



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 28 May 2014

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**INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE**

**16<sup>th</sup> Meeting 2014, Session 4**

**CONVENER**

\*Maureen Watt (Aberdeen South and North Kincardine) (SNP)

**DEPUTY CONVENER**

\*Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)

**COMMITTEE MEMBERS**

\*Jim Eadie (Edinburgh Southern) (SNP)

\*Mary Fee (West Scotland) (Lab)

\*Mark Griffin (Central Scotland) (Lab)

\*Alex Johnstone (North East Scotland) (Con)

\*Gordon MacDonald (Edinburgh Pentlands) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Sarah Boyack (Lothian) (Lab)

Margaret Burgess (Minister for Housing and Welfare)

**CLERK TO THE COMMITTEE**

Steve Farrell

**LOCATION**

The Robert Burns Room (CR1)



# Scottish Parliament

## Infrastructure and Capital Investment Committee

*Wednesday 28 May 2014*

[The Convener *opened the meeting at 10:00*]

### Housing (Scotland) Bill: Stage 2

**The Convener (Maureen Watt):** Good morning, everyone, and welcome to the Infrastructure and Capital Investment Committee's 16th meeting in 2014. I remind everybody to switch off their mobile devices, because they affect the broadcasting system.

Agenda item 1 continues our stage 2 consideration of the Housing (Scotland) Bill. I welcome Margaret Burgess, who is the Minister for Housing and Welfare, and her officials. I remind members that the officials are here strictly in a supporting capacity and cannot speak during proceedings or be questioned by members.

I hope that everyone has a copy of the bill, the third marshalled list of amendments and the third list of groupings. There will be one debate on each group of amendments. I will call the member who lodged the first amendment in the group to speak to and move the amendment and to speak to all other amendments in the group. I will then call the other members who have amendments in the group; they should speak to their amendments and to the other amendments in the group, but should not move their amendments at that point. Finally, the member who lodged the first amendment in the group will be asked to wind up the debate and to press or withdraw their amendment.

Members who have not lodged amendments in the group but who wish to speak should catch my eye in the usual way. If a member wishes to withdraw their amendment after moving it, I must check whether any member objects to its being withdrawn. If any member objects, the committee will immediately move to a vote. If any member does not want to move their amendment when it is called, they should say, "Not moved." Any other MSP can move the amendment, but I will not specifically invite other members to do so. If no one moves the amendment, I will proceed to the next amendment.

The committee is required to indicate formally that it has considered and agreed to each section and schedule of the bill, so I will put the question on each section and schedule at the appropriate point.

### Section 72—Tenement management scheme

**The Convener:** The first group of amendments is on the tenement management scheme. Amendment 149, in the name of Sarah Boyack, is grouped with amendments 153, 154, 150, 151, 7, 152 and 35. I understand that Sarah Boyack will, in Malcolm Chisholm's stead, speak to his amendment 35.

**Sarah Boyack (Lothian) (Lab):** I am grateful for the opportunity to speak to my amendments. I will run through them in the order in which they appear in the groupings.

As members will be aware, repairs to common property have caused considerable controversy in Edinburgh in the aftermath of the statutory repairs scandal. I know that I am not alone among Edinburgh colleagues in that I still receive casework on that. Alongside Dave Stewart's Defective and Dangerous Buildings (Recovery of Expenses) (Scotland) Bill, which is being considered, the Housing (Scotland) Bill provides an opportunity to mend problems and to learn from the experience in Edinburgh.

Section 72 is welcome, because it will give local authorities the power to pay and—crucially—to recover a share of scheme costs. Inability to proceed with work because of unwilling or unidentifiable owners has caused unacceptable delays to home repairs, and is one reason why constituents have continued to turn to councils for intervention via statutory notices, even though previous legislation enables majority decisions to be made under a tenement management scheme.

Amendment 149 is really a probing amendment on the apportionment of costs when a local authority uses the new power. It is based on the approach in the City of Edinburgh District Council Order Confirmation Act 1991, which provides the basis of the City of Edinburgh Council's statutory notice system. I am interested to hear the minister's comments on the amendment. I have lodged amendment 149 because, under the 1991 act, the council can apportion the cost of statutory repair work among owners on an equal-share basis. That does not prevent owners from pursuing their fellow owners through civil action when the amount paid does not reflect the situation that is set out in title deeds, but it is a simple way to process and administer the provisions from the council's perspective, and it would avoid the council's having to pay costly legal expenses when an owner challenges the apportionment.

Amendment 149 would allow alternative determination methods to be used, when they are considered to be reasonable. For example, if there is only one missing share, it would be very straightforward to determine it as being the

remainder once all the other shares have been paid according to the tenement management scheme, but the amendment would, in the event that a local authority were to step in to pay for more than one owner's share, allow the missing shares to be split evenly between those owners. Where owners who are liable for a missing share are unwilling or unable to work with the other owners to find a constructive way forward, the amendment would enable a process that would minimise the risk of expensive and protracted legal action, for which the councils would have to pay, to determine the cost for the owners concerned.

Amendments 153 and 154 seek to clarify the requirement that an owner be notified before a local authority steps in to pay a missing share. One of the scenarios that would allow the local authority to pay a missing share is if the owner cannot be identified or found. In such circumstances, it would not be possible to notify the owner directly, so amendment 154 would require the authority to publish notice of its intention to pay the missing share in two newspapers, including—if it is practical to do so—a local newspaper. To complete the circle, amendment 153 makes it clear that only in circumstances in which the identity of the owner is known would the local authority be required to notify that owner directly rather than advertise in the press.

The requirement to publish notification in the press when an owner cannot be identified has been used before—for example, in the Antisocial Behaviour etc (Scotland) Act 2004. During the process of drafting the amendments, it was noted that there has been a recent trend away from publishing notices due to the falling circulations of newspapers, so if anyone has an alternative suggestion, I would be willing to listen to it. However, my current suggestion is that a notice be published in newspapers, because an understandable transparency comes from that.

