



OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Local Government, Housing and Planning Committee

Tuesday 9 December 2025

Session 6



The Scottish Parliament
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.parliament.scot or by contacting Public Information on 0131 348 5000

Tuesday 9 December 2025

CONTENTS

| | |
|---|-------------|
| | Col. |
| DECISION ON TAKING BUSINESS IN PRIVATE | 1 |
| SCOTTISH HOUSING REGULATOR | 2 |

LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
35th 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)

*Alexander Stewart (Mid Scotland and Fife) (Con)

*Evelyn Tweed (Stirling) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Michael Cameron (Scottish Housing Regulator)

Garry Coutts (Scottish Housing Regulator)

CLERK TO THE COMMITTEE

Jenny Mouncer

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 9 December 2025

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Ariane Burgess): Good morning, and welcome to the 32nd meeting in 2025 of the Local Government, Housing and Planning Committee. I remind all members and witnesses to ensure that their devices are on silent. Willie Coffey and Fulton MacGregor will join us online, and we have received apologies from Meghan Gallacher.

The first item on our agenda is a decision on whether to take item 3 in private. Do members agree to take that item in private?

Members indicated agreement.

Scottish Housing Regulator

09:30

The Convener: The next item on our agenda is an evidence session with the Scottish Housing Regulator. We are joined by Garry Coutts, who is the chair, and Michael Cameron, who is the chief executive. I welcome them to the meeting. There is no need for you to turn your microphones on or off, as we will do that for you. I invite Garry to give a brief opening statement.

Garry Coutts (Scottish Housing Regulator): Thank you for inviting us to present our annual report and accounts for 2024-25. As you are aware, this is my first committee evidence session as chair of the SHR. I will keep my opening remarks brief, to give as much opportunity as possible for discussion and questions. I thought that I would start by saying a little bit about my first impressions since joining the organisation.

I am delighted that the SHR has a diverse board, with members who are tenants, who have worked as professionals in the sector or who have served on registered social landlord boards of management. They have a wide range of appropriate skills and knowledge to ensure effective governance of the organisation. I was a local authority member and chaired the housing committee for a period of time, so my joining the board expands its experience. We have just appointed a new member who has extensive audit experience, as well as having been on the board of an RSL.

When I first met the board, I was very impressed to find that they shared my objective of ensuring that the organisation is open and transparent and that it genuinely listens to and responds to all our stakeholders. I am delighted that the board shares that ambition for the organisation.

I really appreciated the opportunity to meet you, convener, and the clerk back in October. Like the rest of the SHR board and staff team, I very much value the important scrutiny work that the committee undertakes. I also thank you for the letter that you sent us and for giving us the opportunity to respond. I hope that you found our response, and the correspondence with our stakeholders, useful.

I know that the committee will have questions about our work, so I will very briefly touch on a few topics that have been important to us in the past year. Published in August, our annual report on the social housing charter states that, despite operating in a difficult environment, social landlords have maintained or improved performance against most of the charter outcomes and standards. That includes areas that matter

most to tenants, such as the levels of housing quality increasing, tenant satisfaction improving and landlords achieving quicker response times for emergency repairs.

We have reported that, at an aggregate level, the financial health of registered social landlords remains strong, although we are seeing finances tightening for some. Of the key areas that bring challenges for social landlords, there are three that we are currently focusing on. The first area will be no surprise: it is homelessness. As we all know, Scotland continues to face a serious challenge in the provision of homelessness services. Demand for homes far exceeds supply, which impacts on the ability of councils to meet their statutory duties. We have assessed three councils as being impacted by systemic failure, and seven more are at risk of falling into that category. That sits alongside the national housing emergency declared by the Scottish Parliament and local emergencies declared by 13 councils.

Systemic failure demands a systemic response. In the long term, that means prevention of homelessness but also building more homes. Most urgently, however, we need more capacity, especially more suitable temporary accommodation, and we have been engaging with the Scottish Government and local government around that issue. From a regulatory perspective, we must work within our legislative power and duties, and those do not allow us to act on the wider housing system. We will keep monitoring councils, promoting improvement and working with the Government and others to tackle acute issues in homelessness.

The second big issue for us is tenant and resident safety, and we continue to keep a strong focus on the range of issues that affect that. Some landlords are facing challenges such as meeting electrical and fire safety obligations or dealing with issues such as cladding and falling stonework. We have published data on reinforced autoclaved aerated concrete, and we are working with social landlords on management plans where RAAC is present. We are also collaborating with the Scottish Government and stakeholders on actions following the Grenfell inquiry phase 2 report and on what information is needed next.

We have introduced new indicators on damp and mould, to help us to monitor landlords' achievement for the social housing charter. We will first collect the new indicators in the annual return on the charter that landlords will give us by next year. We will then review the effectiveness of those new indicators with a particular eye on whether they meet the reporting requirements for the new legal requirements on social landlords introduced by the Housing (Scotland) Act 2025.

Thirdly, I will say a little bit about the continued challenges that tenants face. Our engagement with tenants and our research with the national panel of tenants and residents show that many tenants continue to face real financial difficulties. At the same time, landlords are under pressure from rising costs, high interest rates and the investment needed to maintain homes and meet net zero targets and so on, all while managing supply chain challenges—all of which, ultimately, impacts on rent levels. Social landlords have started the process of consulting tenants on rent increases for next April, and we are starting to see proposed increases ranging from 7 to 12 per cent.

Finally, I note my understanding that this committee will be dissolved and that new committees will be formed after the election in May. I therefore thank this committee for its engagement with the SHR and wish all members the very best for the future. Members should be assured that we will remain committed to working closely with the new committee that will be responsible for our scrutiny.

