



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

Wednesday 25 January 2012

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INFRASTRUCTURE AND CAPITAL INVESTMENT COMMITTEE

2nd Meeting 2012, Session 4

CONVENER

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

DEPUTY CONVENER

*Jamie Hepburn (Cumbernauld and Kilsyth) (SNP)

COMMITTEE MEMBERS

*Malcolm Chisholm (Edinburgh Northern and Leith) (Lab)
*Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP)
*Alex Johnstone (North East Scotland) (Con)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)
*Margaret McCulloch (Central Scotland) (Lab)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Judith Ainsley (Scottish Government)
David Bookbinder (Chartered Institute of Housing in Scotland)
Keith Brown (Minister for Housing and Transport)
Ilene Campbell (Tenants Information Service)
Jim Harvey (Glasgow and West of Scotland Forum of Housing Associations)
Graham Laidlaw (Scottish Government)
Euan McDougall (Scottish Disability Equality Forum)
Danny Mullen (Regional Networks of Registered Tenant Organisations)
Cheryl Murrie (Scottish Government)
David Notman (Scottish Government)
Alan Stokes (Scottish Federation of Housing Associations)

CLERK TO THE COMMITTEE

Steve Farrell

LOCATION

Committee Room 2

Scottish Parliament

Infrastructure and Capital Investment Committee

Wednesday 25 January 2012

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

Decision on Taking Business in Private

The Convener (Maureen Watt): Good morning, everyone. I welcome you to the Infrastructure and Capital Investment Committee's second meeting in 2012 and I wish you all a happy Burns day. I remind everyone to switch off their mobile phones and BlackBerrys, as they affect the broadcasting system. We are all present and correct.

Under agenda item 1, does the committee agree to take in private item 5?

Members *indicated agreement.*

Ferry Services (Draft Plan)

10:01

The Convener: Under agenda item 2, we will take evidence from the Scottish Government on the Scottish ferry services draft plan. I welcome Keith Brown, Minister for Housing and Transport, and his supporting Scottish Government officials, who are from Transport Scotland: Graham Laidlaw, head of the ferries unit; Judith Ainsley, head of ferries policy and procurement; David Notman, economic adviser; and Cheryl Murrie, ferries policy officer.

I invite the minister to make a brief opening statement.

The Minister for Housing and Transport (Keith Brown): In carrying out the ferries review, the Scottish Government has been keen to be as inclusive and open as possible. People made representations during the review on wanting to have longer to respond. The draft plan was issued just before Christmas, so we have extended the consultation period to March.

The first round of consultation on the ferries review was conducted in the spring and summer of 2009 and was subsequently supplemented by an extensive data collection exercise, which included a household survey. A full public consultation exercise began on 10 June 2010 and closed on 30 September of that year. That consultation involved more than 40 events across the Highlands and Islands, including a series of public meetings, and a consultation document. We received 600 responses to that consultation from organisations and individuals.

The household survey, which was conducted in 2009, showed that communities are largely satisfied with their ferry services. They are least satisfied with the timing of the last return sailing, the winter timetable, fares and integration.

The ferries review public consultation in 2010 showed the need to improve the consistency of provision and to secure funding for future ferry services. Following that consultation, much work has been done on developing a needs-based assessment for each community to determine what it uses the ferry for—that point might sound obvious, but it is not—and what service level is required.

That work allowed us to finalise our review of ferry services, which made it possible for us to publish our draft ferries plan for consultation on 21 December 2011. The consultation closes on 30 March. We will consider responses carefully before preparing and publishing our final ferries plan later this year.

Before that plan is published, we will carry out a Scottish transport appraisal guidance-type appraisal of all the routes and services and of the options that are set out in the draft ferries plan. The views of consultees and the results of the STAG-type appraisal will allow us to determine what level of investment is required.

It is worth mentioning other areas of general ferries progress in the past year. First, in line with the European Commission's decision following its investigation into support for ferry services in Scotland, Scottish ministers tendered for and appointed an operator to provide the Gourock to Dunoon ferry service. The specification set out in the invitation to tender was fully compliant with the terms of the Commission's decision and a contract for the service was signed, with the new service beginning on 30 June last year. We appreciate that the new service has experienced some difficulties and we have made clear to the operator our disappointment. Since then there have been improvements in reliability and punctuality. We are monitoring the situation closely to ensure that those improvements continue.

On 29 November, we announced a further roll-out of the road equivalent tariff scheme. There will be a continuation of RET as a permanent feature in the Western Isles, and on Coll and Tiree, for passengers and cars, including small commercial vehicles and coaches. For larger commercial vehicles in the Western Isles, and on Coll and Tiree, RET will be replaced with an enhanced pre-RET discount scheme. There will be provision of greater inter-island connectivity by rolling out RET to services between islands, including routes across the sounds of Barra and Harris. There will be a roll-out of a further RET pilot for passengers and cars, including small commercial vehicles and coaches, to Colonsay, Islay and Gigha from October 2012, and a roll-out of a further RET pilot for passengers and cars, including small commercial vehicles and coaches, to Arran from October 2014. In addition, we will roll out RET to other west coast and Clyde islands within the term of this Parliament.

We are in the process of retendering the northern isles ferry service contract and will have a new contract in place in plenty of time for the new service to begin in July. We are currently supporting northern isles ferry services with around £40 million of subsidy a year. In taking forward the procurement of the new services, we are keen to further improve the services to meet the needs of the communities in Orkney and Shetland.

We have also announced that we will take forward the construction of two small next-generation hybrid vessels, costing more than £20 million. The vessels are world leaders in such

technology and are designed for use on many of the short routes around the Clyde and the Hebrides. It was a matter of some satisfaction that the order went to a Scottish yard. The ferries will use some of the most innovative new green technology, including battery banks supplying a minimum of 20 per cent of the energy that is consumed on board.

We have also invested substantially in ports and harbours. Largs has received £4.2 million; Rothesay pier, £6.7 million; Port Ellen, £4.7 million; and Kennacraig £5 million.

Finally, we have invested £24.5 million on the new MV Finlaggan vessel serving Islay. That vessel can carry 550 passengers and 85 cars and will further enhance the ferry service to Islay, Jura and Colonsay.

The Convener: Thank you for that statement. We will move to questions.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I know that the Government has undertaken a substantial degree of research and consultation on the ferry service as part of the review. Will you outline some of the issues that were raised during the initial public consultation and say how those concerns have been reflected in the draft ferries plan, and tell us a bit more about how the work around the research and consultation has influenced the content of the plan?

Keith Brown: In my opening statement, I mentioned some of the more obvious concerns that were expressed, such as the time of the last return ferry at night and fares. On the fare structure, even calling it a structure is a bit misleading, as it has grown over time and the basis for it is not entirely obvious. We have tried to address that particular concern by saying that all fares will be based on RET. That is not to say that RET will apply to all fares, but RET will provide a base level for reference. For example, you would not want to introduce RET in Shetland, as that would immediately increase prices substantially, but using RET as a basis should bring some consistency to fares.

I mentioned that there were issues around punctuality and reliability. We are keen to ensure that the resources that we have—that is, the vessels—fit the services that are required. If you look through the draft ferries plan, you will see that we propose to increase the number of sailings on particular routes to address the concerns mentioned. You might be interested to hear from my officials about the methodology that has been used for the proposed improvements.

Basically, we looked at each route and asked what the need was. We asked whether the service was a lifeline service, mainly to promote tourism or

mainly for freight. Of course, in many cases, a combination of uses is involved, but if we can identify the need objectively, that should give us a basis for saying what kind of service we should put in place. That led us to say that some routes do not work and that we should not continue to have vehicle services on them, for example, or that a service should be provided on more days of the week or at more times throughout the day.

I am happy for the officials to explain the methodology in a bit more detail.

Jamie Hepburn: They can do so if you feel that that is necessary.

David Notman (Scottish Government): The methodology is quite straightforward, in my opinion. We have tried to define the needs and how people in each community use their ferry service. We identified four key dependencies, the first of which was commuting and frequent business use. The second was personal dependency, which was really about very small island communities with small populations and how they use the ferry service. Because their islands have few services, they have to get on a vessel to access mainland services. We tend to find the opposite happening in the bigger communities: it is goods and services that arrive on the boat, as there is infrastructure on the island. The fourth dependency was tourism. That dependency goes across all the islands, as they are quite strong tourism communities.

We then asked what an ideal or model service would look like for each dependency. Depending on how they are measured, communities come out strongly in relation to some or other of those dependencies. That gives us the opportunity to design a model service for those communities. A community might have a commuting and a freight dependency—which was the third dependency—so it would score heavily for those two dependencies. We would then look at the model service for each, which would give us an overall model service, which we would then compare with the actual service. We would look at sailings per day and the operating day. As the minister highlighted, we tend to find that the service profile for quite a lot of communities is coming out a little bit short and, therefore, services to quite a few communities are being upgraded in comparison with what they currently receive.

Jamie Hepburn: Minister, you mentioned that many organisations and individuals said that they need more time for the consultation. Obviously people are interested in the consultation but, given that, as I understand, there was a major consultation on ferry services in 2009, why was it felt necessary for another consultation to take place?

Keith Brown: That consultation was a very general, wide-ranging review of all aspects of ferry services. To give things further focus, we have looked at all the responses and we are now saying what we intend to do. There are some exceptions to that—for some places we have said, “There is an option to do this and there is an option to do that. Let us have your views”—but, by and large, this draft ferries plan proposes what we intend to do. People made general comments in the first consultation and rather than our just saying now, “This is what we intend to do,” we are looking for people’s views on our proposals.

