



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# **Social Justice and Social Security Committee**

**Thursday 12 June 2025**

**Session 6**



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Pàrlamaid na h-Alba

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**SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE**  
**18<sup>th</sup> Meeting 2025, Session 6**

**CONVENER**

\*Collette Stevenson (East Kilbride) (SNP)

**DEPUTY CONVENER**

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

**COMMITTEE MEMBERS**

\*Jeremy Balfour (Lothian) (Con)  
\*Mark Griffin (Central Scotland) (Lab)  
\*Gordon MacDonald (Edinburgh Pentlands) (SNP)  
\*Marie McNair (Clydebank and Milngavie) (SNP)  
Paul O’Kane (West Scotland) (Lab)  
\*Liz Smith (Mid Scotland and Fife) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

John Blackwood (Scottish Association of Landlords)  
Tony Cain (Association of Local Authority Chief Housing Officers)  
Mike Callaghan (Convention of Scottish Local Authorities)  
Simon Coote (Scottish Government)  
Susie Fitton (Scottish Federation of Housing Associations)  
Fionna Kell (Homes for Scotland)  
Maeve McGoldrick (Crisis)  
Shirley-Anne Somerville (Cabinet Secretary for Social Justice)

**CLERK TO THE COMMITTEE**

Diane Barr

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Social Justice and Social Security Committee

Thursday 12 June 2025

*[The Convener opened the meeting at 09:00]*

### Decision on Taking Business in Private

**The Convener (Collette Stevenson):** Good morning and welcome to the 18th meeting of the Social Justice and Social Security Committee in 2025. We have apologies from Paul O'Kane.

Before we begin, I would like to record the committee's thanks to the women from the Scottish Women's Aid survivor reference group for taking the time to meet with us yesterday to discuss the evidence heard during our inquiry into financial considerations when leaving an abusive relationship. It is very much appreciated and it was really helpful to chat with you last night. Thank you for that.

Our first item of business is to decide whether to take items 5 and 6 in private. Do we agree to do so?

**Members indicated agreement.**

## Public Authorities (Fraud, Error and Recovery) Bill

09:01

**The Convener:** Our next item of business is an evidence session on legislative consent memorandum LCM-S6-55 on the Public Authorities (Fraud, Error and Recovery) Bill, which is United Kingdom legislation. The Scottish Government lodged the LCM and members will wish to note that it recommends consenting to those of the bill's provisions outlined in the memorandum, with the exception, at this time, of those on overpayment recovery, debt recovery and enforcement. The Scottish Government has yet to set out its views on those provisions and has indicated that they are subject to on-going discussion and will be the subject of a supplementary LCM.

I welcome the Cabinet Secretary for Social Justice, Shirley-Anne Somerville. I also welcome her officials from the Scottish Government: Gemma MacAllister, a lawyer in the legal directorate, and Simon Coote, head of the cross-cutting policy unit. I invite the cabinet secretary to make some brief opening remarks on the LCM.

**The Cabinet Secretary for Social Justice (Shirley-Anne Somerville):** Thank you very much and good morning, convener. As Cabinet Secretary for Social Justice, I must ensure that United Kingdom social security legislation that impacts on Scotland is compatible with the principles embedded within the devolved social security system. I must also be mindful of anything that might disrupt the safe and secure transfer of benefits. I have considered the bill carefully and it is clear that, in practice, it has implications for Scotland only in so far as the Department for Work and Pensions still administers devolved assistance, under agency agreement, on behalf of the Scottish ministers.

I am, therefore, content that any impacts on devolved assistance from the provisions that are under consideration today will be negligible and can confirm that I intend to recommend consent to the provisions in the following areas. The entry, search and seizure provisions will allow the DWP to apply to a sheriff for a warrant to enter premises, search for and seize items when investigating the most serious cases of fraud. Currently, the DWP requires the police to undertake such action on its behalf. I am content that nothing within the provisions runs contrary to the ethos and principles underpinning the devolved social security system.

Regarding the provisions on data gathering, the UK Government has broadly mirrored the

approach pioneered in the devolved social security system, and because of that, and because the provisions contain similar safeguards and exemptions for third sector organisations, I am content to recommend legislative consent.

The provisions on eligibility verification measures allow the DWP to require banks and financial institutions to provide large datasets to help verify a claimant's entitlement to benefits and identify incorrect payments. Similar provisions were included within the UK's Data Protection and Digital Information Bill of last year, for which legislative consent was agreed in the Scottish Parliament but which fell away due to the UK general election.

On changes to administrative penalties, there is no equivalent to administrative penalties within the devolved system and I am, therefore, content to recommend consent for the provisions in this area.

Convener, although not included in this memorandum, the Scottish Government did not previously take a position on consent in relation to the overpayment recovery provisions, which you mentioned in your opening remarks. That was to allow time for due consideration to be given to the impact of those provisions on Scottish clients and for on-going discussions with the UK Government. I can, however, confirm to the committee that I have concluded that it would not be appropriate to recommend consent for the overpayment recovery provisions. No such provisions exist within the devolved system and I do not consider them compatible with the ethos of fairness, dignity and respect. I have set out that position in writing to UK ministers, who in response have confirmed that they will seek to amend the bill such that devolved benefits are removed from the scope of those provisions.

The Scottish Government did not see the full provisions of the bill until it was laid on 22 January 2025. That meant that the normal timeframes for lodging the LCM could not be met. Due to the on-going engagement required to understand where the bill and its numerous amendments will impact on Scotland, I expect that there will be a requirement to lodge a supplementary LCM for the bill in due course and I will provide an update on the debt recovery provisions as part of that LCM. Thank you, convener.

**The Convener:** Thank you, cabinet secretary. We will move to questions, which will be directed to you, but you are, of course, welcome to invite officials to respond should you wish to do so.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** Good morning, cabinet secretary. I will start with a general question because the LCM shines a light on the continued use of agency agreements, in this case those for

the severe disablement allowance and the industrial injuries disablement benefit. Would it be reasonable to ask, whether the agreement to the bill's provisions that is being sought in the LCM puts more urgency on plans that the Scottish Government has for developing employment injury assistance or does it change the balance between sticking with agency agreements and rolling out our own devolved benefits—standalone, in our own right? Any information that you can give us about the continued use of agency agreements and how long that is likely to last would be very helpful in giving us a context for what we are looking at this morning.

**Shirley-Anne Somerville:** Certainly. Mr Doris will be aware from his long involvement in these issues that the decision was taken right at the very start not to devolve SDA because it was a closed benefit with an exceptionally small case load, even at that time, and is becoming smaller year on year. At that point, there seemed to be no benefit to the devolution of severe disablement allowance, either to the clients or to the costs that it would take to develop a devolved alternative up here.

We have recently undertaken a consultation on employment injury assistance. I appreciate that people wish to see changes on that but, because those changes are quite significant, we consulted on whether it would be better to extend the agency agreement and allow more extensive consultations to happen. Given that that was the outcome of the consultation, I am still very much minded to move forward on that basis and the work has now begun on looking at employment injury assistance in detail.

I hope that that will demonstrate that the work is on-going, but I think that it is important to carry on with those timescales, given the detailed consideration that is required, particularly on employment injury assistance.

**The Convener:** Do you anticipate that the case transfers for other agency agreement benefits will be completed before the bill comes into force?

**Shirley-Anne Somerville:** We expect that the case transfers that relate to the major agency agreements on benefits will complete on timetable. The agency agreements relating to benefits will end in March 2026 and we have a timetable of ending the case transfers by the end of this calendar year. I think that the case transfer process is one of the great successes of the devolution of social security. It has gone exceptionally smoothly when we look at what can perhaps go wrong when we are undertaking such large changes to benefits. We anticipate that to continue and that would bring to an end the agency agreements for carer benefits, for example, that we have in place currently.

**Liz Smith (Mid Scotland and Fife) (Con):** Cabinet secretary, you mentioned in your opening remarks something about Westminster deciding to amend the bill. Looking at some of the House of Commons and House of Lords comments on the bill, I can see that it has obviously had a bit of a tortuous passage in certain areas. While I understand why an amendment must be made, do you have an agreement from the Westminster Government as to exactly when that amendment process will take place and when it will be concluded?

**Shirley-Anne Somerville:** The challenge that we have is in attempting to keep pace with the amendments that are coming in. Obviously, other members of Parliament will table amendments as they see fit. In the past we have had a better ability to adapt to UK Government amendments and to have discussions before they are tabled. We are not in that space with this bill, unfortunately. There are some lessons that I hope that we can learn, as I mentioned in my introductory remarks, both from when the bill was introduced and the fact that we did not see it before that, particularly given that it is such a complex piece of legislation, and also in the work on the UK Government's amendments. I will turn to my officials. Do we have a particular timetable that has been estimated for the bill?

**Simon Coote (Scottish Government):** For additional amendments?

**Liz Smith:** There are significant issues and the cabinet secretary has cited some of them, not least that there are concerns about communication, when you saw the bill and various other aspects. If another legislative consent memorandum is required, I am interested to know the timescale that we are thinking about for that because it could obviously be quite important.

**Simon Coote:** I cannot give you specifics on that. We can provide the committee with further information that we can glean.

**Liz Smith:** Do you see this being a protracted problem, or can it be resolved?

**Shirley-Anne Somerville:** As this bill is exceptionally technical and complicated, it is fair to say that I remain concerned that we may have to come back on other issues. My officials are in detailed discussions with the UK Government on different amendments as they come up. Continuing to do that is proving challenging and it is a further challenge where we have legislation that the DWP and the UK Government may think is only to do with the reserved system but has implications, unintended in many instances, for Scotland. We have been able to clear those up with the DWP in writing, but this is perhaps one of the first significant bills where we are having to

tease out how we deal with the fact that while the DWP may think that the legislation is only to do with what happens in the rest of the UK, it has implications for up here.

**Jeremy Balfour (Lothian) (Con):** Good morning, cabinet secretary. Thank you for coming. Following up on the previous question from my colleague Liz Smith, I appreciate that you cannot be exact, but are we talking about the end of this year before we see this being resolved? A rough timescale would be helpful if possible. Perhaps one of your officials can help out.