The Convener: Thanks very much for that. I am sure that an element around the Scottish Housing Regulator will go into our legacy report and that we will pass on information.

It is good that we have done a deeper dive this session. It has been useful for committee members to get to know your work and to talk to others about it, rather than hearing purely from yourself and the chief exec, Michael, about the report. It has been an enriching experience to go that bit deeper.

It was good to see that you highlighted three key areas around homelessness, tenant and resident safety, and the challenges that tenants are facing. I am interested to get an update from you with a bit more detail on what the SHR has done to improve communications and relationships with all its stakeholders. I know that we have been having that dialogue, but it would be good to hear a bit more.

Garry Coutts: When I joined the organisation, the existing directors and the executive all pointed to the evidence sessions that the committee had last year and the letter that it sent. I was impressed that they all reflected strongly on how we engage and on how we improve the quality of the engagement, which we have to do continuously. It is not something that we simply do once and then forget about; we have to reflect on it fully.

We have been increasing the opportunities for all our stakeholders to engage with us, and we will develop that work. I will ask Michael to comment on some of the numbers in relation to the specific engagements that we have had. I am particularly

keen to promote opportunities for board members to meet face to face with people who are on RSL boards of management and executives, and with tenants and people who use the services, so that we can hear informally from them about how the engagement with the regulator is going and look to improve that.

To give a couple of examples, we will be introducing informal visits to social landlords, and we have asked the Scottish Federation of Housing Associations to organise those for us so that we do not select which landlords we visit—they will be selected by the sector. We will also have some meetings with specific groups. For example, we will convene a meeting with the existing co-operatives in Scotland, because they will have specific issues that they are concerned about, which we will want to dive into. Communication is an issue that we have actively discussed, and we will continue to do so. Early in the new year, we will have a review of our communication strategy, which will form a major part of the discussion that will take place.

Michael, do you want to say a little bit about the number of engagements that we have had?

Michael Cameron (Scottish Housing Regulator): Sure. We have set out the detail of that in our submission to the committee, so I am happy to pick up on anything specific, but I will perhaps highlight some stuff. In our work as a regulator, we come into contact with the bodies that we regulate. This year, we have had direct engagement with 78 RSLs and all 32 local authorities, so we have face-to-face contact with over 60 per cent of social landlords.

We have standing engagement with landlords and their representative bodies in a number of ways, to ensure that we understand the challenges that they face and the issues that might arise in their daily work. We have three standing groups of landlords: one is focused on rural and island landlords, one is focused on urban landlords and one is focused on the systemically important landlords—that is not a particularly appealing title, but they are the larger landlords that are significant developers or the only social landlord presence in a particular area. Together, our engagement with those groups means that we regularly engage with around 45 RSLs.

We regularly meet the chief executive and chair of the Scottish Federation of Housing Associations. I meet the chief executive monthly to discuss the issues and concerns that might have arisen from his engagement with his members. We also engage with groups in a range of other ways, such as existing forums and attendance at conferences, and we are looking to ensure that our people are able to engage directly outwith a regulatory setting with those that they regulate.

The Convener: Are the standing groups—or standing forums—a fairly new initiative that you have brought in?

Michael Cameron: We started those groups just over three years ago, but we will look to expand them early in the new year. We regularly get notes of interest from other landlords who are keen to participate in those discussions. We will look at how we can ensure that more landlords are able to participate in those groups, whether that is by expanding the existing groups or by putting in place further groups that might focus on different landlord types.

The Convener: What is the motivation for people who want to get involved in the groups?

Michael Cameron: I think that it is an opportunity to discuss some of the big issues in social housing in Scotland without having a one-to-one regulatory engagement. It is an opportunity for them to hear from us about what we see at the national level and the perspective that we can bring to some of the issues that are at play in social housing. It is also a great opportunity for us to get a sense from them of what it is like to operate on the front line. Certainly, all the members of those groups have expressed a real appetite to continue working with us in those groups, hence the appetite to expand the membership rather than to necessarily rotate it.

The Convener: Is it also an opportunity for those from rural and urban areas, for example, to share ideas, information and approaches and say, “We have this challenge and we’re approaching it in this way”?

09:45

Michael Cameron: Some sharing of experiences and initiatives happens within the group. That gives us an opportunity to gather information and play it back into other forums that we participate in, including the housing to 2040 strategy board. We regularly feed back to Scottish Government colleagues some of the information that comes through those groups from landlords, including what issues they are experiencing but also, as you highlighted, possible different ways of tackling some of the challenges.

The Convener: That sounds very constructive. I want to touch on a more specific issue—the transfer of engagement process. How are your discussions going with the Glasgow and West of Scotland Forum of Housing Associations on how community interests can best be taken account of during that process?

Michael Cameron: We have had a number of conversations with the forum on that, and it is developing guidance for its members. I understand

that the guidance will be available to them fairly shortly. Last month, we had a constructive discussion with the forum about the guidance, and the GWSF was willing to take on a number of constructive comments that we had made about it. I hope that the guidance will be available before Christmas, but it will certainly be available early in the new year.

Evelyn Tweed (Stirling) (SNP): Good morning, gentlemen. In your recent letter, you described informal engagement and said that it can include directing committees to appoint co-optees or consultants against their wishes or to remove board members, which is what occurred at Dalmeir park.

That means that housing associations are effectively forced to comply or face statutory supervision, which appears to circumvent the safeguards that are built into formal statutory intervention. Where in the Housing (Scotland) Act 2010 does the Scottish housing regulator have authority to direct RSLs in that way, outside the formal intervention framework?

