



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Wednesday 8 December 2010

Session 3

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Wednesday 8 December 2010

CONTENTS

	Col.
TIME FOR REFLECTION	31267
BUSINESS MOTIONS	31269
<i>Motions moved—[Bruce Crawford]—and agreed to.</i>	
The Minister for Parliamentary Business (Bruce Crawford)	31269
SEVERE WEATHER	31271
<i>Statement—[Stewart Stevenson].</i>	
The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson)	31271
FUTURE BUDGET PLANNING ASSUMPTIONS	31282
<i>Statement—[John Swinney].</i>	
The Cabinet Secretary for Finance and Sustainable Growth (John Swinney)	31282
PROPERTY FACTORS (SCOTLAND) BILL: STAGE 1	31292
<i>Motion moved—[Patricia Ferguson].</i>	
Patricia Ferguson (Glasgow Maryhill) (Lab)	31292
Duncan McNeil (Greenock and Inverclyde) (Lab)	31295
The Minister for Housing and Communities (Alex Neil).....	31298
Mary Mulligan (Linlithgow) (Lab)	31300
David McLetchie (Edinburgh Pentlands) (Con)	31302
Jim Tolson (Dunfermline West) (LD)	31304
Sandra White (Glasgow) (SNP).....	31306
Paul Martin (Glasgow Springburn) (Lab).....	31308
Elizabeth Smith (Mid Scotland and Fife) (Con)	31310
Bob Doris (Glasgow) (SNP).....	31312
Malcolm Chisholm (Edinburgh North and Leith) (Lab)	31314
Joe FitzPatrick (Dundee West) (SNP)	31316
Robert Brown (Glasgow) (LD)	31318
Alex Johnstone (North East Scotland) (Con)	31320
Mary Mulligan	31322
Alex Neil.....	31324
Patricia Ferguson.....	31326
BUSINESS MOTIONS	31330
<i>Motions moved—[Bruce Crawford]—and agreed to.</i>	
PARLIAMENTARY BUREAU MOTION	31332
<i>Motion moved—[Bruce Crawford].</i>	
DECISION TIME	31333
CLYDESDALE COMMUNITY TRANSPORT AND GOOD NEIGHBOURS PROJECT	31334
<i>Motion debated—[Karen Gillon].</i>	
Karen Gillon (Clydesdale) (Lab)	31334
Jamie Hepburn (Central Scotland) (SNP)	31337
Johann Lamont (Glasgow Pollok) (Lab)	31339
Alison McInnes (North East Scotland) (LD).....	31340
Jackie Baillie (Dumbarton) (Lab)	31342
The Minister for Public Health and Sport (Shona Robison)	31344

Scottish Parliament

Wednesday 8 December 2010

[The Presiding Officer *opened the meeting at 14:01*]

Time for Reflection

The Presiding Officer (Alex Fergusson):

Good afternoon. The first item of business is, as always, time for reflection. Our time for reflection leader today is Dr Alasdair Black, senior pastor at Stirling Baptist church.

Dr Alasdair Black (Stirling Baptist Church):

Good afternoon, everyone. I have just got back from three months' sabbatical in the west bank, so it is good to be able to come and share some of my reflections from my time there.

I first visited Nablus last year and encountered the Askar refugee camp. Despite the endless media coverage of the Palestinian-Israeli conflict, I do not think that I was prepared for what I was to find. Amid the squalor and abject poverty and the walls and windows that were riddled with bullet holes, I was greeted by dozens of smiling and fun-filled children. Those children are not like other children; they live their lives against a background of checkpoints, military incursions and the indiscriminate demolition of their homes. As I looked at the children laughing and playing, I suddenly felt an overwhelming sense of despair and hopelessness. What lay in their future?

However, just before the horror and desperation of the children's plight became unbearable, my guide said, "Not that many tourists come here,"—that did not surprise me—"Do you want to see what I do the rest of the time?" He took us into the old city, to a set of rooms where he runs a circus, Assirk Assaghir, for the children of the refugee camps. There, along with a few others, he teaches hundreds of children circus skills such as juggling and clowning. There, in the face of military occupation, they make the children feel valued and special and they teach them to laugh again, despite the heartache.

My guide turned to us and said, "This is my resistance." Immediately, my despair was replaced with hope, not because I believed that the circus would change the world or that teaching children to be clowns is the antidote to Israeli bullets and Islamic extremists, but because I knew that as long as people believe—maybe naively—that they can make a difference, the darkness will not overcome the light.

That is the hope of Christmas, which was brought by the birth of another Palestinian child

who was born a refugee and subject to military oppression. As the apostle John says:

"The light shines in the darkness, and the darkness has not overcome it."

It is the belief, which some people might say is naive, that the child who was born in Bethlehem offers a light to the world and a hope in our despair that no political, military or social power can match. Because of his birth we can confront situations of despair and hopelessness with the promise of hope, peace and new possibility.

Let us pray together.

Lord, we pray for the plight of the Palestinian people. Lord, we pray that that land may know peace and wholeness. Lord, we pray for our nation. We pray that our land, at this time, would not be given up to despair and hopelessness but that we would know the reality of the light of Christ this Christmas.

Lord, we pray for ourselves. We pray for those situations when we feel overwhelmed, when we feel despair pressing in and overtaking us.

Lord, I pray that you would make us carriers of hope, peace and new possibilities this Christmas season. We ask this in your name.

Amen.

Business Motions

14:05

The Presiding Officer (Alex Fergusson): Before a statement is made, it is expected that non-Government members will have an opportunity to study it. In this case, for whatever reason, it has been impossible to provide a lengthy opportunity for that, and I therefore propose to suspend business for 30 minutes. I suggest that we start business again at 25 to 3.

14:05

Meeting suspended.

14:35

On resuming—

The Presiding Officer: The next item of business is consideration of business motion S3M-7573, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, setting out a revised business programme for today.

14:35

The Minister for Parliamentary Business (Bruce Crawford): Before I move the motion, I should tell the chamber about certain changes to business that have transpired. Last week, the bureau scheduled for today an Equal Opportunities Committee debate on scrutiny of the Mental Health (Care and Treatment) (Scotland) Act 2003 but, as the business motion records, it has been replaced by other business. The only other change is that decision time this afternoon will be at 5.30 pm to allow the Property Factors (Scotland) Bill to be properly debated.

I move,

That the Parliament agrees—

(a) the following revision to the programme of business for Wednesday 8 December 2010—

delete

followed by Ministerial Statement: Future Budget Planning Assumptions

followed by Equal Opportunities Committee Debate: Scrutiny of the Mental Health (Care and Treatment) (Scotland) Act 2003

followed by Stage 1 Debate: Property Factors (Scotland) Bill

followed by Business Motion

followed by Parliamentary Bureau Motions

6.00 pm Decision Time

followed by Members' Business

and insert

followed by Ministerial Statement: Severe Weather

followed by Ministerial Statement: Future Budget Planning Assumptions

followed by Stage 1 Debate: Property Factors (Scotland) Bill

followed by Business Motion

followed by Parliamentary Bureau Motions

5.30 pm Decision Time

followed by Members' Business

(b) the following revision to the programme of business for Thursday 9 December 2010—

delete

5.05 pm Decision Time

and insert

5.00 pm Decision Time

Motion agreed to.

The Presiding Officer: The next item of business is consideration of business motion S3M-7559, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, recommending that motion S3M-7550, on the Scotland Bill, be taken by Parliament tomorrow.

Motion moved,

That the Parliament agrees under Rule 8.2.7 that motion S3M-7550 be taken by the Parliament on Thursday 9 December 2010.—[Bruce Crawford.]

Motion agreed to.

Severe Weather

The Presiding Officer (Alex Fergusson): The next item of business is a 10-minute statement by Stewart Stevenson on severe weather. As the minister will take questions at the end of the statement, there should be no interruptions or interventions during it.

14:37

The Minister for Transport, Infrastructure and Climate Change (Stewart Stevenson): I am grateful for this opportunity to update Parliament on recent weather events and their damaging effects on the transport network. I should begin by saying that the westbound M8 fully reopened to all traffic at 13:15.

On Monday, a combination of events—the return of many adults and children to work or school after a period of school closures and disruption from previous snow, combined with more and heavier snow that fell over a longer time than expected—contributed to a very sudden deterioration in road quality and public transport services in central Scotland. The key question is whether our response could or should have been better in these very unusual circumstances.

The fact of the matter is that if the transport system grinds to a halt and people are forced to spend the night in their cars, something has clearly gone wrong. I regret that and apologise for the failure to communicate the situation effectively to the many people affected on Monday when the extent of the problem became apparent.

Of course I am sorry that anyone should have to experience the gridlock and inconvenience of recent days and, in terms of the aspects of the problems that can be resolved by Government, I accept that responsibility rests with me. We must be clear what the issues are.

I also want to be very clear on one matter. No doubt parts of the system did not work, but that does not mean that thousands of men and women—local government workers, those on gritters and in emergency services and many volunteers—did not do the best that they possibly could in the circumstances. To those who have worked the extra hour, who have helped their neighbour, who have pushed cars and who have brought aid and assistance—thank you. *[Applause.]*

That said, we are looking at exceptional circumstances. There are two big issues to address: fixing the immediate problem; and considering how we as a society can adjust if this weather is to become more common.

For the benefit of this chamber and the people beyond it I will try to describe the events that led to this situation. I should add that I am more than open to the idea of a wider review of what happened and I will be attending next week's meeting of the Transport, Infrastructure and Climate Change Committee where these matters may be discussed.

On Monday morning, we faced a perfect storm. A highly unusual weather system came in and hit our transport system exceptionally hard. Over the past fortnight, Scottish resilience has been managing snow volumes in the central belt at significantly higher levels than have been seen in many years. The Cabinet sub-committee on Scottish Government resilience has been in operation since 24 November. Resilience arrangements were well established over the weekend of 4 and 5 December, and meetings took place on both days; indeed, meetings have been occurring on a daily basis both at ministerial and official level. Weather forecasts from the Met Office were monitored closely throughout that time as part of the resilience process. Across the whole country, strategic co-ordination groups—connecting emergency services and local authorities, which plan for all manner of contingencies—were already working on the snow situation.

On Sunday 5 December, we were aware of weather warnings in which snowfalls in central Scotland were forecast. I have been asked what forecasts the Scottish Government received and when it received them. I would like to give members some details on that.

The first indications of heavy snow were issued by the Met Office at 16:01 on Sunday. The bulletin said:

“A band of heavier snow is expected to affect higher parts of the Ayrshires and Lanarkshires giving 5-10cm of fresh snow. Higher parts of West Lothian and the western Borders could see accumulations of 3-5cm. Western areas will still see mainly rain although this could gradually turn to snow in Glasgow where accumulations of 1-3cm are possible. Elsewhere accumulations of 1-3cm are likely including in the Edinburgh area.”

A Met Office bulletin that was issued at 08:01 on Monday described the weather forecast at that time. It said:

“Generally amounts of fresh snow will be in the region of 2 to 5 cm although higher areas may see a further 10 cm. Behind this band of snow it will be generally dry and clear.”

Presiding Officer—*[Interruption.]*

The Presiding Officer: Order. There is too much noise.

Stewart Stevenson: The next Met Office bulletin, which was issued at 10:37 on Monday,

accepted that the position had become unexpectedly severe. It said:

“The band of snow that moved southeastwards overnight extended further eastwards than forecast, which has given more significant snow accumulations than were expected yesterday across eastern parts of the Central Belt. This has caused transport disruption across parts of Scotland and has been exacerbated by ice quickly forming on roads and the fact that the snow arrived across the central belt during the rush hour ... The snow will continue to move southwards during this morning, clearing the Central Belt by mid afternoon.”

We have now received accurate measurements of the snowfall during the 24 hours from 09:00 on Monday. Those measurements show that some areas clearly received more snow than the amount that was forecast. At Gogarbank in Edinburgh, 7cm of snow fell; in Penicuik, 9cm of snow fell; and at Livingston Mill in West Lothian, 12cm of snow fell. There were falls of 20cm in other areas, which was twice the maximum that was forecast. Some reports suggest more than 30cm of snow fell in East Kilbride. A North Lanarkshire Council report that was issued at 02:50 on Tuesday said:

“The heavy snowfall yesterday morning was not forecast to be as late in the morning or nearly as severe.”

All that demonstrates that, although the Met Office was giving reports to the best of its ability, the snowfall was greater than it was estimated to be even after the incident had started.

Let me say a little about preparation and forecasting. We have a network of cameras around the trunk road network that are generally co-located with ice-monitoring equipment. When actual temperatures drop to 3°C, we invoke road treatment action in anticipation of icing. In that respect, we act in a similar way to the Met Office and others. Observations of current conditions are used, coupled with a view of recent changes to predict future weather conditions. Ploughs and gritters were out and applying appropriate treatments before the snowfall hit central Scotland, but access to the road network became difficult as jack-knifed lorries—as many as a dozen of them on Monday evening—and a small number of car incidents blocked key roads and junctions.

In central Scotland alone, Transport Scotland had 327 staff using 63 vehicles working round the clock. Throughout Monday night and Tuesday, more than 1,000 additional police officers and the Red Cross were active. I pay tribute in particular to the work of police officers throughout Strathclyde, Central Scotland and Lothian and Borders. We hired in extra vehicles to recover lorries, but in many cases clearance was followed too quickly by further incidents, and it became increasingly difficult to reach those lorries.

For the M8 westbound, the absence of moving traffic and temperatures below the level at which

salt works allowed significant build-up of ice, despite appropriate treatment, and led to closure. As I said, the M8 is now fully opened. This morning, Transport Scotland and its contractors have given a special treatment to the M8, with double levels of salt and grit, and gritters and snowploughs operating together.

There have been problems on our railways, too. Network Rail has special squads looking after the most critical junctions. Heating blankets are supplementing points heaters and have proved largely effective, but diversion routes and sidings are not available, which means that any train failure has greater-than-usual impact. Therefore, Network Rail has restricted network capacity. Our most modern diesel rolling stock, the class 170s, are designed for operation down to -17°C. In fact, they did a bit better than that, but were frequently defeated by ice, with up to 3 tonnes per carriage.

Yesterday, 80 per cent of scheduled bus services and 55 per cent of normal train services operated. Today, our airports are open, with the exception of Campbeltown and Wick, which will open shortly. Overnight, vehicles worked continuously to keep the road network working. Police report that temperatures dropped to -17°C in places and the Met Office said that the temperature would continue to fall until 9 this morning. The Army has been helping, and we thank it. It has assisted the Scottish Ambulance Service by providing 10 four-by-fours and 50 soldiers.

A slight alleviation of the worst of the cold conditions is forecast for the next few days. I am determined that we should make the best use possible of that window of opportunity to bring services back to normal. Today, two thirds of schools are open, which is a better performance than for 10 days.

I am the transport minister and I am responsible. What happened on Monday has been extremely difficult and challenging. It should not have happened and I have apologised for the failure to communicate the position better and earlier. However, the steps to prevent it and the actions to negate it are hugely complex. The areas that I want to review are long-term strategic issues. Public communication should be improved. What went wrong with links between Met Office forecasts and information flows? Do we need to invest more in heavy-duty winter equipment? Although we deployed help and assistance quickly, should we have increased additional resources even more speedily than we did?

My focus now is to make this work and to put in place a system that is robust. If the weather is to be more severe, more often, the fact is that we need a step change. That applies to everyone in

Government, every business and every household.

The Presiding Officer: The minister will now take questions on the issues that have been raised in his statement. We have approximately 20 minutes and certainly no longer, after which we will move to the next item of business, so brevity would be appreciated.

Charlie Gordon (Glasgow Cathcart) (Lab): We are here because we have just seen the worst gridlock in living memory. Hundreds of drivers spent the night in their vehicles on the M8, hundreds more bus passengers were stranded on the M80 and many others endured a similar grim experience in sub-zero temperatures across Scotland. Meanwhile, the transport minister was on the BBC claiming a “first-class response” and refusing to apologise. In fact, it was a first-class cock-up and he was responsible.

The transport minister wriggles and squirms and pushes the blame on to others. He blames the weatherman. The problem was not the weather forecast or the Met Office; the problem was his totally inadequate response. This morning, the First Minister was on the radio and last night the Cabinet Secretary for Finance and Sustainable Growth was on the television. Was the transport minister in hibernation? If the Scottish Government will not trust him to speak to the public, how can the public trust him to keep their roads and railways moving? Does he regard it as acceptable that Gail McGrane of the BBC was providing more accurate information to the public than he was? Travellers should have been given much clearer advice and told to stay at home or at least to delay their journeys to allow proper action to take place.

I regret that, in the light of the minister's statement, sorry is not good enough. Will he take responsibility, admit his incompetence and go?

Stewart Stevenson: I will not resile from describing the efforts of the staff in local authorities, Government, business and the voluntary sector in very difficult circumstances as deserving the highest commendation. The member might not have been watching the communication from the minister over the piece; it has been substantial.

Let me return to the straightforward issue of the specific words that the Met Office provided at 10:37 on Monday:

“The band of snow that moved south-eastwards overnight extended further eastwards than forecast, which has given more significant snow accumulations than were expected yesterday across eastern parts of the Central Belt. This has caused transport disruption across parts of Scotland and has been exacerbated by ice quickly forming on roads and the fact that the snow arrived across the central belt during the rush hour.”

Those are not my words, but the words of the Met Office at 10:37, and—this goes to the whole point of today's statement—they are very different from the words of the Met Office at 08:01 on Monday, when we were still seeing predictions in line with what the BBC forecasters were saying of 2cm to 5cm of snow with 10cm over the hills. It is very clear that we moved to deal with the conditions that were forecast. We then responded to the change that reality brought, which was divergent from the forecast that was provided.

David McLetchie (Edinburgh Pentlands) (Con): The minister has said sorry, and rightly so. That is fast becoming a habit for what is becoming an apology of a Government on issue after issue. We have heard about the weather forecasts on which the Government was reliant. I was watching television on Sunday night when the BBC displayed a graphic of a blizzard of snow blocking out the whole of central Scotland. If I could see that, and millions of other Scots could see it, why could not the Scottish Government see it and take decisions to act more expeditiously than it did to bring the additional resources to which the minister referred to bear on the problem? Is it not the case that the response was wholly inadequate relative to the information available to the public as a whole? Will the minister tell us what he is planning to do to correct the situation?