I see amendments 150 and 151 as probing amendments, too, but I am very concerned about the issues that they address. They would allow local authorities to pay a missing share to registered social landlords. Amendment 150 would enable Scottish ministers to make regulations to achieve that, following a period of consultation to consider the issue. Such a power would apply only in cases in which the RSL is the owner of, or is responsible for, maintenance of any part of a tenement building. The regulations would have the power to amend primary legislation, so amendment 151 would require that the use of affirmative procedure apply to any such regulations.

Amendments 150 and 151 follow on from the debate that we had in response to Dave Stewart's

Defective and Dangerous Buildings (Recovery of Expenses) (Scotland) Bill. The issue was raised by the Scottish Federation of Housing Associations, which said that, in general, housing associations undertake repairs with agreement from owners, but are in some circumstances required to pay the costs for people who are not prepared to pay up, and so the RSLs in effect bear the cost beyond what they should pay in order to ensure the safety and security of their assets. Civil remedies to recover costs in such cases can be protracted and unsuccessful. That money could otherwise be used to improve existing stock or could go towards much-needed new homes.

Since evidence was taken during the stage 1 process for Dave Stewart's Defective and Dangerous Buildings (Recovery of Expenses) (Scotland) Bill, I have been made aware that in Edinburgh there are currently 11 examples of housing associations taking properties out of their letting pools because they cannot carry out common repairs and the properties do not meet the standard at which they are prepared to let houses. That means that there is currently lost income of about £40,000. Moreover, the properties are deteriorating, which is bad news for everybody else in the building, and the situation is leading to housing associations selling off properties where there is a minority ownership. That is bad news, because it will lead to less of a spread of tenancies throughout the city, and it is very bad for the income of housing associations.

Amendment 152 seeks to amend the recovery time for repayment charges when a local authority has paid a missing share. It has similarities to amendment 7, which is in the name of Jim Eadie, but it would go slightly further. The current provisions in the Housing (Scotland) Act 2006 state that a repayment charge is recoverable over a period of 30 years. However, in the evidence that was taken during consideration of Dave Stewart's Defective and Dangerous Buildings (Recovery of Expenses) (Scotland) Bill, there was a consensus that 30 years is too long a period for recovery of such expenses, so amendment 152 does not take the approach of using 30 annual instalments, but instead would give the local authority much greater flexibility by allowing recovery of

"instalments at such frequency, and over such period of time not exceeding 30 years, as the local authority determines to be reasonable in the circumstances."

It would also give ministers the option of producing guidance on the factors that are to be considered by the local authority in determining what constitutes a reasonable frequency and period of recovery. Such guidance would be useful to ensure that repayment charges were being assessed in a consistent and fair way across the country.

One of the reasons why I was keen to remove the 30 years provision is that, in my experience as both an owner and a representative, houses need to be repaired and maintained much more frequently than every 30 years. That is also true in relation to other amendments that Jim Eadie has prepared, such as amendment 9 in the third group of amendments that we will consider today. We need to create an expectation among owners that repairing is not a once-in-a-lifetime activity, and that they need to repair their properties more regularly. Amendment 152 will create that expectation.

Amendment 35, in the name of Malcolm Chisholm, is on tenement management schemes. One of the key benefits of the approach that is taken in section 72 will be the ability of local authorities not just to pay for a missing share but to be able to recover the costs from the relevant owner. At the moment, local authorities' finances are being squeezed, but in principle the certainty of being able to recover their costs for carrying out works that will benefit the owner of a property is a good one, and amendment 35 seeks to minimise the risk of non-recovery even further by providing that a repayment charge that is issued in respect of repair work would be secured by prior ranking over all other burdens on a property. That would mean that, in the event of a property's being sold, repayment of the charge would take precedence over all the other burdens, thereby ensuring full recovery of costs by the local authority.

Thank you for giving me the opportunity to explain the reasoning behind the amendments. I have done so in detail because the provisions that they would insert are not in the bill as introduced, and I know from having experienced many problems with the statutory repairs process in Edinburgh that the details are crucial. I particularly want to test out the different choices for how the legislation could be framed.

I move amendment 149.

**The Convener:** Jim Eadie will speak to amendment 7 and the other amendments in the group.

**Jim Eadie (Edinburgh Southern) (SNP):** I welcome the opportunity to speak to amendment 7, which is one of a number of amendments that I have lodged that arise from extensive discussion between myself and elected representatives and officials of the City of Edinburgh Council.

The purpose of amendment 7 is to facilitate recovery of funds when a local authority has covered the costs of a missing share for a common repair. Common repairs can be complex and pose a significant challenge for the City of Edinburgh Council due to the high percentage of older tenements in mixed ownership. Although the

proposal to introduce changes that take the onus for debt recovery away from responsible owners who are willing to arrange and pay for repair and maintenance work is welcome, it is unlikely that local authorities would be unable to make use of the current powers.

The 30-year period for the recovery of funds through repayment charges is, arguably, excessive, and many local authorities will have limited resources to lend funds over such a long period. Local authorities cannot borrow for that expenditure without the express permission of Scottish ministers, because the money would technically be revenue and not capital. Increased flexibility about the repayment period will allow more local authorities to make use of existing powers. That will help to facilitate more repair work and improve standards in the private sector.

The current system does not take affordability into account. There is a set repayment period of 30 years, regardless of the amount that is owed or the financial circumstances of the owner. Amendment 7 would link a reduced payment period with a duty on local authorities to provide support through their scheme of assistance. That would address affordability issues through provision of financial assistance or access to advice and information, depending on the circumstances of the case and the range of support that is available through the scheme of assistance.

10:15

**The Minister for Housing and Welfare (Margaret Burgess):** Amendment 149 seeks to have the owners' share of tenement management scheme costs calculated as the local authority thinks reasonable, but with the principle of favouring equal shares among owners. I am concerned because the amendment could weaken the tenement management scheme, and it lacks control to protect home owners.

The tenement management scheme is designed to be a process of voluntary agreement between owners that is based on clarity over costs and how they are shared. Amendment 149 would provide for circumstances in which the shares could be altered, potentially to the benefit of owners who would have higher than average shares of the costs. That could result in some owners having an incentive to hold out for a local authority to intervene to reduce their costs, while other owners might resist local authority intervention, because of uncertainty about how their share of the costs would be determined.

