



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

Wednesday 18 January 2012

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CONTENTS

	Col.
INTERESTS.....	509
LIVING WAGE INQUIRY	510
DANGEROUS BUILDINGS AND BUILDING MOTs	520
PETITION	550
Planning Circular 3/2009 (PE1320)	550
POLICE AND FIRE REFORM (SCOTLAND) BILL	552

LOCAL GOVERNMENT AND REGENERATION COMMITTEE

1st Meeting 2012, Session 4

CONVENER

*Joe FitzPatrick (Dundee City West) (SNP)

DEPUTY CONVENER

*Kevin Stewart (Aberdeen Central) (SNP)

COMMITTEE MEMBERS

*Anne McTaggart (Glasgow) (Lab)

*Margaret Mitchell (Central Scotland) (Con)

*John Pentland (Motherwell and Wishaw) (Lab)

*David Torrance (Kirkcaldy) (SNP)

*Bill Walker (Dunfermline) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Colin Borland (Federation of Small Businesses in Scotland)

Amy Dalrymple (Scottish Chambers of Commerce)

Bill Dodds (Scottish Government)

David Gibbon (Royal Institution of Chartered Surveyors Scotland)

Emeritus Professor Cliff Hague (Built Environment Forum Scotland)

Michael Levack (Scottish Building Federation)

Alastair Mackenzie (Scottish Association of Building Standards Managers)

John McKinney (National Federation of Roofing Contractors Scotland)

David Stewart (Highlands and Islands) (Lab)

CLERK TO THE COMMITTEE

Eugene Windsor

LOCATION

Committee Room 1

Scottish Parliament

Local Government and Regeneration Committee

Wednesday 18 January 2012

[The Convener opened the meeting at 09:30]

Interests

The Convener (Joe FitzPatrick): I wish everyone a good morning and a happy new year, and welcome you to the first meeting in 2012 of the Local Government and Regeneration Committee. As usual, I ask everyone to ensure that their many electronic devices are switched off, to ensure that they do not interfere with the sound system.

I welcome to the committee our new Labour Party members—Anne McTaggart and John Pentland—and pay tribute to former members Kez Dugdale and Mark Griffin, both of whom played constructive roles on the committee. I thank them for that and wish them well in their new roles, as I am sure all members do.

Members: Hear, hear.

The Convener: Our first agenda item is to invite the new members of the committee to declare any relevant interests.

John Pentland (Motherwell and Wishaw) (Lab): My only interest to declare is that I am a councillor with North Lanarkshire Council.

Anne McTaggart (Glasgow) (Lab): I, too, am a councillor, but with Glasgow City Council.

The Convener: Would other members like to declare interests?

Kevin Stewart (Aberdeen Central) (SNP): As I normally do, I declare an interest as a member of Aberdeen City Council but, beyond that, because today's business touches on police and fire reform, I should declare that I am a member of Grampian police board.

Bill Walker (Dunfermline) (SNP): I declare an interest as an elected member of Fife Council.

David Torrance (Kirkcaldy) (SNP): I declare an interest as a member of Fife Council.

Living Wage Inquiry

09:31

The Convener: Agenda item 2 is an oral evidence session on our inquiry into the living wage in Scotland. The evidence session was scheduled following correspondence from the Confederation of British Industry Scotland in December, which expressed concerns in relation to the adoption of the living wage policy by Scottish local government. For the record, we invited the CBI to attend but, unfortunately, it declined the invitation. However, we have a panel of witnesses who represent the business community. I welcome Colin Borland, who is the head of external affairs with the Federation of Small Businesses in Scotland, and Amy Dalrymple, who is the policy and research manager with the Scottish Chambers of Commerce. I thank them for coming to this slightly earlier than usual meeting. Does either of you want to make an opening statement?

Amy Dalrymple (Scottish Chambers of Commerce): We sent in a written submission just last week. I presume that all committee members have had the chance to read it. It covers our main points.