**Simon Coote:** I can confirm that our understanding from the DWP is that royal assent will be towards the end of this year, so we are heading towards the culmination of the process. The only other thing to add is that the DWP has been operating at pace in the development of the bill, which has had an effect in that we have also had to operate at pace. That continues as we speak, but it is heading towards conclusion soon.

**Jeremy Balfour:** That is very helpful, thank you. I sit on the Delegated Powers and Law Reform Committee and we were quite concerned when we first saw the LCM. Cabinet secretary, your letter to the DPLR Committee a couple of days ago was very helpful—thank you. The DPLR Committee asked about the involvement of the Scottish Government in decisions about how the measures in the bill would be applied to devolved matters. I know that you have picked this up a wee bit, but the relevant bodies are subject to agency agreements. To what extent is Scottish Government and Scottish Parliament decision making being limited by the existence of agency agreements or can the issue be resolved through sensible negotiations between both parties?

09:15

**Shirley-Anne Somerville:** The agency agreements, as you know, Mr Balfour, have been a very important part of the safe and secure transition of benefits. They have been absolutely integral to the way in which the system has developed. With the completion of case transfers we are coming, as the convener said, to the end of many of the agency agreements. That is an important milestone that will allow us to not have to have a system in which we are obliged to do the same as the DWP because, and very understandably, the clear point from the DWP was, "You have an agency agreement, you are doing it the same way as we are." We have discussed that in the past.

Longer-term policy development beyond the lifespans of agency agreements is not hampered by them. Such policy development continues, however, to face the context of the DWP's policy

decisions and, therefore, the financial implications of those decisions. That is the next challenge on our horizon, if I can put it like that, rather than the agency agreements.

**Jeremy Balfour:** Since the cabinet secretary has opened a can of worms there, perhaps I could, without the convener being too nasty to me, push on that very last point. We have obviously seen quite a lot of changes suggested by the UK Government for adult disability payment and other benefits. What negotiations are you having with the UK Government? If you are able to, do you have some kind of timescale of when this will have to come to the Scottish Parliament?

**The Convener:** Before we continue, you are veering towards a discussion that is wider than the LCM—

**Jeremy Balfour:** I am.

**The Convener:** —so I will stop you there, Jeremy, but thank you anyway.

**Jeremy Balfour:** I give you a challenge.

**The Convener:** As no one has any other questions on the LCM, I thank the cabinet secretary.

I remind members that, should any further LCMs be lodged on the Public Authorities (Fraud, Error and Recovery) Bill as it makes its way through the UK Parliament, the committee may need to make further consent decisions on those later memorandums.

Is the committee content to recommend to the Parliament that consent should be given for the relevant provisions covered by LCM-S6-55?

**Members indicated agreement.**

**The Convener:** Are members content to delegate responsibility to me and the clerks to draft a report to the Parliament on the LCM?

**Members indicated agreement.**

**The Convener:** I thank the cabinet secretary and her officials for coming along. We will have a short suspension to allow for a change of witnesses.

09:18

*Meeting suspended.*

09:19

*On resuming—*

## **Subordinate Legislation**

### **Council Tax Reduction (Miscellaneous Amendment) (Scotland) (No 3) Regulations 2025 (SSI 2025/150)**

**The Convener:** Our next item of business is consideration of a Scottish statutory instrument that is subject to the negative procedure. As members have no comments on the instrument, do we agree that we do not wish to make any further recommendations on it? Are members content to note the instrument?

**Members indicated agreement.**



## Local Authority Housing Emergencies

09:20

**The Convener:** Our next item of business is an evidence session on the housing emergency decisions made by some local authorities. I welcome Fionna Kell, director of policy, Homes for Scotland; John Blackwood, chief executive, Scottish Association of Landlords; and Maeve McGoldrick, head of policy and communications for Scotland, Crisis. They are all joining us in the room. Joining us online, we have Susie Fitton, policy manager, Scottish Federation of Housing Associations; Mike Callaghan, policy manager, Convention of Scottish Local Authorities; and Tony Cain, policy manager, Association of Local Authority Chief Housing Officers. Good morning to you all.

We will kick off with questions from Jeremy Balfour.

**Jeremy Balfour:** I should probably say to the witnesses that, if you do not want to answer a question, you do not have to, or if someone says something that you agree with, you do not have to repeat it. We have six of you here and we want to get through as much evidence as we can.

I will start with a very basic question. Does declaring a housing emergency have a real impact on how local authorities work? I will start with COSLA.

**Mike Callaghan (Convention of Scottish Local Authorities):** What prompted the housing emergencies is a very good question. Essentially, it is about the chronic lack of supply of housing, as you will know very well, and the related pressures of homelessness that have caused a systemic failure across services. At another level, it is about the circumstances of local authorities across the country. There are differences in different localities, such as Argyll and Bute, Fife, Glasgow and Edinburgh. For example, Aberdeen City Council has had issues with reinforced autoclaved aerated concrete, with about 500 properties not able to be used by residents. Glasgow has issues with migration into the city and trying to provide housing for that. There are a number of factors across the country in various local authorities that contributed to the declaration of housing emergencies.

That combination of factors—such as increasing homelessness, lack of affordable housing, rising rents in some city areas and social housing shortages—required local authorities to take immediate action through declaring housing emergencies so that there was a focus on

mobilising resources and seeking solutions to what is an on-going crisis.

We see good examples of work around the country. For example, Glasgow, Edinburgh, Lanarkshire and West Lothian have been reducing void numbers. They are rising to some of the challenges of the pressures through homelessness prevention work, proactive and joined-up intervention work by home teams, and targeting acquisitions to buy back family homes, particularly in pressurised areas, to reduce the number of children in temporary accommodation. However, those local authorities still face unrelenting pressures, and it remains the case that there is a pattern of severe pressures across the country.

**Jeremy Balfour:** Does anyone else want to come in on the question?

**Maeve McGoldrick (Crisis):** It is a really interesting philosophical question in some ways. I say “philosophical”, because the concept of a housing emergency means something different to everyone. The act of saying, “We need help—things are out of control,” has been beneficial. In particular, we have seen reinvestment in the housing budget, which was probably a direct response to the declaration of housing emergencies at local and national level. Equally, we have seen a much more concerted effort to address homelessness and the use of temporary accommodation because of the declarations. However, whether using the term “housing emergency” has been beneficial is questionable, because an emergency implies the need for a quick response to get you out of it.

There are comparisons with how we handled the pandemic, when we were in an emergency. We put in place measures to protect people as much as possible, in the same way as we do with temporary accommodation. We also threw a lot of money at a solution to try to get people vaccinated and, in the same way, we have put money back into the housing budget.

The response has been good, but the point is that there is no quick fix to get us out of the housing emergency, which is, to a large degree, about a market failure. That is much more complex and will not necessarily be resolved in six months to a year, as was the case during the pandemic, when we had the mentality that we needed to move out of it quickly.

I might have phrased it differently, but the point is that the term has created attention and brought positive responses. However, the exit plan is very confusing.

**Susie Fitton (Scottish Federation of Housing Associations):** Essentially, at the moment, we are calling the situation an emergency and, for many

years, we have called it a crisis. We have just finished a two-day conference at which the First Minister spoke about the “activist approach” that the Scottish Government is taking to the housing emergency but, essentially, it will not be over until the number of people becoming homeless is falling year on year, no local authority is in systemic failure and we are building enough homes with the right level of public subsidy in the right places to meet the needs of all those who need a social home.

As I think we all agree, we urgently need to increase the supply of new homes and particularly social homes. We need to make maximal use of existing homes for people in need. We need to fully fund homelessness services and we need to maximise affordability across all tenures.

The scale of the challenge and the depth of the emergency have prompted a substantial response from our members. Partnership working with councils has been a real feature of the response in increasing the development of new affordable homes through the affordable housing supply programme. We have had the comprehensive spending review and the investment in a 10-year programme south of the border, and there are significant opportunities for Scotland in that.

The overarching message from our members in responding to the emergency is about the need for certainty and stability. Our members’ core purpose is to address homelessness, and upping the number of lets to homeless households has been a feature of the response. A survey of our members in 2023 found that a quarter of them let between 50 and 77 per cent of their stock to homeless households, with some providing 100 per cent nomination rights to local authorities for new builds for homelessness.

There has been a wide range of prevention activity, not least the £1 million tenancy sustainment fund that we are currently administering, and the strategic acquisitions programme, with a focus on family housing in some areas to increase social rented housing to alleviate homelessness and tackle voids. I would say that some of the focus on, for example, voids and stalled sites feels quite marginal. We have been saying for years that timely repairs and meter issues are the key issues for voids, but a fixation on voids is a distraction, really.

09:30

There has been lots of work to bring empty homes back into use. What would help is certainty and multiyear funding for the affordable housing supply programme. Local efforts to deliver more homes have been held back by significant periods of retrenchment in funding for the programme, first

between 2011 and 2015 and again between 2022 and 2025. With development, you cannot just keep turning the tap on and off. That long-term uncertainty on funding is coupled with the land supply challenges and rising costs—I am sure that we will talk more later about construction cost inflation. There is limited availability of land. There are willing developers but, in many rural areas, it is really difficult for our members to develop to the extent that they might. However, there is no lack of commitment in the sector to building the social homes that we need.

**Jeremy Balfour:** Thank you.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** I have a quick supplementary question. I am trying to understand why there is a housing emergency. I had a look this morning and found that the National Records of Scotland highlights that there are 2.7 million dwellings in Scotland and just over 2.5 million households. That is an excess of 150,000 houses over the number of households in Scotland, according to the National Records of Scotland.

Why is there a housing emergency when we seem to have 150,000 more houses than we need? I am happy to hear from anybody. Any volunteers?

**Tony Cain (Association of Local Authority Chief Housing Officers):** I will give that one a go. It is an interesting question and one to which I do not think we have a definitive answer. The question is: how many empty homes are enough if 10 per cent of households in Scotland seek to move every year. I do not know the answer to that question and we have never actually looked at it, but we have a quarter of a million households seeking to move. You cannot move if there is no empty house, so empties need to be available. My worry is that, actually, the number that you mention is not enough. Not all those homes are capable of being occupied and too many of the households looking to move cannot find one that is available and affordable to them.