Amendment 149 would introduce to the existing arrangements under the tenement management scheme a significant change that has not been subject to consultation. It would not be appropriate to introduce the change at this point in the bill's progress without first having considered the views of local authorities and of owners. I therefore invite Sarah Boyack to seek to withdraw amendment 149. If she does not, I ask the committee to reject it.

Amendments 153 and 154 seek changes to the procedure for notification of owners by a local authority when it decides to cover a missing share. Section 30(3) of the Tenements (Scotland) Act 2004 already provides a procedure for service of a notice on a person who cannot be identified or found, which involves delivery of a notice to the property. The approach that is provided for in the bill is consistent with other notices under the 2004 act. To require that a notice be advertised in the press would incur additional and unnecessary costs for local authorities. I can see no reason to alter the current arrangements for one particular type of notice, nor do I see any advantage, from amendment 154, to justify the additional costs to local authorities. For those reasons, the amendments are unnecessary. In some cases, because of the costs, the amendments might deter local authorities from using the useful power that we are giving them. I therefore invite Sarah Boyack not to move amendments 153 and 154 and, if she does move them, I ask the committee to reject them.

Amendments 150 and 151 seek to introduce a regulation-making power that would enable registered social landlords to pay for a missing share and recover the costs using a repayment charge. Through the bill, we will introduce discretionary powers for local authorities to step in and provide a missing share where a majority decision allows work to go ahead, and to recover that using a repayment charge. It is right that local authorities, as the strategic housing authorities, should have that role and debt-recovery power. RSLs will be able to engage with the local authority if enforcement or assistance is needed in their area, and I encourage them to do so.

I want to be sure that covering of missing shares by RSLs does not occur at the expense of services for tenants, but amendments 150 and 151 do not provide those assurances. I am also concerned that there has not been any consultation on the proposals. It is not appropriate to introduce such a significant change without first listening carefully to views—in particular the views of lenders, who could be adversely affected by the proposal. I would also want to listen to the views of RSLs and the regulator, because some RSLs have constitutional arrangements that could prevent expenditure that is not expressly for the

benefit of members. As I do not currently support the introduction of discretionary powers for RSLs to provide a missing share and to recover that through a repayment charge, I do not see the need to introduce such a regulation-making power at this time.

The Scottish Government's proposed work on cross-tenure housing quality standards later this year will provide stakeholders with the opportunity to raise issues regarding housing quality. Contributions to the scope and design of a forum to discuss quality standards are currently being requested, with a planned consultation to follow next year. I want to await the outcome of that consultation before making any changes. I therefore ask Sarah Boyack not to move amendments 150 and 151 and, if she moves them, I ask the committee not to support them.

I understand why Jim Eadie and Sarah Boyack have, respectively, lodged amendments 7 and 152, which in some ways reflect the committee's views in its stage 1 report: 30 years is excessively long for councils to recover their costs. I appreciate the arguments in favour of a shorter period, but I am concerned that they ignore the risks that a shorter period could pose to vulnerable home owners—particularly those who are elderly, living on fixed incomes and with only modest savings.

A repayment charge is a powerful debt-recovery tool. It allows local authorities to convert a debt into a security without recourse to the courts and—this is important—without the consent of the property owner. That power must be balanced by safeguards for owners. As matters stand, the 30-year repayment period provides such a safeguard in practice. Sarah Boyack's amendments would give councils wide discretion to recover potentially significant sums from owners through repayment charges, over short periods of time and without owners' consent. They would be able to do so without there being a robust replacement safeguard for owners who might not be able to make such payments, which worries me.

Sarah Boyack has proposed guidance for councils, but I am not convinced that replacing the 30-year repayment period with guidance offers robust compensatory protection against the risks to vulnerable owners. I am clear that any change to local authorities' powers in this area would have to be accompanied by strong arrangements to ensure that repayment charges were fair to owners, both in respect of the amount of the charges and the period over which they should be made.

The proposed change refers to what the council considers to be "reasonable". However, there is nothing about a council coming to a view on "reasonable" that requires it to take account of

information on the financial and personal circumstances of affected property owners. There is a real risk, therefore, of a council requiring payments at a level that the property owner cannot afford. That could be a problem for many owners: for example, young families who are struggling with a mortgage, or elderly persons who are living on pensions, with only modest savings. For such groups the proposed change could mean real hardship and distress.

Furthermore, the amendments do not include any specific right to appeal for an owner who may be subjected to unaffordable financial arrangements. I am concerned about that type of major omission, however well intentioned the proposed change may be.

On council recovery of costs, councils already have the option to negotiate a shorter repayment period, or to seek full and immediate recovery through the courts. The existing 30-year repayment period is a backstop. Owners whose property is subject to a repayment charge generally cannot sell the property or create any new borrowing over it without first repaying the council, and the average period between house sales is about seven years. In practice, councils would receive repayment long before the 30-year period.

A reduction in the repayment period does not necessarily make repayment more likely. There is in the amendments no provision that would alter what happens for non-payment. If an owner does not pay, whatever the timescale, the council cannot seek to sell the property as a result of the charge. A council can only seek recovery as a civil debt.

With a shorter period, there would be situations in which the council would have to place another charge on the property to ensure it received payment, with additional costs for the council and the property owner.

For all those reasons I cannot support Sarah Boyack's amendments, so I ask the committee to reject them.

Amendment 35, in the name of Malcolm Chisholm, seeks to ensure that local authorities receive payment before other registered charges on a property are paid. A repayment charge that has been registered by a local authority already has priority over all future burdens. It also has priority over nearly all existing burdens. The exception includes charges that are already registered by the local authority, and a small number of other charges that could be created by other local authorities. As a local authority is already entitled to receive repayment prior to other registered charges in nearly all cases, I do not see any reason to change the current position. I invite

Sarah Boyack not to move amendment 35 on Malcolm Chisholm's behalf, and I ask the committee to reject it if it is moved.