Michael Cameron: There is no authority in the Housing (Scotland) Act 2010, and we operate on the basis of the statutory powers that are in the act; we do not direct RSLs to do anything. We work constructively with RSLs, and we do that daily, to support them to ensure that they have the right skills around their board tables or committee tables or in their management teams.

That is done through voluntary engagement, which is our normal method of working. If you were to engage with the representative bodies or individual RSLs, I am fairly confident that you would hear back that that is a constructive approach and that they value our engagement in that way.

Evelyn Tweed: You do not have any formal authority to work in that way, so how do you demonstrate that those informal actions are transparent? Where do you discuss how you are interacting with organisations?

Michael Cameron: For transparency, all of our engagement with every single social landlord is set out in our engagement plans, and we publish and review them annually. If we engage directly with a landlord, we provide them with the outcome of that engagement in writing. That is our normal method of operating.

Garry Coutts: The engagement plans are seen by the board, and the updates on those, where there is active engagement because of particular issues at the time, are scrutinised by the board.

Evelyn Tweed: In the plans that you refer to, do you go through the process of how you have delved into that informal engagement?

Michael Cameron: We set out the nature of the engagement that we have, what we expect the landlord to provide to us and what actions we will take. That is all contained in the relevant engagement plan.

Evelyn Tweed: In the future, it would be interesting, for transparency, to see the detail of those transactions. Perhaps that could be thought about.

Garry Coutts: That is certainly available, and, if the committee or your successor committee had any concerns about the level of information that is being made available in those plans and that is published, we would be happy to review that.

Evelyn Tweed: Thanks for that.

Reidvale Housing Association is now fully compliant with regulatory standards, which is great news. However, a few months ago, the regulator pushed for a merger with an England-based housing association. Community action—not regulatory judgment—has stopped the transfer. In 2022, the Glasgow and West of Scotland Forum of Housing Associations warned that governing bodies can be “unduly influenced” by those who are close to the regulator and who promote transfers. Looking at the 16 or so associations that have been merged under Scottish Housing Regulator oversight over the past decade, how many do you now consider could have been saved with proper support from the regulator?

Michael Cameron: I will pick up on the issue of Reidvale in the first instance and then come back to the issue of transfers. It is worth pointing out that, although we had engagement with Reidvale, we did not use our statutory powers in that regard at any point. Reidvale has now provided us with sufficient assurance to enable us to say that it is a landlord that complies with regulatory requirements. It is also worth pointing out that, in the Reidvale press release that we issued last week when we issued our engagement plan, Reidvale’s interim director said:

“We are grateful to the Regulator for its constructive engagement and for recognising the significant distance the organisation has travelled.”

Garry Coutts: On the issue of how many associations might have been able to stay independent without there having to be a transfer, there is no doubt that, if enough resources had been made available, any of the organisations could have carried on. However, decisions were made in the past based on the circumstances at the time and on the available options. Michael might have more information on that.

Michael Cameron: The first thing to say is that there are a number of different ways in which transfers happen. There is a primary transfer of engagements or assets whereby the homes of the

transferring RSL transfer to the receiving RSL—the transferring RSL ceases to be, in effect, and is deregistered; there is the forming of constitutional partnerships, whereby the transferring RSL becomes a subsidiary of the receiving RSL but remains a separate RSL registered with us; and there is the secondary transfer of engagements, whereby an RSL that is a subsidiary of another RSL transfers its homes to that RSL or to another part of the group structure.

Since the 2010 act was implemented, there have been 17 primary transfers of engagements, 12 constitutional partnerships have been formed and there have been nine secondary transfers of engagements. Of those nine, a number were secondary to the constitutional partnerships that I touched on. Therefore, quite an extensive number of transfers have taken place, and not all of them involved engagement with the regulator. Indeed, in terms of the use of our statutory powers, we have been involved in directing the transfer of only two organisations out of the full number.

Evelyn Tweed: To return to my previous question about informal engagement, I am interested in whether having transparency on that, as well as a deep dive into how the regulator can support organisations that are in the phase where you go in to help them, would let us see how you can better provide support. Perhaps that needs to be looked at.

Admittance to the regulator's approved consultants list requires interim management experience. That creates a catch-22 situation, in that candidates cannot gain such experience unless they are already on the list. That excludes senior Scottish housing professionals with long-term leadership experience. Will the regulator commit to opening up the list to those with proven long-term leadership, to address the perception that it favours a narrow group of consultants that promote mergers?

Michael Cameron: Every three years, we undertake an exercise to open the list and ask anyone who is interested to come forward. We set out and publish our criteria as part of the open and transparent process for establishing the list. When we next review the list, which I think will be next year, we will consider whether we need to look at the criteria to ensure that appropriately skilled, qualified and experienced people are available to us, should we require to make use of anyone on the list. We have not done so for about six years, so the next review of the list will be an important one.

Evelyn Tweed: Do you agree that the list needs an overhaul and that you need to take a good look at how it is put together?

Michael Cameron: Every three years, we review the list, open it out to anyone who wants to come forward and construct it from those who have done so.

Evelyn Tweed: Regulator-approved consultants charge up to £1,200 per day plus expenses and VAT, yet some hold little or no higher-level qualifications and qualify solely through Scottish Housing Regulator interim roles. Those fees far exceed those for other public appointments. For example, legally qualified tribunal members receive around £500 a day and the Scottish Housing Regulator chair receives only £229 per day. Will the regulator commit to aligning consultants' fees with other public appointments, recognising that tenants fund those fees, and given that there is a perception that interventions destroy rather than save organisations?