It is a great question, but the idea that we should have no empty homes is simply wrong. The question is: do we have enough? The evidence at the moment is that there are not enough homes to meet the needs of everybody who wants to move or has to move, and that we have a backlog of 30,000-odd households sitting in temporary accommodation—sorry, they are sitting in the homelessness system, as not all of them are in temporary accommodation. There are probably very many more households who would like to move and who may even have a pressing need to move but who simply cannot find a way of doing that.

**Gordon MacDonald:** I accept that there must be a certain number of empty houses, but what is driving the demand for additional social housing? Is it family breakdowns or is it the fact that 62,000 households in Scotland are facing repossession due to mortgage costs?

**Tony Cain:** Those are all complicated questions, but the truth is that the most affordable and the least expensive to heat homes in Scotland sit in the social rented sector. Therefore, for people on modest to lower incomes, those homes are often the best place to be in terms of meeting their housing needs and avoiding poverty driven by housing costs. That is principally what underlies the increase in demand—there is no question about that. Very many people want to live in the social housing sector and there simply are not enough properties in that sector in the right places to meet those needs.

**Maeve McGoldrick:** It is worth noting that not every local authority area is in a housing emergency. Gordon MacDonald gave a national figure. In the hotspot areas, there is a supply and demand problem while, in other locations, there is no housing emergency and there might be surplus housing. That goes back to the fact that there are localised housing emergencies, with the complication of the declaration of a national housing emergency.

**Gordon MacDonald:** I accept that, but the difficulty for me is that the City of Edinburgh Council declared a housing emergency when it was sitting on 1,500 empty council houses. The council has, in recent months, managed to halve that, which is a fantastic achievement, but why declare a housing emergency when it was sitting on 1,500 empty council houses?

**Maeve McGoldrick:** If someone from the City of Edinburgh Council was here, I think that they would say that the response to the housing emergency and the additional funding has allowed the council to address many of the void issues and make a concerted effort, and the same has happened with acquisitions and other targeted interventions, so the declaration has been beneficial. To go back to Jeremy Balfour's question about why councils declared an emergency, even though they had the stock in some shape or form, the additional funding has given them the financial resources to bring those houses back into use. Another point is that, with temporary accommodation, the stock that is available is not always suitable, particularly for families and large households.

There is a more complicated picture involving what is available and the demand, versus local and specific requirements.

**Fionna Kell (Homes for Scotland):** I will not specifically answer Gordon MacDonald's question, which is an interesting one, but it is worth noting that, last year, we did research that identified that about 28 per cent of Scottish households—that is roughly just under 700,000—had some form of housing need. That does not mean that they are homeless or in temporary accommodation; it might mean that there are adult children still living at home who have not moved out yet. The issue of the number of households, the number of properties and the rate of household formation is very complex and there are many moving parts at any one time.

**Tony Cain:** I have two points. First, to respond to the point from Homes for Scotland, we came to a very similar figure for the overall level of housing need in Scotland by a very different methodology. We looked at the extent to which the human right to adequate housing was being met, and we published the results of that back in 2020-21—there is a link to that in the document that I submitted. The number of households in need or facing problems with accommodation is much higher than what, for the most part, our assessment of needs suggests.

On the nature of the housing emergency, it is not universal but it is not far off it. As you know, every six months, we carry out a red, amber, green—RAG—survey of homelessness services. I sent the committee the most recent complete survey as part of our submission. Two councils said that they were green across all three of the questions that we ask, which are about supply of temporary accommodation, meeting the requirements of the unsuitable accommodation order and the supply of permanent accommodation. The other 30 councils face a degree of pressure at some point across those three questions, and 14 or 15 say that they are red on all three. We are currently repeating that survey, which is giving a very similar picture.

No matter where you are in Scotland, there is a shortage of social rented homes—it is as simple as that. There are more people looking for a social rented home than there are homes available each year to meet their needs.

**Susie Fitton:** There is not just one side to the emergency in the most pressured areas. We carried out some research with staff in local authorities and housing associations who are involved in managing allocations. Staff spoke of demand for social housing outstripping supply in many areas, as Tony Cain mentioned, increased demand in their area of operation and the mismatch between available stock and demand. Also, it was not just that the level of demand is increasing; the severity of need is, too.

You will be aware of the statistics on rising homelessness. Applicants have increasing mental health needs and there are affordability and domestic abuse issues. In interviews, we asked people about whether their job had changed, and whether the needs of tenants and applicants had changed. Staff talked about increasing needs in the areas of mental health, financial pressures, domestic abuse, family breakdown and accessible and adapted housing. That is a key issue in considering how to respond to the emergency, because the answer is not just build, build, build; it is about building the right types of homes. The issue of households with neurodivergent children also came through.

We heard that dealing with and meeting expectations is the hardest part of the job, and that that has a significant impact on people's experience of the work. More than one in 10 staff had, daily or weekly, spoken to applicants who expressed suicidal thoughts about their housing issues. That is the side of the housing emergency that is not talked about very often.

At our annual conference yesterday, we discussed why we need social landlords. Somebody said that, basically, we need registered social landlords in Scotland to stop people from feeling that they need to kill themselves because of their housing situation. I know that that sounds really dramatic, but the evidence on that is concerning. It was not that staff did not speak positively about the difference made by housing associations and local authorities; they did, but they talked about the impact of the emergency on them professionally and personally, with 68 per cent of respondents saying they had felt burnout or close to burnout in the past 12 months. I wanted to make the committee aware of that evidence, which we can share.

**Bob Doris:** I have slightly changed the question that I was going to ask. I was initially going to ask how well local authorities and their partners are using the affordable housing supply programme budget. We have heard a lot from Susie Fitton in particular, but if I put that question to ALACHO or COSLA, I would be asking them to mark their own homework, so I will ask the question in a different way.

COSLA suggested that there is a need for more flexibility in the programme and its budget. Rather than asking how well local authorities and partners are doing, let me ask how the budgets can be used better and where flexibility might assist you in doing that. It probably makes sense to go to Mike Callaghan first because I have checked COSLA and its submission.

**Mike Callaghan:** Thank you. You asked a really good question. We would certainly welcome flexibility—it is one of the political positions that we

have adopted. The affordable housing supply programme faces changing housing needs across the country. Housing demand can fluctuate in local authority areas as a result of various factors, such as population growth, demographic change and economic conditions. Flexibility would allow local authorities to adapt more quickly to those shifts and would help them to prioritise specific projects that meet current needs. Local circumstances, local context, variability and the differences between areas mean that local areas in Scotland face unique challenges with housing supply, demand and affordability. A more flexible approach would allow local authorities to tailor strategies to their specific local circumstances. That, obviously—

**Bob Doris:** I am sorry to cut across you, but you are making a passionate argument for more flexibility without saying what that flexibility would look like. Could you give us a clear example of flexibility? It was one of your recommendations.

**Mike Callaghan:** Yes. Examples include flexibility in relation to key worker housing or acquisitions in support of community trusts. Another example relates to the issue that we have with temporary accommodation. If we could use affordable housing supply programme funding to fund temporary accommodation, that would mean that, after a few years, there would be higher-quality temporary accommodation that could be flipped and become tenanted permanent accommodation. Various flexibilities within the affordable housing supply programme funding would enable that.

We would welcome devolution of the programme, with local authorities empowered to be more involved in the decision making, rather than it being, as it is now, a more centralised programme. We could allow the affordable housing supply programme to be more dynamic in meeting local needs and local circumstances across the country, which would maximise the use of the available resources.

**Bob Doris:** That sounds a little bit like the much greater flexibility that Glasgow and Edinburgh have at the moment. For example, they can direct the cash from central Government into partnership work with housing associations. Do you want to see more of that?

**Mike Callaghan:** I will not comment on the ins and outs of specific examples, but, broadly speaking, we want the programme to be more dynamic and flexible so that it can address local circumstances.

**Bob Doris:** Do any other witnesses want to comment on how they think that that budget could be better used?

**Fionna Kell:** The key thing to remember is that building a house does not start at the beginning of the financial year and finish at the end of the financial year. It does not work neatly like that. Our big ask—we have sought this continually—is for multiyear funding, which would allow for certainty. I mean that genuinely. We are in the middle of 2025. If you want to build a home in 18 months' time—at the end of 2026—you cannot wait until April 2026 to find out whether budget is coming to allow you to start. We need the flexibility of multiyear funding.

09:45

Also, individual local authority areas need to be able to overcommit in some years, because we know that programmes slip. We want the flexibility to be able to say that we will overcommit, in theory, this year, because we know that there is a risk that 20 per cent will come back, so we can carry it forward. That kind of flexibility is important.

Over the past three years, we have seen a continual fall in the number of building starts and completions across Scotland, partly as a result of the cut to the affordable housing budget and then the reinstatement of funding. However, even though the funding has been reinstated, getting those projects back up and running again is a slow process. To us, flexibility means the ability to move funding between years to allow the development cycle to work efficiently.

**Bob Doris:** That is helpful. The Government has previously had multiyear budgets for affordable housing. I know that, in Glasgow, that made a big difference to strategic planning for affordable homes. Your point is very well made.

On overcommitting, I know that slippage is a significant issue in construction generally. What happens if local authorities overcommit and then are able to land all their projects? How will those be funded?

**Fionna Kell:** That is a risk, but when we are in a housing emergency, there are some risks that we have to take, as Maeve McGoldrick said. This is an emergency, and it requires an emergency response. Maybe we need to think about things a little bit differently and build in some additional contingency to allow for that flexibility, so that we make sure that we are delivering at the necessary pace.

**Bob Doris:** That sounds a little bit like more money is needed. Would the quantum be the same? If there was a three-year budget with indicative figures for each year, would that mean that you could overspend in year 1 and then there would be clawback in year 2 or year 3 so that projects would still land financially?