Colin Borland (Federation of Small Businesses in Scotland): I am happy to move straight to questions.

The Convener: Okay. I will kick off by asking you to go over any major concerns that you would have and complications that you envisage, particularly in relation to procurement, if local government were to introduce a living wage.

Colin Borland: As our evidence says, we agree with the local authorities that have said in evidence that they should be left to determine their pay policies for their staff. We should not get involved in that.

On procurement, we want to debate and clear up several issues so that we have a better idea of exactly what impact the proposal would have. For example, to whom would the living wage apply? Would it apply to all staff in a company that contracts with a local authority and would that mean all Scottish staff or all United Kingdom staff? Would it apply to apprentices, interns and so on? Would it apply only to the staff who were engaged on the particular contract? If so, what would we do about central support staff and others who might spend only a bit of time working on the contract?

Once we get an idea of to whom the policy would apply and exactly how it would work, we would need to consider the subcontracting chain. Would only primary contractors be subject to the

policy, or would it also apply to companies to which work was subsequently subcontracted? If so, how far down that chain would we go? Would we include only subcontractors within the local authority area, or would it be within Scotland or the UK or perhaps globally? In essence, that is our thinking on the subject at present.

Amy Dalrymple: Colin Borland outlined the practical complexities in attempting to implement a living wage policy in public procurement. There is also a principle at stake. I agree with Colin Borland that we have no problem with any local authority, public sector organisation, voluntary organisation or business whose policy is to pay its staff the living wage. That is a separate point. However, a scheme or set of regulations that would force businesses to do that would be counterproductive, especially in today's economic circumstances.

As Colin Borland outlined, such an approach would potentially force the rest of the company and other companies to uprate their wages as well. In that situation, businesses would have to take a decision based on one contract that they might decide to go for, rather than look at the issue as part of whole-business planning. That would not be good for a lot of businesses in Scotland that rely on public sector contracts for much of their business but have other contracts as well. It would mean taking the public sector procurement process and forcing it to drive businesses' planning, which would mean that they would become either entirely reliant on the public sector—which we do not want if we want a healthy market—or unable to take up the opportunity of public sector contracts, which would place them at a disadvantage.

Businesses need to take that business decision, but the idea would not help the business environment in Scotland. It would not help businesses to create jobs, to develop or to do their job, which is to pull us out of the economic doldrums that we are in.

Bill Walker: I am interested in what you have said, and would be interested to hear your comments on one thing that you did not touch on. Most people agree that, broadly speaking, the living wage is a good idea; it is just a matter of how, when, how much and so on. You did not mention competition from outwith the UK. Although we cannot do it contractually, I would like all procurement to favour local businesses—I want to encourage Scottish companies. Will you comment on the difficulties, with reference to the living wage, in dealing with European competitors to whom contracts have to be offered as well?

Amy Dalrymple: I welcome Bill Walker's comments about favouring local businesses. We have been working hard with the Scottish Government on local economic benefit clauses in

procurement to see what we can do through guidelines and culture to ensure that local businesses are favoured. I thank you very much for your support on that.

An issue is already being reported among our member businesses, particularly but not only in construction, about competition from other European member states, and from Ireland in particular. The economic circumstances mean that Irish businesses can undercut the prices that our businesses in Scotland have to charge. On top of all the issues that I have mentioned, the living wage is yet another issue that would undermine the competitiveness and development potential of Scottish companies.

Bill Walker: The issue comes up in my area of Fife. We have what are loosely called foreign contractors operating in Fife, and they seem to be able to undercut local businesses. I know that, to its credit, Fife Council organises courses and so on to help companies to make the best bids. Of course, the council cannot favour local companies, but it can offer assistance. Is your approach that, if a living wage were to be introduced, it should be introduced across all European Union countries so that there is a level playing field?

Amy Dalrymple: I think that you are talking about introducing a living wage as a condition of procurement, so it would apply to every company that was tendering for that contract, whether they were from Scotland, Ireland, France or anywhere, or even from outwith the European Union. The control would lie with the contracting authority.