Garry Coutts: We need to recognise that someone who is appointed on a different basis has significantly different responsibilities. As a non-executive chair of an organisation, I hold no executive authority and my role is very different from the type of appointment that is made under the terms that we would act on. We need to ensure that we are getting value for money and that appointments are aligned with the appropriate levels, which the board will scrutinise.

Michael, do you want to say anything about the current levels?

Michael Cameron: Yes. The day rates of those who are on the list vary. We are mindful of the cost to RSLs—or local authorities—because the legislation requires that it is those bodies that make the payments to statutory appointees. There is a question as to whether Parliament might want to consider different funding mechanisms, given that it is, ultimately, tenants who meet those costs. We have not used anyone from our statutory list in the past six years, so, for some time, there have been no direct costs as a result of statutory intervention. We will always make sure that statutory intervention is used as the last resort, not least because of the potential impact on tenants in terms of costs.

Evelyn Tweed: I take Mr Coutts's point, but there needs to be a review of who is taken on to the list, their qualifications and what they have done in the past. Surely there needs to be some reason for their being on the list other than just the fact that they have worked for the regulator in some capacity in the past. That needs a deeper dive, especially given the level of fees that are being charged in comparison with those in the rest of the public sector.

10:00

Michael Cameron: We set out on our website the criteria that we use to select the statutory managers, and all our qualification and experience requirements.

Garry Coutts: As there is a review scheduled for this year—as there was three years ago—I am happy to give an undertaking that the board will have eyes on that. We have certainly heard your comments, and I will take the ones about affordability and getting best value back to the board. As we are scrutinising the plan for the review, I will make sure that your comments are reflected in the board's discussions.

Evelyn Tweed: That is good. I look forward to seeing the review.

This is my final question. Can you give us further information about the purpose of the planned forthcoming meeting with RSLs that are co-operatives?

Garry Coutts: That was raised at a meeting with the convener in light of amendments that were lodged but not agreed to when the Housing (Scotland) Bill was going through the parliamentary process. It certainly dawned on me that there was a small group of RSLs that are co-operatives that we were not otherwise engaging with, and that they are different. I was involved in the creation of Hunters Hall Housing Co-operative in Edinburgh back in the 90s, so I have a real affection for co-operatives.

I am keen to gather together that small group to hear about their individual experiences and whether the regulator is creating any issues for them around something of common interest in terms of their governance. There is stuff that we have to discuss and there will be issues that we will have to bring back to the Government to ensure that small co-operatives in particular will be able to continue to flourish into the future. There are particular issues with how they can recruit members of the management committees, and that makes it more difficult for them to get the required range of skills and experience around their board tables.

It would be useful to have a discussion about that. I would like to do that and I would also invite the convener or any other member of the committee who wants to attend such a meeting to come along to hear what the co-operatives have to say.

Alexander Stewart (Mid Scotland and Fife) (Con): In light of inflation, which is putting pressure on staff salaries and other on-going costs that you have to bear, it would be good to get a flavour of how you are managing your budget and

what you see as the short to medium-term issues that you might need to address.

Garry Coutts: As you will know from our report, we came in on budget last year and I assure you that we are also scheduled to come in on budget this year. In fact, this year, as last year, we will be returning to the Scottish Government elements of the resources that were available to us—it is a very small amount, I have to say, but we will be returning some.

I am relatively new, but I have been impressed with the significant reduction in outgoings and the savings that have been made in office costs. The organisation is absolutely committed to sharing services whenever possible, and it takes the full suite of shared services from the Scottish Government, which helps to drive down our costs considerably.

There is another real pressure on the organisation. We have held vacancies to help us to manage the budget. We do not know what our settlement for next year will be, but we can assume that there will not be a massive amount of growth. We will plan for a position of almost flat cash and see what happens. On that basis, we will have to continue to hold vacancies, which will restrict the amount of work that we can do. Even in using artificial intelligence and trying to become as efficient as we can be, we are likely to have to target more of our regulation on the areas that we identify as being higher risk, rather than doing it across the whole sector. We will also have to curtail some of the specific reviews that we have done in the past, because we will not really have the capacity to do those thematic reviews in the future. We will ensure that the ones that we choose to go ahead with are on the areas that carry the biggest risks.

The organisation is absolutely focused on ensuring that it meets its budgetary requirements and is as efficient as it can be. It has proved itself to be a good and prudent organisation in the past, and it will be so going forward. Michael, do you want to add any specifics?

Michael Cameron: I think that the challenge will come in the next two or three years. We recognise that it is a challenge across the entire public sector and not just for us. We will continue to look for ways to be as efficient as we can be, but, as Garry Coutts has set out, we have been working hard over the past few years to try to ensure that we are as lean as we can be, so we do not have an awful lot more that we can look to in terms of savings, other than the potential need to look to reduce what we deliver.

Alexander Stewart: How are you managing to contribute to the best value and public service reform agendas? You have identified that you

cannot cover everything so you need to cherry pick the areas that you believe represent the most severe risks to the organisation and to what you need to achieve. In relation to encapsulating those agendas and what your organisation does as the regulator, how do you square that circle? How do you fulfil your obligations while ensuring that the funding is levelled and that, at the end of the day, there are some best value and public service reforms in the organisation?

Garry Coutts: I do not think that there is an easy answer to that question. It is about constantly looking at the landscape that is ahead of us and considering where the priorities are going to be. One of the things that has impressed me is that there is a really good relationship between the regulator and the people whom we regulate, and the quality of the data that we get in from them is absolutely first class. That gives us the opportunity to scrutinise the data and prioritise which organisations or which areas of work across the sector are at the most risk. Having spoken to people who have been involved in that for a while, I know that that work is getting more sophisticated and becoming better and better.