The consultation will run during March. That feeds into the timescale for the new tender for the Clyde and Hebrides services. The review will give us people’s views on our proposals, which will allow us to have a finalised ferries plan later this year.

Jamie Hepburn: You have said clearly that the consultation will end in March and that the finalised plan will be published later this year. Do you have a more specific timescale, or is that still to be determined?

Keith Brown: We expect that we will issue the finalised ferries plan around the end of the summer. That is what we are currently looking to do.

Jamie Hepburn: Okay. Thank you.

Malcolm Chisholm (Edinburgh Northern and Leith) (Lab): I would like to move on to the inquiry into ferry services by the Transport, Infrastructure and Climate Change Committee in the previous session. I was not a member of that committee, so I am going only on what I have read about it. I will read a couple of sentences from the committee’s report:

“It is considered imperative ... that these proposals are underpinned by a fully co-ordinated plan for the replacement or refurbishment of vessels and any necessary upgrades to or replacement of ports infrastructure. It is also considered essential that the strategy is supported by an implementation and delivery plan that includes a realistic and achievable programme of funding, which will give confidence to ferry users that it will be delivered.”

I want to home in on the two main points in that quotation. First, would you say that the plan is underpinned by the committee’s demand in relation to the replacement or refurbishment of vessels and ports infrastructure?

10:15

Keith Brown: It is probably a bit more complicated than that. I have mentioned some of our investment in infrastructure and some improvements that we have carried out at harbours. More of that is going on at the moment. I

have also mentioned the purchase of the MV Finlaggan, at £24.5 million, and the two hybrid ferries.

Nevertheless, the previous committee was right to say that more requires to be done. There are issues there. First, because of the substantial pressure on the capital programme—as we are all aware, there is a reduction of about 32 per cent over the next three years—the issue is how we fund future vessel provision. At this stage, what we are doing is saying, “These are the services that we want. This is what the draft ferries plan is trying to do. These are the services and the frequency that we want.” There are references throughout the draft plan to requirements for additional ferries or, in some cases, additional crews. We have to fix exactly what kind of services we are looking to provide. We have our methodology first of all: “This is what the need is.” We then have the consultation: “This is what we intend to do.” It is then up to us to ensure that we provide the vessels, many of which, as the report points out, are ageing. We understand that there is a capital investment requirement for ferry services—infrastructure and vessels—so there will be fairly comprehensive consideration of that. However, the order in which we are doing things is the right one.

The situation at the moment, whereby the Government provides funding for subsidised ferry services, is extremely complicated. Those services sail to ports that may not be owned or controlled by the Government. The Government pays harbour dues as part of the subsidy, yet the Government is also asked to bear the cost of improving those harbour facilities. That does not seem a sensible arrangement to me, so that issue will be considered as part of the ferries review. For example we will discuss with port owners or controllers, such as Argyll and Bute Council, whether they want to continue to own ports or whether the Government should do it. That will of course involve financial considerations.

It is right that we do this logically and see what the need is, put forward our proposals for what the services should be and ensure that we have the vessels to carry out those services as best we can, given the financial constraints.

Malcolm Chisholm: Okay. Thanks for that. Secondly, the previous committee’s report talked about having an implementation and delivery plan and referred to

“a realistic and achievable programme of funding”.

I realise that that is not as easy as it was a few years ago, but what can you say about the previous committee’s demand in that regard?

Keith Brown: That is partly explained by my previous response. Alex Neil and I are looking at

ways of getting the funding that is required. There is quite a lot that we can consider in respect of the procurement of vessels, although the main constraint is of course finance. Quite a bit of work is going on in the Government at the moment to ensure that we get the capital resources necessary to procure vessels. In the meantime, that has not prevented us from investing, as I have mentioned, in the MV Finlaggan and the two hybrid vessels. We are well aware that we will need to improve and refresh the vessel stock.

To some extent, it is possible that those tendering for some of the routes will have to make provision for vessels themselves, rather than us always doing so. We will consider that factor, too.

The Convener: We all, I think, welcome the fact that an order has been placed for the two hybrid vessels, especially given that it is with a Scottish yard. We will be interested to see how those perform, and I am sure that you will, too. Will you do that before ordering other, similar vessels for those routes?

Keith Brown: We will look at what capital is available for further orders. That is the main constraint. The technology for the two new vessels is kind of world leading.

As has perhaps been underlined in the case of the MV Finlaggan, there can be issues when taking on new vessels, especially with a bespoke order. We want to ensure that the vessels perform as we want them to and see whether any adaptations are required. We do not expect that there will be, but there will be close scrutiny of how the vessels are built. That will be easier to do because of where the yard is, which I think is a stone’s throw from the offices of Caledonian Maritime Assets Ltd. We want to observe closely the various trials on the two vessels.

The Convener: Perhaps I should declare an interest here. My husband is a shipbroker and, although he does not broker for ferries, he has been asked in the past to find ferries for folk. I should probably put that on the record.

Vessels on many routes are ageing. There is also the possibility of increased fuel costs, not just from normal price increases but because of legislation that I think is due in 2013. Has anything been done to look at retrofitting some of the existing vessels to make them more fuel efficient and environmentally friendly?

Keith Brown: That has certainly been looked at for new provision. Obviously, it is in the interests of the operator to make vessels as fuel efficient as possible. I remember travelling quite frequently on the previous Superfast Ferries service between Rosyth and Zeebrugge. Towards the end of the ferry run, the operator started to increase the journey time by an hour because that brought

substantial fuel savings. That happens elsewhere when it is possible to do it.

Graham Laidlaw may be able to say whether retrofitting has been considered.

Graham Laidlaw (Scottish Government): There are two or three aspects to the issue. Clearly, we are always looking to improve the efficiency of vessels, as that generally means less fuel use and less cost for us and the operator in the contract.

We have considered and taken forward two or three things. Besides the hybrid vessel, we have looked at slick paint, which in effect keeps the hull clean. It is a special paint that smoothes the vessel through the water and improves efficiency.

We have also looked at reducing sulphur emissions from vessels, which I think the convener was alluding to when she mentioned forthcoming legislation. We have considered that in relation to higher-grade fuel, which generally costs more, and retrofitting scrubbers on to the emissions system as a way of capturing the sulphur and other emissions to reduce the environmental impact. We are certainly open to all options, from innovation to technology, as ways of driving down cost and improving the efficiency of the vessels.

The Convener: Has there been underinvestment? Obviously, you carry out planned maintenance and try to renew vessels, but is it the case that there has been underinvestment over a long period in planned maintenance and the replacement of ferries?

Keith Brown: Graham Laidlaw can come in again on the detail, but the answer is no on planned maintenance. Ships have to be certificated as seaworthy, which requires that planned maintenance is carried out. I can give you my own impression of investment over the long term. Many of the vessels are over 30 years old, and there were times in the past, especially when capital constraints were not as bad as they are now, when investment would have led us to have an improved position. However, Graham will have a longer-term view than I do.

Graham Laidlaw: We work closely with our asset-owning company, Caledonian Maritime Assets Ltd, which has been closely involved in all aspects of the review—particularly the investment aspect, given that it owns a large number of vessels and a number of the piers and harbours that support the Clyde and Hebrides ferry services.

We are also engaging with local authority partners, as they have the same issues—for example, on internal ferry services in Orkney and Shetland—to ensure that they are continuing to invest. It is a challenge. Capital investment is

expensive and it is lumpy, but we are working with our partners.

We are working with CMAL on developing a long-term investment plan, which I suspect will be a feature of the final plan when it emerges. That leads back to Mr Chisholm's comment in terms of having the investment plan, knowing where we are going and trying to map out where we will be over the next few years. That clearly helps the industry in gearing up for investment. It also helps the organisations that procure to know what they are procuring over the long term and where those vessels are going.

That is important because there is sometimes interchange of vessels. For example, when a new vessel goes on to a route, if the previous vessel on the route still has a life, it can be moved somewhere else. There is then a cascade issue, which involves sizing vessels into other piers and harbours until, eventually, something falls off the edge. We want to have a fully robust plan for the future, but there are significant challenges in that, particularly the money.

The Convener: Do the Scottish Government, CMAL and other partners have a plan for where they would like to be in 2050, say, in terms of the portfolio and age structure of vessels?

Graham Laidlaw: Yes. The vessels do not last for ever, and some of them are already beyond what we would like. We are working with CMAL on financial planning and investment across our work to see where we are and what sums of money we will need for the vessels, piers and harbours. That will be an element of the final plan.

The Convener: Has work been done on different financing options such as leveraging in pension fund or finance house money?

Graham Laidlaw: Yes. CMAL is already looking at a lease option. Last spring, it announced that it would try to have a lease option for a new Ullapool to Stornoway vessel. Three of the NorthLink vessels are on long-term leases from the Royal Bank of Scotland, and two of the cargo vessels are on a time charter from an external company.

The model is not fixed so that we will always buy vessels or put in capital investment. There are other options around such as leasing or procuring vessels from other sources. Sometimes, second-hand tonnage comes up, but the difficulty with that is that the vessels have to operate in some hugely challenging waters. The conditions at sea off the west and north coasts of Scotland are very difficult and it is difficult to get vessels with the right sort of certification to operate in that class of waters.

The Convener: What comparative analysis has been done of how other maritime countries run

their ferry services? Can anything be learned from them?