I am aware that I am not supporting any of the amendments in the group and I hope that I have explained why. I understand that there are significant concerns, particularly in the City of Edinburgh Council, regarding the issues that Sarah Boyack and Jim Eadie have raised. We acknowledge the intention behind the amendments, but if we were to make such changes it would require legislation and consultation. My officials are more than willing to explore the issues with the City of Edinburgh Council and to discuss how the council might address its concerns within the existing legislative framework. If it is found that that is not possible and changes are needed, we will carry out proper consultation and bring the changes back in other legislation.

I am absolutely not just dismissing the amendments out of hand; I recognise the reason behind them, but if we were to introduce such changes at this stage, or even at stage 3, we would simply be rushing them through and we would not achieve what we are all looking for. For that reason, I ask the committee not to support the amendments.

**Sarah Boyack:** I am very disappointed by the minister's overall response, because the amendments address issues that have been raised through the consultation processes for two bills—the Housing (Scotland) Bill and Dave Stewart's Dangerous and Defective Buildings (Recovery of Expenses) (Scotland) Bill—and they relate to how we remedy the problems of existing legislation. If we adopted the general principle that the minister has set out, that would lead us to the crazy situation in which if something was not in a minister's original set of proposals for a bill, we would not amend the bill in that regard. That would defeat the whole purpose of having stage 2 and stage 3, without which we would just approve bills en bloc. If that is the minister's reason for not accepting the amendments, I find it incredibly weak.

There is no intention to weaken the tenement management scheme. Amendment 149 tries to address a problem that has been identified by the City of Edinburgh Council. We have the bill in front of us and this is the opportunity to get it right, rather than waiting for an unspecified further piece of legislation. That is one of the problems that we have in housing legislation. This bill amends and corrects a variety of pieces of housing legislation in order to make them effective and useful.

As the minister said, Jim Eadie and I lodged amendments on the basis of practical experience and representations from a variety of

stakeholders. The principle of just kicking everything into the long grass does not fix the problem. The interrelationship between different pieces of housing legislation that have been developed at different times is in itself a problem.

For that reason, I will not necessarily press all my amendments to a vote, but I will have discussions with colleagues about all this and bring the amendments back at stage 3. I do not think that it is acceptable to reject the amendments simply on the basis that they were not consulted on. That is a poor approach to addressing legislation. I do not think that the bill as currently formulated does the job that it needs to do. We know what does not work in existing housing legislation and some of the provisions in the bill will not help to overcome those problems—hence the representations that we have had from the SFHA and the City of Edinburgh Council, which have concerns that the way in which the bill is worded means that it will not address the challenges that exist.

If the minister was prepared to have a meeting with Jim Eadie and me between stage 2 and stage 3, I would be prepared not to press my amendments. I am not convinced that the detail of what the minister has told us today is correct in every respect. I think that there are gaps in her response to the detail of what we have suggested.

On amendment 150, I am particularly concerned about the point about discretionary power not currently being used. Amendment 150 tries to address a current problem, not a future problem. This bill is the place to address the issue of social landlords walking away from mixed tenement buildings because they cannot be sure that they have properties that are capable of being let. That is a current problem; it is not something to be addressed in the future.

I do not know what the procedure is for this. If the minister was prepared to have discussions between now and stage 3, I would be prepared not to press my amendments. As I said, some of the amendments are probing amendments. If the minister is prepared to at least have the discussion—I am not saying that I have to agree with her in every respect—I would seek to do so before stage 3. If she has taken the view that we should just dismiss all my amendments because my proposals were not in the bill as drafted, I will press my amendments today and come back with them at stage 3, because I do not think that that is a credible response to amendments that were lodged to address existing problems, which we perceive that the bill does not address correctly.

10:30

**Margaret Burgess:** We have accepted a number of non-Government amendments at stage 2, and we have lodged a number of Government amendments following discussions at stage 1.

I am certainly willing to meet Sarah Boyack and Jim Eadie prior to stage 3. It is not a case of dismissing their amendments out of hand simply because there have not been consultations; we want to ensure that any amendments do what they are intended to do. We are not sure that that is the case for this group of amendments, or that some of the amendments are necessary. I repeat: I am more than willing to meet both Jim Eadie and Sarah Boyack to discuss their concerns.

**The Convener:** Sarah, are you pressing or withdrawing your amendment?

**Sarah Boyack:** The first set of amendments that I proposed—

**The Convener:** We are talking about amendment 149.

**Sarah Boyack:** I will not press it at this point.

*Amendment 149, by agreement, withdrawn.*

*Amendments 153 and 154 not moved.*

*Amendment 150 moved—[Sarah Boyack].*

**The Convener:** The question is, that amendment 150 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

**Against**

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
Johnstone, Alex (North East Scotland) (Con)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

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

*Amendment 150 disagreed to.*

*Amendments 151 and 7 not moved.*

**Jim Eadie:** May I just say a word by way of response to the minister?

I am grateful for the minister's response, in particular her recognition that my amendment 7 reflects the committee's views at stage 1. I particularly welcome her statement that she is not discounting amendment 7 or any of the other amendments in the group out of hand, and the fact that she is willing to instruct her officials to enter a

constructive and meaningful dialogue to see whether a middle way can be found on amendment 7 in particular.

I recognise the statement that there is a need to strike a balance between the rights of councils to recover debts and the rights of owner-occupiers to repay their debt at an appropriate level over a reasonable period. The issue requires further discussion and consultation. I very much welcome the willingness to consult further on the matter and to engage in meaningful discussions on the issue.

**Sarah Boyack:** I have a strong view about the 30-years issue. It is not the right period of time to set. Therefore, I move amendment 152.

**The Convener:** The question is, that amendment 152 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

#### For

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

#### Against

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
Johnstone, Alex (North East Scotland) (Con)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

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

*Amendment 152 disagreed to.*

*Amendment 35 not moved.*

*Section 72 agreed to.*

#### After section 72

**The Convener:** The next group is on discharge of costs notices applying to owners of properties. Amendment 117, in the name of the minister, is the only amendment in the group.