On the wider best value and efficient government agendas, we share premises—we do not have our own premises any more—and we share our data protection officer with Transport Scotland. We need a data protection officer, but we would not be able to have a stand-alone one, given the size of our organisation. We are looking to work with colleagues across the whole of the public sector, where it is efficient and practical to do so, to share responsibilities and work together where there is some overlap in our work.

It is a moveable feast, and the board will continually examine where we are putting our resources as we look at operational plans and the risk register going forward.

Michael Cameron: We regularly engage with colleagues in other public bodies, as Garry Coutts says. I am a member of the Scottish delivery bodies group, which brings together chief executives of public bodies.

We are continually looking for opportunities to share services and for ways to create efficiencies, but we are also looking at how we ensure that we work in ways that help to deliver the right outcomes, with a particular eye to the national performance framework.

As Garry Coutts said, we have worked hard over the past five, six or seven years to be as lean as possible, and we have stripped out significant costs from the organisation. We are now in a place where nearly 90 per cent of our costs are for staff. If we are looking for further savings, it will almost inevitably mean that we have to look at staff costs.

We are a people business—people deliver the work that we do. If we have fewer people, we will not be able to do as much work or do the work that we currently do in the same way.

Garry mentioned AI, and we are exploring opportunities in that regard. It is safe to say that we have not gone further than exploring opportunities, but we will consider all available options to ensure that we continue to be an effective regulator, even if we are faced with financial challenges.

Garry Coutts: It is worth pointing out that our head count is about 25 per cent lower than it was when the organisation was created. It is not a zero-sum game; as more regulatory responsibilities are passed to us, there is demand and it becomes even more difficult to pick which areas we want to really scrutinise.

The Convener: Michael Cameron, you said that you are exploring AI opportunities. Can you say more about the areas in which you could see AI being applied?

Michael Cameron: There are a number of processes and procedures that we, and every organisation, will use, and there are opportunities to look at whether AI can streamline some of that work and do some of the heavy lifting administrative activities. We do a lot of analytical work, and there is the potential for AI to undertake some of that for us, freeing up our people to do the direct engagement activity and, potentially, to pick up on those areas of work that stakeholders value, such as our thematic studies. That is very much within the boundaries of the Scottish Government's position on the use of AI. The Scottish Government is undertaking a pilot, which we are participating in, to understand how applicable AI could be to some of our activities, while ensuring data safety and accuracy of output, for example.

The Convener: That is interesting.

We are going to change themes and get into what Garry Coutts talked about as one of the key areas that you have been focusing on, namely the key challenges that are being faced by RSLs, councils, tenants and service users, and the general level of performance. Willie Coffey, who joins us online, has several questions on that area.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning, and welcome to the committee. I apologise to Garry and Michael for not being there in person.

I want to pick up on two or three issues that the convener mentioned, some of which you also referred to in your opening remarks, Garry. On rent and affordability, what signs are you picking up about the impact on tenants? Are RSLs still

providing value for money? Are you seeing evidence of tenants being put under severe pressure and perhaps becoming homeless because of these issues? Can you give us more flavour of the impacts in that area?

Garry Coutts: We have met with RSLs and tenants' representatives, and it is undoubtedly an issue at the forefront of people's minds. There is no doubt at all that many issues, such as improvements that are required to housing, managing to meet the standards in relation to emergency repairs and repairs generally, and the increase in staff costs and inflation are putting pressure on RSLs and local authorities, and that will be reflected in rent rises in the future.

10:15

We do not get involved in rent setting, but we do ensure that RSLs and all social landlords are engaging effectively with their tenants on the issue of rent setting. Over the next year, we want to refresh the way that we do that scrutiny of RSL engagement, to ensure that it is effective and meaningful. We will pick up on that work in the future.

Michael Cameron will have more detail about the impact of rent arrears on evictions, which will be one of the indicators that we will look at. We are seeing rent increases of 7 to 12 per cent being floated at the moment, which will be a significant issue in the coming year.

Michael Cameron: It may be worth flagging that we undertake work every year through the national panel of tenants and service users, and about 500 people participate in that. In the past five years, we have consistently asked questions about one important area of that work, which is the impact of the financial challenges that they are experiencing.

Our published report from the national panel sets out extensive information about how that looks for tenants. For example, about 20 per cent of those who responded said that they were not managing well financially and a further 4 per cent were in real financial difficulty. The principal issue for about three quarters of those who participated in the survey was concern about finances. It is worth pointing out that they were concerned about whole-household finances rather than specifically about rent. Quite often, the biggest concern that came through from many correspondents was about fuel and other household costs, rather than necessarily being about rent.

Social landlords increased their rents by about 6.4 per cent on average last year, but that followed a period when most landlords kept their rent increases below the level of inflation and when a number froze rents for a period, in recognition of the challenges that tenants were experiencing.

Garry Coutts mentioned arrears, which can be a useful indicator of where pressure is building. The information that we published in the summer shows that the aggregate level of rent arrears in social housing in Scotland actually went down last year, from 6.7 per cent to 6.2 per cent, which suggests that at least some tenants were able to manage their rent even while experiencing wider financial challenges. We also see that as a testament to landlords' interventions to help tenants to sustain their homes through a range of activities and not only through direct housing management.

Willie Coffey: Do you think that there is a causal link between rent level rises and homelessness? I know that you have said there is a wide range of other issues, but can you track that? If, in the future, a committee member asked you how many people had become homeless as a result of rent rises that they could no longer afford, do you think you would be able to track that by using your AI tools?