Graham Laidlaw: Yes, we have done a bit of that in the past. Part of the ferries review also looked at experience elsewhere. We have regular contacts; in fact, last night I had contact with someone from Bornholm in Denmark who is coming over to speak to us in May as part of our engagement with the Danes. We have also spoken to the Norwegians. Some people in our organisations have strong contacts; one of the directors of CMAL is Danish. We want to learn from elsewhere and we need to look outwith Scotland and see whether we can learn lessons about how to do things differently. If there are any lessons to be learned, we will take them on board.

Keith Brown: It is probably more common in Europe to tender a contract and leave it up to the tenderers to come forward with their answer in terms of vessels. We do it differently here in most cases. That is another model on which we could draw.

Alex Johnstone (North East Scotland) (Con): You touched on fares during your opening remarks and in answer to a previous question. The draft report says that the roll-out of RET might result in things such as multijourney tickets being phased out. It is a complicated process. Could you provide a summary of where the Scottish Government is in terms of proposals for the development of the national fares framework for passenger and freight services?

Keith Brown: As I said, it is complicated, although the idea behind RET is fairly straightforward, as it tries to equalise the cost of making a ferry journey with the cost of making a journey by road. To go back to the point that I made about Shetland, if the equivalent journey were made by road, it would be more expensive. That is why applying RET in a straightforward way to many of the services that go to Shetland would result in an increase in fares.

We are thinking about how to remove disadvantage wherever possible. The national structure that we are trying to apply is to say that, although RET will form the basis for the ferry fares, it will not always be applied in a straightforward way. Alex Johnstone is right to say that it is pretty complicated just now. The northern isles services have friends and family and various other discounts that we intend will continue. We will not review the fares structure for the northern isles services with a view to using RET until the next process, so it will remain in place for the tender process that we are going through at the moment. Elsewhere, it is our intention that every fare will relate to RET, which should make the fares structure much simpler to understand.

10:30

Alex Johnstone: You have already made a series of announcements about the introduction of RET for a series of other routes. I have been contacted by people on the island of Arran who are delighted about the introduction of RET, but who cannot understand why it will take until October 2014 to introduce it. What are the issues that prevent you from moving ahead with RET on a tighter schedule on such routes?

Keith Brown: As far as Arran is concerned, I know from having met the ferry users committee that one of its concerns is how the infrastructure that is there at the moment will cope with what is expected to be a substantial increase in traffic to and from the island. We must ensure that we have the right infrastructure in place before that happens. We are looking at how we can improve matters, because the pier there is by no means ready to take on such additional capacity.

The case of Arran underlines that RET will have a different impact on different islands. For example, if the hauliers had been included in the RET scheme, there would have been concerns about how the transport infrastructure within Arran would have coped with a substantial increase in the number of haulage vehicles and the impact that that would have had on indigenous traders. There are different issues to consider for different islands.

One of the other constraints is, of course, finance. It is necessary to do things as resources become available, but we intend to see through our manifesto commitment to roll out RET across the Clyde and Hebrides. That will be done in a staged way, taking account of the particular pressures on particular islands, such as those that I have mentioned on Arran.

Alex Johnstone: You mentioned freight transport. I am getting correspondence from hauliers who are concerned that they will not benefit from RET and who have serious concerns about what might happen to the fares structure. How do you respond to those concerns about the level of fares that might apply to road haulage vehicles?

Keith Brown: I will respond, first, by talking to the people concerned. In the last day or so, I have agreed to meet representatives of hauliers who have been in touch with me to express such concerns. It is important that we do that.

You may remember that, when RET was introduced in the Western Isles, in Coll and Tiree, there was substantial opposition from hauliers, who preferred the previous discount structure to RET. Now that they have had RET, they are highly supportive of it. However, that was a pilot, and it showed that, although RET was hugely beneficial

for the tourism industry and for individuals, the benefit from the subsidy that was paid to hauliers was not passed on to businesses or consumers. I think that that was true in more than 90 per cent of cases—the officials will be able to provide the exact figure. The benefit was not passed on to the end users, whether businesses or consumers. We have looked at that issue. The difference between the cost of what we intend to do and the cost of RET is around £1.5 million.

Another concern that the hauliers have mentioned to us is that the previous discount scheme was much more accessible to large hauliers than it was to smaller hauliers. We are looking at trying to change that. Officials are working on how we can better adapt the scheme to ensure that the smaller hauliers benefit.

We have listened to the concerns that have been expressed. Another point relates to the size of vehicles, which is a big issue. Smaller vans will continue to benefit from RET. I think that, at present, there is a restriction of 5m, which we are looking to extend to 6m. That will capture quite a lot of traffic.

In not taking forward the RET pilot for hauliers, we have not reverted back to the previous position. We have substantially increased the discounts for hauliers that were available before we started RET. Those issues are the subject of continuing discussion. I have at least one meeting set up with hauliers, and I have spoken at length with local representatives, which I will continue to do over the next few weeks.

Alex Johnstone: Is the objective of the changes for road hauliers to achieve some of the things that were achieved by the previous regime in pushing heavy traffic on to night sailings when cars are less likely to be on the ships?

Keith Brown: That is an issue of demand management. Yesterday, we discussed the extent to which it was possible to make improvements through that kind of shift. The issue is very much in our minds. As Judith Ainsley has been working on that, she might like to comment.

Judith Ainsley (Scottish Government): We want to make demand management more possible, especially in the new tenders. One of the previous committee's findings was that it wanted such fare changes to be much more possible. There are capacity issues on the short crossing between Uig and Tarbert and Lochmaddy, and that might be a route where we should look at demand management closely.

Alex Johnstone: Thank you. The final issue that I will mention is one that you have touched on more than once already—the implementation of RET on the northern isles ferry services. As you pointed out, the level of support that goes into the

Shetland service in particular achieves better than RET already, yet that is a special case because of the distance, and the need for economic support there is as obvious as it is anywhere. What fare structure do you envisage that you will apply to the northern isles ferries, particularly the Shetland service?

Keith Brown: You mentioned the support for the Shetland service. At about £40 million a year, subsidy to the northern isles services is as high as it has ever been. I make that point because the allegation is sometimes made that we have provided RET for some parts in the west but we have not provided it for the north. I think I am right to say—my officials will correct me if I am wrong—that the passenger pays about 40 per cent of the fare in Shetland, whereas in the west it is about 50 per cent, so in effect the subsidy is greater there. As in Orkney, it operates on the basis of particular discounts for family and friends, which have grown up over a period of time, and which work well.

We are involved in discussions about the new tender for services to Orkney and Shetland. A call has been made for us to look at RET for the northern isles, and we will do that, but not for this tender period. We did not commit to do that in our manifesto; we never said that that was what we were going to do. However, having listened to representations, and looking at the matter in the round, including considering the idea that we should try to have one structure that is a reference point for all fares in Scotland, we will look at that.

I ask Judith Ainsley to comment on the other points and say more about the fares.

Judith Ainsley: We could add a distance-related element to RET. The RET fare is made up of various elements. There is a base element depending on whether the fare is for a passenger, a car or a commercial vehicle, and there is an element per mile after that. If someone is driving their car, it costs them proportionately more to go a short distance than to go a longer distance. We could build that element into an RET fare structure for the northern isles, for example. That is an example of the things that we are going to look at.

Although there was no commitment to roll out RET for the northern isles in the short term, we have a provision in the contract to allow us to do so if that changes.

Alex Johnstone: Does that mean that there will not be consistency in the fare structure between the northern isles and the western isles, or are you trying to move to a system that will be consistent across the board?

Keith Brown: As I said, the end point is to relate every fare to RET. As Judith Ainsley said, we will be able to do that under the tender, but our intention is to make the changes subsequently.

That is consistent with what we said before the election. We said that we would roll out RET for the Western Isles and the Clyde and Hebrides, but we did not say that we would do it for the northern isles. However, we can look at that during the tender period, and we will take it forward during that time. It is a six-year tender period.

Alex Johnstone: Thank you.

Gordon MacDonald (Edinburgh Pentlands) (SNP): The draft plan mentions the kind of ferry services that should be funded, namely a mixture of lifeline, tourist and freight services. Chapter 4 concludes by stating:

“We are committed to an evidence-based needs based assessment for each community. At the core of this Draft Ferries Plan is a routes and services methodology which treats all communities on an equal basis.”

Will you highlight the key changes to ferry routes that are proposed in the draft plan? What scope is there for further changes to those proposals before the final version of the plan is published?

Keith Brown: I will defer to the officials to list them, but I will comment first, using the Jura services as an example. In the ferries plan, we propose to take away the penalty for people who have to travel from Jura to Port Ellen and then to the mainland by providing a free ferry service there. There are places where we say that vehicle provision is not currently well supported and that that should not continue to be the case. For one of the ferry services to Mull and one of the services to Bute, we are considering extending when the last ferry sails. People have said that they want to be able to travel to the mainland, go out somewhere on the mainland and return on the same day, so there is a need for a last ferry later than 8 o'clock at night. That is another of the changes that are proposed throughout the document. Judith Ainsley may want to mention some others.

Judith Ainsley: We would probably be here for a long time if I were to list them all. I highlight the proposed change from a single-vessel service to a two-vessel service for Arran and Mull, which will provide more of a shuttle-type service that will increase the frequency. The vessels on the route will probably be smaller than the current one, but there will be two of them rather than one. I also highlight what is happening in relation to the small isles and Colonsay. Our needs-based assessment showed that the provision there was among the poorest that we have on the network just now. The report contains recommendations of what we would like to do for Colonsay and the small isles, which includes allowing people to make at least one return trip a week to the mainland during which they would be able to spend some meaningful time on the mainland. That does not seem an awful lot, but there are specific proposals

for the small isles and Colonsay. We have tried to enable families to remain on the small isles. When children get to secondary school age, their families tend to leave the islands. Therefore, we have introduced provision that will allow schoolchildren to travel back and forth for weekends, which they cannot do at the moment. Those are just some of the proposed changes.