It would introduce even more complexity when foreign companies were bidding for contracts of the sort that Colin Borland described, in terms of monitoring the supply chain and other such things. If a living wage was going to be introduced as a condition, you would need to think about enforcement, which would become very complex in a single EU market context.

Colin Borland: It is obviously a key duty of local authorities to look after local economic development, and we understand that that involves making some pretty difficult decisions. It is not always easy to make those long-term procurement decisions.

I am slightly less worried about EU competition as such, and more worried about indigenous small businesses losing out to multinationals wherever they might be sited. In our written evidence, we raise the point that it is a lot easier to cross-subsidise in a large company; I could say that I was paying people whatever amount you want me to pay and could fund that from activities elsewhere in the organisation. A small locally based business cannot do that.

There is also an issue if I have access to international supply chains beyond the EU, because in order to meet a minimum wage condition I could buy products not from a local producer, but from a producer in the far east, or wherever, who is completely outwith the scope of any EU jurisdiction. What is the long-term effect of that on the local economy?

Kevin Stewart: I want to turn something on its head. Colin Borland said that if a living wage was introduced, it would force others to uprate, which would not help to create jobs. I come at it from a different angle: if it forces others to uprate, that will give people more spending power, which means that your members—and the economy as a whole—may benefit. I would like some comment on that.

I have found that a lot of smaller local businesses pay their staff better rates than some of the multinationals. Rather than a living wage being detrimental to smaller businesses, I argue that it could benefit smaller businesses and allow them to compete with multinationals. I would like to hear comment on that, too.

Colin Borland: There is absolutely no doubt that, whichever study we look at, small businesses come out as being among the best employers. We do not collect comprehensive data from our members on exactly what they pay, but from the available statistics I can tell you that about a quarter reported that the 15p increase in the national minimum wage on 1 October had a negative impact on their business. We also know that around 27 per cent do some sort of local government work. I do not know what the correlation is between those two elements, but if we assume that there is at least some crossover, a living wage would put a bit of pressure on any business that has to find the money to pay for it.

Kevin Stewart is right: I, too, want more money in the local economy, which has to be a good thing. The difficulty is deciding on the best way to achieve that. Is it best done by increasing people's hourly rate, or by having more people in the workforce as a whole?

I note that there is research from—I believe—the Low Pay Commission that said that when the national minimum wage is increased, it is not as simple as the employers saying, "The national minimum wage has gone up so we will lay off members of staff." The effect is slightly more subtle than that; employers tend to find more efficient ways of working or of increasing productivity. One way of doing that is to say to employees that they can do the same job in fewer hours so that the employer improves efficiency. Therefore, an unintended consequence of the uprating of the minimum wage is that although the hourly rate could be increased, the people that you

are trying to help through the living wage policy would not take home any more money at the end of the week.

09:45

Kevin Stewart: To increase what is in pay packets and create an economic stimulus could well lead to employers taking on more people.

Colin Borland: Yes it could—if the economic stimulus were to happen. However, there will be a wider economic impact if we are not taking on more people, or if the only way I can win a contract is to say that I will not use a local supplier but will go elsewhere and use cut-price imported goods.

We are in favour of having more money in local economies and giving people spending power. Frankly, there is not enough money at the moment to do everything that we want to do.

Amy Dalrymple: The point that Colin Borland was trying to make earlier is that you would not be increasing people's total pay. If the hourly rate goes up, causing the employer to cut someone's hours, the amount of the money that they get at the end of the week or month will not increase, so no more money will go into the economy.

Recently, I have been looking at a couple of construction businesses and car dealerships as examples. They are working within very tight margins and if they were to increase wages for any or all their staff—as would probably need to be the case in order to guard against equal pay claims—they would have to look at other ways of reducing their spending, such as reducing people's hours. Companies will not see their entire wages bill increased. It is important to remember that.