Stewart Stevenson: We were working on exactly the same information. We knew that snow was coming and that the depth forecast was 2cm to 5cm. The preparations that we put in hand—the deployment of gritters and the preparation of snowploughs ready to respond—were exactly in accord with the forecast that we were provided with and which was confirmed at one minute past eight on Monday morning.

I remind members that the reality was that the actual falls were in many cases more than twice the maximum prediction of 10cm of snow over the hills. The reality was that we had as much as 20cm—twice that maximum—in areas that could not be described sensibly as hills. We responded immediately to that and made sure that we moved resources from elsewhere in Scotland to respond to the unprecedented—a word that the police used—conditions that we faced.

Alison McInnes (North East Scotland) (LD): Last week, the minister proclaimed that Scotland was ready for the Arctic blast and that lessons had been learned from last winter. How wrong could he be? People are making heroic efforts to get to work—doctors and nurses, carers, bus drivers and shopkeepers are all doing their bit to help the economy to keep going and to safeguard vulnerable people. They have all been let down by a bumbling transport minister who did not do his bit and who allowed vital strategic links to seize

up. He is so out of touch that he announced to the world that his Government was providing a “first-class response” at the very moment when thousands of people were stranded.

When did the resilience unit pack up and go home on Sunday? Did the minister sanction that? He asks us to believe that the Government received no forecasts between 16:01 on Sunday and 08:01 on Monday, yet across Scotland householders were tuning into updated Sunday evening severe weather warnings. Why did he turn a deaf ear to those warnings? He must explain himself. Until yesterday, nobody was suggesting that Stewart Stevenson should personally clear the snow, but now that would be the best thing that he could do—he should leave the chamber, pick up a shovel and start digging. It is time for him to make amends.

Stewart Stevenson: The updated forecasts that many saw on the BBC were precisely those that were in our hands at 16:01 and on which we based our overnight response.

I associate myself absolutely with Alison McInnes’s remarks about people throughout Scotland responding in the best possible way.

The question whether we were ready for winter was—properly—posed. I acknowledge that, on communication, we did not have everything in place. We had the Traveline Scotland helpline, which was operational, but it became clear that we needed additional facilities. Thanks to the good offices of Strathclyde Police, public access was provided to its control room. The fact that we did that was justified—we received 7,000 calls in the first 12 hours. I acknowledge absolutely that that was an important change in our direction, which we undertook in response to communication issues.

Were we ready for winter more generally? One key lesson from last year related to whether we had enough salt and grit. This year, we have six times as much material waiting to be deployed. However, I remind members of the inescapable fact that salt has no effect on the road network when temperatures fall below -10°C. Overnight, we had a temperature of -17°C, and we expect very low temperatures today.

Not even six times the amount is all. We have placed a further order for salt, which is to be delivered in four weeks’ time, to ensure that, as we consume the substantially greater amount of salt that we have this winter in comparison with the previous winter, we respond to that depletion by continuing to top it up. I have discussed that situation with United Kingdom ministers, who hope that what we have done will be replicated elsewhere.

The preparations that we made did not accommodate the conditions that we experienced, but we learned substantial lessons from the previous winter.

The Presiding Officer: We move to open questions. I do not have a hope of fitting in everybody but, if questions are brief and answers mirror that, we will do what we can.

Angela Constance (Livingston) (SNP): In addition to putting on record my thanks to West Lothian Council staff, I thank Scottish Prison Service staff, whose endeavours in this climate often go unnoticed.

The situation of train services in and around Livingston is desperate. The worst example is that no trains have left Livingston North station in the past 10 days, which has forced thousands of my constituents on to hazardous roads. Given that rail services are fragmented—they involve ScotRail, Network Rail, Transport Scotland and so forth—what does the minister think that we can and must do to get rail services in West Lothian and throughout Scotland on a par with those in other cauld and snowy northern European countries?

Stewart Stevenson: Angela Constance makes good and proper points. A particular issue in the rail network is heating the points at the junction where the line to Bathgate and Livingston North leaves the main line from Edinburgh to Glasgow via Falkirk.

Network Rail has squads of staff monitoring as many junctions as possible, but they have not defeated the ice in every case. They have even used heated blankets over some points, which has been of some value. We will ask Network Rail to examine that issue further. The organisation has done well, but it, too, feels that it will have lessons to learn.

Lewis Macdonald (Aberdeen Central) (Lab): Does the minister accept that it adds insult to injury for all those who are affected by disruption to the rail network that it has been hard for passengers to obtain reliable information before they travel or on the platform? As he is a party to a series of rail franchises that involve paying £600 million of taxpayers’ money to ScotRail and Network Rail, what has he done to establish why rail travel information has been so poor, why Network Rail has been unable to address frozen points throughout the network and why the east coast operator has not run a single one of its services to Aberdeen or Inverness not only this week but for a large part of last week?

Stewart Stevenson: I am prepared to be corrected, but I believe that there have been services both from Aberdeen to Inverness and Glasgow and Edinburgh—

Lewis Macdonald: East Coast services.

Stewart Stevenson: I know that I should not take sedentary interventions, Presiding Officer, but the member has clarified that East Coast is the issue, not the franchise for which we are responsible.

I have received communication—*[Interruption.]* I make it clear that I have received communication from the managing director of East Coast trains about the very real difficulties in the network, not simply in Scotland but south of the border, meaning that journey times are substantially extended. The choice that the company has to make is between taking trains on the whole journey—there is a not-as-good alternative of putting people on ScotRail so that they reach their destination—and, because journeys are taking longer, reducing the number of services. The operational decision that the company made was to preserve the number of services and for people to travel on First ScotRail. Again, in the review of the situation, we will discuss the matter. I will discuss it with my opposite number south of the border, who is responsible for the east coast franchise.

Jackson Carlaw (West of Scotland) (Con): I apologise to the minister for missing much of his statement. He will know that the Glasgow to Edinburgh rail service was paralysed for most of this morning. People were queuing outside the station and into George Square in the freezing cold.

The minister has repeatedly said that comprehensive lessons were learned from last year. Beyond ordering more salt, what are the comprehensive lessons that were learned? Beyond ordering more salt, what specific measures did the minister implement?

Stewart Stevenson: The problems that affected Jackson Carlaw and perhaps other members in the chamber related to failures in the Polmont area, where there were particularly low temperatures. One consequence of Network Rail's focus on key junctions is that alternate routes have not been available. That might have been the case with some of the failures in the Polmont area going via Falkirk Grahamston. That has been one of the difficulties. The impact of failures has been much greater than normal. I understand, and the presence of Jackson Carlaw in the chamber might support this, that the failures have been cleared. We have asked again for further information on why those failures occurred.

Jackson Carlaw asked what else we have done. Through First ScotRail, we have improved, to an extent, the weather proofing of some of the rolling stock. That has been of value, although accumulations of ice have largely negated some of

the steps that have been taken. The camera system around our network has been improved, and we will look to make further improvements in light of this year's issues. Of course, the strategies for the deployment of grit and salt have been reviewed and revised.

Ross Finnie (West of Scotland) (LD): The minister has placed heavy reliance on quoting the Met Office in his defence, but that surely misses the point. He is part of a resilience process that is supposed to plan for all manner of contingencies. When ministers got the Met Office forecast of 2cm to 5cm of snow, can we take it that that was all they planned for and that they did not think that anything worse would happen until they heard it from the Met Office on Monday and on Tuesday morning? That response is simply not credible. What is the purpose of a contingency process if it does not plan for the worst contingency? *[Applause.]*

The Presiding Officer: Order.

Stewart Stevenson: The member should be aware, of course, that although we were hit severely in the central belt, there were forecasts for snow throughout Scotland. What actually happened was that a substantially higher amount of snow fell on the central belt than was expected and rather less elsewhere. What we then did as a contingent response to an unforecast event—

Members: Answer the question!

The Presiding Officer: Order.

Stewart Stevenson: The member is asking; I hope that I am answering.

We moved additional equipment from further north during Monday. We did that precisely in response to that unforecast event in central Scotland, having satisfied ourselves that the equipment would not be required further north. We have continued to move equipment around Scotland. That is precisely the kind of contingency planning that has to be in place. Let me—very gently—say to the chamber that there is little point taking equipment away from one area to help another if a set of problems is immediately created elsewhere.

We have taken a balanced approach, with a contingency plan that swung into action and brought in additional equipment precisely as planned.

Rob Gibson (Highlands and Islands) (SNP): Unlike many Opposition members, who do not say what should be done, I will ask the minister about something that could help many people immediately. Can he order councils to grit pavements, so that pedestrians can walk to the shops, to work and to school; to provide grit bins, if they are not there, and to refill those that are; and

to stop piling snow from road clearing on to pavements?

Stewart Stevenson: The Convention of Scottish Local Authorities is part of the resilience team, and it is clear that it understands the need to do what the member describes. It is also working with private retail outlets, many of which have resources. I will not order councils, but they are inside the tent and I will ensure that they get the message and respond.

Johann Lamont (Glasgow Pollok) (Lab): Does the minister accept that individuals and families who were stuck on motorways, without information and advice, fearful of running out of petrol—with no effort apparently having been made to identify and prioritise help to vulnerable passengers, including children and people with medical problems—will simply not accept his statement that the Government responded quickly and will see his complacency and lack of humility as part of the problem that they suffered?

When did the minister realise that his back-to-work strategy was not working? Where was he from that point, and what did he do before the belated meeting at 8 o'clock at night? Will he respond to the man on the motorway hard shoulder who said that someone should pay and that, in his view, it should be the Minister for Transport, Infrastructure and Climate Change? If not the transport minister, who should take responsibility and go in response to the dreadful circumstances that people face?

Stewart Stevenson: The 8 pm meeting was the second resilience meeting of the day; there had been one in the morning. In response to that meeting, an extra 1,000 police were out to engage with the people who—I absolutely accept—were finding conditions on our roads so difficult. Those people were receiving quality support from 1,000 policemen.

The Presiding Officer: I apologise to the eight members whom I have been unable to call.

Future Budget Planning Assumptions

The Presiding Officer (Alex Fergusson): The next item of business is a statement by John Swinney on future budget planning assumptions. As always, the cabinet secretary will take questions at the end of the statement, so there should be no interventions or interruptions during it.

15:08

The Cabinet Secretary for Finance and Sustainable Growth (John Swinney): I wish to make a statement to Parliament about budget planning beyond 2011-12.

When I presented the Government's draft budget on 17 November, I explained that we had provided detailed financial plans for the next financial year only. In addition, we set strategic directions for the years ahead, outlined the on-going pressures on budgets and described our broad policies and priorities for the remaining years of the spending review period.

We took that approach for a number of reasons. First, we took seriously our responsibility to set out our detailed plans to balance the budget for next year and to submit those to the Parliament for scrutiny and debate. Because of decisions by the United Kingdom Government, the toughest year of the spending review period is 2011-12, when £1.3 billion will be taken out of Scotland's budget and our total departmental expenditure limit will be reduced by more than 6 per cent in real terms.

Members will recall that approximately two thirds of the reduction was planned by the Labour Party before it left office. The remaining one third is attributable to the present Conservative and Liberal Democrat Westminster Government and its determination further to advance the scale and pace of the cuts. Members will also recall that in the first year of the spending review period we face a cash-terms cut in our resource budget of 2 per cent or around £500 million, with a very modest cash-terms increase thereafter. Our capital budget falls by £800 million in cash terms in the first year, with further cash cuts thereafter.

The analysis of proposed UK future spending trends that was first published by the Government's chief economic adviser in April and was refreshed in the draft budget document illustrates for everyone the sheer scale of the continued real-terms tightening in Scotland's budgets. Our draft budget for 2011-12 deals with that challenge by setting out how budgets will be adjusted in line with the sharply reduced spending power that is now available to Scotland—and this

is the most acute reduction in public expenditure in any one year of the entire comprehensive spending review period.

Secondly, we recognised that the scale of the cuts that Scotland faces, as well as the pressures from issues such as the ageing population, means that fundamental and wide-ranging change in the public sector is unavoidable—and it is absolutely necessary. Over the past three and a half years, we have taken significant steps to reform Scotland's public sector. We have exceeded our efficiency targets; we have simplified the public sector landscape and reduced the number of public bodies; we have reduced the burden of scrutiny; and we have enabled local councils to better meet the needs of their communities.

However, the scale of the cuts over the next four years, combined with long-term increases in the demand for key public services, means that fundamental change is unavoidable. We have asked the Christie commission to report soon after the election, with recommendations on how public services can be protected by making them more effective and efficient, by encouraging greater collaboration and by redesigning them affordably and sustainably. We argue that budgets for future years should be set in the light of careful consideration of the Christie commission's recommendations and other reform activities, not in advance of them.

Thirdly, and critically, we are conscious—and every party represented in the chamber is well aware—that the UK Government has proposed further constitutional change, with a significant impact on Scotland's public finances, as set out in the Scotland Bill. This Government welcomes the opportunity that Parliament now has to scrutinise those proposals thoroughly. We continue to believe that some of the new powers, for example the power to borrow, should be introduced in time to make a material difference to spending plans over the years to 2014-15. That could make a big difference to Scottish public expenditure, particularly capital expenditure, on projects such as the Forth replacement crossing and the new south Glasgow hospitals. I hope that every party in the chamber will join me in calling for the UK Government to bring forward borrowing powers as soon as possible. I hope that the ad hoc committee of the Parliament that has been established to examine the Scotland Bill will be able to explore that issue further. There could well be further implications for future spending plans into the bargain.

Finally, we are conscious that the people of Scotland will have the opportunity next May to speak to all of us in the Parliament. The Administration that is formed thereafter will be responsible for setting budgets to support its

programme for Scotland in future years. I look forward to the opportunity that the election presents to debate Scotland's future and how we protect Scotland from the worst excesses of Westminster's cuts. Any future spending priorities will be set in the light of the priorities that have been assessed and voted on by the Scottish people. The Scottish Government that is in place in 2011 will benefit from the conclusions of the Christie commission and its thinking on public sector reform. That work, which we have put in place, will be of enormous assistance in wrestling with the financial challenges that we face.

When we debated the budget on 25 November, other parties took the view that, notwithstanding the unique circumstances that we face, it was necessary for budgets to be laid out for several years in advance to enable public service managers to plan and manage their operations into the future. The Parliament agreed with that view. I respect that view, and in normal times I would have taken it myself. However, we are in times that are far from normal. The level of change that has to take place in the coming months and years means that any such plans will be subject to enormous change and uncertainty.

Furthermore, public service managers have had to manage within one-year budgets in the past. In planning for 2010-11, for example, which was the last year of the 2007 spending review, managers were not told their likely 2011-12 budgets. Had we sought to make any predictions, they would simply have been wrong, because no one could have foreseen with any accuracy the scale of the cuts that were to be imposed in respect of next year. Members will also recall that, in the summer of 2006, the United Kingdom Government postponed the planned spending review. As a result, public services were planned for 2007-08 on the basis of a one-year budget, with no certainty about future years until autumn 2007.

Nevertheless, this Government listened to and accepts the clear message that was delivered by the Parliament. More information is requested about public spending options in Scotland in future years. We will therefore publish illustrative figures for the years up to 2014-15. I will discuss with Opposition parties the approach that is to be taken to the exercise, and in particular the importance of addressing how we apply to those budgets the Government's firm view that change to budgets will arise out of the work on the public service reform agenda and the work of the Christie commission. I expect to publish the figures after the Christmas recess.

It is important that we have a clear view of what the exercise is and is not about. I have tried to provide clarity on those points. However, we should not forget that there is a wider set of

issues. Illustrative budget figures will help to set the context for the debate about greater financial responsibility for Scotland. The future for Scotland lies in taking decisions here about taxation, spending and borrowing, about taking control of the key economic levers to maximise Scotland's opportunities and address Scotland's challenges, and about charting our own course and not following in the wake of another economy or a set of priorities that have been dictated in another place by a different set of circumstances and considerations.

The fact is that the existing arrangements do not provide anything like that degree of choice for Scotland. The provisions of the Scotland Bill might take us some way in that direction, but in the Scottish Government's view they will not take us far enough. In the meantime, we are obliged to work within the framework that is handed down to us by the chancellor and the Treasury. We will seek to do so in a way that provides as much information as possible to members of this Parliament.

The Presiding Officer: We have 20 minutes in which the cabinet secretary will take questions.

David Whitton (Strathkelvin and Bearsden) (Lab): I thank the cabinet secretary for early sight of his statement. It is good to know that at least one minister in the Scottish National Party can get a statement out on time.

Having said that, I must indulge in what Mr Swinney describes as cheap abuse. We heard five pages of waffle before the cabinet secretary finally gave into the will of Parliament and announced that he would provide illustrative figures for the years up to 2014-15. That is another SNP U-turn, but it is welcome nevertheless.

I make it clear that we asked not for detailed budgets but for longer-term figures, to determine the path of travel for local government, the national health service, the voluntary sector and others who rely on the Government for their finance.

The Scottish Government will now do what the Northern Ireland Executive and the Welsh Assembly Government announced that they would do as part of their budget processes. Mr Swinney said that he would seek to provide as much information to members as possible, but he delayed giving level 4 figures to the Economy, Energy and Tourism Committee, and it is clear that he would have delayed providing the numbers for the years to 2014-15 if he could have done so.

Why must we wait until after the Christmas recess to see the illustrative budgets? Will the cabinet secretary give us a date on which we will see them? Will we have them before the stage 1 debate on the budget bill on 26 January?

John Swinney: I thank Mr Whitton for his warm and generous welcome for what I announced. I would hate to deliver a statement that he did not like, given his churlish response.

I have made clear on numerous occasions my position on the will of Parliament. Indeed, I was not the author of that view; it was Mr Whitton's mentor—I say that with no disrespect to the late Donald Dewar—who made it clear that the Parliament would not be able to bind the Government other than through legislation. I accept that view. The Government does not accept the will of Parliament on all occasions. The last time that I stood up and accepted the will of Parliament was on the Edinburgh trams.