Gordon MacDonald: I believe that there was a proposal from local islanders to run a direct ferry service from Jura to the mainland, but they have had difficulty in getting planning permission for it. I am informed that part of the problem is the fact that Argyll and Bute Council operates the ferry between Islay and Jura and there might be a conflict of interests there.

Keith Brown: I do not know whether the council operates the ferry service, but it provides support for it. We are looking to discuss with the council what we can do to help out with that. I am not sure about the other proposed service that you mention.

Judith Ainsley: There is already a passenger-only, extended summer seasonal service that runs between Jura and the mainland. I am not aware of any planning difficulties for it, although it has had funding difficulties. We have confirmed that we would be prepared to provide financial support for that passenger-only service until such time as we can strengthen the link between Jura and Islay. We hope to have discussions with Argyll and Bute Council this week on how we can share the financial support for the passenger-only service in the meantime.

The Convener: On routes and so on, from time to time, the question whether the northern ferries from Orkney and Shetland come into Aberdeen or hit the mainland sooner rears its head. Can you confirm that Aberdeen is still the port of choice for the Orkney and Shetland ferries? I know that you travelled on the Shetland ferry recently in fairly stormy weather. Would you rather have hit dry land on the mainland sooner?

Keith Brown: What surprised me was the fact that nobody else thought that it was stormy weather—it was just me. I should not admit it, but I ended up with a full glass of wine all over me on the way back, although it was not a rough journey for those who make it regularly.

The tender process that we are going through just now will not change the fact that the services go to Aberdeen. As I have said to people in Shetland, the nine-week dry-dock period that they are about to experience, in which there will be a reduced service for nine weeks, is an eccentricity of the current contract and we will ensure that the situation does not happen under the future contract. There will be no change to the

destinations. For the Orkney service, we have prescribed both the Scrabster and Stromness ports, not least because of the many millions of pounds of investment that has gone into them. There should not be that level of change, certainly for the service to Aberdeen.

10:45

Margaret McCulloch (Central Scotland) (Lab): The draft ferries plan states that the Scottish Government is

“willing to be responsible for all ‘lifeline’ ferry services in Scotland.”

What exactly does that mean?

Keith Brown: I can probably best explain by giving examples. We have just talked about the northern isles, which have two ferry services across from the mainland. One is run privately by Pentland Ferries and one is provided by NorthLink Ferries. If that was reduced to one service only, we believe that that would be a lifeline service for people on the island travelling to the mainland, for commerce and for freight. For Orkney and Shetland, good freight links are crucial to the economy, particularly for the shellfish industry, which has to get its catch to market quickly. That is obviously not a lifeline service, but it is a key and important service. The industry in Shetland is doing extremely well through its electronic auction. It is absolutely key that the langoustines that are landed there get to the right place in Europe as quickly as possible. The loss of, say, 12 hours in that process would have a big effect on the market.

However, because an island does not have the same range of services as the mainland, when people need to get to the mainland—not least for medical attention but also, sometimes, for pharmacy services—that is extremely important. That is what we term a lifeline service.

Margaret McCulloch: Why has no final decision been taken on a ferries regulator?

Keith Brown: We will consider a ferries regulator, particularly in relation to services that are not directly subsidised by the Scottish Government, to ensure, for example, that there is the right pricing and, possibly, the right provision of service. At present, the Westminster Government’s approach to the issue is unclear. That is a key point, because we think that it would probably have to legislate for a regulator, rather than the Scottish Government, or at least such legislation would have to be done in concert with legislation here. We are investigating that.

From recent discussions that I have had with the relevant United Kingdom minister, it is clear that the UK Government wants less regulation in

relation to ports, rather than more. I have not raised the issue of a ferries regulator directly, but I have spoken with the relevant minister, Mike Penning, and it seems to me to be extremely unlikely that the UK Government’s stance will change. Prior to 2007, the previous Scottish Executive made an approach on the issue to the previous Westminster Government. Not only was there no indication of willingness to take up the idea at Westminster, but there was no response to the request at all. That shows that there is not a big appetite for such a move at Westminster, which leaves us having to consider what legislative provision could be made if we decided to proceed in that way.

Margaret McCulloch: How does the Scottish Government respond to the suggestion in a petition that the committee recently considered—I was not a member of the committee at the time—that an independent expert group be set up to consider issues relating to the provision of competitively tendered ferry services under European Commission law?

Keith Brown: There is not much doubt about EC law, particularly in relation to the Gourock to Dunoon route, on which the European Commission intervened. As I said, our approach to that route fully complied with EC requirements. It is open to anybody to come back to us on that, through the draft ferries plan. It is open to people to say that they think that something should happen or to set out the extent to which they feel that we are not complying with EU law or whether we should comply with it. They have the opportunity to do that through the existing process.

Margaret McCulloch: Do you envisage that there will be any loss of jobs as a result of the changes that are proposed in the consultation?

Keith Brown: No jobs have been lost so far. You will be well aware of the Scottish Government’s efforts to ensure no compulsory redundancies in its agencies and, as far as possible, in the agencies that we relate to.

As you may be aware, there were fears that the way in which the Gourock to Dunoon service went out to tender after the European Commission’s intervention would result in job losses. In the end it did not, although some staff were redeployed. Future bidders will have to observe the Transfer of Undertakings (Protection of Employment) Regulations and basic pension provisions. One does not always know what will happen with a tender process, but that has been our experience, and we are determined to avoid compulsory redundancies wherever possible.

Margaret McCulloch: With regard to the retendering process, will the Government make any allowance to enable the people who are

tendering to consider employing the long-term unemployed or young people between the ages of 16 and 19 or offering them a modern apprenticeship?

Keith Brown: By and large, as I understand it, we cannot prescribe that as part of the tender process. However, you make a good point about training and apprenticeship opportunities, and I will look at what we can do in that regard. We have asked for those training opportunities in relation to the new Forth road crossing. This situation may be slightly different, but we will look into it and get back to you on what the potential for doing that might be.

In fact, perhaps Judith Ainsley can clear up the matter just now.

Judith Ainsley: As part of the current northern isles tender we have asked bidders what provision they would make in their human resources plans for exactly that type of thing. That will then be scored as part of our quality assessment.

Keith Brown: The ability to insist on that is quite restricted by European Union law, but we obviously want to encourage it.

Adam Ingram (Carrick, Cumnock and Doon Valley) (SNP): An accessibility report that was published in 2010 made a number of recommendations for improving disabled access, including the establishment of an accessibility investment fund to help operators with the extra costs of implementation. Can you provide more information on the size and scope of the ferries accessibility improvement fund?

Keith Brown: We intend to move forward on the general issue of accessibility. We can build that in opportunistically to some extent as new vessels come in, but otherwise it will involve retrofitting. We have examined the issue of accessibility in the ferries review. I think that Graham Laidlaw wants to come in on that.

Graham Laidlaw: It is an important issue. It is quite difficult with older vessels and older piers and harbours to get the level of provision that would be built into a new design, but we do our best on that. Operating companies such as CalMac Ferries do a lot of staff training in that regard. The Finlaggan vessel, which entered service last year, is fully accessible: it has lifts and access to toilets and all the other facilities. We take access very seriously, and we will insist on moving forward further with regard to new vessel designs and new ferry contracts.

Adam Ingram: I was looking for a wee bit of a ballpark figure for what will be provided.

Keith Brown: That will be based on what we get back with regard to the ferries plan. I mentioned the sequential way in which we are

dealing with the issue: we will try to identify which services we will provide, which will give us an idea of the vessel configuration, and when we know what that is, we can see where to go. If new vessels are to be procured, we can build accessibility in from the start, and with older vessels, we can get an idea of what we will need to retrofit. Over the next few years, some vessels that are in service just now will no longer be around. However, we will not have a clear idea about that until we go forward to the next stage.

If that information is of interest, I am happy to supply it to Adam Ingram and the committee as soon as it becomes available.

The Convener: We touched briefly on environmental issues such as sulphur emissions. The strategic environmental impact assessment that accompanies the draft ferries plan mentions, besides increased greenhouse gas emissions, an increased risk of ferry collisions with cetaceans—whales, dolphins and porpoises—and a possible increase in coastal erosion. How were those conclusions arrived at? Are the officials who are involved in ferries fully involved in how the Marine (Scotland) Act 2010 functions and in the marine planning partnerships? I was previously convener of the Rural Affairs and Environment Committee, which considered that legislation. It is important that those who are involved in ferries are fully involved in the MPPs.

Keith Brown: We are working closely with the UK Government on sulphur emissions to determine what we can do to protect the interests of the industry and, at the same time, protect the environment.

We are not yet as fully involved as we could be with other directorates on making progress on the matter. That raises the issue of a maritime policy, as opposed to a marine or ferries policy. We are actively considering that.

Perhaps the increased risk of collisions with cetaceans is testament to the vibrancy of the wildlife around the Scottish coast.

I am not sure who can answer on coastal erosion.

Judith Ainsley: If anyone here can answer it, it will be Cheryl Murrie. We may need to come back to the committee on that.