A lot of companies, including some bigger ones, even working in partnership with the trade unions, have made a responsible response to the economic downturn. They have made wage agreements with their staff that, depending on the companies' circumstances, include wage cuts, wage freezes and cuts in hours in order that they can respond to the economic and business problems that they are facing. The living-wage measure would undermine their efforts to come through the current economic situation as a team and to maintain jobs and employment.

Kevin Stewart: Many of the procurement contracts that would be affected are based on hours, particularly in the social care and janitorial sectors, in which many local authorities are now contracting out. It would therefore be impossible in some cases for employers to reduce employees' hours, because the procurement itself would be based on an amount of hours.

Colin Borland: That is right for those specific contracts. However, I interpreted your original question as being about whether, if an employer has to raise wages as a result of introducing the living wage for public sector contracts, they would have to raise wages across the board, and whether that would be for the broader social good.

If we are talking specifically about contracts that councils let, the living wage will be reflected in the price of the job and will not be an issue if that contract is all that the company and its staff do. My point is that most of our members who do such work do many other things as well, so to introduce the living wage would have an impact elsewhere in their business. They could be left having either to focus solely on public sector work—which is not particularly good as a business model—or to withdraw from it altogether, thereby leaving the field clear for large multinationals.

Margaret Mitchell (Central Scotland) (Con): I thank you for your written submissions, which are helpful in giving us a rounded picture of the effects of the living wage. Just to get these things on the record, I ask you to set out the differential between the minimum wage and the living wage and what that would mean for business. Will you also say why it is important that business has the flexibility to set its own wages, given the other overheads that it has and the drive to maintain employment in the short term, and to increase it if possible? If you could answer those two questions, that would give us a picture of where small to medium-sized businesses are struggling against big companies that do not necessarily supply local jobs, which small to medium-sized businesses have more chance of doing.

Colin Borland: As, I think, we say in our written evidence, the differential is about 20 per cent. If we assume the current over-21 national minimum wage of £6.08 an hour and a 37.5-hour working week, the differential is about 20 per cent. We do not collect data on exactly how much our members pay people—we do not have that information available. We are also not sure to whom the instant proposal that is on the table at the moment would apply and in what circumstances; therefore, it is difficult for us to establish a figure. However, let us suppose that businesses are looking at a 15 to 20 per cent increase in their wage bill, although it would be unusual for all their employees to be at that level.

One of the biggest threats to cashflow at the moment—this comes through consistently from our member surveys—is rising overheads, whether it is the cost of utilities, finance costs or whatever. At the same time, footfall is down and we are doing less business, so we are paying more to do less, and that is squeezing margins. We would have to deal with anything that added to

that—we always do—but it would be incredibly difficult.

Cutting jobs is the last thing that small businesses, in particular, do because it takes a long time to get somebody trained up, whom we then know all about. However, in our regular monitoring of how things are going, we are beginning to see signs that businesses are now thinking about—or actually are—laying people off rather than trying to work a bit smarter. Things are finely balanced at the moment.

Margaret Mitchell: Do you see the flexibility to be able to pay a viable wage as essential to maintaining jobs in the first instance?

Amy Dalrymple: It is crucial at the moment. Unemployment has risen quite sharply. The Scottish Chambers of Commerce quarterly business survey comes out today. I hope that you have all seen an embargoed copy of it—you were all sent a copy, anyway. If you have read it, you will know that it paints a pretty bleak picture of confidence for 2012 across the sectors that we survey, which include tourism, construction and retail. They are looking at a 2012 that is going to be even more difficult than the previous year.

Our members are responsible businesses, which is one reason why they joined the Scottish Chambers of Commerce. They recognise their role in the community and the role that business has in the community, which is one of the functions of the Scottish Chambers of Commerce. They do not want to go around laying their staff off, but if a decision is taken externally about what they must pay their staff and they are unable to look at their business plans in the round and decide what is viable, they will be forced to make decisions about their staffing levels because of that external pressure on their staffing costs.