Michael Cameron: We certainly look at the information that we get from landlords and the Scottish Government on levels of rent, levels of rent arrears, the reasons that landlords raise court actions against their tenants and the number of those court actions that can result in evictions. I will be happy to provide the committee with an analysis. We have that data and we consider it in our scrutiny of individual landlords, so I will look at what we might be able to bring back.

Whether we are always able to identify whether a specific eviction resulted in a specific application for homelessness is a different matter, but the patterns in the data may be able to suggest an answer. My immediate instinct is that there may be more of a causal link in the private rented sector than in the social rented sector. Social landlords work hard to sustain tenancies and to ensure that their tenants receive advice and support if they are experiencing financial challenges. I do not have relevant data on the private rented sector, but it would be interesting to see whether there is an obvious and significant difference between the two sectors.

Willie Coffey: That is really helpful. I am sure that the committee will appreciate anything that you can give us as a follow-up.

Garry Coutts, on the big issue of homelessness, you mentioned in your opening remarks that three councils are experiencing systemic failure and that another seven are at risk. I will not ask you to name any councils, but what kind of action are they taking, what kind of help are they getting, and are they getting through the problem in any way to resolve that situation?

Garry Coutts: “Systemic failure” means that taking action is beyond the ability of a single local authority. It requires all partners in society to contribute what they can to help. However, that is not to be taken as a get-out-of-jail-free card for those authorities. We need to make sure that they are using absolutely the best practice to sustain tenancies rather than having people drift in and out of homelessness, as has happened on numerous occasions.

It is also about making sure that houses are available for let as quickly as possible after they have been vacated and bringing any hard-to-let houses back into the system as quickly as possible. Our engagement with local authorities and RSLs on those areas critical to that. Michael Crichton engages with the Scottish Government on the housing to 2040 working group, looking at the way in which investment can be made most effective for achieving the increase in housing that we will need over the coming years.

Another thing is that, through our regulation, lenders to RSLs are comfortable with the existing level of risk and are still very willing to lend. RSLs have access to borrowing to increase the stock.

There will not be a single solution to homelessness. It is about dozens of threads being pulled together so that we can achieve the reduction in homelessness that we want.

I ask Michael Cameron to say a little more.

Michael Cameron: I will pick up on some of the wider work that is going on. I participate in the Scottish Government’s housing to 2040 strategy board. At its most recent meeting, in November, I led a discussion on possible ways to address the significant challenges that local authorities are experiencing when it comes to the supply of suitable temporary accommodation. That is where need is most acute at the moment. In some instances, local authorities are not able to provide temporary accommodation at all; in others, people are having to be placed in what would be categorised as unsuitable temporary accommodation.

There were a number of follow-through points from that discussion, which I hope bear some fruit when it comes to increasing the supply of suitable temporary accommodation. The forum is an opportunity to bring relevant people together to identify action-based solutions to some of the challenges. However, as Garry Coutts said, it is not an easy fix, and I suspect that it will not be a quick fix. There is a fundamental need to increase the supply of available accommodation across the piece, and the work to prevent homelessness will be critical. It is about reducing the demand through prevention and ensuring that we have an adequate supply of homes to provide people with

the accommodation that they need when they need it.

Willie Coffey: Thank you. Are councils—not necessarily the three or the seven that you mentioned earlier—doing enough to bring their void stock back into use? One of the big issues that the committee heard about some time ago was that a lot of Scottish councils have quite a high number of void stock. I think that the City of Edinburgh Council, in particular, did some great work to bring a lot of its stock back into use. Are you getting any picture of whether councils across Scotland are performing better and doing more to bring void stock back into use?

Michael Cameron: We have seen a number of initiatives undertaken, particularly by local authorities, to accelerate the time that it takes to bring homes back into use but also to look at stock that perhaps would have been set aside for various reasons, such as demolition or major renovation projects, and to look at opportunities to advance those properties back in. That work has had a bit of an impact in the statistics this year, but the challenge is that it is likely to be a one-off hit. Once those properties are back in use, that resource cannot be used again.

In many ways, our bigger concern is the trend that we have seen over the past few years, which is the reduced turnover in social housing. That could be for very positive reasons, because it might mean that people are sustaining their tenancies and are content with the homes that they are in. Whatever the reason, it means that fewer homes are becoming available to let to people who are in need. That takes me back to the point that Garry Coutts touched on, which is that an increase in the overall supply of accommodation, including temporary accommodation, is needed.

Willie Coffey: Thanks for that, Michael. My last question is about the overall performance and quality of housing. You told us that there were some positive indicators from tenants in their responses on improvement times, response times for repairs and so on. You talked about cladding, RAAC, damp, mould and the new indicators that will come into play. As we all know, Awaab’s law will come into force in March. What are the implications for you, as the regulator, when it comes to keeping an eye on whether landlords are really implementing the Government’s wishes in respect of Awaab’s law and the damp and mould issues in the stock that need to be resolved? What additional burdens, such as monitoring and reporting, might the law put on the regulator?

Garry Coutts: We have already asked social landlords questions about damp and mould, and we will get responses early in the first quarter of the new year. The responses will give us a chance

to see whether we are asking the right questions, whether we have the information that we really need and whether we have to tweak our approach. That work is already in hand.

We will still have to think about some of the other regulatory requirements in the 2025 act. For example, once the net zero requirements come along, they will have an impact on RSLs, and we will need to be able to monitor people's implementation of the requirements.