Cheryl Murrie (Scottish Government): As we drafted the plan, we worked closely with our colleagues in the environmental unit who deal with the matter and who drafted the strategic environmental assessment. However, we probably need to come back to the committee with specific details to answer the questions that have been asked.

Graham Laidlaw: I suggest that the risk of coastal erosion is fairly low, but it is considered a risk.

The Convener: What about involvement in the functioning of the Marine (Scotland) Act 2010?

Cheryl Murrie: Our colleagues who drafted the strategic environmental assessment obviously have a lot of knowledge of the 2010 act and have worked closely with their colleagues. However, we have not been directly involved in that work ourselves.

Alex Johnstone: Margaret McCulloch mentioned a petition. PE1192 calls on

“the Scottish Parliament to urge the Scottish Government to state how it is supporting and promoting independent ... ferry routes between the islands and the mainland and how the planning system is playing a constructive role in supporting the economic and social future of such routes.”

We agreed to ask the minister about that and here is the opportunity. What is the Scottish Government doing to support independent, non-subsidised ferry routes? If new routes emerge, how will it ensure that they are properly regulated?

The Convener: I point out that we are talking about two separate petitions.

Keith Brown: We will produce a response to the Public Petitions Committee on the issues that that petition raises.

It is perhaps stating the obvious to say that if people want to run ferry services independently, that is a matter for them. Obviously, the regulations on maritime safety and practice would apply. The Scottish Government is not responsible for many of those regulations; they are the UK Government's responsibility. However, the frequency of services and the level of fares are matters for the operators.

If we did not operate the services that we subsidise in such a way that they did not infringe the rights of independent operators, we would quickly be brought up before the European Commission. That is the body that safeguards such services.

I am not sure what the reference to planning refers to, unless it is to do with the infrastructure on either side of a route. That would be—not exclusively, but mainly—a matter for the local authorities concerned.

Judith Ainsley: Very few routes are commercially viable. I believe that there are some, but they are few. Therefore, the vast majority of ferry services in Scotland will need to continue to be run under contract with a subsidy. That is how we protect and regulate them.

Alex Johnstone: We have a couple of good examples of routes that are successful and

commercially viable. However, one of the concerns that has been expressed is that the fees that CMAL charges for the use of piers and harbours may deter independent operators. How can we ensure that that is not allowed to happen in future?

11:00

Keith Brown: That matter is straightforwardly regulated by the European Commission and anyone who is concerned that that is being done in a way that acts against their interests has a remedy—apart from the legal remedy, of course.

I have already acknowledged the complicated network of ports and harbours and the fact that the fees will be set by the harbour authority, which might be the local authority, CMAL or some other organisation. We really have to address the issue, because we seem to be paying in three different ways. At one end, the Scottish Government provides a subsidy to a ferry service that, among other things, allows it to pay its harbour dues to a harbour authority, which, at the other end, requires the Scottish Government to come in and improve harbour facilities. There is scope for rationalising that process and we intend to do so. However, as I have said, those who feel that the fee structure is disadvantaging them have remedies to deal with that.

Alex Johnstone: Will dealing with the objective of avoiding having to pay subsidy at both ends clarify the fee structure and make it easier to understand for potential private operators?

Keith Brown: That is my intention. Although in certain circumstances you might end up paying the same amount as before, you will make payments in a transparent way. I do not think that this applies to certain cases that Mr Johnstone might have in mind, but let me give an example. The Scottish Government provides a subsidy for a certain service to whoever wins the tender. That subsidy includes a contribution for harbour fees that are taken by, for example, a local authority, which then asks the Government to carry out improvements to the harbour. I am not sure that that is the best way of finding out the true cost or whether the best incentives are in place for the right people to get the best outcomes. If we move towards the mechanism that I have proposed—indeed, as I have said, we are already discussing it with one local authority—we might have a much more clear-cut situation, which I think will be to everyone's benefit. We will be able to see the money that is going in, the effect that it is having and the resulting improvements in services.

Alex Johnstone: Will that clarity apply to CMAL-owned facilities?

Keith Brown: Again, we could be providing the subsidy at both ends. We have not necessarily fixed on how exactly we do this across the country. After all, you know as well as I do that the situation has been going on over a long time. Some of the harbour authorities have been in place for 300 years and we certainly do not intend to change those that are working well. Nevertheless, my concern is with public money, which CMAL and some harbour authorities receive, and I want to make the process as transparent as possible.

Alex Johnstone: I quite agree with the minister that we should not be changing arrangements that have worked well for 300 years. [*Laughter.*]

Keith Brown: I am talking about only the ones that have worked well.

The Convener: As members have no further questions, I thank the minister and his officials for their evidence. We look forward to receiving the extra information that has been promised and will of course return to the matter when the plan itself is published.

I suspend the meeting for a changeover of witnesses.

11:03

Meeting suspended.

11:08

On resuming—

Scottish Social Housing Charter

The Convener: We now move to agenda item 3. We will hear evidence from representatives of Scottish housing associations. It will be helpful if questions and answers are succinct. The witnesses should not feel that they have to contribute on every question; if they agree with a point, it will be fine just to say so.

I welcome the witnesses, who are: Jim Harvey, director of the Glasgow and West of Scotland Forum of Housing Associations; David Bookbinder, head of policy and public affairs with the Chartered Institute of Housing in Scotland; Euan McDougall, policy, information and parliamentary officer from the Scottish Disability Equality Forum; Danny Mullen from the regional networks of registered tenant organisations; Alan Stokes, policy and strategy manager from the Scottish Federation of Housing Associations; and last but by no means least, Ilene Campbell, director of the Tenants Information Service.

Can you explain why the Scottish social housing charter is important to your particular organisation?

Danny Mullen (Regional Networks of Registered Tenant Organisations): The charter is very important to tenants because for the first time the standards to which the Scottish Housing Regulator operates will be governed by charter. Tenants have never previously been involved in contributing to the regulatory process and it is important that tenants are involved at the beginning as we embark on the new process.

The Convener: What difference do you hope that the charter will make?

Danny Mullen: I hope that the charter will provide opportunities for landlords to engage more openly and transparently with tenants and that it will ensure that they deliver value for money and accept accountability for the actions that they take in running their businesses. Tenants are important elements of the business structure of housing. Many have no choice but to live in the houses that are designated for them, so it is time that tenants were able to express their thoughts on the services that they receive, the value for money that they hope to get and whether their tenancies are properly regulated. If there has to be self-assessment, tenants must also be involved in that process.

Jim Harvey (Glasgow and West of Scotland Forum of Housing Associations): The organisation that I work for is made up of community-controlled housing associations that

have high levels of tenant membership of their management committees, so we are fully on board with the idea of a charter that promotes good standards for tenants.

It is important to say that this is not entirely a newfangled concept, though. There have previously been standards that set out what landlords should try to achieve and that has been the case in the housing association sector since the 1980s, but Danny Mullen alluded to what makes the charter different, which is that there has been more tenant input to the process of developing it. I will not go into that lengthy process, but we have ended up with a set of national, high-level outcomes. To me, that makes more sense than trying to prescribe in detail what every landlord in every part of Scotland should try to achieve. That may be well-intentioned, but the risk is that it would become too heavy-handed.

The charter is about encouraging dialogue between tenants and landlords. As we said in our written evidence, we regard the issue of reporting to the regulator as important, but secondary. Earlier discussions on the process concentrated on what would be reported to the regulator and what the regulator would do about it. However, our view is that the process should be as much about what is locally important.

Ilene Campbell (Tenants Information Service): The committee will probably find that there is consensus about the charter among all the organisations that are here. There was extensive consultation on the charter, which involved tenants, too. Given all the current housing issues, the charter is pretty high up on the tenants' agenda.

We are a support and training organisation that works with tenant groups all over Scotland. We regard the charter as a platform to improve the dialogue between landlords and tenants. We carried out quite a lot of consultation on the charter with tenants, who said that they hope that it will improve tenant participation and how tenants are involved.

We have had a legal framework for tenant participation in Scotland for over 10 years, but the participation and involvement of tenants still varies greatly across the country. Some tenants will be very actively involved, but some tenants reported through the consultation that they still feel that their views are not being heard. There is therefore quite a lot at stake for tenants in the charter.

It is essential that support and training is provided for tenants. If they are to be at the heart of working with landlords on self-assessment, our priority over the next year will be to work with tenants organisations across Scotland to ensure

that tenants are supported and able to take part fully in the process.

David Bookbinder (Chartered Institute of Housing in Scotland): Jim Harvey is right that standards have been around for a long time, but there is no doubt that the advent of the charter will make the standards that social landlords have to comply with much more explicit for tenants. The charter will be much more of an out-there document.

The CIH thinks that it is good that there will be a renewed focus on the standards that social landlords must have for their services. I do not think that there will be any real difficulties or barriers for landlords who are currently providing good services, but there is no doubt that there will be a renewed focus on how the regulator regulates services according to the charter and on how landlords can find the right ways of measuring their own performance, with meaningful tenant input, as other witnesses have said.

11:15

Euan McDougall (Scottish Disability Equality Forum): For disabled tenants, the idea of greater and better-quality participation is extremely important. Like others, we hope that the charter will provide a platform that will deliver that.

Alan Stokes (Scottish Federation of Housing Associations): Quite simply, the charter will shape the way in which the regulator regulates our sector. We are pleased that the charter has been greatly reduced in size, from 71 to 16 outcomes, which is much closer to what we suggested on behalf of our members in our alternative charter.