Businesses need flexibility in order to maintain employment and we in the policy community, the business support community and the political community should be doing our best to enable them to do that. We should be enabling them to give people jobs rather than making them worry about whether they need to restrict jobs because of external wage pressures.

Margaret Mitchell: Given that the private sector is key to economic growth and stimulus, can you put in perspective the evidence that we have heard—to which Kevin Stewart has referred, to an extent—that, by increasing the living wage, we would increase the spend and, therefore, stimulate the local economy?

However, is the other side of the coin not that, if small to medium-sized businesses that create employment start to lay off people, there will be fewer people to spend money and buy things? In other words, there cannot be a public sector

unless there is a private sector to support it, and we need to find some balance where the living wage is able to boost the local economy through spending.

Amy Dalrymple: I think that the balance is to be struck in regard to whether there are only a few fewer people spending a bit more money, or more people spending a wee bit less money. The fact is that there is not a lot of money around at the moment; neither the private nor the public sector has the extra £2 a head for everyone who is on the minimum wage. Indeed, the same applies to the voluntary sector; our voluntary sector members are important in public procurement, but there is simply no spare cash around to give them that kind of money. Given the need to prioritise our social goods, we would argue that, at the moment, the priority social good should be to give as many people as possible jobs.

Colin Borland: As I am not an economist, I will leave any definitive opinion on how that model might work out for academics. However, from our recent history, particularly in my part of the world—the west of Scotland—I know what happens when you narrow the economic base after an economic downturn. We become more reliant on a smaller number of large employers, which leaves us more vulnerable to the next wave of economic difficulties. If we learn anything from the current situation, it must be that we need to broaden and strengthen the economic base in order to ensure that we are—if not completely immune to them—better able to respond to international pressures.

Kevin Stewart: I do not think that anyone wants a narrowing of the economic base or overreliance on one particular sector.

Before the minimum wage legislation was introduced, it was claimed that it would lead to many job losses, particularly in the small to medium-sized business sector. I have seen no evidence that that happened. Has the panel?

Colin Borland: That legislation was before my time, but I do not think that that was our contention then and it is certainly not our contention now. There is no such evidence; in fact, the evidence shows that during what Mervyn King dubbed “the NICE decade”—NICE being non-inflationary, consistently expansionary—small businesses in Scotland created two jobs for every job that big business shed. The FSB supports the national minimum wage and the work of the Low Pay Commission. The minimum wage itself sets a floor below which unscrupulous employers can undercut our members. Of course, we might well argue about what the level should be, but that is the Low Pay Commission’s job, and we and others continue to make representations to it. It remains to be seen whether a model that served us very

well during a period of constant expansion will continue to operate so well, but I have no cause for concern at the moment.

Amy Dalrymple: The key point is that it would be a national minimum wage and would therefore apply to all employers and would affect everyone. I echo Colin Borland’s expression of support for it. We want regulation, because to an extent it is important in protecting employees, business and good employers. After all, chambers of commerce members are responsible employers. As far as I understand it, the living wage proposals that are on the table would affect only certain employers and would therefore undermine necessary business competition.

The Convener: Witnesses from London told the committee that one way in which the living wage had been taken forward in the city was through contractors being asked to make two versions of their bids: first, their best bid, and secondly a bid that took the living wage into account. If we had a local economic benefit mechanism, a local authority could look at bids and say, “Well, that one’s slightly dearer, but its economic benefit will allow us to pay the living wage”. Would such a compromise mean that not everyone would have to take the living wage into account in their bids but the council would still be able to consider such matters in awarding contracts? The approach seems to work in London; would it work in Scotland?

10:00

Colin Borland: Obviously there would be administrative costs in preparing two bids and modelling all that work. Moreover, as I suggested earlier, it all depends on to whom in the workforce the measure would apply. Will I have to cost it across my group of companies, which is a different matter from costing it across the half-dozen people who will be involved in a certain job? How will I do that if I have certain shared back-office functions? I might have an office junior or someone who handles invoices for particular contracts. It could be modelled, but we need to know more about what is on the table before we can give a definitive answer.