**Fionna Kell:** That is potentially the case. It is an issue that we always face. There is a target for the number of affordable homes that the Government wants to be delivered, and there is a set budget. However, there might be additional costs. For example, we have already touched on inflation in construction costs and the costs of additional regulation. We cannot manage those three things at the same time, so something, somewhere has to give. Flexibility is about understanding that we may need to take a hit on this or that, or maybe exempt something from a particular standard to allow costs to come down or to allow us build more. That is what flexibility means in my mind.

**Maeve McGoldrick:** I want to highlight the obvious point that has been made about how to spend the budget. This is not a concern, but it is something to be aware of. There is a housing emergency and a homelessness emergency. COSLA's response and the examples that have been given of Glasgow and Edinburgh are very much targeted at using funding for specific acquisitions to try to move people out of temporary accommodation. Fionna Kell was talking about the housing supply pedal. There is a slight concern that we have conflated those two issues. There is only so much money in the budget, and the more you put into acquisitions, the more you take out of new builds.

We need to keep in mind the need to keep our foot on the pedal in relation to both aspects. We need to keep up with the long-term supply of homes—nothing should jeopardise that if we want to get out of this in the long term. Equally, however, we need to deal with the backlog of people who are stuck in temporary accommodation, so we need to find properties quickly to move those people into. Is there an issue with the use of existing budget, or might a more strategic option be to see two slightly different problems and to have budget for both?

**Bob Doris:** Thank you. I think that Susie Fitton also wants to come in.

**Susie Fitton:** We need multiyear funding for certainty and stability, but we know from our members that competing priorities impact their ability to develop new homes. I give the specific example of development costs. In 2021, the average cost to housing associations of a new social rented home funded through the affordable housing supply programme was around £158,000. However, our members report that, due to increased cost pressures—particularly construction inflation—development can now cost between £190,000 and £300,000 per home, with higher costs for smaller projects, projects with higher space standards or specialist provision and projects in remote and rural areas. As a result of those increased costs, our members are reporting

challenges for proposed developments. There is no lack of desire in the sector to be a delivery partner and to tackle the housing crisis or the housing emergency—whatever we choose to call it. However, our members are reporting shortfalls in development costs and that those shortfalls are increasing. There is inflation, obviously, but there are other issues, such as difficulties with the supply of materials, procurement challenges, land and remediation costs and uncertainty about costs incurred through compliance with ever-increasing regulation.

There are discussions to be had about benchmarks and flexibility. There has never been a ceiling—we know that. However, if we are committed to delivering more social homes, we need to consider what grants we need. We know that there can be peaks and troughs in the funding and delivery of new homes over a long-term programme, but our current trajectory of approvals and starts means that it is highly unlikely that the affordable housing target will be met.

We know that one of the biggest costs for housing associations and co-operatives, and a key challenge in balancing the delivery of new homes, will be the transition to net zero and decarbonisation. Funding that transition will have a direct impact on the deliverability of new affordable housing. We need a sustainable financial settlement for the sector in that regard.

Tony Cain mentioned that social homes are already the most energy efficient in Scotland, but we are approaching a new challenge with the clean heating requirements and higher energy efficiency measures. We have done a lot of research in that area, including with the Institute for Public Policy Research and Oxfam on the report, “No Home Left Behind”. That report talked about the inadequacy of current funding for social housing providers via the social housing net zero heat fund, in both the funding and operational sense, if current and projected costs are to be met.

To me, flexibility means looking at all the barriers to development and having some policy alignment, by which I mean thinking about all the ways that the Scottish Government, in its wider functions and its wider policy development, can support development. Key to that will be an approach that allows the sector to balance the demands of providing homes for existing tenants with the provision of energy efficient homes to people who are disproportionately likely to be in fuel poverty.

**Bob Doris:** Thank you

**The Convener:** I think that Tony Cain wants to add to that.

**Tony Cain:** Thank you, convener—I will be as quick as I can be.

I want to revert to first principles. The affordable housing supply programme and understanding and meeting local housing needs are a local authority competence. If we are working with the principle of subsidiarity, for example, or even with the Verity house agreement, it makes complete sense to push decision making around the programme down to the lowest level. I suggest that it would be worth looking at the Edinburgh and Glasgow model and thinking through how that approach could change things in relation to some of the delays and uncertainty that arise from the current consenting regime.

If a council wants to change its own programme of delivery, it has to ask Scottish Government officials, which creates delays in the programme. Further, it is a complicated programme. To deliver 5,000 social rented homes in a year, you are probably talking about 200 individual projects that have to go all the way through the process. To get 200 projects to land, you probably have to have within the scope of the programme at least 400 projects that you are actively managing towards start and completion. Smaller authorities that are managing smaller programmes end up with shortfalls and underspends if one or two more significant projects are delayed or fall off the programme.

Over the piece, the underspends on the programme for the three years up to 2023 were almost entirely within the centrally managed programme—£300 million or thereby was not spent, most of which was in centrally managed programmes, whereas the local programmes do spend. There is bound to be scope for improvement.

Using exactly the same rules, the Scottish Government is making judgments about value for money that are different from the judgments that local authorities would make. The Scottish Government puts a great deal of money into the programme but more than half the cost of a council house is paid by council tenants. Pretty much half the cost of the whole programme comes from elsewhere, so there is no natural right for the Scottish Government to control everything. We need better balance in decision making and a fleetness of foot, if you like, at the local level so that councils can respond to changes within their programmes.

Finally, we have no year-end flexibility. If the money is not spent, it disappears. If money was allocated because there was a need, we should not be disappearing it at the end of the year if that need has not been met. There is a range of things that we could unpick. Unfortunately, the Scottish Government's recent review of the affordable

housing supply programme, which was published a couple of weeks ago, addressed none of those questions.

**Liz Smith:** I turn to the private rented sector and affordable homes. Mr Blackwood, the submission from the Scottish Association of Landlords mentions quite a list of challenges: the problem with the additional dwelling supplement, the demographics of private landlords getting a wee bit older, negative attitudes towards some of your landlords and regulatory challenges. In that list of very considerable challenges, what do you cite as the most pressing difficulty that you face?

**John Blackwood (Scottish Association of Landlords):** The most pressing challenge at the moment is the fact that landlords and investors are leaving the sector and we are not encouraging new investment in the sector in Scotland. Our submission details the reasons why that might be happening in Scotland but regardless of the reason, we must recognise that it is happening and that we need to stem the exodus of landlords who are leaving the sector. The issue always arises in housing supply that the landlords might sell up and leave, but the properties remain so they are still homes for someone. However, the concern for those of us in the rented sector is that there is one less home to be rented out. That is our number 1 challenge and priority.

**Liz Smith:** There was lots of discussion about the additional dwelling supplement at the Finance and Public Administration Committee not that long ago. Do you think that the regulation is not particularly helpful or would you like to see a rate change?

**John Blackwood:** It is not helpful. My wish is for it not to exist at all. However, I understand that Governments have challenges and ADS has a role to play. My understanding of ADS was always that it was there to address second home purchases and as a means to curb that. Of course, landlords are buying properties but they are not their homes—or second homes either. Landlords are purchasing properties to become homes for someone else. We have always felt that landlords should be exempt from ADS.

As part of the housing to 2040 strategy, we are looking at outcomes: Scottish ministers are saying that we need to see outcomes and quick fixes to address the housing emergency, as we have been talking about today. We know that building more homes is a challenge. A lot of evidence has been provided about that today: it takes time and it is costly. Although we have evidence from lots of members telling us that they are leaving the sector because they are not happy for various reasons, we also have evidence that about 10 per cent of people are still interested in investing in housing.

That is small but it is not insignificant and it is a positive sign.

We need to consider what would encourage people to continue to invest. When we delve into that with our members, many are saying that they would still be interested in investing in some parts of Scotland but that the killer for them is the ADS.

**Liz Smith:** At the Finance and Public Administration Committee, there was a lot of discussion around behavioural change, which we questioned the Scottish Government ministers and Scottish Fiscal Commission about. In respect of the Scottish Fiscal Commission's trajectory over time, it is difficult to measure behavioural change because ADS is relatively new. The problem, as you identify, is that there is a behavioural change and it is having a negative effect on the supply of private rented accommodation. That is the big issue. If you ask for the removal of the additional dwelling supplement, the Scottish Government will come back to you and say, "We need this money because of the fiscal circumstances in which we find ourselves", so what would you like to see instead?

10:00

**John Blackwood:** I believe that ADS should not exist for landlords. We need to look at the bigger picture and at what we are trying to achieve. I am looking at it in the context of a housing emergency and how we can tackle that and provide more rented homes. That is the ultimate goal. We are suggesting a moratorium, rather than a complete end to ADS. That would enable the Government to say that, given that we need to tackle the housing emergency, for two years or whatever, we will lift the ADS requirement from landlords in return for rented accommodation to be provided for people here in Scotland. It could be conditional on a property being let for a certain time. It could also be targeted at the empty homes that we were talking about earlier. Landlords are interested in investing in empty homes. How can we incentivise them to do so?

**Liz Smith:** At what stage are your discussions with Scottish Government ministers on the possibility of a moratorium?

**John Blackwood:** They are at a very early stage. We are looking at that as a potential solution to the current emergency. We posed the question and that is why I felt it was appropriate to bring it to the committee.

**Liz Smith:** Are meetings planned?

**John Blackwood:** Yes. It is under discussion.

**Liz Smith:** That is helpful to know. I want to ask you about planning because there are obviously significant planning issues and not just when it

comes to building more homes. Parliament is always discussing planning legislation and there are lots of issues surrounding that. You said that there are difficulties for new investment in the private rented accommodation sector. Is the length of time involved in planning having an effect on that?

**John Blackwood:** It certainly is. The majority of our members purchase properties on the second-hand market, so they are not necessarily investing in building new properties. However, many private landlords are investing in such properties and institutional investors are looking to do that, too. The first thing that those landlords will say to you is, "Yes, there are planning restrictions, there are problems there and it takes time". The issue with everything that we are discussing is the length of time that it takes to build the homes and provide the accommodation that we need.

**Liz Smith:** There is some anecdotal evidence about regional variations and that this is a particular problem in rural areas. Is that correct?