**Margaret Burgess:** Amendment 117 proposes changes to the Title Conditions (Scotland) Act 2003 and to the Tenements (Scotland) Act 2004 to aid the conveyancing process in a particular situation that arises when a notice of potential liability for costs under those acts is registered against a property. The effect of such a notice is that a new owner may become liable for any relevant costs incurred in relation to maintenance or other work. The notice of potential liability expires after three years unless it is renewed. An issue may arise when a home owner wishes to sell their property during the three-year period or a renewal period. Even if the outstanding amount is paid, the title will still show that the property is encumbered with a potential liability for costs.

Naturally, buyers may be wary of purchasing a property that is encumbered in that way.

Currently, the keeper of the registers of Scotland can deal with that administratively, but that may no longer be possible with the commencement of the Land Registration etc (Scotland) Act 2012. The change in the keeper's practice will not bring transactions to a halt, but it will mean more to-ing and fro-ing between solicitors. To avoid such problems arising in conveyancing transactions, amendment 117 will provide for a statutory discharge procedure for home owners. There will be no obligation to use the new procedure and notices of potential liability will continue to expire at the end of three years unless renewed, as is currently laid down in legislation.

I move amendment 117.

*Amendment 117 agreed to.*

*Section 73 agreed to.*

#### After section 73

**The Convener:** The next group is on the home maintenance framework duty. Amendment 9, in the name of Jim Eadie, is the only amendment in the group.

**Jim Eadie:** I am pleased to speak to and move amendment 9, the purpose of which is to require owners to prepare a maintenance plan to cover common repairs, with a view to encouraging responsible home ownership and the avoidance of emergency repairs. Sarah Boyack said in an earlier discussion that there is a need to create an expectation and culture among home owners that repairs are not a one-off event but something that needs to be addressed throughout the lifetime of someone's ownership of a property. Amendment 9 seeks to achieve that.

In Edinburgh, 76 per cent of all private homes are in some form of disrepair and 38 per cent of private homes are considered to be in urgent disrepair. There is a clear need to encourage home owners to invest in their homes in order to preserve the fabric of the city and to keep buildings safe. Proactive maintenance helps prevent the need for emergency repairs, which can be costly and can potentially pose a danger to residents and the general public. The requirement to establish a maintenance plan would encourage owners to work together and take responsibility for the maintenance of their homes and would mark a shift in culture from reactive repairs to proactive maintenance. That would also help to reinforce the message that home owners have to take responsibility for the maintenance of their homes.

It can be difficult for an owner to take the first step towards organising a common repair if they

do not already know their neighbours, and that can lead to small jobs being put off. Establishing a relationship with neighbours to agree a maintenance plan would make it easier for owners to organise repairs when it becomes evident that work needs to be carried out. Under amendment 9, local authorities would have to establish local enforcement policies that could include a requirement for home owners to register details of their maintenance plan with the local authority or the use of powers in the Housing (Scotland) Act 2006 to require home owners to establish a maintenance plan.

I move amendment 9.

**Margaret Burgess:** I thank Jim Eadie for raising this issue because it gives me an opportunity to set out some of the existing powers and duties in this area. Under section 8 of the Tenements (Scotland) Act 2004, there is a general duty for owners to maintain any part of a tenement building that provides support or shelter to any other part. In addition, local authorities have a discretionary power under section 42 of the Housing (Scotland) Act 2006 to require property owners to draw up maintenance plans, which can include common areas where there is evidence of disrepair or which there is reason to believe will not be maintained to a reasonable standard. Historic Scotland is running a pilot voluntary building maintenance scheme in Stirling, and I will assess the results of the pilot. I would want to be able to do that before considering the introduction of a mandatory maintenance scheme.

Amendment 9 would place additional costs on all owners of property with common areas, regardless of their property's state of repair. Every owner would require to arrange annual inspections of jointly owned roof areas and to appoint persons to implement maintenance plans. I am not convinced that such requirements are justified or that local authorities cannot address the problems of poor maintenance with their existing powers. I hope that that explanation will allow Jim Eadie to seek to withdraw amendment 9.

**Sarah Boyack:** The minister's comments are illustrative. Although powers and requirements exist, none of them is being implemented, which leads to a problem.

I have questions about how Jim Eadie's proposal would work and how it would relate to tenement management schemes. If amendment 9 was agreed to, it would have to be backed up by guidance on its implementation from the Scottish Government, so that a level playing field would apply across the country. I presume that Jim Eadie would suggest an enforcement scheme that is similar to the one that the City of Edinburgh Council outlined in its stage 1 submission.

The idea that buildings do not need annual maintenance inspections does not reflect reality. We have a problem with buildings that need to be jointly maintained but which undergo no regular maintenance inspections. If local authorities currently have powers to deal with that, those powers are not being used. Amendment 9 puts the issue centre stage and it would be useful to have its provisions in the bill.

**Margaret Burgess:** There are existing powers. Where there is a problem, officials will want to discuss with local authorities why they are not using the powers and how they can be encouraged to use those powers.

**Jim Eadie:** Amendment 9 has the City of Edinburgh Council's support and is designed to tackle an issue that it identified as requiring to be addressed. I appreciate the minister's willingness to engage in dialogue with the council. For that reason, I am content not to press the amendment and to ask to withdraw it.

*Amendment 9, by agreement, withdrawn.*

*Section 74 agreed to.*

### **Section 75—Maintenance plans**

**The Convener:** The next group is on maintenance plans: areas. Amendment 56, in the name of James Kelly, is the only amendment in the group. Mark Griffin will speak to and move the amendment.

**Mark Griffin (Central Scotland) (Lab):** Amendment 56 would clarify the position on premises and gardens. The 2006 act refers to premises, which we feel could be interpreted to mean simply buildings. The amendment would ensure that shared gardens were covered in maintenance plans.

Across Scotland, local authorities and registered social landlords have massive difficulties when their tenants share a garden with private tenants and the garden is not maintained to an acceptable standard. Local authorities can step in if the situation in the garden breaches health and safety standards, but amendment 56 would ensure that action was taken before that point. I ask committee members to support it.

I move amendment 56.