10:30

It is still a movable feast, and we do not have all the answers yet, but, in relation to damp and mould, and certainly in relation to issues such as RAAC and cladding, we have been working with the Government to provide the information that it needs in order to assess what sort of funding will be required for remediation.

Michael Cameron may want to add more.

Michael Cameron: The indicators that we have included in the annual return on the charter for the current reporting year may very well be suitable and adequate for monitoring the new legislative requirements that the Scottish Government aims to introduce in March. As Gary Coutts said, we will look at that and consider whether the indicators deliver what we need as the regulator and what other stakeholders, including Parliament, might need to ensure that there is an appropriate understanding of both the extent and impact of damp and mould in social housing.

It is probably worth flagging that we have, in general, seen increasing tenant satisfaction with the overall quality of homes in the past year—it has been marginal, but there has been an increase. Compliance with the Scottish housing quality standard has also increased in the past year, so we have two positive indicators of the work that landlords have been doing to ensure that the homes they provide for tenants are meeting the appropriate standards.

Willie Coffey: I have a final question about damp and mould. I have been coming across that issue for many years, as a local councillor and as a member of Parliament. It has always worried me that landlords and councils could allocate a house to a person or family while knowing that that property suffered from damp and mould. Will that still be possible even with Awaab's law? Will it still be possible for landlords to allocate to a family or person a house that is clearly suffering from dampness and mould at the outset?

Michael Cameron: According to current standards and requirements, it should not be the case that a house that has significant damp and mould is allocated, because it would not meet the

lettable standards that properties are required to meet. In those circumstances, I would encourage any tenant to raise those issues with their landlord in the first instance, and then beyond the landlord if that is required. It may well be that, in some cases, work is planned and the landlord is keen to ensure that the individual has a home, but those circumstances should be exceptional.

Willie Coffey: Thank you for taking that question.

The Convener: I am going to ask a question about supply, but I will first pick up on a few things from the line of questioning that Willie Coffey was pursuing. He asked about tracking how many people become homeless due to rent rises, and you pointed out that that is perhaps more likely to happen in the private rented sector. Is there any tracking of people who come out of homelessness and into the social rented sector?

Michael Cameron: There is. The key metric that we look at is tenancy sustainment. Landlords report to us every year on how many tenancies that were allocated in the previous year have been sustained. We get that information according to whether the let has come through the homelessness or the housing list route. That information is available, and I can get some of it for you if the committee is interested.

The Convener: I wonder whether that process could be extended so that we can track someone who becomes homeless from the private rented sector and then goes into the social rented sector. That would give us an interesting picture of what Willie Coffey was asking about and about the general movement of people across the sectors.

Michael Cameron: I suspect that, at the moment, we would have data that relates to somebody who is homeless, the reason for their being homeless and where they are coming from. We would have an understanding of how many people are leaving the private rented sector into homelessness. What we would not necessarily have is tracking that links that data into whether they get a home and sustain that home. That may be more challenging to look at. We engage regularly with the Scottish Government on its collection of statistics on homelessness, so perhaps we could raise that issue.

The Convener: It might be worth looking into that.

You pointed out that the systemic failure is a broader issue. We did quite a bit of work, early on, on community planning partnerships, and I wonder whether that is the space where the systemic failure is being addressed to some degree. Is there discussion about how partners in the community planning partnership can help that situation?

Michael Cameron: The particular role of community planning partnerships may be enhanced by the new requirements that are being brought in through the Housing (Scotland) Act 2025, which are placing homelessness prevention duties on bodies that would be partners within community planning partnerships and which are, in particular, implementing the ask and act duty. Ultimately, we will get to a better place around homelessness when the demand and supply of homes are in equilibrium. At the moment, the demand far exceeds the supply. One of the important ways to reduce demand is to prevent people becoming homeless in the first place. That focus on prevention is probably a particularly important one for partners around those tables.

The Convener: You mentioned that void properties will take us only so far and that we need new homes to be built. What is your sense of how RSLs are managed and the risks involved in building new homes? Is the response sufficient to address the housing emergency?

Garry Coutts: RSLs have development plans in place, which we scrutinise and monitor. However, fewer houses are being built annually. The number needs to increase considerably. Last year, for example, only about 80 per cent of the sector target was completed. We need to refocus on how we get best value, to ensure that we maximise the number of homes that are available for people in desperate need of housing.

Michael Cameron has more details.

Michael Cameron: As Gary Coutts mentioned, every year we get five-year financial projections from all RSLs, which allow us to look at what they are planning to do to provide new homes. In the next five years, RSLs are planning to provide about 17,500 new homes. However, that figure is 22 per cent down on the figure in last year's financial projections, which was down 13 per cent on the previous year's figure. So, as you can see, we are building fewer homes than we had planned in previous years, and it is likely to be fewer homes than are required.

There is no statutory obligation on a social landlord to build homes; there are duties on landlords to invest and maintain their existing homes. In a situation of real financial challenge, it is an entirely understandable business decision for a social landlord to use its resources to invest in the homes that it already has and to be a bit more wary about building new homes. That is notwithstanding the reality that we need new homes to be built. Part of the challenge is the costs that landlords are experiencing.

I was involved in the meeting of the rural and islands landlord group last week, at which there was some discussion about that. An example that

was given by one of the island-based associations was that the unit cost for building a new house had doubled in the past six years, which illustrates the major challenge to building a number of homes at the cost base that we would traditionally have expected. It also highlights challenges around contractor availability, the supply chain and material costs, all of which feature regularly in our discussions with social landlords.

The Convener: On the island example, where the cost has doubled, is that within the association's envelope? When we did a piece of work on rural and islands housing, a couple of years ago, we heard that building on the islands costs three times the amount that it costs to build on the mainland. Was it three times the amount to build on the islands, and has that figure now doubled?