**John Blackwood:** Yes, it is. We find that there is very much an urban-rural divide in Scotland in respect of housing supply and demand. We want to encourage businesses to invest in rural Scotland but businesses say, "Yes, we are willing to do that, but we need the homes for our workers to live in". That is the challenge. Often in rural Scotland, the only available landlord is a private landlord and we need to make sure that those landlords are not exiting the sector. We hear many rural landlords saying that it is no longer a viable business proposition for them to continue to operate—they switch to holiday lets or in some extreme cases just leave the properties empty.

**Liz Smith:** Thank you for that. That is certainly the impression I get in my region of Perthshire, Mid Scotland and Fife.

**Tony Cain:** I have a couple of observations. The private rented sector is the place where our lack of good quality data shows itself most acutely and creates the most difficulties. It is not clear whether the private rented sector is growing or shrinking. Our data, even over the last three or four years, has not answered that question. The sector is almost certainly growing in some of the busy areas, such as Edinburgh in particular, but also some other high-value areas. It is almost certainly shrinking in some of the rural areas. I know it was one of the factors that underpinned Argyll and Bute's declaration of a housing emergency. The evidence also shows that landlords are still buying houses and that the average size of a landlord portfolio is growing. We see evidence that some landlords are leaving the sector and other landlords are increasing the size of their portfolios. The spread of that is difficult to understand.

On ADS, I think it is a case of being careful what you wish for. The Scottish Government published figures a month or so ago that showed that something in the order of 23 per cent of all the homes being sold on the private market are being bought by people or organisations that already own a home and that is even with ADS at 6 per cent. We have not seen the impact of the recent increase. The buyers are people who already own a home, buying a house that might otherwise be acquired by somebody who does not own a home and needs one. Changing the rules around ADS could make a dramatic difference to the capacity of first-time buyers and others to purchase a property on the open market. I remind you that 23 per cent of homes appear to be being acquired by people who already own one, so we have an increasing concentration of property ownership by a smaller and smaller number of people. That was more or less confirmed by John Boyle from Rettie and Company, who spoke recently at a special interest group meeting at COSLA.

That is problematic. It means that the people most able to buy homes in the market are people who already own homes. I am not convinced that is a policy outcome that we would want to accentuate, which is why we need to think carefully about ADS.

**Gordon MacDonald:** I want to return to my favourite subject, which is empty homes. I want to know what is working well and what is not working well. I have already highlighted that there are more than 150,000 empty homes. While I accept that there is a need for some empty homes, we have: more than 90,000 empty homes in the private sector, about half of which have been empty for more than a year; more than 24,000 second homes; and more than 20,000 short-term lets. We talked about the council voids, which at one point were at 12,000. We also have roughly 1,000 empty Ministry of Defence properties across Scotland, including some in Edinburgh recently. Among the various schemes—the doubling of the council tax, the additional dwelling supplement, and the funds to purchase empty homes for the private sector—what is working well and what is not working well in getting empty homes back into use?

**John Blackwood:** Bringing empty homes back into use is very much on the agenda of the Scottish Association of Landlords. We are working with our members to gather a degree of intelligence from them as to why they might be interested in investing in empty homes, whether they are interested and what the barriers are to investing. We work closely with the Scottish Empty Homes Partnership to establish that information. In some of the evidence that has come back so far, landlords are saying, "Yes, we are keen to do it, but there are a number of barriers, ADS being



one". To pick up on Tony Cain's point, if there is a moratorium on ADS, we think that it should be targeted and empty homes would be a good target.

How can we incentivise investors to purchase the other homes that we want to bring back into use? The landlords who are investing with a degree of success say that there are issues in local areas with ownership of the existing homes. That is the number 1 priority. Who owns the homes that are lying empty? There are barriers there, too. You cannot force somebody to sell, for instance, but local authorities might have the power to take management control of those properties. Could something be done there?

There are issues with that as well. There are barriers, one of which is planning. For example, some properties that are not designated as residential at the moment could easily be residential accommodation but they would have to go through planning to enable the change of use. There are a number of barriers, which ultimately put off investors and that means that the properties continue to lie empty.

**Tony Cain:** I lead with a very simple statement: empty homes are a problem to solve but they are not the solution to our problem. There are lots and lots of reasons why houses lie empty and a proportionate effort needs to go into supporting owners of empty homes and bringing those homes back into use. However, we must not get overly obsessed about the extent to which bringing empty homes back into use could resolve our long-term problems. Even if we bought all 40,000 of the long-term empty homes, it would only give us enough for one year's worth of homeless presentations and it would not do anything for us the following year when there would be no empty homes. Getting that issue in balance and in proportion is important.

Local authorities and housing associations have been working tremendously hard to reduce the number of voids. We had a problem coming out of Covid and it has taken too long to resolve the issue. We collect monthly data on voids from councils and we can see the effort that goes in to bring the number down.

Another thing that we need to be aware of is that some of those empty homes are driven by low demand. They are in areas where nobody wants them. The homes are no longer effective as functional homes and we need to have a proper process for understanding obsolescence in the housing stock and removing them. We demolish about 1,000 homes a year at the moment. Historically, that is a very low number. If you were to run the numbers forward, it suggests that any new house that we build today will have to last for 2,500 years, which is probably not going to

happen. We need to think about obsolescence and replacement, otherwise we end up attempting to manage homes that absolutely nobody wants because they are in the wrong place, they are the wrong size or they are just not energy efficient enough. We need to have a proper approach to understanding those things.

I go back to my original point: empty homes are a problem to solve but even getting them all back into use will not resolve our long-term supply problems.

**Gordon MacDonald:** Thank you.

**The Convener:** If no one else wants to come in on that, I will move on.

You have already touched on this, but can you tell us what impact the responses to the housing emergency are having, particularly on homelessness and households living in poverty? I will start with Maeve McGoldrick.

**Maeve McGoldrick:** It is quite clear that homelessness is actually on the rise, as are the numbers in temporary accommodation, despite the statistics showing that homelessness has been ended. The key narrative is that people are coming into the system and are being rehoused, and that local authorities are definitely making progress, but the inflow is greater than the outflow. That is the greatest top-level challenge.

As for individual impacts, we are seeing in our own services a broad range of needs. We have seen everything from a significant increase in the past year in the number of people sleeping rough presenting to us, because they do not have any form of temporary accommodation to go to, right through to people coming from the private rented sector who have very few to no support needs but are struggling financially, because of the cost of living and so on. Therefore, we are dealing with a broad range of support needs and personal circumstances affected by the housing emergency, and our takeaway is that we need a range of different housing products to help move out of temporary accommodation.

As I have said, there has been a very big focus on families with children in temporary accommodation, and we have seen some improvements and a targeted response in that respect. However, there are other support needs in the system. Sometimes we see people being left in the system for what could be a very long time; quite often, they are single men with very complex needs—or, actually, they do not have very complex needs but have been stuck in temporary accommodation for a long period and end up developing support needs, because of their situations. Therefore, what we would like to see in response to the rising homelessness problem is a

range of targeted interventions involving different housing products.

For example, we talked earlier about flexibility in how to spend the housing budget. If we are thinking about who needs housing immediately—in other words, those who are homeless—rather than future flow, we should be looking at, say, scaling up the housing first approach, which has not really been on the radar in the way that we would like to see it. We have been very focused on families, but looking at the complex needs cohort, we could make a concerted effort to target areas and significantly increase the availability of housing first.

There is also the rapid rehousing agenda, which was very prominent a couple of years ago but which, to a degree, has not been mentioned or recognised enough in the response to the housing emergency. In saying that, I am talking not so much about local authorities but about the Government. It feels to me that we are trying to get people through the system quickly while at the same time trying to avoid rough sleeping and ensuring that we do not breach duties around unsuitable temporary accommodation, but we must also ensure that the need to move people into permanent homes, which was the basis of the rapid rehousing approach, does not get lost either.

We are seeing a range of different support needs, and a range of different housing tenures, in those coming into the homelessness system, but we are not seeing the equivalent range of housing products to allow people to exit the system and to ensure that we manage the inflow and outflow.

10:15

**The Convener:** That was really helpful—thank you. I believe that Tony Cain wants to come in.

**Tony Cain:** Maeve McGoldrick's point is well made: in order to move folk quickly through the system, we need more homes. Our problem is not that we do not want to move folk more quickly, that we are trying not to or that we are parking them somewhere—it is simply that we do not have the homes available to meet their needs.

Some 70 per cent of those who come through the door of homelessness services are single, and it is that particular cohort who face the most challenges in finding a home. Our stock, and, indeed, our allocations processes, are not designed for single people, particularly younger single people aged between 20 and 30 to 35, who are more likely to move fairly regularly. We have to manage those types of housing journeys as well as have a supply that meets their needs.

At the moment, we have two tasks. The first is plotting a way out of the housing emergency, but

the other is ensuring that the people who are caught up in it are safe, and I am not so certain that we are doing enough about that. In my submission, I point out that the number of deaths in the homelessness system in 2022-2023 was estimated at 242—in other words, 242 deaths of people who were in or were in contact with the homelessness system. There are risks for those in temporary accommodation, but there are also risks for those who are not in temporary accommodation, about whom we know very little. As I have said in my submission, at least 7,000 children in that cohort have been accepted as homeless but are sitting in accommodation that is not being provided by the council. We still have a duty of care to them.

That brings me back to the housing first question. We do need a housing first approach, but what we learned from housing first—and, indeed, what we have always known—is that the right support at the right moment makes a big difference, and we are simply not putting enough resources into support services so that we can understand people's needs and the risks that they face and can keep them safe. As well as finding a way out of the system for those people, we need to manage services in a safe way for those caught up in it. That is critical, and a lot of it is about, first of all, making sure that they have the right home. In that respect, councils are working very hard to get back to statutory compliance and to stop using unsuitable accommodation. The other aspect is providing the right support. We need to offer more support to vulnerable households, and we are not resourced to do that at the moment.

**The Convener:** You touched on temporary accommodation, the use of which, as has been pointed out, is still high in certain areas. How can we work with registered social landlords and local authorities to try to improve that situation?