The First Minister (Alex Salmond): That wasn't a good idea. That was Mr Whitton's idea, or was it Mr Gray's?

John Swinney: No, I must correct the First Minister—*[Interruption.]*

The Presiding Officer: Order, Mr Scott.

John Swinney: I must correct the First Minister: Mr McNulty was in the vanguard of all of that. Perhaps demanding that the will of Parliament be accepted is not always Mr Whitton's strongest ground.

We will publish the numbers after the Christmas recess. I confirm to Mr Whitton that they will be published before the stage 1 debate on the budget bill, which will take place in late January. I look forward to hearing from Mr Whitton exactly what he will do about the budget. For weeks and weeks we have heard about the process; now we need to know what Mr Whitton will do about the budget in the period to come.

Derek Brownlee (South of Scotland) (Con): I thank the cabinet secretary for his statement, and for the apparent decision to comply with what Parliament sought.

The motion that was passed did not just ask for detailed information. It suggested that the legislative framework should be changed—*[Interruption.]*

The Presiding Officer: Order! If members on one side wish to have conversations with members on the other, they should do so outwith the chamber.

Derek Brownlee: The motion also suggested that the legislative framework should be changed, so that future Scottish Governments would be required to provide three-year figures when there was a spending review. Is the Government minded to accept that suggestion?

Now that we have clarity on the timing of when the Government will bring out indicative figures for future years, can we have clarity about how

detailed they will be? In 2007, the spending review that the cabinet secretary's Government published produced figures up to level 3. Will the new indicative figures also be at level 3?

John Swinney: On the legislative framework, Mr Brownlee will accept that changing legislation requires substantial consideration. The Government will examine that question and will be happy to consult on it.

On the level of detail that will be involved, as I indicated in my statement I will discuss with Opposition parties the approach that is to be taken to the exercise. I say in all seriousness—and in no way other than in all seriousness—that the budget numbers will have to change because of the nature of the public service reform agenda that must be pursued. I hope that, in the spirit of co-operation, we can come to some kind of understanding about how that is to be reflected in the way in which the information is dealt with.

Jeremy Purvis (Tweeddale, Etrick and Lauderdale) (LD): I, too, thank the cabinet secretary for his statement, particularly the 12 words,

"We will therefore publish illustrative figures for the years up to 2014-15."

I also thank him for the other 1,344 words.

The finance secretary's statement is one of three ministerial apologies that have been made in the past three weeks, in which the United Kingdom Government, previous Executives or others have been to blame. The tenor of the finance secretary's statement today was that circumstances were out of his control.

However, on circumstances that are within his control, why has he not taken a position? When the cross-party meetings with Opposition spokespeople took place, the finance secretary did not explain that the Government intended to set up the Christie commission, or what its remit would be.

Also, the cabinet secretary mentioned borrowing powers and the hope that the UK Government would confer them. He also specifically mentioned the Forth replacement crossing and the Southern general. Does the Government still intend to have financial close on the Forth replacement crossing in spring 2011, or is he looking to finance it differently, such as through borrowing rather than straight capital build?

John Swinney: Mr Purvis's response was slightly cheerier than Mr Whitton's, but not much.

During my discussions with the Opposition parties, I have tried to foster an understanding of some of the challenges that we face. I have provided Opposition parties with extensive

information about the pay issue and with extensive budget information. On occasion, I have even costed proposals for individual Opposition parties, or had my officials do it, to try to be helpful.

Tavish Scott (Shetland) (LD): The single variable rate. What about that?

John Swinney: If Mr Scott could ever summon up the enthusiasm to press his button and ask a question, I would be more than delighted to answer it. If Mr Purvis is not good enough at asking the questions, perhaps Mr Scott will take over.

The Presiding Officer: Let us move on, cabinet secretary.

John Swinney: The Government has published the Christie commission's remit—it was part of the budget statement—and the membership of the commission is also publicly available.

The Government's plans for the Forth replacement crossing remain entirely intact. We intend to move to financial close in spring 2011. We will finance the Forth replacement crossing out of traditional capital. I made the point in my statement that allocating so much capital expenditure to a major project has major implications. Borrowing powers would allow us to deliver some of the wider capital programme, which I thought was an aspiration of the Liberal Democrats as well as the Government.

The Presiding Officer: We come to open questions. If any member has still to press their request-to-speak button, I encourage them to do so.

Stewart Maxwell (West of Scotland) (SNP): This week, the Parliament has commenced the scrutiny of the Scotland Bill, warts and all. The cabinet secretary will be aware that Opposition parties have trumpeted it as bringing the most significant transfer of fiscal powers since 1707. Given the fiscal powers outlined in the Scotland Bill, and given what we already know about the potential for the plans to cause huge fluctuations in revenue, can the cabinet secretary tell me how the fiscal powers could impact on any medium-term spending plans that the Government has?

John Swinney: Based on the timescale that the UK Government has set out for the application of the new income tax provisions, I think that the earliest that we could expect the plans to have an effect would be in either 2014-15 or 2015-16. We will watch with interest where the timescale goes on that question.

I concede to the UK Government that the income tax powers are complicated, and it will have to take a great deal of care about how it designs them, because they could have significant implications for Scottish public expenditure. Other

powers are easier to introduce, such as borrowing powers. They could be introduced straightforwardly—we would not have to wait until 2014-15 and we would not have to have the strain in the capital programme that we will face as a consequence of the budget cuts from the UK Government.

Des McNulty (Clydebank and Milngavie)

(Lab): The finance secretary has all the information that he needs to produce the illustrative figures. In fact, he had it on 17 November. Why exactly do we have to wait until after Christmas for the illustrative figures? Bearing in mind that he is putting so much weight on the Christie commission, why were the recommendations of the Beveridge report, which was supposed to look precisely at the allocations, largely ignored in the budget?

John Swinney: Mr McNulty must have spent most of his time reading tram manuals rather than the budget document to have missed the fact that the Government has taken on significant parts of the independent budget review report. On public sector pay, we have accepted huge elements of the—

Duncan McNeil (Greenock and Inverclyde)

(Lab): Council tax?

John Swinney: Mr McNeil obviously is pressing his button, too. We will wait for a question from him into the bargain.

We have taken forward recommendations on pay, efficiency, procurement and the Scottish Futures Trust—I am sure that that will go down well with Mr McNulty. The Government has taken forward plenty of the recommendations of the independent budget review, and I explained in my statement exactly why the Government's original position on the public service reform agenda was the correct one to adopt.

I have accepted the will of Parliament on the question. This is the second time that I have done that. I hope that this time it is a slightly wiser judgment than it was the last time.

Stuart McMillan (West of Scotland) (SNP):

The Christie commission has been set up to look at the future of public service delivery. Will the cabinet secretary confirm that the SNP intends to reflect that review in future budgets, and that it is important that financial details for future years are not fixed in stone, so that changes can be made to reflect any changes to services proposed by the Christie commission?

John Swinney: Those points will have to be reflected in future budgets. The challenge that we face in the medium term is to redesign public services fundamentally with the objective of meeting the expectations of the people of

Scotland. I differ from the UK Government in that I think that it has taken a pretty crude approach to balancing the budget in the longer term. There is no sense in its budget of a fundamental approach to public sector reform, and significant changes have been applied to budgets without a reform agenda being demonstrated. A reform agenda will have to be at the core of any Scottish Government response.

James Kelly (Glasgow Rutherglen) (Lab): Let us hope that the forward planning of Scotland's finances is more robust than the forward planning of the transport system.

Police authority budget planners clearly face a major challenge to protect public safety up to 2015. On the publication of the 2011-12 budget, the assumption was that police officer numbers would be maintained at 17,234. What assumption will be made about police officer numbers when the indicative figures are published along with the associated documentation?

John Swinney: That will emerge as part of the presentation of the numbers. Today, I am confirming my response to the decision of Parliament. It is a tad rich that Mr Kelly is holding me to account on police numbers, bearing in mind the fact that he entered the Parliament on a manifesto commitment to add not one single police officer to the 16,234 who were left when the previous Government left office. I leave my remarks at that.

Joe FitzPatrick (Dundee West) (SNP): The cabinet secretary will be aware that, at the Treasury Committee on 4 November, George Osborne stated:

"We are looking at whether this whole framework of DEL-AME needs to be revisited, particularly the AME part of it, because this is a very large budget—I think virtually half of Government spending ... So we are looking at a new framework and I hope to say more about that in the Budget on March 23."

What implications does the cabinet secretary believe that that could have for Scotland's future spending plans?

John Swinney: Significant implications could arise out of that, and we are seeking clarification of the approach that the chancellor has outlined. The DEL budget is the one over which the Scottish Government has full control; annually managed expenditure is a demand-led, UK-controlled budget. If there is to be a shift in that activity, we need to understand all the implications. For example, the chancellor has decided to devolve council tax benefit, but we are not altogether clear whether all the money is to be devolved or what the implications of that will be. That is obviously a material shift in the accounting of the Scottish Government. Such questions are substantial and

are another variable that has to be dealt with in our longer-term budget planning.

Margo MacDonald (Lothians) (Ind): I put on record my support for the Christie commission, which is the correct way to look at how we deliver what are currently totally publicly delivered services. We may need to use our imagination a bit more over the next decade. With that in mind, I wrote to the cabinet secretary this morning, suggesting three projects in Lothian that might act as templates for the commission. I ask him to look kindly on those.

John Swinney: I am afraid that I have been in committee all morning, so my correspondence has not caught up with me.

Ross Finnie (West of Scotland) (LD): It will be in the *Evening News*.

John Swinney: Mr Finnie tells me that it is in the *Evening News*, which is even more readily accessible than my correspondence folder. I will consider those projects with great interest, and I thank Mr Finnie for his prompt.

Brian Adam (Aberdeen North) (SNP): Does the cabinet secretary agree that it is a bit rich of the Labour Party to demand medium-term spending plans when it twice deferred producing comprehensive spending reviews, in 2006 and 2010? The major difference is that there were no massive budget cuts coming its way, no Christie commission and no Calman commission, just a leadership change and an election. Does the cabinet secretary agree that, if it was good enough for Labour then, it should be good enough for Labour now?

John Swinney: Mr Adam has known me long enough to know that I would not expect an iota of consistency from the Labour Party.

Gavin Brown (Lothians) (Con): I read the objectives of the Christie commission and re-read the original objectives of the independent budget review, and they are pretty similar in many respects. What does the cabinet secretary consider to be the major differences between the two?

John Swinney: As I know that Mr Brown considers these questions carefully, I encourage him to read chapter 7 of the independent budget review report, which suggests the necessity of our fundamentally examining the method of delivery and manner of public services. That is entirely the foundation of the remit of the Christie commission. So, two very different types of exercise are being undertaken.

Property Factors (Scotland) Bill: Stage 1

The Deputy Presiding Officer (Alasdair Morgan): The next item of business is a debate on motion S3M-7531, in the name of Patricia Ferguson, on the Property Factors (Scotland) Bill. Time is fairly tight for this debate, so members should stick to the indicated time limits. Patricia Ferguson has 11 minutes to speak to and move the motion.

15:35

Patricia Ferguson (Glasgow Maryhill) (Lab): I am pleased that we are debating the Local Government and Communities Committee's stage 1 report on the Property Factors (Scotland) Bill, and I would like to thank the committee for its careful consideration of the bill. I also thank the committee clerks and the staff of the Scottish Parliament's non-Executive bills unit for their professionalism and sage advice; my constituency office staff, who have all developed a fair degree of expertise on the issue over the past few years; Mike Dailly of Govan Law Centre, not only for his help in getting us to this point but for championing in the courts those who have found themselves at the mercy of unscrupulous property factors; and the *Evening Times* and *The Herald*, whose campaigning work on the issue has given many people the courage to challenge bad factors and offer their experiences as evidence of the need for legislation.

I will spend most of my time addressing issues that were raised by the committee in its report. Before I do that, however, it is right to reflect on the reasons why legislation is necessary. On previous occasions, I have highlighted the situations that have been faced by my constituents, but I make no apology for doing so again, because the situation has not changed and will not change until the Parliament passes legislation that prevents rogue factors from operating as they currently do.

I have spoken before of Mr and Mrs A, who were being sued by their factor, and of Mr B, whose initial debt was grossly inflated by the addition of administration fees and charges for letters that were sent to him regarding his debt. Today, I will tell members about a constituent of mine who has had major problems with their factor, whose name, for the record, is Walker Sandford Property Management.

Walker Sandford wrote off £10,760 in charges, consisting of monthly compound interest, weekly reminder letters costing £15 plus VAT, and an assortment of legal fees. The original bill was for £536, but the sum quickly mushroomed to several

thousand pounds. Walker Sandford commenced an action for payment of the debt at Glasgow sheriff court. The action was defended by Govan Law Centre on behalf of my constituent, and the action was dropped when Walker Sandford agreed that the actual debt was only £536. However, after dismissal of the action, Walker Sandford continued to add compound interest and charges to the earlier disputed bill. Interest charges in excess of £300 were added to the bill every month. Govan Law Centre applied for civil legal aid to enable my constituent to bring an action for declarator and interdict in the Court of Session. However, before that could be completed, Walker Sandford wrote off the entire bill of £10,760.

That is just one case, and one particularly bad factor, but there are many more cases. Only last week, a constituent came to see me on behalf of the residents of the development in which she lives. Two years after changing factor because of problems with the original one, they find that the problems are even greater than they were.

I know, too, from inquiries that I have received, that this is not just a Glasgow or west of Scotland problem and that there are difficulties across the country. People are looking to us to do what Parliaments do and provide them with legislation that will provide a remedy and safeguards.

I sincerely believe that we need to have an accreditation scheme that is underpinned by legislation, and I am pleased that the committee has agreed that a voluntary scheme will not work. That concept underpins everything else that the bill aims to do, so it is important that we establish that principle.

Members of the committee were rightly concerned that we should be clear about who will be covered by the bill, so I emphasise that land maintenance companies are covered. I deliberately worded the bill to say that the definition includes

“a person who owns and manages or maintains land which is available for use by the owners of any adjoining or neighbouring residential properties (but only where the owners of those properties are required by the terms of the title deeds relating to the properties to pay for the cost of the management or maintenance of that land).”

That makes it very clear who is covered.

On the point about the information that property managers are to supply for the purposes of registration, I understand the committee's concerns about the disclosure of a company's property portfolio. The point of that requirement is to ensure that those who are factored by a company can be notified that their factor has been deregistered in the unlikely event that that occurs. If we do not include that provision, they may be left in the dark and unable to make alternative

arrangements. However, the committee is right to suggest that the database should be updated only on a yearly basis, rather than immediately a change occurs. I will seek to clarify that provision at stage 2. I propose that the information should remain confidential and should not be published.

One of the most debated points in the committee's report is deregistration, which I accept is the thorniest issue that we must grapple with. Deregistration must be the ultimate sanction and, given the other provisions in the bill, I view it as a last resort. The measure will be used only when a property factor exhibits a sustained failure to provide an appropriate service, when the home owner housing committee recommends to ministers that deregistration is justified and after the factor has been afforded the opportunity to make representations. I recognise that factors are concerned that the provision might prevent them from recouping moneys that are fairly due to them. That is certainly not my intention, and I will review and amend the provision if necessary.

I would expect that ministers would serve notice of their intention to deregister a factor in order to provide home owners with the opportunity to select a new factor prior to the deregistration taking effect.

I accept, and am acutely aware, that land maintenance companies are an added complication in that regard. Members will be aware that work has been on-going in that area, not least among some of the organisations that have lobbied us and given evidence to the committee. I am planning—and have started—to work with those organisations to lodge amendments at stage 2 that I hope will address what is a particularly difficult but very interesting and concerning element of the property factor system.

On enforcement, I expect that, as with any criminal activity, non-compliance could be reported to the police and action could be taken in the usual way. Again, I will review that element of the bill and amend it if necessary.

In order to make the system as transparent as possible, I intend to lodge an amendment that will replicate the system that the Government proposes for landlord registration, whereby a registration number or symbol—I tell the Minister for Housing and Communities that we can have that debate any time he likes—is used to identify those companies that have successfully registered.

The committee report seeks more detail on the code of conduct. I emphasise that I do not intend to reinvent the wheel in that regard. Since March 2009, the Scottish Government has been working in partnership with the property management

industry and other key stakeholders through its working group. The working group has developed and consulted on core standards for a voluntary accreditation scheme. Those standards cover issues such as communication and consultation, financial obligations, debt recovery and insurance, contractors and repairs and complaints resolution.

Many positive responses and suggestions came from the recent consultation, not least one of the most common suggestions, which is that accreditation should be compulsory. I believe that that body of work ensures that the Government is well placed to fulfil the requirements of my bill and that it can prepare a code of conduct for introduction when statutory regulation comes into force.

There has also been discussion about the mechanism for dispute resolution. We all agree that there needs to be such a mechanism. Where I differ from the minister and the Property Managers Association Scotland is on what that mechanism should be. I believe that the existing home owner housing panel is best placed to deal with the complexity of the cases that will arise. I have provided the Presiding Officer with a detailed account of the likely costs, which I am pleased he has accepted and which I am sure can be shared with the committee.

I hope that I have addressed most of the issues that are raised in the committee's report. If I have missed any, I will try to address them in my closing speech.

I move,

That the Parliament agrees to the general principles of the Property Factors (Scotland) Bill.

15:45

Duncan McNeil (Greenock and Inverclyde) (Lab): I am pleased to be taking part in the debate as convener of the Local Government and Communities Committee. We were the lead committee that looked at Patricia Ferguson's bill. I thank all the witnesses who provided the committee with evidence and I express my thanks to my colleagues on the committee for their input. I also thank our hard-working clerks and researchers. I pay tribute to Patricia Ferguson for her work in bringing the bill to the Parliament.

As we all know from our constituency case load, problems with property factors are on the increase, and one of the problems is that the sector remains unregulated. The subject of the disputes that can arise between factors and their clients include the lack of financial transparency, hidden commissions and the unspecified charges to which Patricia Ferguson alluded. We have all heard of the £30 replacement light bulb and other such charges. However, property factors face a

different set of problems, such as non-paying residents, absentee landlords who have little interest in their properties, and poor maintenance of common areas. Disputes can arise over relatively small matters, but they can escalate, occasionally as far as court proceedings.