The amendments that we suggested in our written evidence were intended to resolve points of ambiguity that might leave landlords and tenants with unclear expectations.

The key point that we would like to make is that the charter can work in practice only if the performance measures and reporting requirements under the charter, which the Scottish Housing Regulator is due to formally consult on next month, are clear and realistic and do not greatly increase the regulatory burden on our sector. I would also like to add to that that we welcome the fact that tenants have had a great degree of involvement in the process up to this point.

The Convener: Does the revised charter answer the key concerns that arose during the consultation? If not, are there still main areas that need to be improved?

David Bookbinder: I will be cheeky and get my point in early, as the CIH really only has one comment in that regard. Most of the outstanding

concerns can be addressed with some tinkering to the commentary that goes with the outcomes. As has already been said, the charter is much improved. It has been through a long journey.

The CIH is particularly concerned about the outcome that refers to “continually improving value” for money. I think that that outcome is trying to encourage a spirit of landlords always being on the alert for better ways of doing things, which is what we all want. However, making a landlord guarantee that, year on year, they will continually improve value for money could make them a hostage to fortune. We would like that wording to be amended but, otherwise, we can live with the charter as drafted.

The Convener: Where are we at with finding another adverb to replace “continually”? Other organisations, such as utilities groups, are always being asked to up their game every year. We should all be thinking about that. What alternative wording might you be able to rally around?

David Bookbinder: We have offered an alternative in our submission, which talks about tenants and others receiving services

“that provide good value for the rent and other charges they pay.”

We would expect the regulator to look behind that and consider what landlords are doing to consider continually how to ensure that they provide value for money. We simply have an anxiety about making a promise to tenants that value for money will improve year on year. If you are starting from a point of high quality, that is a pretty dangerous thing to say. However, we are not against the spirit of continuous improvement.

Jim Harvey: It is also important to recognise that the regulation of social housing is different from the regulation of utilities, where there is a direct relationship between the cost to the consumer and what is on offer. Of course, the way in which energy prices rise makes me not so sure of how effective that regulation is.

What makes social housing different is that it is about communities and tenants’ priorities. For example, if tenants say to their landlord that they want them to improve in a particular area, whether it is estate management or local environmental issues, does the landlord say no, because that will cost more money, or does the landlord have a dialogue with the tenants in order to establish what both sides regard as the right way forward?

Without suggesting that social housing is an overly complex thing, I point out that it is about people and communities. The need to be responsive to those factors makes the approach to regulating social housing a wee bit different from the standard regulatory way of looking at things.

Danny Mullen: I will be the odd man out and support the outcome of continually improving services for the money that tenants pay. That is crucial for tenants. We have seen rent hikes to cover the Scottish housing quality standard, this improvement project and the next one and so on. There has been very little involvement from tenants in those processes. The landlords say that they need the money to improve the standard of housing or to maintain houses but, in many cases, such works are carried out by landlords without any due regard for the impact on their tenants in relation to how the work is done, what process is used, whether tenants are involved, whether tenants get decanted and so on. It is therefore crucial that tenants see a continuous improvement in the services that they receive year on year and in relation to landlords’ attitudes towards them.

It is all very well saying that tenants should be on the board and their voices listened to. I am a council tenant and I sit on the board of an RSL as an independent member. My experience is that the tenants on the board do not always represent the interests of the tenants in their communities. They represent the board and the decision-making process that it uses. That is where their responsibility lies. Landlords must get out of their offices and go into the communities and talk to tenants.

The Convener: Let us put this into context. For example, say that a housing association says that it needs to renew all its kitchens and there has been a fairly short time between the first refurbishment and the second. Danny Mullen, are you and the others saying that the approach needs to be more individualised? A lady might not want her kitchen to be renewed, but she might need her bathroom to be adapted because of her increasing frailty. Are you asking for landlords to take a more individualised approach?

Danny Mullen: We would like to see an individualised approach where that can happen. It is not always feasible. Choices should be built in so that tenants can at least claim ownership of that particular part of the process. That would improve the value that tenants get for their money. That is what I am saying. We have to turn it on its head. It is not all about finance, but about how services are delivered and where tenants perceive they can be actively empowered to make a contribution and keep themselves and their communities better managed.

Alan Stokes: It is important to note that housing associations and co-operatives have always embraced the concept of continuous improvement. The social housing charter will replace the performance standards, under which guidance standard 1.3 is entitled “Commitment to Continuous Improvement”. Every housing

association and co-operative is committed to continually reviewing and looking for ways to improve services. However, the outcome talks about “continually improving value”, which is quite different and next to impossible to achieve or measure. We therefore suggested that the phrase “continually improving” was removed from the outcome to leave landlords committed to providing high-quality services that represent value for the money that their customers pay.

Danny Mullen: Who will be the judge of that?

Ilene Campbell: I said earlier that there is a lot of consensus, but not on all the proposals. I support Danny Mullen on this one. If we had an audience of tenant representatives from around Scotland and we asked for their view on that outcome, they would say that it is a positive thing from their perspective. I know that “value” is just one word, but when I read that outcome, I was thinking about continuous improvement. Value for money does not always mean lowering costs; it can be about getting value for the money that we pay for something.

When we meet tenants groups, one of their key questions is about value for money. Danny Mullen summed up the problem very well from an activist’s point of view; in discussions about rents, there is very often no full consultation between landlords and tenants. Given the various challenges, including the proposed welfare reforms, value for money is at the top of tenants’ lists.

I realise that the landlord sector, which is represented this morning, is not comfortable with the challenge of continually ensuring that there is value for money, but why is that the case? It does not mean having to lower costs year after year; it simply means ensuring that, each year, there is value for money. I am not saying that tenants are always happy to take a rent increase, but they will be if they see more improvements or capital investment being made. As the panel’s evidence suggests, there is a strong case for such an approach to continue.

Euan McDougall: I agree with Ilene Campbell’s comments about continuous improvement. More generally, from a disability point of view, we are very pleased that the need for a specific equalities outcome has been recognised and the outcome included in the charter. After all, many equalities organisations had looked for that.

Danny Mullen’s point about tenants having choice and control over their own homes is particularly important with regard to disabled people and we would like the charter to recognise disabled people’s right to independent living, which would mean that they would have the same freedom, choice, dignity and control as any other

person. That is crucial with regard to where a person lives, which in turn is related to the adaptations they can get, the people they can socialise with and their access to employment and social activities. We suggest that the right be added into the charter as a separate outcome or that the phrase “independent living” be inserted into a number of the existing outcomes.

The Convener: Given that, with the way services are going, people are able to stay in their houses for longer instead of having to go into residential care or supported accommodation, such a move seems only sensible.

Euan McDougall: Absolutely. It chimes completely with the concepts of personalisation and preventative spend.

David Bookbinder: No one would disagree with Euan McDougall’s point. Every organisation in the housing support and care field is keen to promote independent living.

However, given that the charter is aimed at social landlords and, predominantly, their tenants, we have to be careful that we do not put responsibilities on landlords or make promises to tenants that go beyond landlords’ areas of responsibility. Landlords are not in sole control of getting adaptations carried out, disabled people’s social activities or their quality of life. In spirit, we all agree with Euan McDougall but we must be careful that the charter does not take landlords beyond their actual remit.

The Convener: I do not think that anyone is saying that landlords are in sole control of such things, but surely they play a major role in delivering for their tenants and ensuring that they can stay at home for as long as possible. Of course, they will work with others in health and social work in that respect.

David Bookbinder: That is the key point. If the charter referred to working with others and things were regulated on that level, that would be absolutely the right approach. We should not be putting the onus on landlords to do things by themselves without reference to other organisations.

Jim Harvey: This is, in fact, one of the substantive issues that the committee needs to consider when examining the charter. What we have arrived at is very much focused on landlord responsibilities and I agree with the convener that, in a whole range of public policy areas, be it reshaping care for older people, community regeneration, preventative spending or whatever, we are probably beginning to head in different directions. The charter does not really tap into any of those things. I share David Bookbinder’s nervousness at the prospect of the charter being used to measure what landlords are doing on

certain matters because, in most cases, this is all about partnerships and shared responsibilities.

From a personal point of view, I would like the charter to be a bit more ambitious or at least to recognise in the commentary that social housing takes place within a broader framework. It is not necessarily, for example, a matter of asking the regulator to measure the contribution to community regeneration, but it is perhaps a question of the charter recognising that local housing associations are hugely important in their communities in how they engage with community organisations, public service providers and the third sector. We will need much more of that engagement in the future, as spending cuts continue, to make our neighbourhoods the sustainable places that we all want.

11:30

The Convener: Is the charter missing a trick? Are those things not discussed with the various bodies in drawing up the charter?

Jim Harvey: It depends on what the vision is for the charter. If it is to focus primarily on the bread-and-butter aspects of being a landlord, that is fine—that is what we have ended up with in the charter. However, we have made the point throughout the process, although we have probably lost the argument, that for the communities that our members work in, which tend to be poorer and more disadvantaged, there should be a recognition of the broader context.

The factors of prevention, community empowerment and so on will become more rather than less important as part of the context in which social landlords work. The Convention of Scottish Local Authorities has made the same point in its written evidence when it talks about the changing shape of public services in future.

The Convener: We must move on. Margaret, I am sorry if I have strayed into your questions a bit.

Margaret McCulloch: That is okay—I have been furiously writing some more.

The number and scope of the proposed standards has been reduced from 71 to 16. Do you feel that any of the 16 are unnecessary and could be removed?

