Meeting closed at 12:48.

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