One of the main proposals in the bill is that property factors will have to be registered. That will put them on the same footing as landlords in both the private and social rented sectors, who are subject to a statutory registration scheme. During its stage 1 consideration of the bill, the committee acknowledged the work that the Scottish Government and a stakeholder working group are doing to consider a national voluntary accreditation scheme for property factors. The stakeholder group believes that the voluntary scheme is so far forward in its development that it should be introduced, with a statutory scheme being delayed and implemented only if the voluntary scheme is unsuccessful. The counter-argument is that, unless a statutory scheme is introduced, factors who provide a poor service, who are the least likely to register, will continue to operate and provide an inadequate service to consumers, as no sanctions or standards of service will be set for unregistered property factors.

On the balance of the evidence, the committee agreed with the view that a voluntary accreditation scheme would ultimately be unsuccessful in dealing with the problem of so-called rogue factors. The committee therefore supports the introduction of a statutory framework as proposed in the bill.

We heard arguments that local authorities and registered social landlords should be exempt from paying a registration fee, but we recognise that, if those groups were exempt, more of a burden would fall on the remaining property factors. We also heard in evidence that RSLs are already subject to high levels of regulation and that the provisions in the bill would just add another layer of regulation. The committee took the view that, despite the continuing efforts to address the shortcomings in factoring services, tenants who live in social housing still have problems with RSLs and local authorities that provide such services, so they should be included in the definition of "property factor" in the bill. The committee also recognised that it is important that land maintenance companies are included in the definition. Although such companies manage, own and maintain land, the bottom line is that they are also property factors and have to be included.

The final sanction for property factors who continually fail to come up to scratch would be to take them off the register. However, the committee thought that that might lead to problems. Although

we recognised that such a move would be a last resort, we felt that issues arose with regard to the area where a factor was deregistered. After all, a factor might have a number of clients over a wide geographical area and might be in serious dispute with a client group in one area but not in another. In evidence to the committee, the Minister for Housing and Communities summed up the difficulty when he said:

“if you deregister a local authority, which is quite possible under the bill, what happens? There is no answer.”—
[*Official Report, Local Government and Communities Committee*, 22 September 2010; c 3470.]

Moreover, deregistration poses a number of complex legal issues with regard to maintenance companies that own the land and can be responsible for providing factoring services for woodland areas, sustainable drainage systems and other items of infrastructure. As a result, we felt that the bill had to be sufficiently clear to ensure that there were no unintended consequences, such as home owners being left without a factor or issues arising from deregistering a land-owning maintenance company. Indeed, as we know from our case load, those who do not have a factoring contract also look to us to help them to resolve some of these issues.

We know that the bill gives Scottish ministers the power to set the time and date for a factor to be taken off the register. However, although we acknowledge Patricia Ferguson’s argument that a date could be set that would give people enough time to make other arrangements to ensure they were not left without a factor and would allow anyone removed from the register to appeal the decision, we think that that might not be enough. As a result, we suggest that the member look at other solutions such as giving ministers the power to remove someone only when they are satisfied that transitional arrangements have been put in place. We look forward to representations being made and these issues being clarified by the member at stage 2.

A code of conduct will be key to improving property factors’ performance and, under the bill, ministers will be able to prepare such a code to set out the standards that are expected of the industry. That will definitely serve a useful role and help to drive up standards. However, because the code will be introduced through secondary legislation, the bill contains nothing that witnesses could comment on, and we support the requirement for ministers to consult on a code before it is laid before Parliament.

The failure to resolve disputes has been one of the biggest problems between factors and their clients. The committee heard about factors not responding to letters or phone calls, unitemised

billing, unexplained charges and high insurance charges. Consumers are frustrated and feel that, unless they resort to court action, which as we know is unpredictable, very expensive and not very satisfactory, they are powerless. Property factors themselves feel similarly frustrated and, to break the cycle, the bill proposes a dispute resolution procedure through the creation of a home owner housing panel and home owner housing committee, which will be similar to the existing private rented housing panel and private rented housing committees. The minister said that he would prefer an ombudsman system to what is proposed in the bill.

There is clearly a need for some kind of dispute resolution procedure. However, in the current financial climate, we have to be aware of the costs to the public purse. Because the panel will be demand led, working out how much it will cost to set up has been problematic. That said, the same can be said of the ombudsman option and we have called on both the member and the minister to provide further information on both options.

Overall, we recognise that the bill’s main purpose is to create a statutory framework to protect the interests of home owners contracted to property factors and agree with the member that legislation is needed for such a scheme to work. Although we have highlighted a number of areas that need further consideration or amendment, we recommend that the bill’s general principles be agreed.

15:55

The Minister for Housing and Communities (Alex Neil): I welcome the opportunity to debate the Property Factors (Scotland) Bill, which was introduced to the Parliament by Patricia Ferguson. The Government recognises the need for action to improve standards in residential property management, or factoring services, in Scotland. Improving the condition of the common parts of housing in the private sector is one of our key priorities, and it is clear that property managers have a crucial role to play in that.

The quality of service that some residential property managers provide is a matter of concern to the Parliament and the Government. Duncan McNeil and Patricia Ferguson have already expressed concern about that quality, and I know that previous Administrations over the past seven years felt that that was a problem.

Back in 2003, the housing improvement task force recommended that a national voluntary accreditation scheme for property managers should be set up. More recently, in 2009, the Office of Fair Trading published a report that concluded that some form of self-regulation of the

industry should be introduced in order to improve the quality of services that are available to home owners. As members will be aware, the Scottish Government has acted on those recommendations to develop a voluntary accreditation scheme for property managers and land maintenance companies, but we now accept that a statutory approach is appropriate. As I have said to both Patricia Ferguson and the committee, we support the aims and general principles of the bill. Consensus is growing both within the chamber and outside it on a statutory approach to the regulation of the property management and land maintenance industry being required, and we are comfortable with that.

Although the Government, like the committee, supports the general principles of the bill, we believe that there are a number of issues that require greater clarity. Duncan McNeil made points about many of those issues on behalf of the committee. We believe that drafting improvements are required to make the bill more effective and to avoid unintended consequences, and that there are provisions in the bill that, if they are unaltered, are likely to be unworkable and run the risk of failing to live up to the consumer's reasonable expectations for effective action.

Since the Government submitted its evidence to the committee in June, I have been consistent on the areas in the bill that require further consideration. Since then, I have set out in more detail to the committee and the member in charge of the bill the issues that require further consideration. I have already offered Patricia Ferguson the advice and support that my officials and I can provide to help her to make the bill as effective as possible and to achieve the aims that we all want to see achieved. A wide range of stakeholders have also offered their views and suggestions at stage 1 on how the bill could be improved. I am interested in hearing about the amendments that Patricia Ferguson proposes to lodge in light of all the input that she and the committee have received.

Amendments are required to a number of the bill's provisions. The three principal challenges are: issues relating to the definition of "property factor"; the consequences of deregistration for both the factor and the consumer; and the means of dispute resolution, which Patricia Ferguson and Duncan McNeil have referred to.

We believe that the definition of "property factor" in the bill fails to cover all the organisations that it should cover. For example, the current definition does not cover cases in which land maintenance companies own the land but home owners are obliged to pay for its upkeep. During stage 1, there seemed to be almost complete consensus that the bill should cover those land maintenance models,

but it appears that they are not covered in the current drafting.

If a factor or land maintenance company were removed from the register, unintended consequences would arise from section 9 in particular, if it stays as it is drafted. Some of the points are legal and some are practical. I know that many of the issues were raised in evidence to the committee, and Duncan McNeil mentioned some of them in his speech.

On the legal side, if a factor or land maintenance company were deregistered, there might still be obligations in the title deeds for residents to use and pay that factor. Surely the bill should say that any such obligations would cease to have effect. I have been advised that there are difficulties in the interactions between the bill and the terms of the Title Conditions (Scotland) Act 2003. I have written to Patricia Ferguson on that, and I hope that we can agree amendments at stage 2.

On the practical side, I will give one example of an issue that could arise if a factor were deregistered. If the body being deregistered were a land-owning land maintenance company, it is not clear what would happen to the ownership of the land and whether the residents would be entitled to appoint a new factor.

The third major issue about which we have concerns relates to dispute resolution. Many of the points have already been covered by Patricia Ferguson and Duncan McNeil. I will try to go into them in more detail in my wind-up speech but, generally speaking, we would prefer the adoption of an ombudsman system, such as the existing property ombudsman, rather than the proposal in the bill.

We are supportive of the bill in general terms. If the issues are addressed properly at stage 2, the bill can be improved dramatically and made much more effective. At the same time, we can proceed consensually with the aim of achieving the intended consequences of the provisions, rather than, as has happened too often in the past, unintended consequences that the Parliament subsequently has to correct. I agree with the committee that we should agree to the general principles of the bill, but let us work together to improve it substantially at stage 2.

16:01

Mary Mulligan (Linlithgow) (Lab): I, too, am pleased to take part in the stage 1 debate on the Property Factors (Scotland) Bill. I congratulate Patricia Ferguson on getting the bill to this stage, and I thank Mike Dailly of the Govan Law Centre for his contribution and support. No MSP in the Parliament will not at some time have been

contacted by a constituent who is having problems with their property factor. However, it was the experience of Mike Dailly and other legal colleagues that showed the need for a legislative solution to the problems. Since Patricia Ferguson led a debate in the Parliament on the issue earlier this year, the Local Government and Communities Committee has worked hard to examine the bill's proposals. I think that all members are supportive of the policy intention but, as is often the case with proposed legislation, the detailed discussions have been about ensuring that parts of the bill deliver those intentions. I thank the witnesses who have helped the committee.

As we would expect of a bill from Patricia Ferguson, the bill is clear and logical in what it seeks to achieve. It seeks a statutory framework for property factors, registration of those property factors, a code of conduct, a framework for dispute resolution and an ability to deregister property factors that is linked to a power for people to switch factors. Before I turn to some of the key issues, I acknowledge the Scottish Government's work in considering a voluntary accreditation scheme. It appears as though the Government was heading in the same direction as Patricia Ferguson's bill. I suppose that the only surprise is that it has taken so long, although I appreciate the contribution that the minister has made to the debate.

The bill starts at part 1 with the provision of a register of property factors, which will be available for public inspection. At that early stage, the committee came across its first challenge, when some people questioned whether land-owning property factors should be part of the register. The previous speakers in the debate have referred to that issue. Given that the activities of land-owning property factors are similar to those of what we might call traditional property factors, it became clear to me early on that they should be included. My experience of property factors has very much been with those land-owning factors. In my constituency, I do not have the kind of traditional tenements that are found in Patricia Ferguson's Maryhill constituency or here in central Edinburgh. In Linlithgow, property factors are in the new estates. They manage flatted properties, but they also manage open spaces, including play parks, wooded areas and drainage facilities and, in the majority of cases, they own that land. They fulfil their role in the same way as a traditional property factor. I agree with others that there is an unresolved issue to do with how a property factor could be switched if they own the land. I will come back to that. The committee is correct to say that all property factors should be included in the register, whether or not they own land.

I agree with Consumer Focus Scotland, which in its helpful briefing for the debate welcomed the

definition of "property factor" in section 2. It recognised that there might need to be further amendments at stage 2 to fully encompass the land-owning property factors. I give this assurance to the chamber: should we not be able to resolve the issue through the amendments that Patricia Ferguson spoke about today, I pledge that Labour will introduce further measures to ensure that that group of property factors is included, should we be in a position to do so after the May election.

Another issue that arose was whether local authorities and housing associations that have a property factor function will need to register, given the other ways in which they are regulated. The committee is correct to say that, where local authorities and housing associations have that role, they should be registered in the same way as other property factors.

Time does not allow me to go into detail on issues such as dispute resolution, switching factors and the code of practice. I am sure that other speakers will cover many of those areas. Fortunately, or perhaps unfortunately for some, I will be closing the debate on behalf of the Labour Party so I will have an opportunity not just to respond to the debate but to pick up on any issues that I feel need further elaboration. However, at this stage, on behalf of the Labour Party, I am happy to support the general principles of the bill.

16:07

David McLetchie (Edinburgh Pentlands)
(Con): Like other members, I congratulate Patricia Ferguson, the bill's sponsor, on her persistence and dedication in bringing this measure to Parliament and, I might also say, on her determination to make it through from Glasgow for this debate, notwithstanding the disruption to rail services.

The Parliament last debated the subject in March this year. At that time, I said that the Conservatives would give fair consideration to the bill and measure its proposals against the alternative of a voluntary accreditation scheme that the Scottish Government was pursuing with stakeholders in the sector in line with the recommendation made in the report of the Office of Fair Trading, which has been alluded to.

In that context, it is worth noting that the OFT report recommended that such a scheme should be up and running within 18 months and, should it not prove effective within two years, that the Parliament should legislate for a statutory scheme. Those of us who were prepared to give a fair wind to a voluntary accreditation scheme have been badly let down by both the Government and the sector. Despite the urgency of the OFT recommendation, we have seen a leisurely

approach, suggesting a casual indifference to the problems that have been highlighted, or an inability in the sector to sort itself out. For example, for a group that was launched in May 2009 to take over a year to launch a public consultation on core standards for an accreditation scheme is clear evidence of procrastination.

Members will recall the minister's rather defensive performance in our debate last March on the subject of timescales. Now we have learned from the minister, in evidence given to the committee, that the Government will devote no more resources to progressing the accreditation scheme while the bill is being considered by Parliament.

All that suggests that the Government has given up on voluntary accreditation, but we as a Parliament certainly cannot give up on the many people who receive a poor standard of factoring services or who—worse still—are victims of the appalling sharp practices that have been described graphically by Patricia Ferguson today and by other members in other parliamentary debates.

In evidence to the committee, Consumer Focus Scotland said:

“We are still hopeful that a scheme”—

the accreditation scheme—

“will be established soon, but it has been a long process to get here ... there seems to be a reluctance among those in the industry to take ownership of the scheme. So we are now of the mind that the consumer interest in the market would be best served by some form of statutory regulation.”—[*Official Report, Local Government and Communities Committee*, 15 September 2010; c 3415.]

That sums up my view and that of my Conservative colleagues.

I welcome the bill's wide scope and its intention to include registered social landlords and land-owning maintenance companies—which have been much discussed—even if drafting amendments might be required to bring them fully within the bill's scope.

I also welcome the fact that the registration scheme will sit on top of a statutory code of conduct that will set out the service standards that owners and tenants can expect. I have no doubt that that can build on the Herculean labours of those who participated in the voluntary accreditation scheme group, but—I trust—with a good deal more urgency than they have evidenced so far. With a statutory code of conduct, the Scottish Government of whatever complexion will at least have a responsibility as the driver of a code of conduct rather than the facilitator of a voluntary scheme, which I suspect is half the problem.

Of course, what I have said does not mean that the bill in its present form is perfect. Several concerns were expressed in evidence to the committee, are highlighted in its report, have been described today by Patricia Ferguson, Duncan McNeil, the minister and Mary Mulligan and—I have no doubt—will be described by members who follow me. We need to ensure that appropriate transition measures are in place if a property factor is deregistered. A genuine debate must be had about the appropriate dispute resolution mechanism. On balance, I prefer the option of using the home owner housing panel as the appropriate body, rather than the ombudsman scheme, which the Government prefers.

It is to be hoped that a registration scheme will improve standards among service providers, but I believe firmly in the power of the market as a driver of standards. One issue that remains to be addressed properly is the barriers to switching property factors, which exist as a result of entrenched title conditions that favour the status quo and, in many instances, the factor that the developer of an estate or block of flats selected.

The relevant legislation is complex—it involves the Tenements (Scotland) Act 2004 and the Title Conditions (Scotland) Act 2003, which the Parliament has passed. However, an overriding statutory provision is needed to facilitate the ability to switch factors on a majority vote of the property owners who cast their votes. I appreciate that Patricia Ferguson's bill does not cover that and I suspect that the issue requires a more thorough review of existing law. However, I noted that the minister referred to the 2003 act in the context of land-owning maintenance companies. Perhaps that is an avenue for further examination. Whatever happens, if need be, I hope that an incoming Government will consider the wider competition-driven requirement as a priority for the next parliamentary session.

I support the bill, which enjoys wide public support, if my mailbag is anything to go by. Patricia Ferguson has struck a chord with her bill and I look forward to it proceeding at subsequent stages.

16:14

Jim Tolson (Dunfermline West) (LD): The Liberal Democrats welcome the member's bill that Patricia Ferguson has introduced and offer our congratulations to her. I also congratulate the clerks, witnesses and committee members, all of whom contributed significantly to get the bill to this stage.

The bill aims to provide home owners with much-needed protection from factoring companies who overcharge, do little of the work that they are

contracted to provide and put every obstacle and excuse in place when it comes to resolving a dispute with residents. We hope that the bill will raise standards in the property management industry, albeit that some of its detail will need to be looked at more closely at stage 2 if residents' concerns are to be overcome.

Since the mid-1990s, developers have engaged factoring companies to maintain common areas and to charge residents for that service. They have done that by writing into title deeds that residents jointly own common areas and should seek to have a factoring company to maintain such areas. The usual situation is for the factor to be engaged initially by the developer. That means that rather than, for example, paying an up-front fee for in-perpetuity maintenance to the local authority, the developer hands on responsibility to the people who purchase their new home. Many such purchasers subsequently claim that their lawyer, estate agent or, indeed, developer did not inform them of the on-going costs that are associated with their new property. To add insult to injury, in recent years a new model has become quite common, in which the factor owns the common areas of land within a new development and is legally able to charge residents for the maintenance of the land and equipment that the factor owns.

As a member of the Local Government and Communities Committee, which is the designated lead committee for the bill, I have had the opportunity to examine the evidence that was presented by a range of bodies including factoring companies, housing associations and consumer bodies. We also took evidence from concerned residents and from the Minister for Housing and Communities. The committee supports the general principles of the bill subject to further examination of a number of issues. In our stage 1 report, we noted the clear evidence that testified to the problems that members of the public encounter with property factors. Some of the problems relate to the maintenance of shared parts of a building—for example, the stairwell in a block of flats. Other problems relate to the maintenance—or, some would say, the lack of it—of public open spaces and equipment.