Danny Mullen: I do not think that any standard is unnecessary; rather, I would say that some of them are missing some main elements. In the homelessness outcome, there is no mention of measures that housing bodies should take to prevent homelessness. I worry because the charter is also missing the fact that homeless people have the right to settled accommodation. The outcome refers only to temporary

accommodation but, especially in 2012, homeless people are entitled to settled accommodation.

I also worry about local authority landlords who use out-of-town placements and bed-and-breakfast accommodation in emergency situations. Such accommodation is used too often; authorities should have housing capability within their areas.

There is also no mention of an environmental standard. The charter talks about sustainable communities, but how can we have sustainable communities without having standards that we have to live up to? Those are my concerns.

Ilene Campbell: It would be really challenging to reduce the outcomes further. I cannot remember the exact number of previous outcomes, but the charter has come down to 16. Obviously, because they have been reduced from 70-odd, the 16 outcomes cover very broad areas. As we have said in our submission, we are focusing on the next stage: the role that the regulator will have, the performance measures and, significantly, how tenants will engage.

We have not recommended many tweaks to the charter, but I agree with Danny Mullen's view. Outcome 4 focuses on quality of housing based on the Scottish housing quality standard. Although people are pleased that there is a standard, it is a minimum standard that people aspire to improve on. There is not a lot of reference, even in the narrative, to wider environmental issues. For most tenants, housing is part of the issue, but the wider environment is also important. There are regeneration proposals, and we advocate adding—to the narrative, if not to the outcome—something in relation to that. It would be quite easy to do.

The transparency outcome is not mentioned in our submission, but I know that it has been raised by another witness. Perhaps we missed this the first time round, but there was a clear outcome in the original draft that said straightforward things, such as that tenants and customers would have the right to information. They already have the legal right to find out how decisions are made and how landlords govern their organisations. I note that that has not been translated into the final charter, although the charter is about transparency and accountability. Tenants ask us basic things; they need to know how decisions are taken and how they can try to influence what their landlord is doing. As I said, the transparency outcome has been raised, and Euan McDougall might raise it, and we would probably welcome another look at the issue. Even if it was not a separate outcome, it could be included under "Communication" in the current charter.

David Bookbinder: I might slightly diverge from some of Ilene Campbell's and Danny Mullen's comments. Danny Mullen commented on prevention and helping to ensure that people do not become homeless in the first place. A current outcome is that

"Social landlords ensure that ... people at risk of losing their homes get advice on preventing homelessness."

That point therefore looks to be covered.

The homelessness issue is interesting. The charter cannot replicate everything that is in the legislation and the accompanying code of guidance on homelessness that local authorities must follow. In some ways, the charter is an abbreviated and complementary version. It adds to the range of local authorities' statutory duties.

Perhaps there is a feeling that the charter is not explicit enough on transparency. From CIHS's point of view, it seems to be clear that social landlords must ensure that it is easy for people to

"get the information they need about their landlord".

Those are the words that one of the outcomes uses. I think that most of that is covered by the charter.

Margaret McCulloch: I have not read the charter. On prevention and the other side of things—communities, tower blocks and housing schemes—is there anything in it that gives new tenants a probationary period of, say, six months to ensure that there is no antisocial behaviour?

Danny Mullen: No, there is not, but I presume that the coming Scottish Government consultation on things such as allocations will contain something about that. Are you talking about probationary tenancies?

Margaret McCulloch: I am talking about new tenants when they move in and am thinking about constituents in my ward in East Kilbride who have problems. Those constituents live in a tower block; the residents are mainly elderly. A new tenant has moved in, has totally disrupted the whole community and has caused all sorts of problems. If all new tenants had a six-month probationary period, they could be monitored and action could be taken quite quickly to prevent the community and the area in which they live from falling apart.

Danny Mullen: Yes. An alternative to that would be to change the allocation policy to allow there to be homes for specific groups of people. I do not mean that we should ghettoise homeless people or anything like that; I am talking about older people who have to live in big multistoreys. It would possibly be better to have multistoreys that are tenanted only by elderly people, although there can still be antisocial behaviour by elderly people.

Margaret McCulloch: Should anything be included in the charter to ensure that action is taken more quickly to deal with antisocial tenants? I speak from experience in that regard: I know a young couple who got married and bought a house in a community where there is some social housing, but who had to move out six months ago because of a problem with antisocial tenants, which we have still not resolved.

David Bookbinder: The charter can only reflect the law as it is. As Danny Mullen said, there will be a consultation in the next few weeks about changing the position on tenancy allocations. That will provide an opportunity to discuss whether it is possible within the law to address antisocial behaviour more quickly.

Danny Mullen: I think that the charter deals with Margaret McCulloch's point. The original draft was even more succinct on the issue. Dealing with antisocial behaviour often involves the legal process and can depend on sheriffs' decisions, gathering evidence and so on. I envisage good landlords having mediation services, for example, to try to resolve problems before they escalate.

To my mind, in every community, town, city and village there will always be an element who will not play by the rules. We must try to educate, but where that does not work we must be more robust in dealing with problems.

Gordon MacDonald: Euan McDougall highlighted that the initial draft charter had no specific equalities outcome and that the consultation sought views on whether one should be included. A number of respondents—mainly equalities organisations—felt that the charter should be more explicit about requirements in relation to equality and diversity. Do you agree that there needed to be an equalities outcome? If so, what are your views on the proposed wording of the outcome?

Euan McDougall: First, we completely agree that there should be an equalities outcome. On the wording, it is in the same style as the rest of the charter, which is a positive point. However, it can be argued that it lacks specificity; it is a bit vague on what it wants to do. It pretty much simply focuses the landlord's mind on the fact that they have equalities duties and responsibilities towards their tenants; in that respect, it is good.

As I said before, we would like to see specific mention of independent living being an important part of a disabled person's human rights. However, the proposed equalities outcome as written is in keeping with the rest of the charter and so, in that respect, it should achieve its aim.

Jim Harvey: We have been comfortable from the outset with the idea of including a specific equalities outcome. I take the point that what is in

the charter is quite high level, but we should not forget what the charter is for and that statutory codes of practice that are published by the Equality and Human Rights Commission sit behind it. The charter is not in itself an exhaustive description of every single thing a landlord should do—nor should it be, in my opinion.

Ilene Campbell: When we were asked, we said that we supported a separate equalities outcome. The challenge for such an outcome is always in the level of detail. I know that there was much discussion and debate about what should and should not be included. As Euan McDougall said, all the outcomes are very broad, so the next stage is to see how effective the charter will be and how that will be measured. It is important that there is not a one-size-fits-all approach to how self-assessment is done, because there will be differences between landlords in different parts of Scotland.

We are therefore comfortable with the equalities outcome as it is, but we take on board Euan McDougall's points about it. However, I hope that they will be worked through in discussion of how the outcome will be measured.

11:45

The Convener: Are the outcomes and standards drafted in a way that will allow the Scottish Housing Regulator to develop performance measures for each?

Ilene Campbell: I cannot comment for the regulator but the next stage will be to ensure that there are clear and realistic performance measures. Given the variations across the country, local standards will also be a critical issue for tenants and we recommend to the regulator that in any discussions about this next stage and the development of performance measures there be tenant representatives at the table.

Danny Mullen: We certainly welcome the inclusion of an equalities outcome. I have to say that we did not mind when we saw the original 71 draft outcomes, because we could see that equalities went through all of them. With regard to the vastly reduced list of outcomes in this draft, the only suggestion that I would make to ensure that equalities is enshrined is that the communication outcome refer to landlords recognising and understanding their tenants' needs and providing services to meet them. All the same, given that it comes down to the regulator's interpretation of the charter, it is as well that the equalities outcome has been included and is at the front. I agree with Euan McDougall that it seems like a stock outcome that is starting to appear in, for example, single outcome agreements, but I hope that people focus on it.

Malcolm Chisholm: As several witnesses have indicated, the performance measurements are going to be crucial in all of this. However, that will involve landlords collecting performance data and submitting it to the regulator, and some respondents to the consultation have expressed concern about putting a new burden on landlords. Indeed, the Glasgow and West of Scotland Forum of Housing Associations has said:

"there is a risk that Charter reporting requirements will result in social housing providers facing a far greater burden than other providers of public services."

In its revised impact assessment, the Scottish Government deals with that issue, suggesting that the

"Charter does not place any additional burden on landlords who have effective performance systems in place and are performing well."

Do you agree with that or do you still have concerns? Is there any way of reducing the regulatory burden? I do not know whether Jim Harvey wants to start off, but I was quoting his submission.

Jim Harvey: The business and regulatory impact assessment is a standard requirement; indeed, such an assessment was carried out when the last housing bill was under consideration. Until we actually know what the regulator is proposing, it is simply speculation to say that there will be no "additional burden on landlords". The analogy that I make—and which perhaps also relates to the committee's consideration of the charter—is with a scene from a Tom and Jerry cartoon in which you can see Jerry but only the shadow of Tom, who has yet to reveal himself in his full glory. The regulator is only at the very start of the process of developing the performance measurement proposals; in fact, some of us are meeting the regulator this afternoon to discuss those matters and obviously we will contribute ideas to the process.

We welcome the fact that the regulator echoed many people's concerns about there being too many outcomes in the charter. However, we are concerned, as we say in our submission, that the regulator's consultation document talks about social landlords having to provide not only the type of statistical returns that various local authority services, such as roads, lighting and protective services, make to Audit Scotland, which are pretty focused and concise, but a self-assessment report, every year, for everything that is in the charter, and that that will set the agenda for what landlords and tenants talk about. In our experience, tenants often have particular concerns about their neighbourhood and services; they do not necessarily want to sit down and work their way through a long checklist.