Amy Dalrymple: Knowing the detail is key to knowing how much of an impact the measure will have on businesses. As we made clear in response to Bill Walker, we are really keen on local economic benefit; if councils are taking that into account, that is great. However, they need to consider broader local economic benefit; they cannot simply look at the wages of the staff who are employed on a particular contract, the staff in the company involved or however it pans out—which, to get all Donald Rumsfeld on you, we have established that we do not know. One would have

to take into account in the parameters whether a company could afford to take on the contract if it paid the living wage or whether more local companies could give more local jobs to people if the contract were awarded with wages being lower than the minimum wage. I do not think that simply looking at staff wages provides a broad enough picture of local economic benefit and whether it would have the impact on the economy that we all want. Instead, we need to take a broader view and think about what will create more local jobs.

Margaret Mitchell: In the second paragraph of the third page of its submission, the FSB refers to “Worsening business confidence” and says:

“There is a continuous downward trend from March 2011 of FSB members predicting an increase in business revenue/sales”.

Do you not mean a decrease?

Colin Borland: I am sorry—yes. We predict a decrease in turnover and sales over the coming three months and, as we say in the submission, that trend has been fairly consistent for a number of quarters, and possibly for a year.

Margaret Mitchell: If the living wage were adopted and made compulsory, would there be a knock-on effect on the affordability of service provision?

Colin Borland: In what sense do you mean that?

Margaret Mitchell: If the cost of services goes up, will it have to be passed on?

Colin Borland: Yes. Any pound that comes from one place will have to be paid for from another.

Margaret Mitchell: That, I suppose, could have ramifications for the electorate.

Colin Borland: It might, particularly if I have to pass on costs to customers who are not being subsidised by the taxpayer. For example, I will have to recover the costs of a pure business-to-business transaction from elsewhere and, if I have to do that across a group of businesses, it might have more than one knock-on effect. Again, though, I am happy to leave that debate to those who are more educated than me, particularly the economists.

The Convener: As members have no more questions, I thank the witnesses for their evidence.

10:04

Meeting suspended.

10:05

On resuming—

Dangerous Buildings and Building MOTs

The Convener: Our next item of business is a one-off oral evidence session on dangerous buildings and building MOTs. Before we hear from the first of two witness panels, I welcome David Stewart MSP, who is joining us for the session. I invite him to declare any interests.

David Stewart (Highlands and Islands) (Lab): Thank you, convener. I have no interests to declare, but I draw the committee’s attention to the fact that I lodged my proposal for the building repairs (Scotland) bill today.

The Convener: Thank you. I turn to our witnesses and welcome the first panel: Professor Cliff Hague, chair of the Built Environment Forum Scotland; David Gibbon of the Royal Institution of Chartered Surveyors Scotland; John McKinney, secretary of the National Federation of Roofing Contractors Scotland; and Michael Levack, chief executive of the Scottish Building Federation. You are all very welcome.

Before we go into questions, would any of the witnesses like to make any opening remarks?

Professor Cliff Hague (Built Environment Forum Scotland): I would like to make some preliminary remarks.

I thank the committee for the opportunity to open this discussion. BEFS—the Built Environment Forum Scotland—is the intermediary body for the built environment, and as such we represent 21 non-governmental organisations across the professional and voluntary sectors. We believe that dangerous buildings and the preventative role that building MOTs can play merit wider debate within the Parliament, over and above this committee.

This winter, we have had storms and severe gales. Last winter, we had heavy snow. Such perennial hazards batter our buildings. They dislodge slates, bring down eaves and weaken masonry. In extreme cases, they can herald disaster if and when heavy stonework falls. The television shows the pictures, but then the weather improves and we forget all about it and move on. What is left behind is a big bill or insurance claim, and a stock of buildings that are more vulnerable to the next storm.