**Margaret Burgess:** If I understand it correctly, amendment 56 seeks to enable local authorities to require owners to prepare a maintenance plan for common garden areas. Local authorities can already require owners to prepare a maintenance plan when the property consists of a single house or two or more houses, and the plan can include any part of the premises.

A plan can already include a garden area. Section 194(1) of the 2006 act says that a house “includes ... any yard, garden, garage, out-house or other area”,

so the amendment is not required to achieve its intended purpose. I invite Mr Griffin to withdraw it and, if he does not do so, I ask the committee to reject it.

10:45

**Mark Griffin:** I thank the minister for her comments. As I said, the amendment seeks to clarify the position. We want to ensure that gardens are included in order to prevent an interpretation that focuses only on buildings.

**The Convener:** The question is, that amendment 56 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

**Against**

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
Johnstone, Alex (North East Scotland) (Con)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

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

*Amendment 56 disagreed to.*

*Section 75 agreed to.*

*Section 76 agreed to.*

#### After section 76

**The Convener:** The next group is on charging orders. Amendment 118, in the name of the minister, is the only amendment in the group.

**Margaret Burgess:** Amendment 118 is a technical amendment to the Housing (Scotland) Act 1987. The bill provides an opportunity to tidy up schedule 9 to the 1987 act. Schedule 9 relates to recovery of expenses by charging order. However, the schedule still contains references to feu duties, which are no longer appropriate, as feudal tenure and feu duties were abolished by the Abolition of Feudal Tenure etc (Scotland) Act 2000.

Amendment 118 therefore repeals those references in paragraph 4(b)(i) of schedule 9 and adjusts the references in paragraph 6 of the schedule. It also makes minor consequential changes to the Crofters (Scotland) Act 1993 and

the Civic Government (Scotland) Act 1982. As this is a technical amendment to deal with outdated references to feudal tenure, I do not intend to say any more on it.

I move amendment 118.

*Amendment 118 agreed to.*

*Section 77 agreed to.*

#### After section 77

**The Convener:** The next group is on the first-tier tribunal and Private Rented Housing Panel: disqualification from membership. Amendment 119, in the name of the minister, is grouped with amendment 120.

**Margaret Burgess:** Amendment 119 disqualifies specified office-holders from hearing cases transferred from the jurisdiction of the sheriff and letting agents redress cases as part of the first-tier tribunal. Amendment 120 disqualifies the same office-holders from being appointed as or remaining members of the Private Rented Housing Panel and, in consequence, the Homeowner Housing Panel.

The disqualifications will safeguard the independence of those tribunal jurisdictions and prevent potential conflicts of interest. The amendments also include the ability to amend the list of disqualified offices by secondary legislation, as is the case with some other existing tribunals. Having the power to amend the list will provide the flexibility to consider operational implications more fully when more is known about the organisational structure of the first-tier tribunal, which will include all of those housing-related jurisdictions.

I move amendment 119.

*Amendment 119 agreed to.*

*Amendment 120 moved—[Margaret Burgess]—and agreed to.*

*Section 78 agreed to.*

#### Section 79—Scottish Housing Regulator: transfer of assets following inquiries

**The Convener:** The next group is on the Scottish Housing Regulator: transfer of assets following inquiries. Amendment 121, in the name of the minister, is grouped with amendments 122 to 124.

**Margaret Burgess:** The purpose of section 79 is to protect the tenants, and indeed the lenders, of registered social landlords, by enabling the Scottish Housing Regulator to act quickly in the event of an RSL suddenly being in imminent danger of becoming insolvent. As I said when I gave evidence to the committee at stage 1, the

risk of that happening is low, and the regulator works hard to avoid such eventualities arising.

Section 79 is therefore a precautionary measure, which the Government hopes will never need to be used. It identifies four tests that need to be met before the regulator can set aside the usual requirement for it to consult the tenants and lenders of an RSL before directing a transfer of the RSL's assets. The four tests are that the RSL's viability is in jeopardy for financial reasons, that there is a risk of someone taking steps to have the RSL declared insolvent, that a direction to transfer assets would substantially reduce the likelihood of someone taking steps to have the RSL declared insolvent, and that there is insufficient time for the regulator to consult tenants and lenders before making a direction. Unless all four tests are met, the normal duty on the regulator, under section 67 of the Housing (Scotland) Act 2010, to consult tenants and lenders before directing a transfer of assets remains in force.

Amendment 121 and consequential amendment 122 provide that the regulator must consider separately whether there is time to consult tenants and lenders. They recognise that, in practice, more time would be needed to consult tenants than lenders. It would invariably take several weeks to conduct a genuine consultation with tenants, whereas lenders could be consulted in less time. The amendments ensure that section 79 sets aside the duty to consult only where there is real lack of time, and I invite the committee to support them.

Amendment 123 addresses the committee's recommendation in its stage 1 report that the Government should issue guidance on how the regulator will act under section 79. The Government agrees in principle with that recommendation, but the Housing (Scotland) Act 2010 prohibits ministers from directing or otherwise seeking to control how the regulator performs its statutory functions. For that reason, it would not be right for ministers to issue the guidance that the committee has in mind. Instead, the regulator itself should be required to do so, and that is what amendment 123 achieves. It requires the regulator to describe the sort of circumstances in which it would not be able to consult tenants and/or lenders, what it would do in such circumstances and how it would communicate with those affected by a decision not to consult. It also requires the regulator to consult the representatives of tenants, landlords and lenders before issuing that guidance. I hope that amendment 123 addresses the concerns behind the committee's recommendation and that the committee will support it.

Finally in this group, amendment 124 requires the regulator to obtain an independent valuation

before directing an RSL to transfer some of its assets and to have regard to the valuation when directing the transfer. It has the effect of reinstating the 2010 act's requirement to obtain a valuation, which paragraph 79(b) would have removed. The Council of Mortgage Lenders argued that such a duty is necessary and should be retained, and the Government has been persuaded by that argument, which is why we have lodged the amendment.