Also—especially for smaller organisations—that requirement could add to costs and administrative burdens. As I have pointed out in our submission, I think that Parliament recognised that when it approved section 4 of the Housing (Scotland) Act 2010, which includes the idea of varying the approach for various types and sizes of landlords. However, that does not feature in anything that the regulator has said so far. I do not know whether you plan to take evidence from the regulator but, even though it does not have the detail of its proposals, I would have thought that it would be able to give you an indication of principles and broad intentions.

Malcolm Chisholm: You have already dealt with tenant participation to a certain extent, but it is a central issue, and one of the outcomes relates directly to it. Reference has been made to the lack of progress on tenant participation over the past 10 years since the Housing (Scotland) Act 2001 was passed, and I am interested in ways in which that can improve. The regional network referred to tenants' low expectation that their involvement could bring about positive change, and the Tenants Information Service commented on the lack of development support, which impacts on that. How can outcome 3 be realised? What can social landlords, in particular, do to improve their tenant participation arrangements?

Danny Mullen: They can do a great deal. They should be engaging with tenants, even on an individual basis during a house call or whatever—that is still tenant participation.

Engagement involves gathering information about the community, knowing what is going on in the community, talking to people who are active in the community and so on. First and foremost, however, it is about knowing what tenants want and knowing how to deliver a service to, say, a disabled person. It is about the landlord knowing the customer and always listening to and doing the best that it can to meet the needs of individual tenants and tenants generally.

However, we have not seen a lot of that. In fact, in some areas, there have been barriers to that happening. People have been knocked back, and their first experience of tenant participation has been a disaster. They have come away from the experience with low expectations ingrained in their hearts. They say, "Why should I bother? They don't want to listen. They don't want to engage."

My plea is for the sector to take tenant participation seriously and build on it. From small acorns, large oak trees grow.

Euan McDougall: With regard to participation, there needs to be a duty on landlords to engage proactively with their tenants. Many techniques can be used to help with community engagement,

and a huge number of organisations in the third sector in Scotland have direct experience of that. It would be useful if social landlords looked for that sort of partnership working with organisations that have experience of things such as co-production—not that I am saying that that is necessarily the most appropriate way for tenants to participate.

Landlords should have a mindset of working together with their tenants and not simply consulting them. For participation to be genuine, people need simple things. Information should be provided in advance of meetings, communication support needs should be respected and information should be provided in accessible formats—not just in formats that are accessible to people with impairments, but in easy read format and so on.

There should be a duty on social landlords to be proactive in seeking participation.

Ilene Campbell: The question is about what we do every day, so I could say a lot in response, but I will try to keep it short.

There is already a legal framework for tenant participation and there are key principles that outline all the things that Euan McDougall and Danny Mullen mentioned. The 2001 act introduced a legal framework for participation in Scotland for the first time, so all the stuff is there.

When we went out to work and do consultation with what we call hard-to-reach groups such as homeless people and supported tenants, their requests were for basic things such as a respectful relationship between tenants and landlords and opportunities to access information. Those are basic civil rights issues.

We work with tenants and landlords, and I believe that the issue is about the culture of organisations. Jim Harvey touched on the fact that, if the focus of the charter and self-assessment is a tick-box exercise and landlords feel duty-bound to spend a long time on it every year, that will be against the ethos of participation. Participation is about working with local people in their areas.

We are a support and resource agency. I have to flag up the reality across Scotland, which is that, although the charter has been introduced and the Scottish Housing Regulator is saying that tenants are at the heart of regulation, with the housing budget cuts that everyone is discussing, it is often tenant participation budgets and posts that are cut. In days of old, there were support workers in local areas to try to support people in East Kilbride or wherever, but we now find that the resources are just not there.

The Government is pursuing a policy of accountability and transparency, but tenants told

us in our consultation that they do not feel that the resources or support will be there for them to take part. A whole range of issues needs to be taken on board in taking the charter forward.

David Bookbinder: I will slightly come to the defence of people who work in housing. No social landlord in Scotland could say that it has tried, tested and exhausted every possible means of engaging with tenants. There are always other ways.

The CIHS is keen to work with bodies such as TIS to help landlords to look at what has worked out there, but many landlords tell us that tenants are not queueing round the block to get involved. Where the level of services is generally good, the repairs are done on time and people get good responses to their complaints, it can be difficult to generate a mass of activity among tenants. However, landlords can never be complacent about that. They need to try everything and look at the matter with organisations that work closely with tenants.

Jim Harvey: It is important, too, that we do not see participation purely in terms of discussions about performance or policy. That picks up on Ilene Campbell's point about the need to engage on the things that are important. In our experience, the number of tenants in community-based housing associations who want to be part of an organised tenants group might not be great, but if we look throughout the community, we find a network of relationships with people who would not come forward to engage in formal participation structures but are really interested in play facilities for kids in the area or other issues.

There are lots of ways for people to get involved. The issue is partly about how landlords, especially where they have a local presence in the area, tap into that full range of interests; they should not just regard a registered tenants organisation as the be-all and end-all. There are many ways in which to engage and participate.

Adam Ingram: You indicated earlier that some of you will meet the Scottish Housing Regulator this afternoon. How will the charter fit in with the rest of the regulator's proposed regulatory regime? You have covered some of that, but do you have any broader points to make?

12:00

David Bookbinder: The regulator has undertaken to be proportionate in its approach to regulation, and it is important that that applies to how it regulates the charter, which should not be overly burdensome and should genuinely do what it has been said that it will do—get to the heart of what is most important to tenants. As Jim Harvey said, to a degree, the jury is out on that, but at the

moment we are confident that the charter will be regulated in a sensible and proportionate way.

Danny Mullen: The objective that the Parliament set for the regulator was to look after the interests of tenants and service users. To my mind, that is the regulator's prime responsibility. I would be looking for the regulator to have a regulation model that has an element of prescription and says what landlords should do. The other side of that is that the regulator must try to make it proportionate.

My worry is that the regulator will not have the resources to take any more than just a cursory glance across a range of performance indicators and will miss out an awful lot of the qualitative issues that tenants are more concerned about when it comes to service delivery. As my eminent colleagues are all meeting the regulator this afternoon but tenants are not, we are off to a bad start.

Adam Ingram: Another issue that I hope you might be able to reflect on is the charter's relevance to the private rented sector. As you know, the Government is taking a number of initiatives in relation to that sector. The housing options approach is being adopted through the homelessness hubs. How is the charter relevant to the private rented sector and other tenures?

Jim Harvey: We commented on that in our submission. We pointed out that, in a number of important respects, Government housing policy is promoting a bigger role for the private rented sector, whether through funding with grants or through guarantees. Equally, local authorities may use private rented accommodation because we do not have enough social rented accommodation to provide settled accommodation for homeless households. We suggested that it seems obvious that, even though the charter is not described in the legislation as applying statutorily in such circumstances, there is no reason why it should not be part of the deal through grant agreements or whatever.

There is a much bigger question about standards in the private rented sector. One of the reasons why, in its earlier manifestations, the charter provoked a degree of irritation among some social landlords is that, although we are far from perfect, in the greater scheme of things, in many parts of Scotland the really poor-quality housing and the really poor management services are provided not by housing associations or local authorities but in the private rented sector. What are we, collectively, doing about that? We have strengthened things such as the enforcement framework for private landlords but, in some of the communities that we work in, many people are concerned about whether local authorities are resourced to enforce those measures.

The Scottish Housing Regulator has no locus whatever in relation to the private rented sector. It seems that there is still a bit of thinking to be done, especially with the way in which the policy is evolving.

David Bookbinder: I back up what Jim Harvey has said: it is a matter of walking before we run on the charter and the private rented sector. If the charter is to have relevance or if we are to have something like it for the private rented sector at some point in the future, we need to find a way of regulating the private rented sector through the Scottish Housing Regulator or whatever.

At the moment, largely, we do not have regulation of the private rented sector in Scotland; we have registration of landlords, which is obviously a long way short of proper regulation. There is a long journey ahead on that, but the CIH would be delighted to work closely with the Scottish Government and Parliament—as we already do—to find ways of strengthening regulation.

Danny Mullen: The charter has relevance for the private rented sector in as much as local authorities place homeless people in private rented accommodation. As part of being regulated, they should ensure that the properties in which they place homeless people are fit for purpose and in the same condition as whatever other temporary or settled accommodation is available in their areas. There should also be a contract with the private rented sector that minimises the rents to a level that tenants can afford to pay.

The Convener: Do our witnesses have any comments on anything that has not been covered but which they wanted to address? If not, I thank you all very much for your attendance. The session has been very helpful. I suspend the meeting briefly to allow the witnesses to leave the room.

12:07

Meeting suspended.

12:09

On resuming—

Subordinate Legislation

Housing (Scotland) Act 2010 (Consequential Amendment) Order 2011 (SSI 2011/445)

The Convener: Item 4 is subordinate legislation. The committee is asked to consider a negative instrument relating to the Housing (Scotland) Act 2010. I refer members to the cover note on the order, which is ICI/S4/12/2/4. No motion to annul the order has been lodged. Do members have any comments to make?

Members: No.

The Convener: Does the committee agree that we wish to make no recommendations in relation to the order?

Members *indicated agreement.*

12:10

Meeting continued in private until 12:24.

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