**Tony Cain:** That is a good question. Some of it might be about being a little bit less precious about what we do with the affordable housing supply programme. We need more good-quality homes for folk who are in the system temporarily, but they will eventually end up as permanent lets as we manage to get through the backlog. We need to focus on increasing the supply of temporary accommodation, among other things, but I still think that the provision of support and the understanding of risks and needs within the system are critical.

An enormous amount of work is going on around this stuff; it is not a matter of declaring an emergency and then sitting back. You will have seen in my submission the list of things facing one authority; it is long, and it is typical of what is going on across the piece. People are working really hard, but we are not currently resourced to

manage 32,000 open cases within the system, 16,000 of which are in temporary accommodation. Most are in directly provided, ordinary housing association and council properties; it is the group of people in the bed and breakfasts, the hotels and the hostels who are facing the most disadvantage. We need to focus on meeting that need, and that will mean more temporary accommodation.

**The Convener:** That was interesting—thank you. If no one else wants to come in, I will move to questions from Jeremy Balfour.

**Jeremy Balfour:** I am interested to know what the panel think of the policy that the City of Edinburgh Council has now adopted, which is to suspend its council letting policy and reserve almost all of its properties for people experiencing homelessness. In particular, will that approach have any unforeseen consequences? Correct me if I am wrong, but my understanding is that this is not a short-term decision but a medium to long-term decision. I can understand why the council is doing it, but what are the unforeseen consequences? I will start with Maeve McGoldrick, if that is all right.

**Maeve McGoldrick:** Obviously, this is quite a live issue for those of us experiencing this on the front line. We have seen some benefits of the policy, with some members coming through the door being able to find more suitable or permanent accommodation. However, other members have been negatively affected, particularly those who have been waiting for a long time.

Our analysis is that we must try to be pragmatic and recognise that it is, without question, better that people have some form of temporary accommodation instead of sleeping rough. A benefit of the policy will be getting people off the streets and into ideally suitable accommodation.

However, the potential long-term implications include a significant increase in the use of temporary accommodation, which, as I said earlier, is not something that we would be advocating. One of the principles of rapid rehousing is to try to reduce the amount of temporary accommodation available and use it as a temporary measure. The key word is “temporary”; if the stock is available, the issue is how we move people from temporary accommodation quickly into permanent accommodation.

Pragmatically speaking—and this is most important—the policy helps individuals not have to experience the trauma of rough sleeping or unsuitable temporary accommodation; it also helps the local authority not breach its legal duties. However, a long-term consequence is that we inflate the temporary accommodation stock without increasing the permanent stock.

A couple of years ago, Fife Council had a mass flipping programme, which although extremely expensive was effective in creating, quite quickly, a number of permanent properties. It is an interesting approach, but the challenge that comes with it is the need to replenish the stock that has been lost as a result of flipping temporary accommodation tenancies into permanent accommodation tenancies. After all, we still need a volume of temporary accommodation.

The response is an emergency response to a very significant problem, but it is not a long-term solution.

**Jeremy Balfour:** My slight concern is that, as you have said, we end up with people being put into a property and never being able to move out of it. We might have, say, a family put into inappropriate housing in the hope that they will move to a two or three-bedroom flat in six months or a year, but they end up simply staying there. Is there any way of monitoring that?

**Maeve McGoldrick:** Do you mean the time period?

**Jeremy Balfour:** Yes.

**Maeve McGoldrick:** I do not know. Mike Callaghan might know more about that than I do.

**Mike Callaghan:** Our chief housing officer can advise you on timescales, but I think that you make a good point with regard to local areas where authorities in such situations have been compelled to prioritise homelessness and provide temporary accommodation. Such a policy constrains other factors when it comes to people taking different housing stock or wishing to move on to a larger property or something that is more suited to their needs or which requires adaptations. The policy comes with its own challenges with regard to addressing those temporary accommodation issues.

At the same time, though, opportunities can arise where local authorities have invested in higher-quality temporary accommodation. We can see, for example, what Fife has done with flipping tenancies and making them part of the permanent housing stock.

However, I will defer to my colleague Tony Cain, who might be able to give you a bit of a steer on the timescales.

**The Convener:** Tony Cain had already indicated that he wanted to come in.

**Tony Cain:** I will do so, only if there is nobody else who wants to get in ahead of me.

I must apologise, though, because I missed the question about timeframes. What timeframe were you asking about? Please forgive me.

**Jeremy Balfour:** Sure. If somebody is put into accommodation that might not be absolutely suitable for them—perhaps it is too small, if we are talking about a family of two or three—and if there is going to be no movement up the list, do we know how long those people will be kept in that unsuitable property before they can move on to a new one?

**Tony Cain:** No, but we do know that councils are working hard to ensure that folk do not stay too long in unsuitable accommodation. There is always a balance to be struck, though. Is the accommodation slightly too small but in the right place? Would something slightly bigger but in the wrong place be of benefit? Indeed, would the move help? After all, moving folk frequently through temporary accommodation is very disruptive, particularly for children. Frankly, we all know that it is poor practice and best avoided.

Therefore, I do not think that a statutory timescale would be helpful. People can wait for a relatively long time in housing that does not meet their needs in every way, but a bit of compromise is always required in the process of identifying the right house for the right household, depending on what is most important to them. Is it size? Is it price? Is it location, and access to schools and jobs?

I think that we can rely on local authorities being focused on ensuring that people in the system are in the best possible place, but our resources are constrained and we need more temporary accommodation at the moment. We should not forget that 40 per cent of homeless households are not in temporary accommodation; they have refused such accommodation, and that might well be because they did not fancy the quality of what was on offer. It is much more complicated than just setting a target time for moving folk into, or on to, a different property.

Returning briefly to the City of Edinburgh Council's policy, I think that it is a bold move, and it is entirely down to the council. However, I would not comment on its merits, even if I did not think that it was a bold move. Edinburgh was already allocating 60 per cent of its own lets to homeless people before it made that move; it is quite difficult to get to that scale of lets, and it suggests that, in every area, for every house type and for every house size, there is somebody on the homelessness list who is waiting for that home. That is not the case universally; councils will very often find that they have a home, but there is nobody in the homelessness system whom it would suit. That is not happening in Edinburgh, and it is a measure of the crisis that it is facing.

That Edinburgh has done this only with its own stock is important, because it leaves open opportunities elsewhere. There are people whose

housing needs are at least as pressing as those within the homelessness system, and there are people with pressing housing needs who, quite consciously, have not been entered into the homelessness system. For example, the housing needs of looked-after young people are not managed through that system; if we let all of our homes to homeless people, looked-after youngsters will either have to go through the system or will not be housed. Therefore, there is a balance to be struck here. I think that the City of Edinburgh Council has made a bold move, but it is looking very closely at how to maintain that balance.

**Bob Doris:** Jeremy Balfour's question was very interesting and made me think about housing allocation policies more generally. I know many families who are homeless and sofa-surfing because they are in work and want to avoid paying for expensive temporary accommodation, storing furniture and all the rest of it. I also know lots of families whose housing needs are fairly significant but are not substantial enough that they are likely to be allocated a property move any time soon. Are we getting the balance right if we are saying that we will allocate a property, whether that is to someone who is in a permanent tenancy but has a significant housing need or is in temporary accommodation seeking a permanent tenancy, only if we can wholly meet their housing needs, but that we will not move them to more suitable accommodation?

Time and time again, I see families in cramped accommodation who need an extra two bedrooms. We can find them an extra one bedroom and the housing association will say that that does not fully meet their housing needs, yet their housing needs would be dramatically improved if they could be moved to more appropriate accommodation. Housing associations always fall back on allocation policies, and homelessness teams have similar allocation procedures. Is it simply a matter of reviewing that and showing a bit of common sense in allocation policies in order to get churn in the system?

Mr Balfour's question has triggered a bee in my bonnet and I would like to know whether the same holds true for any of the witnesses today. Would they like to see a review of allocation policies in order to get churn in the housing system, so that we could meet some housing needs, even if we cannot meet not all housing needs? Are there no takers?

I will give an example. A family of five is in a small two-bedroom property and a three-bedroom one comes up, but the housing association says that that will not meet the family's housing needs and that it might be three years before those can be met. Does no one see that as an issue?

**The Convener:** Bob, guess what? Tony Cain would like to come in again.

**Bob Doris:** Thanks, Tony.

**Tony Cain:** That is only because I hate the sound of dead air, not because I like the sound of my voice.

What you are talking about is the habit of making the perfect the enemy of the good—or at least the enemy of the better. That is a dilemma in many different policy areas.

The way to arbitrate that is by taking account of the wishes and views of the individuals concerned. We are talking about a rationing system. How do you ration houses? In the end, there are probably only two requirements. An allocation policy must be reasonably easily understood by everybody who is likely to look at it, and it must seem fair. You will not get better than that, because you will not be able to meet every need in a situation in which we have tens of thousands more folk looking for a social rented home than we have homes available to meet their needs.

Councils and housing associations need to base their allocation policies on the needs that they perceive are in front of them, including the needs and desires of their tenants, whose aspirations should be part of an such policy. In the middle of all that, where you have doubt, you probably need to get the views of the household in order to make a decision.

These are not easy decisions. If you are looking at somebody who needs two extra bedrooms and somebody who needs only one extra bedroom, which one do you choose? You must have a system that seems fair. You are not going to get any better than that, because we have a chronic shortage of the right homes in the right places.

10:30

**Bob Doris:** Thanks for talking me down off my rant. *[Laughter.]*

**The Convener:** Thank you, Tony—that was very good of you. Does anyone else wish to come in?

**Maeve McGoldrick:** I agree with Tony Cain. The answer to the point about the flexibility of allocations policies is that that is predominantly about individual choice, which should be part of the system.

I will raise a slightly different point about allocation policies. I am not necessarily saying that this is happening in Edinburgh; it is happening more generally. We have a slight concern about an issue that is not something that we have an answer to, although it is something for the committee to consider.