To set a context for the committee, let me give some figures from the Scottish house condition survey in 2010. One in four Scottish dwellings has what is defined as extensive disrepair. Less serious at present but worrying for the future is the

fact that more than half the owner-occupied dwellings in Scotland have some form of critical disrepair, and the same proportion applies to housing association and housing co-operative properties. For privately rented properties the figure is 67 per cent, and for council and other public sector houses it is 73 per cent. In most cases, the 2010 survey assessed the state of disrepair as urgent.

The statistics leave no doubt that a significant problem exists, but our routine behaviour amounts to a state of denial. It is a problem for householders, but it is also a Scottish problem and therefore a matter for the Parliament.

In what sense is it a Scottish problem? First, adequate shelter is a fundamental of citizenship. Secondly, Scotland's building stock is old and ageing. The older the building, the greater the risk—the house condition survey found 75 per cent of pre-1919 buildings to be in a critical state of disrepair.

Finally, as a country on the edge of the North Atlantic and with islands scattered in the path of low pressure systems, Scotland's location requires more proactive governance of housing maintenance than would be the case in a more balmy country. Indeed, predictions by the European observation network for territorial development and cohesion of regional vulnerability across Europe to the impacts of climate change suggest that western and northern Scotland can expect up to 40 per cent more summer rainfall and increasing storm severity in future.

Thus, disrepair and lack of regular maintenance will become increasingly costly to householders and to the nation. The Scottish Government is rightly concerned to increase the stock of new and affordable housing, but we cannot build ourselves out of the gathering crisis. We need to maintain and conserve the houses that we have. Does Scotland want, and can it afford, to bring back the bulldozers for another round of comprehensive redevelopment?

The alternative is conservative surgery, a concept invented and practised here in Edinburgh's old town by Sir Patrick Geddes, one of Scotland's famous polymaths. The building MOT is a tool for a conservative surgery approach. Such an approach is practised in some other countries in northern Europe and it could increase awareness among owners—and other stakeholders, such as insurance companies—of the condition of property and the means to repair defects before they become seriously expensive.

A basic survey could highlight essential and advisory action. The scheme could be backed by the provision of links to reliable contractors with the necessary skills. By simplifying and

streamlining the building maintenance process, a building MOT can empower home owners and house purchasers. A voluntary scheme, supported by the Scottish Government to raise awareness, could nudge people to become more responsive to what is happening to the roof over their heads.

Ultimately, we are custodians of our housing stock; it is a legacy passed on by one generation to the next. We have responsibility, individually and collectively, to look after our houses. Today, that also means being sensitive to the contribution that houses make to carbon emissions. Historic Scotland recognises that a well-maintained building is more energy efficient and that building MOTs could help in that respect.

Let me stress that this is not an idealistic proposition dreamed up by the chattering classes. By stimulating regular repair and maintenance, we reduce the risk of buildings becoming a danger to the public; we reduce the exposure of Scottish families to fuel poverty; we create jobs in Scottish communities; we begin to take youngsters into apprenticeships and set them on the road to careers; we sustain traditional skills in the construction industry; we strengthen the identity of Scotland through its townscapes and built environment heritage; and we make our country more resilient in an uncertain world, by reducing the vulnerability of our houses and the people in them to the ravages of time and weather.

The practical problems with the scheme for building MOTs have to be addressed, but those can be tackled in the short term. We should focus on the much longer-term and larger problem, which is that unless we improve systems for repair and maintenance, Scotland's housing will deteriorate and become an increasing drain on scarce resources.

The Convener: Thank you. Does anyone else want to make a brief opening statement?

John McKinney (National Federation of Roofing Contractors Scotland): Yes, I will. We need to take a carrot-and-stick approach. Currently, there is a stick in legislation when a property falls into disrepair and is a dangerous building, but there is no carrot to encourage and empower property owners to maintain their properties.