However, amendment 124 does make one change to the approach taken in the 2010 act. At present, the 2010 act requires that, where the regulator has obtained an independent valuation, it should then direct the transfer of assets at a price that it considers would be fetched if they were to be sold by a willing seller to a willing buyer. In practice, the need for the regulator to direct a transfer of assets is likely to arise in circumstances where the transfer is necessary to avoid the transferring RSL becoming insolvent. In such circumstances, neither the selling RSL nor the purchasing RSL is likely to be entirely willing, in the sense in which we usually understand that concept.

Amendment 124 recognises that by replacing the willing-seller-and-buyer test with a duty on the regulator to have regard to the valuation that it has been required to obtain. That is a more sensible approach, which avoids the risk of the regulator having to set a price that is not realistic in the circumstances in which a transfer has to be made. I hope that the committee will agree with that approach and will support the amendment.

I move amendment 121.

*Amendment 121 agreed to.*

*Amendments 122 to 124 moved—[Margaret Burgess]—and agreed to.*

*Section 79, as amended, agreed to.*

#### **After section 79**

**The Convener:** The next group is on registered social landlord disposals and restructuring. Amendment 155, in the name of the minister, is grouped with amendment 129.

**Margaret Burgess:** Amendments 155 and 129 give effect to the Government's commitment to require tenants to be balloted before their registered social landlord becomes a subsidiary or part of a group structure of another body. When I gave evidence to the committee on 12 March, I explained that the Government is sympathetic to the argument of the Glasgow and West of Scotland Forum of Housing Associations that, when RSLs become subsidiaries or part of group structures, they lose control over their affairs in the same way as happens when RSLs transfer their

assets to other RSLs. I explained that we would consult on proposals to give tenants the same right to be balloted when changes involving group structures and subsidiaries are proposed as they already enjoy when a transfer is proposed.

We consulted stakeholders between 12 March and 9 April, and a majority of those who responded supported the proposal. I confirmed in the stage 1 debate that we would lodge stage 2 amendments to give effect to the measure. Amendment 155 will deliver the policy objective. It replicates the requirements in the Housing (Scotland) Act 2010 for a ballot when a transfer is proposed for cases in which there is a proposal for an RSL to become a subsidiary or part of the group structure of another RSL. The two types of change will therefore be treated in the same way, in recognition that both situations involve an RSL losing control over its affairs and that tenants should be consulted before either type of change happens. The amendment highlights the Government's commitment to ensuring that tenants are consulted about changes that would have major implications for them before they happen.

Amendment 129 is technical and will have no legal effect; it simply tidies up a reference that is already in a section of the 2010 act.

I hope that the committee will support the amendments.

I move amendment 155.

*Amendment 155 agreed to.*

*Sections 80 and 81 agreed to.*

### **Section 82—Subordinate legislation**

*Amendment 57 not moved.*

*Amendment 37 moved—[Mark Griffin].*

**The Convener:** The question is, that amendment 37 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

**Against**

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
Johnstone, Alex (North East Scotland) (Con)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

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

*Amendment 37 disagreed to.*

*Amendment 38 moved—[Mark Griffin].*

**The Convener:** The question is, that amendment 38 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

**Against**

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
Johnstone, Alex (North East Scotland) (Con)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

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

*Amendment 38 disagreed to.*

*Amendment 58 moved—[Mark Griffin].*

**The Convener:** The question is, that amendment 58 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

**For**

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

**Against**

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
Johnstone, Alex (North East Scotland) (Con)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

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

*Amendment 58 disagreed to.*

*Amendment 126 moved—[Margaret Burgess]—and agreed to.*

*Amendment 127 not moved.*

*Amendment 128 moved—[Margaret Burgess]—and agreed to.*

*Section 82, as amended, agreed to.*

*Sections 83 and 84 agreed to.*

### **Schedule 2—Minor and consequential amendments**

11:00

*Amendments 39 to 41 and 129 moved—[Margaret Burgess]—and agreed to.*

*Schedule 2, as amended, agreed to.*

### Section 85—Commencement

**The Convener:** If amendment 42 is agreed to, I will not be able to call amendments 43 and 44, because of pre-emption. Amendments 43 and 44 are direct alternatives.

*Amendment 42 not moved.*

*Amendment 43 moved—[Margaret Burgess].*

**The Convener:** The question is, that amendment 43 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

#### For

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

#### Against

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

#### Abstentions

Johnstone, Alex (North East Scotland) (Con)

**The Convener:** The result of the division is: For 4, Against 2, Abstentions 1.

*Amendment 43 agreed to.*

*Amendment 44 moved—[Mary Fee].*

**The Convener:** The question is, that amendment 44 be agreed to. Are we agreed?

**Members:** No.

**The Convener:** There will be a division.

#### For

Fee, Mary (West Scotland) (Lab)  
Griffin, Mark (Central Scotland) (Lab)

#### Against

Eadie, Jim (Edinburgh Southern) (SNP)  
Ingram, Adam (Carrick, Cumnock and Doon Valley) (SNP)  
Johnstone, Alex (North East Scotland) (Con)  
MacDonald, Gordon (Edinburgh Pentlands) (SNP)  
Watt, Maureen (Aberdeen South and North Kincardine) (SNP)

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

*Amendment 44 disagreed to.*

*Section 85, as amended, agreed to.*

*Section 86 agreed to.*

### Long Title

*Amendment 45 not moved.*

*Long title agreed to.*

**The Convener:** That ends stage 2 consideration of the Housing (Scotland) Bill.

11:04

*Meeting suspended.*

11:08

*On resuming—*

## Petitions

### Driver and Vehicle Licensing Authority Local Office Closures (PE1425)

**The Convener:** Agenda item 2 is consideration of two public petitions. I invite comments and views from members on PE1425, on the adverse impact of Driver and Vehicle Licensing Agency local office closures.

**Alex Johnstone (North East Scotland) (Con):** The issue that the petition addresses is typical of the kind of problem that arises in a whole series of Government departments when a transformation from a paper-based approach to an electronic approach takes place.

The petition refers to issues of

“economy, safety and customer service to all Scottish residents.”

I am afraid that the issue of economy is just a consequence of such a change. I am more concerned about issues of safety and customer service.

I am not entirely sure about the associated dangers, although I am concerned to find out more.