The large volume of complaints that I receive in my constituency makes me certain that any existing or proposed voluntary accreditation scheme will not address the problem of factors that provide a poor service to consumers. We need to proceed with a statutory framework to regulate property factors and provide a reasonable quality of service to residents who own or use land or property that is maintained by a factor.

Part 1 of the bill places a duty on Scottish ministers to prepare and maintain a register of

property factors. In order to be added to that register, the property factor must be considered to be a “fit and proper” person. That means that they can be removed from the register if they fail to comply with the code of conduct or any order of the proposed home owner housing committee. Registration can also be refused. As other members have said, the issue of deregistration raises some significant questions. If a factor fails to meet the standard and is removed from the register—that will take place only once dispute procedures have been exhausted—where will their removal leave residents? Clarity is needed to ensure that there are no unintended consequences in that regard.

The code of conduct will serve a useful role in setting out the standards that are to be expected from property factors. However, more detail is required on the standards that should be included in the code, as well as on how it can improve the service standards that property factors provide, without referring to reserved matters.

As all members will be aware from our work in our constituencies, property factoring issues affect many people throughout Scotland; the problem is not only in our cities. Around 225,000 house owners in Scotland are forced to use property factors to carry out repair and maintenance responsibilities in their estates. As things stand, it is extremely difficult to progress a dispute with a factor. Owner-occupiers can find themselves legally boxed in and unable—at least in practical terms—to get out of a contract with an unsatisfactory property factor.

The Scottish Government's plans for a voluntary, industry-led accreditation scheme for property managers do not go far enough. The Government has stated that it will impose statutory measures should this prove necessary. It is clear that such mandatory measures are required now. There is cross-party support for taking action in this area, although opinion is split on whether a voluntary scheme should be tried first. We share the view of the Office of Fair Trading that a voluntary scheme gives people no effective means of redress if things go wrong. At the very least, a statutory accreditation scheme should be ready to be enacted should that happen.

The Liberal Democrats welcome Patricia Ferguson's bill and are content to support it at stage 1.

16:20

Sandra White (Glasgow) (SNP): I, too, congratulate Patricia Ferguson and thank her for introducing the bill. As one of the original signatories to the bill proposal, I am pleased to speak in this debate and to support the bill at

stage 1. Like other members, I have no doubt that some—not all—factors do not give a good service. We have heard from many organisations on the issue. David McLetchie mentioned the Office of Fair Trading, which carried out a study of factoring that revealed that a substantial number of people were not satisfied with the service that they received.

Patricia Ferguson gave the example of a case that she has encountered. All of us deal with a huge number of cases that relate to factoring. As someone who stays in a factored property, I know at first hand just how difficult it is to get any service from factors, although I will not name any of the factors that were involved.

I will give some examples of issues that I have encountered. Duncan McNeil mentioned cases of light bulbs costing £30, but I will highlight one issue that is raised with me and, I think, all other members. People get really frustrated, upset and angry when they receive a bill that is not detailed; when they phone the factors to ask for details, they are told that they must pay the bill as it stands, although they do not know what they are paying for. There is a particular problem with factors using preferred contractors. Even when tenants and residents look for contractors that can do the job more cheaply, factors will not accept a quote from them; basically, they go for the highest price. In some cases—not all—a percentage of the costs goes to the factor and not to the contractor.

Another issue is competitive tendering. When people ask their factor whether it has sought tenders from three contractors, they are told that it has not, because it has its preferred contractor. However, when people look around, they may find that the contractor that they wanted could do the work for half the price that their factor's contractor is offering. Issues of that kind really frustrate and annoy the people who are required constantly to pay such bills.

As has been said, people may be sent letters with a charge of £30 or £35 to say that they are two days behind in paying their factor's fees. There is absolutely no understanding of how people have to live and of how angry they get when they are trying to get repairs done. When people have bought flats in properties that include residences that have been let privately, it is very difficult for them to get the factor to contact the landlord, to ensure that they pay their share of any bills.

Although I am very supportive of the bill, there are some issues that I want to raise. Patricia Ferguson will understand that my points are not intended as a criticism of the bill. However, like other members, in the limited time that I have I would like to explore some issues further.

The most important section in the bill is that which provides for a code of conduct. I am pleased that the minister and Patricia Ferguson have agreed that we must get that right and that a lot of work has been done on the issue. I look forward to seeing that, because if we get the code of conduct right we can move forward in the proper manner.

I have some concerns about the registration charge of £750 to £1,000 per factor. In the bill as drafted, it is not clear how that will apply. Will houses be banded by council tax or will the charge apply to groups of properties? Clearly, it will affect private factors, but will it also affect social factors, which have been mentioned and include councils and housing associations? Will there be checks and balances to ensure that the charges that factors pay to register are not passed on to tenants? I would like us to look at that issue at stage 2, as the current provisions in the bill on registration do not address it.

The issue of dispute resolution has been raised. The bill will establish a home owner housing panel and home owner housing committees similar to the private rented housing panel and private rented housing committees. I do not know how much that will cost, as it is not costed in the financial memorandum to the bill. I would like more information on that provision to be provided at stage 2. The fact that staff will receive specific training is mentioned, but does that mean that more staff will be employed? Will the president, chairmen and committee members come from the existing panel, or will they be appointed or elected? We need to be clear about that.

A question was raised by the Property Managers Association Scotland regarding complaints procedures relating to property managers. Will the procedures be deemed obsolete if the bill goes through?

There are further issues that I would like to raise; I hope that we can get them ironed out at stage 2 through amendments. By raising these issues I am not being critical—I am trying to be constructive—and I genuinely look forward to stage 2, when we can ensure that we get the bill right for the good of all the people who, like me, live in factored property.

16:25

Paul Martin (Glasgow Springburn) (Lab): Like other members, I congratulate Patricia Ferguson on introducing her bill and getting it to stage 1. She should be commended for her hard work and diligence on a highly complex issue. I vouch for the fact that she was determined to reach the chamber today—I shared the train journey with her. The phrase “husky dogs” was mentioned a

number of times, in case we could not get on that dreaded train. We are here, anyway.

The committee has provided a comprehensive analysis of the various challenges that we face in considering the bill. Patricia Ferguson has shown a mature attitude to taking on a number of those challenges, showing humility where required and ensuring that the issues will be dealt with at stage 2.

I am convinced that the bill will give consumers protection from the unscrupulous and unacceptable practices of many property factors. I understand that more than 200 factors are unregistered under the current regime, which is unacceptable.

Part 1, which deals with the registration of property factors, will require Scottish ministers to prepare and maintain a public register of all property factors. In the information age that we live in, it is perfectly reasonable to require such information to be provided on the internet. That requirement should not be seen as cumbersome; it should have been in place already. It should not be difficult to provide people with that sort of opportunity.

Part 1 will allow Scottish ministers to refuse or deregister a property factor, and to remove them from the register of factors. I welcome the inclusion of that provision in Patricia Ferguson's bill. When we discuss the issues and challenges that we could face if we were to deregister a factor, we should take into account some of the challenges that other professions face when people have to be deregistered. I do not remember anyone advising me that we could not deregister a dentist because he had a number of clients—that is like saying that we should not challenge the very principle of whether he should be a dentist in the first place, because of the chaotic circumstances that would ensue. As part of the principle of the issue, it should be accepted that, where a factor is not performing its duties, it should not be in place. However, I appreciate the challenges of dealing with title conditions and so on, and I hope that the minister can address some of those challenges.

A further challenge is the very principle of whether to regulate. As a number of witnesses stated at committee, the feature of regulation appears in a number of professions and has done for many years. It is a proven case, and David McLetchie amplified that point. The voluntary approach has simply not worked and, as has been stated by many people in the industry—from the profession itself—the rogue factors would simply opt out of the scheme if it was voluntary. What Patricia Ferguson proposes will provide clarity for all concerned, including reputable factors in the

industry. There are many such factors, but the rogue factors make it difficult to acknowledge that.

A number of members, including me, deal with cases that concern property factors. As I said, many factors try their best to provide a service, sometimes in difficult circumstances, for example when owners—often absentee landlords—show no interest in investing in their properties.

However, the issue is that there is not a level playing field. Consumers are being exposed to unscrupulous activity on the part of factors, particularly when they dispute bills. It is common for consumers to dispute invoices—I have done so many times and I am sure that many members have done likewise. A constituent of mine disputed a bill for £8 from Walker Sandford Property Management, which turned into a bill for £1,200, because of the charges for the reminder letters that were sent to him. I appreciate some of the challenges that Walker Sandford and other property managers face in collecting invoice returns, but it is unacceptable that the people whom they serve—our constituents—should be charged £15 per letter or that a bill should accumulate to more than £1,200.

I hope and am convinced that Patricia Ferguson's bill will deal with such unacceptable practice and that the provisions on dispute resolution will ensure that there is a level playing field for everyone. I commend the bill and I hope that it will be passed at stage 3.

16:32

Elizabeth Smith (Mid Scotland and Fife)
(Con): Stage 1 is an important staging post in assessing the many issues that are the origin of the bill. I pay tribute to Patricia Ferguson for the methodical manner in which she has enabled us to examine each issue. The staging post has given members the opportunity to consider the evidence that our constituents provided—there was considerable evidence, in my case—and the evidence that various interested parties supplied.

As David McLetchie made clear, the Scottish Conservatives had reservations about whether there was a need for a legislative process. However, as time has passed we have become increasingly concerned about the loopholes in the existing legislation and increasingly conscious of the concern that remains about whether the sector itself could take the measures that are needed to ensure that it reforms.

An important factor—I ask members to forgive the pun—is that 30 per cent of people who are looking after properties are letting down their customers in some way. Too many disappointed people have flagged up the lack of a sufficiently

robust complaints procedure, and too few residents are aware of their rights.

As we heard in the debate, in almost every constituency in Scotland there is evidence of residents encountering difficulties with their factors. There is no doubt that in many—although by no means all—cases, such residents are from older and perhaps more vulnerable groups. Therefore, the issues deserve full parliamentary scrutiny.

I put on record again that many factors do an excellent job and provide first-class facilities across the board. It is essential that we support those factors and that proposed new legislation is neither overbureaucratic nor too restrictive for the choices that customers must make.

We need to be clear that new legislation will tackle: first, the question of accreditation, regulation and quality assurance; secondly, the absence of effective complaints procedures against factors who default; and thirdly, as Sandra White said, the need for greater transparency when it comes to obtaining relevant financial information about a managing company's accounts.

When it comes to better quality assurance, we need a level playing field, as Paul Martin said. Currently there is often a considerable contrast between conditions in older title deeds, which make almost no provision for common decision making, and conditions in newer title deeds, which provide for more extensive and more comprehensive service provision.

We have understood the calls to seek mandatory regulation, including compulsory registration, since that might be the best way of benchmarking factors against best practice. There have been arguments on both sides for us, but the key principle must be to ensure effective consumer choice and the absence of expensive red tape.

We are absolutely clear that there must be an effective complaints procedure that leaves no scope for the difficult factor to manipulate the situation and discriminate against the customer. There must be clarity about the respective roles of the managing company and the body of owners and residents, and their responsibilities as well as their legal rights.

We believe that there must be much greater facility for financial transparency, so that owners and residents can see clearly what their money is being spent on and how value for money can be measured. We particularly noted the concerns that were raised by the Scottish Consumer Council when it made its submission to the Office of Fair Trading, that in too many cases consumers find it difficult to exercise collective choice and switch,

which can be a constraint upon suppliers and can prevent consumers from getting best value for money.

Robert Brown (Glasgow) (LD): Does Elizabeth Smith accept that clarity on the point that she has just raised might make it easier for some people to accept liability for payments, and not get into that excessive series of letters to which some members have referred?

Elizabeth Smith: Mr Brown makes a valid point, and I and the Conservative party in general accept it. It is a strong message in the bill.

The relationship between the property manager and the owners in a shared property is currently defined by complex legislation, property deeds and agreements, which often means that customers do not understand their rights and obligations. Likewise, consumers often fail to understand the processes that are involved in switching, and should they wish to pursue complaints, there is an absence of an effective mechanism, which allows dishonest factors to play the system even more.

I was an initial signatory to the bill. I am very much persuaded by the information that I have received from my constituency area that legislation is necessary. I therefore reiterate our support for the bill at stage 1.

16:37

Bob Doris (Glasgow) (SNP): I welcome the opportunity to speak on the Property Factors (Scotland) Bill at stage 1. I thank Patricia Ferguson for introducing the bill, and I thank my fellow committee members, the clerks, and all those who gave evidence to the committee. The bill shows how members of the Scottish Parliament can work in partnership.

The bill's roots lie with Gordon Jackson in the 2003 to 2007 parliamentary session. It was introduced in the current session by a Labour MSP and it has received strong cross-party support. I and a number of my Scottish National Party colleagues have been strong supporters of the bill and I hope that its general principles will be agreed to at decision time.

As a fellow Glasgow MSP, I have been keen to support the bill. I and Patricia Ferguson have similar constituency concerns and case loads in relation to property factors, and it is only right that Labour and the SNP MSPs work jointly and constructively to assist their constituents in Glasgow and tackle the problems of poorly performing and, at times, downright cowboy factoring services.

I commend the *Evening Times* and *The Herald* for bringing the issue into sharp focus. Their

evidence is mentioned in the committee's stage 1 report, as they

"found examples of gross overcharging, allegations of intimidation and threats of bankruptcy for refusal to pay disputed bills".

Their service is therefore noted this afternoon.

Of course, the problem is not just a Glasgow issue. We have heard from MSPs from different parts of the country. The bill sets out to address a Scotland-wide concern.

I also extend praise to the Scottish Government, which has been working with the property factors stakeholder group to achieve a national voluntary accreditation scheme. I note that work on that has been paused until the outcome of the bill is known. I hope that it will not have to continue at all: I urge the Parliament to support the statutory regulation in the bill. I am sure that the stakeholder group's work will not go to waste and that the knowledge of voluntary accreditation that was gained from the exercise will be used to inform the standards that are expected, including the code of conduct that will be made by regulation. Much of the spadework has been done.

I favour statutory regulation for a number of reasons. For instance, will rogue factors actually bother to sign up to a voluntary scheme? The committee has already heard of problems in getting property landlords to sign up to a landlord registration scheme. That scheme is compulsory, but because of significant issues in prosecutions only one unregistered landlord has ever been successfully prosecuted.

If we cannot get cowboy landlords to register for a compulsory registration scheme, what chance would we have of getting rogue factors to join a voluntary accreditation scheme? The case has been made for compulsory accreditation and I believe that it would be beneficial to place registration on a statutory footing.

There are issues in the bill, and I hope that the committee, including me, as a member, has been constructive in its scrutiny. For example, there are unclear areas around the £5,000 that an unregistered factor would be fined and the enforcement provisions related to that. We comment on that in the committee report. In the financial memorandum, Patricia Ferguson rightly acknowledges that precise costs cannot currently be quantified, as the scheme will be demand led. That is not a problem, but it is one difficulty in assessing accurately the assumptions in the financial memorandum.

There are three groups of people who use factors. We are here to defend the home owners who have been wronged, given a poor service or exploited by factors. The second group is those who are unable to pay because of financial

circumstances and the third group, which we must acknowledge, are the unwilling payers who will use any mechanism presented to them to drag out and resist paying because they just do not want to pay. Whether we go for a home owner housing panel or an ombudsman approach, that group will be a difficulty, and the cost assumptions will become difficult for whichever scheme we go for. It is fair to acknowledge that in today's debate.

The bill is about driving change forward, and the best way to drive change is to make it easier for people to switch their factors. If the industry knows that people have the opportunity to switch, it will up its game. We have acknowledged in the committee report that it is not easy to switch factors. We should not pretend that those who need to switch factors have the capacity to do it: a lot of vulnerable home owners are too busy making ends meet to worry about switching factor. We must make switching easier.

I will finish by talking about the unintended consequences of deregistration. Paul Martin's point was well made that we plan for deregistration in other fields such as dentistry—that was the example that was given. The fact that there will be difficulties does not mean that we should not use the power. Indeed, it is essential to have it. However, regardless of how deregistration or other policing mechanisms work, I ask that, if the bill is passed, the next Government conducts an early review to see how it is bedding in. That will be necessary, and amendments may be needed at that stage.

I will support the bill and I pay tribute to Patricia Ferguson for introducing it.

16:43

Malcolm Chisholm (Edinburgh North and Leith) (Lab): Factoring is an enormous issue in the new-build flats in my constituency, albeit not in the traditional tenements, which in Edinburgh have never had factors.

As I have received the same kind of complaints from a large number of housing developments about a considerable number of factors, I have come to the conclusion that there is a systemic failure related to a lack of regulation and the absence of required standards. At a recent meeting of representatives of many housing developments in my constituency, we set up an online arrangement to share factoring experiences and make the best of the current bad system. When I consulted them and hundreds of other constituents about Patricia Ferguson's bill, there was only support and not one objection. I am therefore not in any doubt about the principles of the bill, and I congratulate Patricia Ferguson on introducing it.

For me, the key issues are, first, getting the detail of the bill right, including the dispute resolution procedure; secondly, having a strong and effective code of conduct; and, thirdly, looking beyond the bill to other actions that may be required, such as amendment of the Title Conditions (Scotland) Act 2003.

At the heart of the bill is a requirement that all factors should adhere to required standards embodied in a statutory code of conduct. In that sense, section 13 is the pivot of the bill, and I am glad that the code of conduct will be consulted on in a separate process. In that sense, passing the bill is part 1 of a two-stage process.

I believe that the core standards that have already been consulted on are a reasonable starting point, but I do not think that we should regard them as the final word. People must be consulted on the detail of the code of conduct, which will be at the heart of the legislation.

The standards must address the common complaints with which so many of us are familiar—the lack of transparency around billing and accounts; poor value for money; failure to arrange repairs; inadequate complaints handling; and the many issues that we have heard about in relation to insurance, such as the large commission that factors often gain from arranging insurance. The bill will succeed or fail in accordance with the quality of the standards and the effectiveness of their enforcement.