Tony Cain talked about a rationing system. That applies to a greater degree in a housing emergency. We must ensure that we do not unintentionally bring back forms of priority need into the system through the back door. That should be constantly on our radar in how we tackle the homelessness system in response to the housing emergency. Everyone should be entitled to suitable temporary accommodation and to a permanent home. That needs to be a principle of any allocation policy and other practices in our response to the housing emergency to which we abide.

**The Convener:** I believe that Susie Fitton would like to come in.

**Susie Fitton:** Yes. I want to quickly affirm what Tony Cain said. Housing associations and local authorities are facing these really challenging decisions about allocations all the time. We know that our members review their allocation policies regularly and that they try to communicate them effectively to tenants. That is not always easy; it can be challenging. If you are, in essence, shuffling the wrong number of cards, it is difficult. Individual need is paramount; the wishes, desires and housing needs of individual households are fundamental. When we speak to housing managers weekly, they show no lack of desire in encouraging movement—what Bob Doris referred to as “churn” in the system. We just need more homes.

**The Convener:** Thanks for that. As no one else wishes to come in, I will pass over to Marie McNair.

**Marie McNair (Clydebank and Milngavie) (SNP):** I share the concerns expressed by my colleague Bob Doris. Authorities need to use their discretionary powers a bit more. I will not rant about that, but I could go on all day about it.

I will direct my questions in the first instance to Mike Callaghan, given that he touched on what I want to ask about, and then I will go to Tony Cain. Are you aware of any good practice that is happening in councils or in any other areas of Government that could be shared with local authorities to assist them to deal with their housing emergencies? What further mitigations and learning could be put in place to prevent other local authorities from declaring a housing emergency?

Mike, in responding to my first question, is there anything that you want to add to what you said earlier? Perhaps you could then respond to my second question.

**Mike Callaghan:** I mentioned that some good practice has been recognised, particularly in relation to where we have been working with the Scottish Government. The Scottish Government

has its response and local authorities have done a lot of work.

Also, it is important to note that the councils that have not declared housing emergencies are doing a lot of good, hard work to respond to the challenges that they have and are mobilising their efforts. It is not just the 13 authorities that have declared housing emergencies that are working hard to respond—councils across the country are doing that.

On the practice that has been recognised, as has been mentioned in the committee discussions so far, that is about the work of the Scottish Empty Homes Partnership across the country. As Tony Cain said, that makes a contribution, but it is only a small part of the picture.

Councils have been targeting acquisitions to buy back family homes, which adds to those efforts. However, at the same time, we know that a lot of homeless people are single males, and we know that further work needs to be undertaken on that, particularly by our city local authorities.

Buying back family homes will be important in local authority areas that have been most pressured to reduce the number of children in temporary accommodation. There have also been agreements on homeless households in Edinburgh—Tony Cain mentioned its rather bold initiative.

A lot of that has been brought together as good examples of work that is under way, which we are disseminating as part of our work through our committees and through working closely with ALACHO. We are seeking to promote the work across the country with our member councils and partners and are considering how we can further build on that, as part of the longer-term solutions to address homelessness and poverty issues, to meet the huge challenge that we have.

I know from working closely with our colleagues, particularly professional chief housing officers such as Tony Cain and ALACHO, that they have a lot of examples of work that have been noted as good case studies, and I can provide the committee with those.

**Marie McNair:** That is helpful. Anything further that you can add—you might wish to consider sending in a further written submission—would be helpful to the committee. Tony, do you want to come in on any other aspects?

**Tony Cain:** I want to confirm that a great deal of effort goes on with regard to benchmarking and good practice sharing. A number of organisations support that actively, and we spend an amount of our time on that. Scotland's Housing Network purpose is to share good practice and compare performance. Housemark is another large

benchmarking organisation that is active across the sector. I know that Susie Fitton will speak to this, but other housing associations engage in much the same level of activity.

We have produced a small number of good practice notes. A recent one was on flipping, which was based largely but not entirely on the Fife experience, to encourage members to think about how they go about making those decisions. We have also held sessions to share good practice on damp and mould, on the internet of things and on empty homes. We are currently working with Marie Curie and MND Scotland on a practice note on delivering services to households in which somebody is dealing with terminal illness. I can genuinely say that that goes on all the time.

In some areas of policy, councils take different views. One example of that might be the acquisition of tenanted properties from the private rented sector. In my brief period in Clackmannanshire Council a couple of years ago, I always thought that that was the right thing to do, and we acquired at least one tenanted property. I know others have been slow to go down that route because their view is that it is not an appropriate way to proceed. I also know that others have recently looked at that again and said that it makes sense because it prevents homelessness.

The conversation is constant. New areas and issues arise all the time. The conversation about internal air quality and the use of remote monitoring, for example, explored the emerging use of these technologies. We found that a great deal is going on; we also found that a lot of other councils are in the early stages of their work.

The short answer is that good practice sharing happens all the time and it makes a difference. However, in our current context, that is just one of a number of tools and responses that we use to drive improvement.

**Marie McNair:** Absolutely. The housing emergency has shown that local authorities cannot work in silo any more. They have to work with the private sector and with RSLs to get resolutions for tenants.

Does anyone else want to add anything?

**Susie Fitton:** I echo what Tony Cain said about sharing good practice. One of our roles as a membership body is to bring housing associations together regularly at stakeholder forums to discuss the wide range of things that members are doing across the country—the length and breadth of Scotland—to provide the key services that support, for example, the prevention of homelessness. That includes support with finding, maintaining and securing an affordable home. There is also good practice around flipping temporary accommodation to make it permanent.

We have just gone out to the sector with a new tenancy sustainment fund, which in and of itself will be an opportunity to have a look at practice on that issue.

We are constantly interested to hear from members about their efforts to rapidly rehouse people. Maeve McGoldrick talked about the need to focus and enhance the housing first offer. Housing associations are key to that, and we would like to see their role supported with direct support to maximise their potential to act quickly to provide the housing first approach.

We support housing associations to share best practice on managing rent arrears. We have recently done lots of work to provide peer support and toolkit guidance to housing associations that want to support victims/survivors of domestic abuse with a whole range of things—anything from thinking about rehousing or staying in their home, all the way through to ensuring that people who are trying to leave an abusive relationship are not financially penalised by looking at triggers around rent arrears and how we manage that effectively.

We know about income maximisation and support to claim social security, financial support services, money management and all the things that housing associations do to prevent people from not being able to maintain a tenancy. There is so much good practice around the provision of housing support, such as support with physical and mental health issues and support to adapt properties. There is a range of good practice around self-assessment for adaptations and ways of focusing the RSL adaptations programme to support older and disabled people to live well and providing adaptations that are not stigmatising—not the white grab rail that sits on the front of a house and makes people feel institutionalised.

I was talking yesterday at our conference to Blackwood Housing Association, which has an incredible range of ways of supporting older and disabled people to live independently. There is such a huge amount of good practice, including on supporting tenants who have issues with hoarding, for example, which is becoming a prevalent issue and one that speaks to all kinds of issues including a mental health crisis in Scotland and the impact of social isolation post-pandemic.

I could talk all day about the work in the sector to share best practice because it is an on-going, everyday and continuous process.

**Marie McNair:** It was helpful to get that on the record for the committee.

**The Convener:** Susie Fitton, you have beaten our deputy convener in talking—and that is Bob Doris.

**Bob Doris:** If that is the challenge, I am willing to accept.

**The Convener:** On that note, I will pass over to Bob Doris and this will be our final question.

**Bob Doris:** If you are sitting comfortably for the next 15 minutes, I will begin. Actually, you will be delighted to hear that it is a brief question, convener.

ALACHO's submission for today said:

"there is a pressing need to ensure that those impacted by homelessness are safe and properly supported whilst they wait for settled accommodation."

That seems eminently sensible. None of us has a magic wand to make this better right away and people are enduring while they wait for appropriate accommodation. Would Tony Cain like to say how he thinks that that can happen or share any good practice in what does happen?

10:45

**Tony Cain:** That is all three of us who talk too much in one go. The answer is yes—I am happy to offer a response since it was me who made the point.

We held a session at the start of the year that was specifically focused on issues of safety for homeless households in the system, not just those in temporary accommodation but the whole cohort of folks who are in the system, most of whom will be in there for several months and some of whom will be in there for longer. We picked up the issue of homelessness deaths, and we had somebody from the Museum of Homelessness in London come up and talk to us about the lessons they are learning about supporting vulnerable people in temporary accommodation.

The risks are not always obvious. Those who have been involved in managing temporary accommodation can see the violence that goes on within the accommodation, usually between residents. They can see the effect of, and often smell, the drugs that individuals use as part of their coping mechanism. It is more difficult to see issues around bullying, financial exploitation, sexual exploitation and commercial sexual exploitation within the group and all the other risks that come with that. Unquestionably, organised criminals are targeting vulnerable homeless people, particularly in our big cities, because they can and because they know where they are.

We began a conversation, and we need a much more focused and effective response, first to understanding the individual risks that households face and then structuring a response that manages those risks.

The issues are not all about criminality. Some of the response is about what happens to children in temporary accommodation. Shelter published a powerful piece about the experience of children in temporary accommodation a month or so ago. It is included in the submission that I made to the committee. It demonstrates that any time spent in temporary accommodation is harmful for children, but to manage that harm we have to talk to child protection services, talk to education and make sure that the child's school knows the risks and is responding and putting in extra effort to ensure that they do not miss out on their education. It is those types of responses that help.

We are not currently as sophisticated as we should be. We do not have good data on the households that are in the system but not in temporary accommodation. We can improve that because we collect it; we just do not publish it. We need to think about that as well.

**Maeve McGoldrick:** The main business model in our Crisis service centre is to support people who are in temporary accommodation—particularly unsuitable temporary accommodation—and those who are homeless but not within the temporary accommodation system.

The package of support is extremely broad, but the main benefit of providing that support is that it can be carried on when the person moves into a permanent tenancy. It equates to tenancy sustainment. The sooner we engage with somebody, the better understanding we have of their support needs. We put a package together and, once they get a tenancy, they are much more likely to not become homeless again because that package is in place.

When putting a package together, it is challenging to get the support needs addressed. We do a huge amount of advocacy because the individuals are not in the system in the same way. With the prevention legislation, we will have a much more integrated model of support, but the prevention review group's original recommendation was to look at the holistic support for when people become homeless as well as at risk of homelessness.