Customer service relates specifically to representations that I have had from the motor trade. I might wish to find out more about exactly what the impact of the office closures would be on the motor trade.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** I agree with much of what Alex Johnstone has said. I know that, in order to get vehicles back on the road quickly, the DVLA office in the Gyle is used on a weekly basis by many public transport companies. It would certainly be an inconvenience to public transport operators if the DVLA office at the Gyle were to close. I am sure that that view would be replicated across the whole of Scotland.

**Jim Eadie:** I note the representations that were received by the Public and Commercial Services trade union. It said that, if implemented, the local office closures would lead to the loss of a total of 119 jobs in Scotland in five offices across the country. That is a significant point.

**Alex Johnstone:** That is indeed a significant point. We never want to see jobs being lost.

In my original remarks, I was referring to a change in the nature and practice of government that is being driven by technology. It would be irresponsible of us or of any politician of any colour to suggest that government should be kept as big

as possible in order to employ as many people as possible. We must always remember that efficiency in government drives economic growth and creates jobs. That efficiency in government is something that we should, in principle, be supporting.

**The Convener:** I suspect that, because this area is subject to Westminster legislation, the people concerned are not covered by a policy of no compulsory redundancies, as they would be under the Scottish Government.

It is interesting to note from our paper that we asked for comments from haulage and freight stakeholders on two occasions, inviting them to express any concerns that they had. None has been received. We may wish to point that out to the petitioner.

What would members recommend? Should we close the petition? Does the committee wish to take any further action?

**Alex Johnstone:** It would be reasonable for us to support the idea that the Scottish Government should make representations on the matter.

**The Convener:** Correct me if I am wrong, but I think that the Public Petitions Committee would have dealt with that when it was considering the petition.

**Alex Johnstone:** We could write to the Public Petitions Committee and tell it that we support its actions.

**The Convener:** Support the Public Petitions Committee? That is not really—[*Laughter.*] Transport Scotland wrote to the Public Petitions Committee detailing its response to the United Kingdom Government’s consultation. I think that all those steps have been gone through.

**Jim Eadie:** I would not demur from Mr Johnstone’s suggestion that the Scottish Parliament should urge the Scottish Government to make representations to the UK Government. The question is whether that has already been done by the Public Petitions Committee.

**The Convener:** That has been done by the Scottish Government. I draw members’ attention to paragraph 17 in paper ICI/S4/14/16/1. It says:

“A response from the Transport Strategy Unit of the Scottish Government was received on 21 January”,

which said:

“there are no plans to revisit the closures and ... the transformation programme to reduce the DVLA’s running costs will be going ahead.”

That was the response that the Scottish Government must have got from the DVLA—or from the Westminster Government.

The Public Petitions Committee did everything that it could with the petition before it referred it to us.

**Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP):** We should write to the petitioner to that effect and close the petition.

**The Convener:** Is that agreed?

**Members** *indicated agreement.*

### **Blacklisting (PE1481)**

11:15

**The Convener:** Does anyone have any comments or views on PE1481?

**Mark Griffin:** We discussed blacklisting during scrutiny of the Procurement Reform (Scotland) Bill, but there is still evidence of other agencies operating blacklists—motions to that effect have been lodged in the Parliament in the past couple of weeks. It seems to me that there is still more to be uncovered and that, until those who have previously been found to operate blacklists reach agreement on compensation and other such matters with the members of staff who were discriminated against, we should keep the petition open.

**The Convener:** Yes, although I remind you that the petition relates specifically to the awarding of public contracts, so we cannot get involved in matters that concern companies that work purely in the private sector.

**Alex Johnstone:** We have been through a long process in relation to the Procurement Reform (Scotland) Bill, which has completed its passage through the Parliament. The use of the awarding of public contracts to influence companies in the way suggested was discussed at stages 1 and 2 and was rejected for legitimate reasons, so I would go so far as to say that the Parliament as a whole has addressed the matter.

**Gordon MacDonald:** I am totally against blacklisting and the Scottish Government is against it, but we have a bit of a problem in that most of the matter comes under UK employment law. That is, it is reserved to the UK Government—unless, of course, the vote on 18 September goes in the right direction. Therefore, I am not sure what we can do with the petition.

My understanding is that the Scottish Government has written to a number of the unions asking them to provide evidence, so that it can provide future guidance on the procurement process. That is probably the right way to go. There does not seem to be any evidence that any Scottish Government contracts have suffered from blacklisting.

**Mark Griffin:** The matter was linked to the Procurement Reform (Scotland) Bill, but there is still an outstanding call for the Scottish Government to conduct a full, independent public inquiry. Gordon MacDonald states that no evidence has been found that Scottish Government contracts have gone to companies that operate blacklists, but the fact remains that there has been no independent inquiry to ascertain whether that has happened.

I suggest that the committee write to the petitioners, ask whether they are satisfied with the actions that the Government has taken through the Procurement Reform (Scotland) Bill and keep the petition open until we receive a response.

**The Convener:** So you want to write to the petitioners to find out whether what the Government has done so far on public contracts is enough. We can do that, I suppose, pointing out that employment law is a reserved matter.

What is the name of the company concerned? It is the Consulting Association, I think. I think that it works under two names. If it went out of business, especially in Scotland, that would be fine, but the matter is reserved, so it is UK-wide.

Do we agree to do as suggested?

**Members** *indicated agreement.*

## Annual Report

11:20

**The Convener:** Agenda item 3 is on our annual report. I invite comments from members on the draft.

**Alex Johnstone:** It seems okay, although I seem to have got somebody's copy with handwritten notes on it.

**The Convener:** My only question was whether we want to beef up the bit on the fact that we took part in the Parliament day. That was successful for the committee. We were discussing an important piece of legislation—the Housing (Scotland) Bill.

**Jim Eadie:** It was the highlight of my year.

**The Convener:** We will beef that bit up and I will just clear it.

If there are no other comments, that concludes our business for today. The committee will publish its report on 2 June, which is next week.

Next week, the committee will consider an affirmative instrument, the HGV Speed Limit (M9/A9 Trunk Road) Regulations 2014.

*Meeting closed at 11:21.*



Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

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