Some people have raised fears about the consequences of deregistering a factor, but that must exist as the ultimate sanction. Without it, the bill simply would not work. It is, however, intended to be a last resort, and intermediate steps such as mediation and enforcement notices are of more immediate importance. That is why we must get the dispute resolution procedure right. As we move to stage 2, that will be one of the key points of discussion. I note the minister's enthusiasm for an ombudsman system, but I have doubts as to whether the typical ombudsman function is appropriate for the factoring industry. There is a quote from Mike Dailly at the bottom of page 23 of the committee's report, which I think I have time to read out. He stated:

"The nature of factoring disputes is that there are technical issues about the state of the premises, factually complex issues to resolve and complicated issues of contract law. Given that nature, such disputes lend themselves more to being determined by a quasi-judicial forum such as that proposed in the bill. An ombudsman scheme is not designed for that type of dispute resolution."—[*Official Report, Local Government and Communities Committee*, 29 September 2010; c 3526.]

Moreover, Patricia Ferguson's suggestion that we use the existing infrastructure of the committee that was set up by the Rent (Scotland) Act 1984 is

a useful one. I was responsible for the Housing (Scotland) Act 2006, which used that infrastructure to set up the private rented housing committee, and the reports and research that I have seen in relation to that suggest that it has been successful as a mechanism for not only driving up standards in the private rented sector, but mediation. As mediation will be important for the successful implementation of the bill, the experience of the private rented housing committee in mediation is another plus factor in support of that suggestion for a dispute resolution procedure.

As the committee suggests, switching is important to the debate. As Bob Doris said, if we could get a more effective switching mechanism, that would supplement the standards and mechanisms that are being set up in the bill. There would perhaps develop an effective market in which factors might compete with each other on the basis of quality. The problem at the moment is that it is very difficult to switch. As I highlighted in the factoring debate in March, when one housing development in my constituency switched it ran into certain problems. That whole area needs to be investigated. I therefore support the committee's recommendation that the Government should commission further research on that complex issue. That will involve looking at the Title Conditions (Scotland) Act 2003. I was pleased to hear the minister say that we may even be able to address some of that in the context of the bill. A further amendment of that act will be required in the next parliamentary session.

We also need to publicise some of the provisions in the 2003 act. At least one housing development in my constituency has it in its title deeds that it cannot change factor until the selling of the last house; yet section 63 of the 2003 act makes it absolutely clear that anyone has the right to change factor after five years and that that provision overrides any individual title conditions. Let us publicise the 2003 act and amend it in due course.

16:49

Joe FitzPatrick (Dundee West) (SNP): I echo others in the chamber in congratulating Patricia Ferguson on the bill, which touches on a subject that is of great concern to many of our constituents.

Some 36 per cent of the population live in tenement flats—many in Glasgow and Dundee—maisonettes and apartments, and around 50 per cent of those people live in privately owned flats that have a property manager. Some 30 per cent of those have a private sector manager and 20 per cent have a registered social landlord as a manager.

Although the majority of people are happy with their factors, a large proportion—30 per cent—are dissatisfied, and the problems that they face are highlighted by the fact that in 2009 as many as two thirds were unhappy with the way in which their complaint was handled.

The Scottish Government has been acting on the recommendations of the recent OFT report that suggested self-regulation of the industry and has been working with stakeholders towards a voluntary accreditation scheme for property managers and land maintenance companies. However, the support today for Patricia Ferguson's bill demonstrates the Government's commitment to taking the matter further to ensure the best protection for residents. As Bob Doris said, the work that has gone into putting together the voluntary accreditation scheme will not be wasted. I hope that it will feed into Patricia Ferguson's bill at stage 2 and, perhaps, beyond.

The bill aims to improve the position of those who are dissatisfied with their factor and Patricia Ferguson must be congratulated on introducing it.

I will use an example from Dundee to demonstrate why we need to establish a system of statutory registration for all property factors and an alternative means of resolving factoring disputes. I am sure that the situation will be all too familiar to members from experiences in their constituencies.

Panmurefield village in Dundee is in the constituency of my colleague Shona Robison. It is a new-build estate of 71 properties that has its open spaces managed by a property manager. Residents were charged £80 or £120 a year by the factor for the upkeep of the common spaces, and it was not long before problems started to emerge, such as the lack of maintenance work or sub-standard work being done. Members will be aware that the Local Government and Communities Committee has been presented with a raft of similar complaints from across Scotland.

After repeated attempts to rectify the situation with the factor, the residents formed an association and householders united to force the property factor to give up its role of manager of the common ground. One would have thought that that would have been the end of the situation but, despite losing the contract, the property factor continued to issue bills to residents and threatened to send sheriff's officers to enforce payment. That caused great distress, particularly among elderly members of the community, and it took a civil court ruling before the demands for payment stopped.

The residents have now awarded the management contract to Dundee contract services, which has highlighted just how much they were being overcharged by the previous

factor. As most people probably know, Dundee contract services is a contracting arm of Dundee City Council. It maintains the city's open spaces and competes with the private sector to provide building services such as common ground maintenance. As a result of changing their property factor, residents in Panmurefield village have seen their annual bill fall from an average of £110 to less than £20 a household.

The residents of Panmurefield village were lucky that the size of their community made it less difficult to change their factor than it would have been if the common ground had been owned and maintained by a land management company such as the infamous Greenbelt Group.

The committee and other members have highlighted a number of issues that warrant further consideration at stage 2 and beyond. I hope that the consensus that has been expressed in the chamber today will continue so that the bill will be supported not only tonight, but at stage 2 and stage 3, so that it can become law. It addresses some important issues.

16:54

Robert Brown (Glasgow) (LD): On behalf of the Liberal Democrats, I praise Patricia Ferguson for introducing the bill and for the manner in which she has done so. Although this debate will receive less publicity than others that we have had in the chamber, it addresses an issue that is much more important to many people, in Glasgow and other parts of the country, than many of the subjects that we deal with in this chamber.

When I was first elected as a Glasgow councillor, many years ago, the quality of factors and complaints about factoring services was a significant matter. Dissatisfaction levels were high. It is true that, in intervening years, the nature of the property market has changed considerably, as have tenure patterns. The condition of the fabric in the old red sandstone buildings, for example, has been immeasurably improved. There are more owner-occupiers and more split-ownership properties, which is an important issue. Councils and Glasgow Housing Association, for example, are involved in dealing with private owners in a way that they rarely were under previous systems. As Malcolm Chisholm pointed out, we have more new flats that come with complex provisions in the deeds of conditions for factoring-type arrangements. Throughout those massive changes, levels of satisfaction with factors have remained low and complaints have remained high; that is the background to the bill.

It is important to remember that not every issue is the fault of the factor. If a major roofing repair is thwarted because someone will not pay their

share up front or even accept liability for it, that is the fault not of the factor, but of the owners or the system. There can be infelicities in the deeds of conditions that render arrangements for maintaining grassed areas difficult to enforce and to fund.

Sometimes, dare I say it, the factoring costs—not just the fees, but the outlay of expenditure—lead to a situation in which the level of service is poor and the charges are relatively low, although higher than they should be for that level of service. The issue of the service that is provided should in some cases be at the centre of the argument.

As Bob Doris rightly said, the matter of the unwilling payer is a central point. The provision of some clarity through the standards and conditions that the Scottish Government has put in place would assist in informing people so that they understand and appreciate the things for which they should rightly be paying, as opposed to the things for which they are wrongly charged in some situations at present.

In many former council tenements, the council, or the GHA as its successor in Glasgow, holds a majority of the votes because it owns five out of eight houses in the block, for example. There can be arguments about whether the council or the GHA uses that monopoly control in a way that reflects the interests of the minority of home owners, to whom it also has factoring duties. There are complex problems that impact on neighbours of houses in multiple occupation, houses that are let from landlords and houses that are managed by letting companies for owners or landlords. There can be problems with antisocial conduct or harassment from some occupants and their families, whether they are owners or tenants. All those things, while they are not strictly factoring issues, are very much interrelated, which makes it difficult.

I think that Patricia Ferguson has had some dealings with residents in sheltered housing facilities, such as Stonelaw Court in Rutherglen, where there are factoring facilities that deal not only with lifts and such things, but with aspects such as liability in the title deeds for a house manager's flat and support. That is much wider than what we might regard as traditional factoring services.

It is important that in considering those questions of definition we take on board not only the concerns to do with the Greenbelt Group, but some of the sheltered housing problems too. The landscape is complex: the definition of the factual situation of who is responsible for what can be difficult, and the property title rights can be confused, outdated or inadequate.

The Property Factors (Scotland) Bill is not a solution to the panoply of challenges, but it is a significant contribution in a discrete area. As we have heard, it raises a number of areas of interest such as definitions, the need for a compulsory register, the vital importance of an accreditation scheme and the enforcement mechanisms under that scheme.

The bill's intention is to cover registered social landlords, which is right. I am a strong supporter of housing associations, especially community-based ones, but the GHA in particular has had a lot of issues with its factoring side in relation to the clarity of information that is provided, the basis of charges, hidden commissions and various other things. It is important that the GHA is subject to a proper regime, with proper attention given to issues of overregulation and other such matters.

Many of the arguments have been about whether the scheme should be voluntary or compulsory; I will put it slightly differently. The accreditation scheme that is being developed by the Government and the Property Factors Association Scotland is entirely central to what is needed and it should be professionally operated by the professional body. However, it must be backed up by compulsion. The public need to know who the firms that operate in that field are, that they have been approved as being fit to provide factoring services and that there are effective mechanisms for securing redress if there are problems.

On the point about enforcement, the warning about the expense of court actions is correct, but the alternative dispute resolution format—whatever it should be—must be robust, speedy and unbureaucratic, and it must end up with some sort of enforceable order, against the background of issues with unwilling payers. There must be clarity on that.

Like other members, I am not sure that the ombudsman approach would be best, but it is undoubtedly desirable to have an effective mechanism that does the trick without too much bureaucracy or legalism. Clarity of information is important in that regard.

In conclusion, the Property Factors (Scotland) Bill is important and I congratulate Patricia Ferguson on introducing it. She has done a service to the Parliament and to many parts of Scotland. No doubt we will sort out a number of the technical issues at stage 2, and it is important that the bill is passed during the current parliamentary session.

17:00

Alex Johnstone (North East Scotland) (Con):
The debate that we have had today and the

process that led us to it form a good example of the Parliament at its best. I only wonder why it has taken us so long to get to this stage. As has become clear during the debate, the reason is partially that certain elements of the subject are a minefield. For that reason I do not simply congratulate Patricia Ferguson on making it this far; she has my sympathy as well. She will have my support as the bill progresses.

We heard from a number of members, including Patricia Ferguson at the outset, that the bill has become necessary because there are those who have found themselves at the mercy of unscrupulous people. It would appear that legislation has become necessary because of the behaviour of a particular sector. Like many others, I emphasise that I genuinely believe that there are competent and responsible property and land managers in Scotland who are doing their job effectively, but it is all too clear from the evidence that has been presented that a surprisingly high proportion do not live up to those standards. We have heard that from a number of members who have given examples today.

I am prepared to acknowledge that the justification for the bill lies largely among those who operate as property factors for blocks of flats and other buildings across Scotland, but I share the experience that Mary Mulligan described. The cases that have come to my attention tend to relate to land maintenance companies. In many cases, green space has been allocated within an estate and there is a requirement to find a manager. My experience has led me to find out that some extraordinary things are happening, especially where development has taken place quickly and on a large scale. In Westhill near Aberdeen, for example, three different estates ended up in separate disputes with a land manager. An estate in Laurencekirk has also ended up in such a dispute.

I find that, as with other things, the people who find themselves in such disputes would like to find a way out of the arrangement that they have become involved in but, more important, they would far rather that the company simply delivered the service for which the householders are paying. That is why it is so important that we ensure that we have registration of property factors, a code of conduct and a means of dispute resolution. Those are the key elements that the bill would introduce.

As we have heard, there was a concerted attempt to introduce a voluntary accreditation scheme, but its failure to appear within an acceptable timescale and the doubts that many speakers from all parts of the chamber have cast on whether it would have the desired effect have brought me and others to the stage where it is

obvious, if it was not before, that a proper statutory route is needed if we are to achieve the objectives.

Other interesting parts of the debate related to the changes that will need to be made to the bill and to existing legislation if we are to achieve our objectives. I was delighted to hear David McLetchie point out how competition can drive up standards. I was surprised to hear that resounding around the chamber and being repeated by members from all political parties—because we do not always find support for our views on competition. It is obvious that if people have the right to change factors, competition will deliver improved standards. The problem is that so few people have the opportunity to change factors or land maintenance companies. To make that possible, it might well be necessary to look at other legislation and consider changes to the Title Conditions (Scotland) Act 2003.

We are in the unusual position of considering a bill that is not in black-and-white form. Although a number of potential changes have been highlighted in the debate, the bill has the chamber's support. The process will not be easy—indeed, in introducing this bill Patricia Ferguson has stepped into a minefield—but she will have my support and the support of the Conservatives. The Conservatives are delighted to support the proposal and will approve the bill's general principles at decision time.

17:05

Mary Mulligan: This has been an excellent debate in which all members have made quite heartfelt pleas for legislation. That is not always the case in this chamber.

As Jim Tolson pointed out, owners need early information about their property factor and the services that they can expect to receive because the lack of such information simply stores up problems for the future. After all, as Sandra White and Paul Martin made clear, owners have every right to know what they are being charged for.

The fact that one of constituents' main complaints about property factors relates, as we have heard, to the quality of their work and that people often want to know how to complain about unsatisfactory work demonstrates the need for home owners and property factors to have a clear understanding of the agreed level of service and of how to raise and get an adequate response to complaints when the level of service is inadequate. I, like many other members, would welcome a code of conduct for property factors. I welcome Patricia Ferguson's willingness to discuss the code of conduct further, but I also think that the opportunity for the Scottish ministers to consult on the code before laying it before

Parliament will ensure that the views of all parties—factors and those who receive their services—on how to make it most effective are heard.

Malcolm Chisholm, Elizabeth Smith and other members have, in today's debate and in earlier debates on the issue, highlighted examples of property factors' failure to deliver an adequate service. Sections 15 to 20 provide a framework for properly resolving disputes, section 17 sets out the referral process for complaints and section 15 confers on the private rented housing panel and committees—as the renamed home owner housing panel and home owner housing committees—additional functions to deal with such complaints. As Duncan McNeil said, we are still uncertain about the costs of the panel, but I accept Patricia Ferguson's reassurances that she will provide further information on the issue at stage 2. I know that some members were attracted to the ombudsman option, but I agree with Malcolm Chisholm that there is more certainty about the home owner housing panel and therefore I support that approach. That said, I agree with Robert Brown that whatever system is put in place it should be clear and enforceable.

I have to say that I never thought that switching was the bill's main aim. I appreciate David McLetchie's view that that could raise standards, although I would hope that such issues would be addressed in the code of conduct. As Bob Doris pointed out, switching takes time and energy and I am sure that home owners would rather spend their time and energy on something more pleasurable. In any case, having to switch is actually a sign of failure and should therefore be avoided. Nevertheless, the option to switch must be available to ensure that the point of deregistration is fully carried through. I agree that the process must be made more straightforward. Allowing for time to elapse might help people find a replacement. We certainly have to address what happens when the property factor owns the land. Indeed, the issue has been raised constantly this afternoon and I am sure that we will make every effort to address it at stage 2.

At the beginning of the debate, I said that I sincerely welcome the bill. Let me be clear: I believe that property factors play a vital role in managing tenements, flatted properties and open spaces. I qualify that by saying that I am not completely convinced that the property factors whom I have come across have the necessary expertise to manage sophisticated drainage systems, for example, but in general I see the need for property factor services.

Some people, including some of my constituents, have suggested that owners could fulfil the role, but my experience is that it is difficult

to make that work. I have also heard people say that local authorities should take on the role. As we have already heard, some do, but that means an additional cost. I cannot see any local authority being desperate to take on that responsibility for all council tax payers at no additional cost. Therefore, it seems that it is important that we have in place a framework that encourages and supports good and responsible property factors and puts out of business rogue factors who do not fulfil their part of the deal and try to exploit owners financially, and that framework should be supported by legislation.

I look forward to working with local government colleagues in our stage 2 deliberations to address the points that have been made today. Far too many people in Scotland are suffering because of rogue factors. I am sure that the bill will assist them, and I hope that we can move quickly so that they do not have to wait much longer for a resolution.

17:11

Alex Neil: This debate on the principles of the bill and the issues that are to be addressed at stage 2 has been good and consensual. I congratulate Patricia Ferguson and *The Herald* and the *Evening Times* on their campaign.

I will begin by addressing an issue that clearly needs to be addressed at stage 2: the dispute resolution mechanism. Costs are a relevant factor, particularly these days—Duncan McNeil mentioned that on behalf of the committee. There are three relevant points about costs. I will give members some facts that will obviously be included in the consideration of the best way forward.

First, the cost per private rented housing panel case is running at just over £2,000. Under the ombudsman system that is run by Ombudsman Services: Property, which used to be called the Surveyors Ombudsman Service, the costs are an annual subscription fee per member—which is the factor—of £150 plus VAT and a fee of £335 plus VAT for each case that is investigated. There is a wide difference in costs between the panel approach and the ombudsman approach.

The second point about costs relates to who pays. Under the current arrangements, the Scottish Government—that is, the taxpayer—picks up the costs associated with the housing panel. If those arrangements continued, I imagine that there would be similar costs for dispute resolution in relation to factors. At the moment, the cost for the current panel is running at £440,000 per year. Under the ombudsman system, as things are at present, the taxpayer does not pay any of the costs, which are entirely levied on the factor, and

the factor is liable to pay each time a case is raised against them. It seems to me that, whether we go down the panel route or the ombudsman route, it would be very unfair for the taxpayer to pick up the cost for errant factors.