That is a missing piece of the support that people have in temporary accommodation but also when they move into accommodation. We have targeted things such as the housing first approach for people with complex needs, but a broader range of support needs is not being addressed around tenancy sustainment, including work on private rented tenancy sustainment—which some councils are actually doing really well.

**Bob Doris:** John Blackwood, the private rented sector was referred to. Do you have any

reflections on how landlords and the private rented sector can be supported more? Sustaining good-quality tenancies is an advantage to private landlords as well.

**John Blackwood:** In addressing the housing emergency, we need to look at the wider housing sector. Affordable social homes are paramount, but we need to look at the private rented sector, too—encouraging more investment in the sector and, as I said earlier, stemming the exodus of landlords.

The support is largely recognition of the role that landlords play within local communities and providing information and guidance to landlords. The picture differs dramatically throughout Scotland depending on the relationship that local authorities have with their local private rented sector. A big part of our role is working with local authorities to ensure that they service the local sector as best as they possibly can.

Landlords are saying, "There is nothing in this for us any more. We do not feel supported", and are opting to leave the sector. For a rented sector, that is not good. We want to see more investment in the private rented sector—as well as, of course, in social housing, which needs to happen.

**Mike Callaghan:** Local government and COSLA leaders have recognised the issue of safeguarding and the risks to people who are in temporary accommodation as part of a range of actions to respond to Scotland's housing emergency. I can send committee members a copy of those actions after the meeting. In particular, one was on the concern that COSLA leaders had about safeguarding in temporary accommodation, particularly for the women and children in that accommodation, and the need for more support and protection services for them. That is to be taken forward with the Scottish Government to address the issues and the concerns around them.

**The Convener:** That information will be helpful, so thanks for offering it. I now invite Jeremy Balfour to speak.

**Jeremy Balfour:** The Housing (Scotland) Bill has now completed stage 2. Since we have John Blackwood and Maeve McGoldrick here, it would be good—although maybe not for too long—to get on the record where they think we are with the bill and where they think it still needs some improvements, particularly on what we have been talking about today in relation to homelessness and making sure that enough properties are available.

We could start with John Blackwood and then go to Maeve McGoldrick, and then anyone else can jump in.



**John Blackwood:** That is just a little question on what I think about the bill. I know that one or two amendments were proposed at stage 2, which you have been battling with.

I hope that there will be more discussion on the bill as we go into stage 3. It is important that the end result is a bill that is pragmatic and addresses the issues that we have across the entire housing sector in Scotland but does not deter future investment. That is from an investment perspective—I am keen to focus on that.

As I have mentioned many times today, landlords are leaving the sector. We do not know the numbers yet, as we do not have real evidence other than anecdotal evidence, but we need to make sure that we do not see a shrinking rented sector. We need to give investors confidence—private landlords are investors—and encourage institutional investment as best we possibly can. There are huge challenges for the bill.

Rent control is the big-ticket item in the bill for us. We need to make sure that, if rent control areas are created locally, there is provision for rents to go up. Costs go up and that fact must be reflected in increased rents, albeit in a controlled manner.

Our big ask is to look at between-tenancy increases in rents, which we think are essential. I have said before at committees that it is perverse that landlords are penalised in the bill, as it stands at the moment, for keeping rents low for a number of years with existing tenants. We want to incentivise landlords to do that—it is right in certain situations for that to happen. However, if landlords do not increase rents, the bill as it stands will penalise them as, when the tenant moves out, the landlord would not be able to return the property to the market rent. We think there needs to be a mechanism of exemption for tenancies where rents are charged below the market. That has been addressed in the current consultation, and we hope that it will be further revisited at stage 3.

There are huge challenges for us, from an investment perspective, to ensure that we have a private rented sector that works for everyone. It needs to work for tenants and it needs to work for landlords. A well-functioning sector needs to work for all constituent parts. I am keen to ensure that that happens through the passage of the bill.

**The Convener:** An excellent model for private investment was used several years back when the Strathclyde Pension Fund invested in the Commonwealth games village and converted it into social housing and private housing. Would you like to see more of that happen?

**John Blackwood:** Yes, definitely. In fact, another discussion that we are having with

ministers is about whether we could create an investment fund here that landlords could invest in. There is merit and interest in that. We know that investors—landlord investors, anyway—like to invest in property. That is one of the main reasons for many of them doing it. If, for whatever reason, they do not want to be a landlord any more, can we create a facility by which they could still invest in property but that property is utilised for the greater need of people in Scotland? That would be to build homes or buy them in the second-hand market.

Another big issue that we put in our submission on ADS is that we want to see support for landlords with sitting tenants to sell their properties to other landlords. Nearly half of the eviction cases to the First-tier Tribunal for Scotland are a result of landlords wanting to sell. Because of age or for whatever reason, they want to sell and exit the sector, and of course they can do that in many cases only by evicting the tenant. If the landlord and the tenant have a good relationship, we should try to secure that home and not make the tenant homeless, which of course then puts additional pressure on our local homelessness services.

We need to tie all these aspects together and ask how we can make sure we have a sustainable private rented sector for the future and how we can encourage new investment at the same time and utilise the resources that we have in Scotland. We know that money is there in private hands. Rather than endlessly asking the Government to put its hands in its pocket, why can we not encourage private investors to invest in homes? We should look at a mechanism here in Scotland to do that.

**Mark Griffin (Central Scotland) (Lab):** I apologise for missing the earlier part of the session.

A lot of the discussion has focused on those facing the greatest harm as a result of the housing emergency and, when we have 40,000 homeless presentations and over 10,000 kids in temporary accommodation, that is absolutely right. However, beyond those at the sharpest end, we know that 700,000 people are in some form of housing need in Scotland. If we turned every single building and every single house in Scotland into a home, we still would not address that housing need. The only way to address the housing need of those 700,000 people is to build more houses.

My question is directed at Fionna Kell, as it is her members who will, I hope, build those houses. What are the blockages in place now to ramping up house building activity to the level that we saw 10 or 15 years ago, so that we start building a way out of the emergency? That is the only way it will happen.

**Fionna Kell:** That is a good point—thanks for that. Overall, one message that we have been consistently trying to deliver is that we need an all-tenure target. We need a message from the highest level of Government, which should stand up and say, “As a country, we all need to work towards delivering 25,000 homes a year of all tenures.” Making that a critical mission allows the local authorities, the planning authorities, the utility companies, the home builders, the supply chains and everybody else to understand that, as a country, we have to build more homes. That message is not being delivered sufficiently across the entire sector.

11:00

We know from our members who are building in the rest of the UK that the clear message from Westminster that there is a mission to build more homes, regardless of what that number is, is setting an overall direction for the industry that gives more momentum south of the border than we are seeing in Scotland at the moment. Overall, it is critical that the Government stands up and says, “As a country, all of us need to be doing this for all tenures.” That is the key to unlocking some of the other barriers that we see in the system.

In preparation for this session, we went through the housing emergency action plans of all the local authorities that have declared a housing emergency. It was interesting that a significant number of them do not specifically say, “Building more homes of all tenures is part of our way out of the housing emergency.” I understand the focus on dealing with the immediate homelessness problem, but unless all the local authorities and Government at a national level say, “We need to build more,” at the same time, we will not end up fully getting ourselves out of the crisis that we are in.

**The Convener:** I believe that Tony Cain would like to come in and give the last word.

**Tony Cain:** I did not realise that it was going to be the last word. There is no doubt that working together with the private rented sector and the house building sector is critical to finding a solution to our current housing needs. However, the average price of a new-build house in Scotland is £320,000 and we know that house builders will build at the rate that they can sell at. The rate at which you can sell homes at that level will always be modest and has reduced in recent years because of the cost of living crisis.

It is simply not the case that a solution will be led in the private sector. It has to be led in the public sector, the social housing sector and the affordable housing sector. Most of the houses in those sectors are being built by private

developers, by the way, so I am not underestimating the criticality of their contribution. Most of them are coming through section 75 agreements, but if developers cannot sell their own homes, they will not open up sites and build out the section 75 agreements. There are stresses and tensions, but the solution to this will be a public sector solution.

**The Convener:** You do not have the last word, unfortunately, Tony, as Mike Callaghan would like to come in now.

**Mike Callaghan:** Briefly, convener, on the back of what Tony Cain said, we are working in local government to look at how to avoid housing emergencies. We are looking long term over the next five to 15 years and are working closely with ALACHO. We will have further discussions with our heads of planning, directors of finance and chief executives and the issue will be discussed by COSLA leaders. We will work out medium to long-term actions to address and respond to Scotland’s housing challenges.

We are working on that document and a consultative draft will be produced at the end of this month. We have gone over a range of areas, such as funding, financial models, housing supply, strategic planning, land use, market reform and stakeholder engagement. We would like to share that with the committee members to inform your thinking on the work that we are doing and consulting on within local government and with external partners.

**The Convener:** Thank you. Susie Fitton now wants to come in.

**Susie Fitton:** We are about to publish research that we have previously commissioned twice before with the Chartered Institute of Housing and Shelter, which will identify how many affordable homes, including social homes, will get us out of this situation within the next parliamentary session. Once we have that evidence, we want to see it influence a national ambition and the shape of the affordable housing supply programme, given the opportunity that is provided by the spending review. We need to support housing associations across Scotland and their work with local authorities to build the social homes that we need. We need expanded funding and flexibility, particularly for rural areas.

We do not want to hit the target and miss the point, basically. We need to ensure that we support communities in rural and island areas where it is not just about the numbers of homes but about the types of homes and where they are. We need to ensure that we are responding to an ageing population and providing the types of homes that are needed—not just family homes but accessible homes that are adaptable. We need

the workforce planning and the skills aligned to meet future housing demands. Those are the things that we are calling for.

**The Convener:** If no one else would like to come in, that concludes our evidence session. Thank you all for joining us today. You have made some excellent contributions. That concludes our public business and we will now move into private to consider the evidence that we have heard today and our future work.

11:05

*Meeting continued in private until 11:25.*



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