Michael Cameron: It has doubled for that particular landlord in the context of its working on an island. In all likelihood, there would have been a higher unit cost to begin with, but that cost has doubled in the six-year period.

The Convener: Garry, you said that 80 per cent of the target was completed in the past year. Was there any holding back to see what the heat in buildings bill would bring about for building?

Garry Coutts: As Michael said, landlords are cautious because they need to ensure the viability of their own enterprise. Costs that they know are coming down the track towards them are not quantifiable at the moment, which adds an element of caution to what they are doing. A lot of the larger associations have almost reached their capacity to invest using their existing stock as covenant, so there are constraints there as well.

We have to think creatively about how to maximise the new build that will go ahead in the future. It is important that we do not focus just on the social rented sector and that we accept that, to resolve Scotland's current housing crisis, an all-sectors response will be required. We need to understand what is happening in the private rented sector as well as in the RSL sector, because what happens in the RSL sector will not resolve the problem alone.

The Convener: On the RSL development plans, and on the conversation that you both had with Willie Coffey about standards, RAAC, cladding, damp and mould, this is a historical situation: houses were built with certain materials or in certain ways that are not suitable to Scotland's climate, and we have ended up with these problems. I recognise that we are required to build within building standards, but do you have any responsibility as a housing regulator to monitor the quality of new builds? Do you get involved in that to ensure that we are not building a lot of new

housing that will, in the future, result in bigger problems with damp, mould and things like that?

Michael Cameron: No. Our role does not extend to that. As you say, there are building standards in place, and local authorities have responsibilities around building control. When social housing is funded through grants, requirements are set out by the grant provider, such as the Scottish Government, which will undertake a certain amount of monitoring of the standards that are met, to ensure that they are consistent with what was set out in the terms of the grant offer.

Garry Coutts: In the past, we reported on the development programmes and looked at good practice to ensure that individual RSLs were able to follow good practice when considering their development programmes, to ensure that they had the right skills and people to manage their programmes. That was done probably about seven years ago, and it is one of the things that we have hoped to be able to renew and refresh, because there will have to be an increase in house building and we need to ensure that the sector can respond.

Getting the timing of that right and looking at the Government's investment plans are factors in ensuring that that work can be done and that it will be able to have an impact when the building is taking place. It will be important work.

10:45

The Convener: It seems that you could provide important feedback. You are part of the feedback loop, because you are meeting with and coming across tenants who have problems with housing. I am aware of housing that has been built to building standards but that has problems. Given that we have an ambition to build a lot more housing, I am concerned that we are going to end up with housing stock that gives us problems, including public health problems, down the line.

Michael Cameron: Fairly recently, social landlords have expressed concern to us about the resourcing of building control in local authorities.

Having said that, one of the messages that we would put out to all social landlords is that they must have their own quality control in their development programmes and that they should not rely exclusively on local authority building control. Having that presence on site during construction is an important way to ensure quality.

The Convener: Social landlords need someone like a clerk of works.

Michael Cameron: Yes.

Garry Coutts: Yes, absolutely. It is really important to stress that. When I was involved in local government, there were no buildings that were not continuously visited by building control officers to ensure that the work was going according to the plans that had been submitted and warranted. That is not happening now. There is much more reliance on certification by the developer.

I am not saying that this is the case, but, if housing associations were relying on certification from local authorities, without doing their own checks at various critical stages of the build, there could be problems for the future. However, the vast majority of RSLs are well aware of that.

The Convener: That is useful to hear. As we continue to talk about the importance of building more, it is really important to highlight that we need houses that work for people.

What progress are landlords who provide sites to people in the Traveller community making to ensure that the sites meet national standards and that Traveller satisfaction improves?

Garry Coutts: We are seeing improvements, and we are engaging with all the landlords who provide Gypsy Traveller sites. There are 28 such sites provided by social landlords, of which two are currently closed and one is partially open while its future is under consideration. Of the remaining 25 sites, 21 are compliant with the Scottish Government's minimum standards and all 25 comply with fire safety requirements.

Work still needs to be done to ensure that they are all compliant and up to standard, but we are seeing an improvement on where we were.

Michael Cameron: It is probably worth highlighting that, through our national report on the charter, we have seen a fairly significant improvement in the satisfaction levels expressed by residents of Gypsy Traveller sites provided by social landlords, although those are still well below the satisfaction levels that we see for mainstream tenants, so there is still some way to go in that regard.

As the committee might be aware, we have been asking for a fundamental review of the minimum site standards for some time. I am pleased to report—again as you are possibly aware—that the Scottish Government has now initiated a fundamental review of the site standards, and we will participate fully in that review.

The Convener: That is great. Thank you.

That brings our questions to a close. Many thanks to you both for your evidence.

The committee previously agreed to take the next agenda item in private, so that concludes the public part of our meeting and we now move into private session.

10:49

Meeting continued in private until 11:10.

This is a draft *Official Report* and is subject to correction between publication and archiving, which will take place no later than 35 working days after the date of the meeting. The most up-to-date version is available here:
<https://www.parliament.scot/chamber-and-committees/official-report>

Members and other meeting participants who wish to suggest corrections to their contributions should contact the Official Report.

Official Report
Room T2.20
Scottish Parliament
Edinburgh
EH99 1SP

Email: official.report@parliament.scot
Telephone: 0131 348 5447

The deadline for corrections to this edition is:

Tuesday 13 January 2026

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: sp.info@parliament.scot



The Scottish Parliament
Pàrlamaid na h-Alba