The third point about costs relates to the overall budget. As I said, the current budget for the existing panel is £440,000, and it deals with around 220 cases per year. I would imagine that, particularly in the early years after implementation of the bill, there might well be more than 220 cases per year. If the taxpayer has to pick up the bill, we need to factor in the additional cost that would be involved in doing so. As Duncan McNeil highlighted, in considering the way in which we handle dispute resolution, the cost of the alternatives needs to be examined in detail.

David McLetchie: In relation to those figures—£2,000 a case and 220 cases a year for the private rented housing panel—is the minister convinced that the panel provides value for money at that cost? It seems to me to be seriously underutilised if we are spending all that money to deal with such a small number of cases. Could the panel not do with more work?

Alex Neil: The reality is that it is quasi-judicial. As Mr McLetchie will know, anything that is judicial, and particularly anything that involves lawyers, can be extremely expensive. I agree with Mr McLetchie that it is not always value for money.

Robert Brown: Will the minister take a further brief intervention on that?

Alex Neil: Of course, from another lawyer. Are they going to declare an interest, Presiding Officer?

Robert Brown: The issue is about the need to have at the end of the process an enforceable order so that everybody knows where they stand. It is a judicial process and it has to have an element of judicial consideration. Would an ombudsman system provide that?

Alex Neil: The enforceable order would be the responsibility of other authorities and not necessarily the panel or ombudsman. My point is that there are a great deal of detailed issues to be addressed in part 2. I agree with Mary Mulligan that Robert Brown makes a valid point that we need to consider enforcement, including who does the enforcement, what it costs, and whether that cost is passed on to an errant factor. All those matters need to be addressed in the bill but, in its current form, it does not do so. I am highlighting that those issues need to be rectified. Whichever model members prefer, we are all agreed that those matters need to be addressed and resolved at stages 2 and 3.

Sandra White made relevant points about the composition of the panel and other matters. Another relevant point is the expertise that is required, either for an ombudsman or a panel. A lot of careful consideration is required, given the importance of dispute resolution to the effective functioning of the bill.

Another general point relates to switching. Although that matter is not covered by the bill, our plans for the future on switching are important. The issue of switching, whether in relation to traditional property factors or land maintenance companies, has featured heavily in the debate and in the evidence to the committee. The committee said that the ability of consumers to switch their factors or land maintenance companies is a major issue, and I agree with that. An ability to switch providers more easily would help to improve many of the issues that consumers face when dealing with the industry.

The Title Conditions (Scotland) Act 2003 contains provisions that enable managers of property to be dismissed and replaced. However, as members have said, it can be difficult to dismiss and replace property factors, in part because a high level of agreement among the residents is required, as Robert Brown pointed out. There is nothing in the bill on switching by residents, but the committee suggested that the Government should carry out research on that. We recognise the need to do that research and we will do it. We are considering whether it would be useful to issue a consultation paper on potential changes to the 2003 act to lay down clear procedures on the switching of land maintenance companies by residents.

The fundamental aim would be to ensure that switching can take place when two thirds of residents wish to dismiss and replace a land maintenance company. We must also consider the more traditional factors and how they can be more easily switched. I stress that the Government agrees entirely with the committee when it describes the matter as a “very complex issue”. My colleague Fergus Ewing and I will keep the Local Government and Communities Committee and the Justice Committee informed of the Government’s thinking on the matter.

Many issues remain to be resolved at stage 2. I again offer the Government’s services to assist the member in charge of the bill to ensure that we get it right at stages 2 and 3 so that the bill achieves everything we all wish it to.

17:20

Patricia Ferguson: I very much welcome the content and tone of the debate. I will try to respond as best I can to the issues that members have

raised. The debate has demonstrated why there is a need for legislation. It is important that we proceed with the bill and press on to stage 2. I suppose that I would say that, wouldn't I? However, the evidence bears that out.

Members have made some very interesting points and a number of themes have been picked up. I was interested in the points that were made by Duncan McNeil, Sandra White, Mary Mulligan and—I am sorry; I was going to mention Sandra White again. I will no doubt come back to her. They all mentioned the issues of detail on the invoices and bills that are sent out, and hidden commission. It is important that there is openness and transparency on such matters. Sometimes, bills that people query are justified, but unless dialogue is possible, through which a resident can query a bill and be given an answer, they will think that it is excessive to have to pay 20 per cent commission to their factor for their building's insurance. That may well be excessive, but only the factor can explain that to them. At the moment, people do not know that that happens, so no explanation is given. It is extremely important that transparency and openness are built in.

Malcolm Chisholm: At the recent meeting that I referred to, it seemed that a large number of people were paying 35 per cent commission to factors for their insurance.

Patricia Ferguson: I would not dispute that. I have heard a variety of figures mentioned. I have also heard about what, in the trade, are loosely called gentlemen's agreements, whereby the factor's brother-in-law paints the close and the transaction is kept in the family. That is the bad side of factoring, but there are very many good factors who work well with the people for whom they are contracted to work.

I am extremely interested in switching, to which it is important to devote some of my time. There is a need for people to understand what the current rules say. Most people have the right to switch, whether through their title deeds, the Tenements (Scotland) Act 2004 or some other legislation. The problem that we encounter is that switching requires a majority of the eligible people to attend a meeting, and that can be difficult to achieve, because some of them might be absentee landlords, might not be interested, might be on holiday, might be in hospital or might be prevented from getting to the meeting by the weather. It can therefore be quite difficult to change factor, even when people in a property or development feel that that is the right thing to do.

However, we must be extremely careful if we want to consider changing how people can switch. What could be put in place of a majority? It would have to be a minority. When a small number of people in a development come together, they

might have a good shared agenda, but sometimes they might not have such a good shared agenda, in which case problems could come to the surface—the very problems that we are trying to resolve by means of the bill.

I take Robert Brown's point about sheltered housing complexes. As he mentioned, he has had an interest in Stonelaw Court, which I have visited. In fact, the committee heard evidence from Ms Murray of Stonelaw Court on the difficulties that residents have had. I think that it is unacceptable that their lifts, their car parking spaces and the flat for the warden can form part of the consideration of what makes a majority, which allows the person who developed the property in the first place to have a controlling interest. That needs to be resolved. However, if we want to go into switching—I am happy to do so—we must be careful about it, because we do not want to create problems that are similar to those that we are trying to resolve.

I am delighted to have the minister's support, which he had indicated to me privately, and I welcome the dialogue with him. His support perhaps went to the extreme last week, when he lodged the motion to agree to my bill at stage 1 in his name, with support from Ms Sturgeon. However, I found out that that was an inadvertent move by the Government and not a deliberate ploy. Anyway, that support is welcome, in whatever form it comes.

Mr Neil described what he called three challenges, one of which related to the definition of a property manager. I am not sure—I will check it out—that the definition that I have provided does not cover the circumstances that he outlined; I think that it does. However, if it does not, I am happy to consider the matter further. An important point relates to the interface between title conditions, the definition and deregistration, which I might talk about in a little more detail.

I heard what the minister said about the costs of a panel versus an ombudsman for the dispute resolution mechanism, but we must think about other issues, too. Mr McLetchie was correct to suggest that the home owner housing panel is perhaps underutilised and that expanding its work—perhaps without an increase in costs—might be sensible.

We must consider what we are trying to achieve and whether an ombudsman system would achieve it for us. I have sincere doubts about that. Whatever mechanism we put in place must be independent of property managers and must be seen to be independent. I am not sure whether the ombudsman service that the minister mentioned would fit those criteria, at least in the eyes of people who have problems.

I am slightly taken aback by the minister's determination about ombudsmen, given that he told the committee in connection with another matter that his view was that having a court or a tribunal to deal with housing issues might be the way to go. That is my bill's direction of travel; it does not take us back—as I see it—to an ombudsman system.

I hope that I have covered several of the issues that members have raised. I am conscious of the time. I am grateful to all those who gave evidence to the committee. I listened to what they said with much interest. The Parliament has shown today that we all collectively listened to the issues that the witnesses raised and those that our constituents brought to us.

I look forward to working with the committee and the Government to ensure that the bill in its final form is robust and resilient, provides a more transparent system for home owners, and safeguards home owners and the good factors who work in Scotland from the very few bad factors who take advantage of our constituents. We in the Parliament have raised the problem's profile; now we need to raise the standard of the worst factors to the level of good factors. The bill will be part of that process.

Business Motions

17:29

The Presiding Officer (Alex Fergusson): The next item of business is consideration of business motion S3M-7561, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, which sets out a business programme.

Motion moved,

That the Parliament agrees the following programme of business—

Wednesday 15 December 2010

2.00 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Stage 1 Debate: Damages (Scotland) Bill

followed by Stage 3 Proceedings: Forth Crossing Bill

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 16 December 2010

9.15 am Parliamentary Bureau Motions

followed by Scottish Labour Party Business

11.40 am General Question Time

12.00 pm First Minister's Question Time

followed by Members' Business

2.15 pm Themed Question Time
Finance and Sustainable Growth

2.55 pm Ministerial Statement: The Future of
Scottish Higher Education

followed by Scottish Government Debate: Antisocial
Behaviour Framework

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Wednesday 22 December 2010

2.30 pm Time for Reflection

followed by Parliamentary Bureau Motions

followed by Scottish Government Business

followed by Business Motion

followed by Parliamentary Bureau Motions

5.00 pm Decision Time

followed by Members' Business

Thursday 23 December 2010

9.15 am Parliamentary Bureau Motions

followed by Scottish Government Business

11.00 am Themed Question Time
Europe, External Affairs and Culture;
Education and Lifelong Learning

11.40 am General Question Time

12.00 pm First Minister's Question Time

12.30 pm Decision Time—[*Bruce Crawford.*]

Motion agreed to.

The Presiding Officer: The next item is consideration of business motion S3M-7562, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, which sets out a stage 2 deadline for the Patient Rights (Scotland) Bill.

Motion moved,

That the Parliament agrees that consideration of the Patient Rights (Scotland) Bill at Stage 2 be completed by 17 December 2010.—[*Bruce Crawford.*]

Motion agreed to.

The Presiding Officer: The next item is consideration of business motion S3M-7563, in the name of Bruce Crawford, on behalf of the Parliamentary Bureau, which sets out a stage 2 deadline for the Wildlife and Natural Environment (Scotland) Bill.

Motion moved,

That the Parliament agrees that consideration of the Wildlife and Natural Environment (Scotland) Bill at Stage 2 be completed by 28 January 2011.—[*Bruce Crawford.*]

Motion agreed to.

Parliamentary Bureau Motion

17:30

The Presiding Officer (Alex Fergusson): The next item of business is consideration of a Parliamentary Bureau motion. I ask Bruce Crawford to move motion S3M-7564, on the approval of a Scottish statutory instrument.

Motion moved,

That the Parliament agrees that the draft National Scenic Areas (Consequential Modifications) (Scotland) Order 2010 be approved.—[*Bruce Crawford.*]

The Presiding Officer: The question will be put at decision time.

Decision Time

17:30

The Presiding Officer (Alex Fergusson): There are two questions as a result of today's business. The first question is, that motion S3M-7531, in the name of Patricia Ferguson, on the Property Factors (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Property Factors (Scotland) Bill.

The Presiding Officer: The second question is, that motion S3M-7564, in the name of Bruce Crawford, on the approval of a Scottish statutory instrument, be agreed to.

Motion agreed to,

That the Parliament agrees that the draft National Scenic Areas (Consequential Modifications) (Scotland) Order 2010 be approved.

Clydesdale Community Transport and Good Neighbours Project

The Deputy Presiding Officer (Alasdair Morgan): The final item of business is a members' business debate on motion S3M-7225, in the name of Karen Gillon, on the WRVS Clydesdale community transport and good neighbours project. The debate will be concluded without any question being put.

Motion debated,

That the Parliament commends the WRVS Clydesdale Community Transport and Good Neighbours Project for being, what it considers, a great example of how community volunteers and voluntary organisations can support older people and others; believes that there is value, in social and financial terms and in effectiveness, of preventative services, such as those operated by the volunteers and paid staff of WRVS and others in Clydesdale; further believes that these services help people to live independently, healthily and happily in their own communities and that they can prevent or delay the need to access costly acute health and social care services, thus preventing unnecessary costs accruing to the public purse; is of the view that, as Scotland faces what is considered to be unprecedented financial circumstances, these services, if properly resourced, can form an integral part of the health and care system in Scotland, and understands the importance of partnership working between the Scottish Government, NHSScotland, local authorities and the voluntary sector to achieve this.

17:32

Karen Gillon (Clydesdale) (Lab): I begin by thanking the 47 members from across the chamber who signed the motion. I pay tribute to the thousands of people who give their time and talents to support the invaluable work of organisations such as the WRVS in my constituency and constituencies across Scotland. I am sorry that the volunteers could not manage to get to the Parliament for today's debate. Given the weather and the road conditions, they are probably better off staying in the safety and warmth of their own homes rather than making the journey through. I am sure that they will be listening in.

Indeed, the debate could hardly come at a more appropriate time. Many of the most vulnerable people in the communities that we represent find themselves increasingly isolated and dependent on neighbours, friends and those working in projects such as WRVS Clydesdale's good neighbours project to enable them to access food, medicines and other essentials in this winter weather. We all should be grateful to people in such projects for the job that they are doing.

Clydesdale is a rural constituency. Although that brings many benefits, it also brings many challenges. More people are living for longer, so

we need to face up to the challenges that that brings. By 2031, 1.31 million Scots will be at or above the state pension age—an increase of around 35 per cent. That is a sobering thought. Those people do not want to be stuck in their homes when the sun is shining outside, never mind when there is a foot of snow.

The project in Clydesdale helps older people in rural communities who do not have access to public transport or a private car and who therefore find it very difficult to engage in community life. The service enables people to retain their independence and live active lives within their communities. I saw that at first hand as I embarked on a journey with the project through my constituency. We visited various villages, picking up women from the local community as we went and ending up in the local leisure centre at Coalburn. It would be fair to say that the women were at the more mature end of the age spectrum, but they could certainly put me to shame. As a result of the project, they have a weekly fitness regime that sees them swimming and attending the gym. The project enabled them to access the centre and so they took up those opportunities. They keep fit, keep themselves well and, at the same time, keep in touch with friends and get out and about. On other days, the bus is used to take people to the ever popular Lanark market where they can buy fresh fruit and vegetables, helping their diet and maximising their income.

WRVS Clydesdale also provides a service to local nursing homes, sheltered housing residents and other community groups. The project takes referrals from organisations and health professionals and runs a pre-bookable, door-to-door, time-bound service. Volunteers drive their own cars, providing safe and comfortable transport.

The service has become ever more important over time, as the Scottish Ambulance Service has struggled to provide the level of patient transport services in rural constituencies such as mine that I would like to see. Many of the journeys that the Scottish Ambulance Service would have undertaken previously have been taken over by projects such as the community transport and good neighbours project. When we consider that a journey by public transport from Lesmahagow to an appointment at Monklands hospital takes two hours on a good day, we see how important the service is. From a village such as Douglas, the journey is even longer. Increasingly, the community transport and good neighbours project is filling the gap.

Given that the Minister for Public Health and Sport will respond to the debate, it is worth looking at how such projects can be better integrated into the delivery of patient transport services. It might

be a better, more effective, best-value use of resources to support them, especially in rural communities where the Scottish Ambulance Service is finding it increasingly difficult to meet its obligations.

Volunteers are able to offer support from the door of the house to wherever people are going. That is increasingly important to people. People talk to me about the benefits that they gain from their chat with the volunteer drivers and about the drivers' input into their lives. That is really important, as people may become increasingly isolated where a responsible community approach to ensuring that they get out and about is lacking.

WRVS research shows that local authorities' social care budgets must often be targeted at older people who are in most immediate need because they are at "critical" or "substantial" risk, despite the Scottish Government's most recent national eligibility criteria, which advocate "a strong preventative approach". Given that research shows that every pound spent on preventive social care services for older people brings about a saving to the national health service of £1.20, we need to look at the issue much more closely. The cost of providing social care in that way means that we will need an extra £1 billion by 2016 and an extra £3.5 billion by 2031, with some estimates predicting a rise of £27 billion over the next 15 years—a period in which Scotland will have £42 billion less to spend. With an ageing population, that is a challenge indeed.

I know that the project in Clydesdale works well. It helps the most vulnerable people in the community, who would otherwise not be served by transport services—people who are older, people who are socially isolated, those with specific health needs, carers and the disabled. We need to remember that some people do not have family and friends available to provide transport; projects such as the community transport and good neighbours project fill the gap.

The service takes people to hospital and general practitioner appointments and to visit relatives in hospital and care homes. That is a very important part of life as people get older. If, for good reason, one partner has to be in hospital or a care home, the other will want to access visiting opportunities. The community transport and good neighbours project matches clients to volunteers in order to cater best for their needs. The service provides not only transport that would not otherwise be available in our area but volunteers who know how to get clients to their destinations and provide support and care. In 2009, the service did 2,581 car journeys and 1,128 bus journeys, totalling 1,909 volunteering hours. That is quite an achievement.

All of us are aware of the invaluable role that such projects play across our constituencies. I will finish with the words of a service user, Joyce Scott, who uses the service to get out and about. She said:

“The WRVS service has become invaluable in my life since my sight has started to go. My husband has been taken into hospital and the service has allowed me to visit him several times a week. It has also allowed me to lead a normal and active life in the community. The service means a lot to me, there is always a welcoming voice at the end of the phone, the staff always try their best to help even at short notice.”

That is praise indeed, but that is the project that I know.

I am sure that all members know of similar projects in their constituencies, run by volunteers. I hope that we can move to a situation in which those projects continue to be supported—and better supported—in the years ahead. That will be increasingly challenging but, without them, the social fabric of our communities would be much the poorer.

17:40

Jamie Hepburn (Central Scotland) (SNP): I congratulate Karen Gillon on securing tonight's debate. She raises the general issue of preventive care measures as well as the specific work of the WRVS, which is well worth the recognition that is given to it in the debate. I was pleased to add my name in support of the motion.

My friend Aileen Campbell was also happy to sign the motion, and she has asked me to pass on her apologies for being unable to take part in this evening's debate. For those who do not already know, she gave birth to her baby boy earlier today, and mother and baby are both doing very well, albeit a day late—although those who know Aileen will know that one day late is actually quite early for her.

Aileen lives in Biggar, which is in the Clydesdale area of the South of Scotland region that she represents, and she has told me of the great respect that she has for the work of the WRVS in that area. I am more aware of its work in my own area—I will come to that shortly. I am sure that the same respect is extended by all members to the WRVS in their part of the country. It was founded more than 70 years ago, and the ethos and impact of the organisation remain as important now as they were back then.

About 10,000 volunteers help to deliver WRVS services across Scotland. Earlier this year, I was privileged to see some of its work in the Central Scotland region that I represent. I visited its cafe at Monklands hospital, where I met volunteers who have provided years of dedicated service, giving

their own time to help others. Those volunteers, along with others at Udston, Wishaw and Hairmyres hospitals, thoroughly deserved to be the first-ever winners of the merit award from the lord lieutenant of Lanarkshire earlier this year.

The motion recognises both the social and the financial value of such volunteering, including at the volunteer-run cafes in our hospitals, which helps to preserve funding for front-line medical treatment and care. Many of the volunteers will have years of experience and can offer friendly, informal advice and support to those who make use of the hospital cafe, whether they are patients or their friends and family.

Other services that are provided by WRVS volunteers help to meet wider social aims. Karen Gillon's motion refers to community transport and good neighbour schemes, which provide older people in particular with lifts to shops and other services or help with household tasks such as changing light bulbs or basic gardening. That work is to be commended.

Many of us are familiar with the meals-on-wheels services that are provided by the WRVS, and I have had the opportunity to join teams taking meals to older, vulnerable residents in Croy and Cumbernauld on more than one occasion. Again, I pay tribute to the sterling work that volunteers have done as they have literally delivered that service, which makes a great difference to those who are on the receiving end. The specialist vehicles and the logistics behind meal preparation and delivery runs are equally impressive. Those involved at that end deserve credit, too.

Such services do not simply provide social and practical benefits to the individuals involved, although for many recipients the friendly face of the WRVS volunteer is valued as much as the meal that they enjoy, as was clear to me from my experience of travelling with the meals-on-wheels service. Such services help to maintain the independence of the individuals who use them, which, as Karen Gillon said, has a wider benefit for society as a whole. As she mentioned, for every £1 that is spent on preventive social care services for older people, savings of £1.20 can accrue to the national health service. They help to keep people fit and active through community transport schemes, they provide a healthy diet through meals on wheels, and they keep homes safe and secure through good neighbour projects. Those services all help to prevent circumstances in which older or vulnerable people might need to rely on public services for support—and they reduce the cost to the public purse.

Age Scotland has produced research that shows that a package of preventive support that is delivered in the community can cost almost two thirds less than a full-time place in a care home for

an older person. That is important financially, but delivery in the community is important because it also respects and supports the dignity of the individuals themselves and allows them to live happier, more structured lives than might otherwise be the case.

I welcome the support and recognition that the Scottish Government has given, and will no doubt continue to give, to preventive services and to the many volunteers who help to deliver them. I am sure that the Minister for Public Health and Sport will explore some aspects of that in her winding-up speech.

I congratulate Karen Gillon once more on bringing the debate to Parliament.

17:44

Johann Lamont (Glasgow Pollok) (Lab): I am delighted to participate in the debate. I congratulate Karen Gillon on securing the debate and highlighting the various issues that she covered in her speech. I thank the WRVS and Age Scotland for the information that they have provided for the debate. I have the great privilege of being Labour's older persons champion, but I am conscious that organisations such as Age Scotland and the WRVS do that job far better than I can do it. It is critical that we listen to such organisations when they flag up issues to do with our elderly population.

Projects such as that which Karen Gillon highlights in her constituency exist throughout Scotland. I am grateful to all the people in my constituency who volunteer and give up their time to support people in the way that she described. There is a fabulous community transport project in my constituency. It is fabulous not just because it takes people from A to B, but because it understands a community in which people are less likely to have cars. It understands that the issue is not just getting elderly people to hospital appointments or visits, but enabling them to feel safe when they go to hospital, which is a situation in which we all feel trepidation. It is about being compassionate and supportive. I have had the privilege of meeting volunteers who go far beyond what might be expected to support people. We must find ways of recognising the critical role of such volunteers and bus transport projects.

As the cold weather continues, I am anxious. Earlier today members talked about the visible problems that the cold weather brings, but there are also invisible problems. What we are hearing might be the tip of the iceberg. We do not know about older, vulnerable people who are isolated in their own homes and are perhaps not getting the help that they should be getting from their local authorities. As the minister thinks about the issue,

I urge her to talk to Age Scotland, the WRVS and other organisations that are highlighting the isolation and vulnerability that people feel. Perhaps we need a more co-ordinated approach to reaching out to people. In the short term, we do not know what problems and difficulties people are facing.

I agree that preventive spending has a critical role. That is why we argued for transparency in the budget process. How do we shift attitudes towards preventive spending and make the case that a project that keeps people together is cheaper in the long term? It is not just an issue for Government; I think that everyone understands that there is a challenge to do with how we make the transition from one attitude to another. It is important that we work our way through the issue, because decisions that are being made now might counter the ability to secure benefits in the longer term. In the short term, people will get rid of funding for projects that would have a long-term benefit if they continued to receive support.

We need a means whereby we can organise and support people who volunteer. The Community Service Volunteers project for older people who volunteer services has already gone. There are anxieties about funding for voluntary projects, although there are people who are waiting to volunteer. We have to tackle the issue. It is clear that we need a refreshed volunteering strategy, which addresses anxieties about funding and understands the needs of the voluntary sector. We need to understand how to support people who want to volunteer so that they can join an appropriate project, which will be sustained. That is about more than just funding.

People who are involved in volunteering and the voluntary sector have a critical role, not just in meeting needs but in showing us what the needs are. We need to work closely with those people, who understand the anxiety that older people experience. With their help, for example by providing a library service or lifts to church or hospital, we will not just contain but sustain people in their homes. I am sure that we all agree on that.

17:48

Alison McInnes (North East Scotland) (LD): I congratulate Karen Gillon on securing this worthwhile debate. It is a pleasure to support the motion in her name.

The WRVS is a great organisation. From its roots in long-established services such as meals on wheels, hospital trolleys and lunch clubs it has branched out into innovative schemes such as good neighbour and community transport schemes. It has listened and responded to the changing needs of elderly people. The WRVS

slogan—positive about age, practical about life—sums up its approach well.

As we heard, the WRVS has an army of volunteers, who are worth their weight in gold. Many of them are retired—it is about time that we redefined the word “elderly”. In my region, many people offer their time to the organisation, to help thousands of elderly people remain in their own homes for longer than they would otherwise be able to do. The volunteers are held in high regard locally. Many have continued to help during the current tough weather conditions, and I commend them for that.

In north Aberdeenshire, the good neighbour and community transport scheme covers the villages of Ellon, Newburgh and Balmedie. Volunteers who give just two or three hours a week make an immense difference to people’s lives every week. The scheme provides a great service by keeping elderly people in touch, helping them to attend day centres, keep medical appointments, and go on social outings or do shopping. It also reduces isolation by helping people to visit relatives in hospital or care homes. Just as important is the companionship and friendship that are offered to the housebound. These days, families are often scattered and too far away to help with the little things, and WRVS good neighbours provide company and help with a range of tasks such as collecting pensions, going on outings, and even attending when workmen or officials visit so that people do not feel scared.

As council and health care budgets are squeezed, funding tends to be ever more focused on those at high risk, and investment in preventive care is neglected. That is a false economy, which leaves us with growing bills. As Karen Gillon said, it is estimated that 1.3 million Scots will be at or above the pension age by 2031 and if we keep providing social care in the same old way, we could be spending another £27 billion over the next 15 years. I have also heard it estimated that if we keep trying to provide care in the same way, by 2030 every school leaver will have to go and work in the health service. We will spend all those billions of pounds, but there will be no discernable improvement in people’s circumstances. We will just be dealing with those growing numbers.

If we tackle the situation from the other end and intervene early to help people to stay in their own homes and to remain as active as possible in their community, that is more cost effective and beneficial to people’s overall wellbeing. We should surely be striving to do that. More than 60 per cent of the Scottish Government’s spending on care for older people is on care in hospitals and care homes. Almost £1.4 billion a year is spent on emergency and non-elective admissions, while only 6 per cent is spent on providing care at home.

As Johann Lamont said, we must find a way to shift the focus from institutionalised care towards more independent living. The WRVS and Age Scotland can help us to do that.

The National Endowment for Science, Technology and the Arts’s recent publication “Radical Scotland” demonstrates one way of doing that. It points to the introduction in Western Australia of local area co-ordinators who match the personal needs of the service users in a particular area to what local providers, existing social networks and community assets can offer. That means that people can stay independent for longer and communities are strengthened. Western Australia has seen a 35 per cent cost saving from its more traditional service-led approach. I believe that North Lanarkshire has been piloting the idea and I would be interested in learning how successful that pilot has been

Karen Gillon points out, rightly, that voluntary services such as those that are provided by the WRVS should form part of our health and social care system and I join her in calling for greater partnership between the NHS, local councils and Governments to achieve that. Changing demographics mean that we need to think again. Older people are an asset, not a liability, and a different approach would help them to stay in the heart of our community for longer.

17:52

Jackie Baillie (Dumbarton) (Lab): I, too, congratulate Karen Gillon on securing the debate and thank Age Scotland and the WRVS for their helpful briefings.

The debate is timely when we consider the challenges that have been posed by the severe weather and the needs of older people who might be isolated and stuck at home. It is clear to me that the WRVS has a key role to play in reaching those older people and in prevention. Without doubt, preventive care is sensible, long-term planning. It is more efficient financially and better socially. Preventive spending improves the quality of life for sick and older people and it reduces the amount that has to be spent on providing care at the point at which people need more critical or substantial care. The allocation of funding to preventive care would fix the leak so that we do not have to spend tightening budgets on bailing out the water.

I will give an example that members will know about. The pilot partnerships for older people projects were a United Kingdom scheme that built a community infrastructure by collaborating in public service delivery. The scheme had a budget of £60 million. When it was evaluated recently, the savings to social care services were shown to be

£1.20 for every pound spent. That is a saving of £72 million. The scheme helped something like 246,000 people, the average age of whom was 75—those of us who are in the chamber still have a long way to go—and the achievements are fascinating. Overnight hospital stays were reduced by as much as 47 per cent. Attendance at accident and emergency departments was reduced by 29 per cent. Out-patient appointments were reduced by 11 per cent, phone calls to GPs were down by 28 per cent, visits to practice nurses decreased by 25 per cent, and GP appointments were reduced by 10 per cent. What was not captured, other than in anecdotes, was that people were much happier and had a better quality of life. Those are all substantial results from which we should learn.

The work that is done by the WRVS is an essential starting point, with its 4,000 volunteers across Scotland working directly with older people to support their independent living and provide its services of home support, good neighbours scheme, meals on wheels, books on wheels, lunch clubs and community transport. All of that is critical and essential to our older people feeling connected with their community.

The WRVS goes about its work by meeting the needs that older people identify themselves, which I think is important. Older people appreciate that. A recent survey suggested that, as a result of the intervention of the WRVS, 62 per cent of service users left the house and 57 per cent were able to get to medical appointments when they would not otherwise have done so. Providing such personalised care at a local level is what the WRVS does so well.

We know that severe weather conditions increase the risk of ill health to older people. This is a time when they are in need of more support. When snow leaves the country gridlocked and councils find the conditions challenging—although they are doing a valiant job—it is local organisations such as the WRVS that step into the breach.

A number of members have talked about the challenging demographics, such as the increase of 35 per cent by 2031 in the number of pensioners. In a shorter period of time—I am sure that the minister will tell me the exact date—75 per cent more 75-year-olds are expected. All of that will cost us more in the long run. Estimates are of a £27 billion rise in the costs of providing care over the next 15 years while spending falls by £42 billion. There will be a huge gap. We need to recognise the role of voluntary organisations such as the WRVS and the army of unpaid carers who we know contribute so much.

The key question is how we go about working better. We need a deliberate shift to more care delivered in local settings, and we need a fully

integrated health and social care service. The voluntary sector has a key and important role to play if the focus is to be on local delivery. Let me finish with a quotation from 2005 that is just as relevant today:

“A shift towards care in local settings is not just a shift in where care is delivered, it is a shift in how care is delivered.”

The WRVS has an essential role to play in that shift.

17:57

The Minister for Public Health and Sport (Shona Robison): I join others in welcoming Karen Gillon’s motion and the opportunity to debate the wider positive impact of the third sector more generally. The challenges of the weather mean that the debate is timely because, as Karen Gillon and others have said, organisations such as the WRVS provide comfort and a vital service to people in their homes who could otherwise feel very isolated.

There are challenging financial times ahead, but that sometimes makes us look at the opportunities—which perhaps have not been looked at in the past when budgets have not been under such pressure—to make real changes to the way in which services are delivered in Scotland. We have to seize the opportunity.

There have been great improvements in health care and life expectancy. That is fantastic, but those improvements bring with them challenges, for example in ensuring the health and wellbeing of vulnerable groups who are living longer. As Jackie Baillie has outlined, we all know that there will be less money available to invest in the future. That means that we must do things differently and better, working in partnership to ensure that we are delivering every bit of value that we can get from the resources that we have.

Added value can be seen in many preventive services operated by volunteers in communities and by third sector organisations that focus on providing early intervention and anticipatory and preventive support in the community. Services such as the Clydesdale community transport and good neighbours project can and do deliver better outcomes for our older people. If better outcomes for older people can be achieved at a lower cost, that is a powerful incentive to invest in local preventive services. Failing to do so will simply shift the burden of care back from communities to acute services, and we cannot allow that situation to develop or, indeed, continue as it is.

The availability of options and early support to help older people to make the right choices is a key part of maintaining their independence and wellbeing, so we must ensure that a range of

services is available to support older people to maintain their independent living. We recognise the pressures in a challenging fiscal climate, which is why we took the decision to allocate a £70 million change fund from April 2011 to help statutory and voluntary partners to focus on redesigning and improving older people's services and to bring about a real shift in the balance of care. We must address the increasing pressure on our resources by redesigning the way in which we provide services. If we do not, the only way of controlling budgets will be to reduce the quality and quantity of care, and none of us wants that to happen.

It is unavoidable that we must plan and deliver services in a far more integrated way; if we do not, the combined pressures of financial constraint and demographic change will result not only in fragmented, poor-quality services, but in failure to provide effective stewardship of the public pound. We must deliver services in an effectively integrated way between GPs, hospitals, community-based health, social care and housing teams and, crucially, the independent sector. If we do not, we will be looking at a potential crisis in service provision.

We must find creative and cost-effective approaches to keeping people healthier and more independent in their own homes and out of the formal care system for as long as possible. I believe that that is in everyone's best interests. The third sector and voluntary services are already helping people to live independently in their own communities using persuasive, convincing and well-evidenced approaches. They are generating services from within communities using local experience, knowledge and insight. Those are effective because they reconnect local people with their communities in ways as simple as befriending, arranging trips to local shops and having a chat over a cup of tea. Those things can make a big impact on someone's quality of life and can help to combat loneliness and isolation, particularly in the communities to which Karen Gillon referred. Our reshaping care for older people programme recognises that in its inclusion of community capacity building as a core theme.

We are committed to working together with the third sector to reshape care for older people—quite simply, it cannot happen without the third sector. The motion calls for greater integration of voluntary services within health and social care and for them to be resourced accordingly. From frequent discussions with stakeholders and folk within the third sector, I know that there is already a shared drive to make things work via the change fund, which has been created following discussions with the Convention of Scottish Local Authorities and NHS chairs. The change fund—guidance for which we are finalising with partners

at the moment, including third and independent sector interests—will present an excellent opportunity for partnerships to show what they can achieve with resources, focusing on people's needs, not on structures.

Johann Lamont: The minister says that there is a role for the voluntary sector. Can she respond to the point about the need to support the people who support volunteering? We currently have people who want to volunteer, but the projects that organise volunteers are struggling financially. Voluntary sector organisations are slightly different from organisations that support volunteering. Can she see a way forward for those organisations?

Shona Robison: I recognise the point that Johann Lamont makes. We have done a lot of work around the volunteering effort within the health service, for example, ensuring that the volunteers and the structures around their support are consistent in helping the health service to achieve its aims. The challenge is to make sure that the volunteers who come through those structures—I recognise that there are other structures—are looking at more community-focused support, rather than support being within hospitals. Those opportunities exist and a lot of people want to volunteer. I am keen for us to make sure that they are received well and supported in a consistent way.

We need to ensure that the voluntary and third sectors are included. I made it clear that, when the local partners gather to come up with the plans that will have a direct impact on where the money from the change fund goes, in Karen Gillon's area or other members' areas, the voluntary and third sectors must be around that table at the start, not as an afterthought once the plans have been drafted. They must be involved in deciding where those resources can go and where they will have the biggest impact. We want to avoid people turning up at the front doors of our hospitals. We want to keep people safe in their own homes. We must think about what services can be developed or how we can build on the successful services that are already there—as Jackie Baillie pointed out, there is some really good evidence about some of the projects that work well.

This is a timely debate. It is clear that we must further cement the successful relationships between local government, the Scottish Government, the national health service and the third sector, based on a shared understanding of the challenges that have been outlined tonight. Everybody understands the issues and knows where we need to go. The issue is how we can make that happen. I believe that the change fund will give impetus to ensuring that we can deliver in communities across Scotland the things that we know will work.

Karen Gillon: I raised the issue of the Ambulance Service and patient transport services. Is that something that you could undertake to consider?

Shona Robison: I am happy to do that. I know that the Scottish Ambulance Service has already examined how, for example, volunteer drivers are supported. However, I am not sure whether it has considered some of the voluntary projects that are already providing community transport and how to get a better link-up in that regard. I will take that issue away and consider it further.

Today's debate has given us an opportunity to acknowledge the role of the third sector as a full partner in taking forward a huge change in how we deliver services to not only older people, but a range of communities who need that support. It has been a pleasure to speak in the debate, and I will get back to members with the information that they have requested.

Meeting closed at 18:07.

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