The scheme that I have discussed in quite a lot of detail with BEFS is voluntary and is designed to empower property owners who have an interest in maintaining their property by informing them how to do it. If a number of issues are wrong with your property, where do you start? The scheme would identify where you start and what are the critical or most important elements of repair and maintenance that are required on your property. That would provide a carrot. The scheme would

also identify reputable contractors who are able to undertake the work that is identified in the reports.

The report on the Ryan's Bar incident, when Christine Foster unfortunately lost her life, stated that it was due not to a lack of maintenance but to a lack of skill and understanding of traditional construction on the part of the contractors who undertook a repair.

The building MOT scheme would identify contractors who are qualified to undertake that type of repair and advise the property owner of them. It is up to the property owner whether they want to engage them and get quotes from innumerable contractors, but at least they are empowered to make that decision.

There is also the low-carbon impact. Historic Scotland identifies in its traditional skills strategy that a property that is not in good repair will have a higher carbon footprint than one that is in a good state of repair. Of today's buildings, 85 per cent will still be around in 2050, when the Climate Change (Scotland) Act 2009 targets are due to be met. If we do not address the condition of Scotland's building stock, reaching the targets in that act will be a lot harder.

10:15

Cliff Hague touched on skills and apprenticeships. The idea is that the reports would project work for the future, which would allow contractors to determine potential demand for repairs and maintenance in the areas in which they work. Knowing that work would be available would give them the confidence to take on apprentices.

We would like the scheme to have a link to procurement. The approach taken would be quite relaxed initially but, when evidence of work started to come through the scheme, training could be linked to procurement so that a requirement of being an approved contractor in the scheme would be training the next generation to save Scotland's existing building stock.

David Gibbon (Royal Institution of Chartered Surveyors Scotland): I speak on behalf of the Royal Institution of Chartered Surveyors Scotland. Nobody could object to the idea of better-maintained buildings. The buildings that we see around us today will probably be around in 500 years' time, because the planet cannot sustain the constant rebuilding of our environment—the resources are not there to do that. We must keep existing buildings in good repair. If a scheme of the sort that has been outlined will do that, that is very good.

However, I have questions about the proposal's viability. It is difficult to distinguish between a

dangerous building and a building that needs maintenance. That is a big grey area that needs a lot of definition. There is the public interest and the private interest. The issue is for politicians to work out, but intruding too far into the private interest would not be popular and would encounter resistance.

At the moment, we have a system whereby dangerous buildings are responded to reactively. Everybody understands what that is all about. The local authorities have set out how difficult that process is. It would be cheaper for everybody if buildings were maintained in a planned way rather than a reactive way. By definition, reactive maintenance is more expensive than planned maintenance. On that front, the proposal is a good thing.

If a chimney is going to fail some time, when is it dangerous? At what point do we say that it should be taken down and rebuilt? Such issues are not absolute. If we are too bossy with people, they will react against the scheme. I see considerable difficulties in working out the proposal.

Michael Levack (Scottish Building Federation): Cliff Hague talked a lot about housing. Let us be clear: we are talking not just about housing but about all types of buildings in the public and private sectors.

We hear a lot about the need to support infrastructure investment. Our existing built environment is the country's infrastructure.

A point that I picked up from the Scottish Government's building standards division's submission is that the buildings that are currently in decay are the dangerous buildings of tomorrow. That is well worth bearing in mind.

Kevin Stewart: I thank the committee for acceding to my request for the evidence session and I thank the gentlemen for their evidence.

Professor Hague talked about the weather patterns of late and their effect on buildings. We can see from the submissions that various problems have arisen in various areas throughout the country, including my home city of Aberdeen. How much of an effect have the changes in weather patterns had on our building stock?

Secondly, does the fact that VAT on maintenance is at 20 per cent prevent people from maintaining buildings, given the current economic climate?

Michael Levack: I will tackle the point about severe weather from a slightly different angle than the one that you asked about. We hear from all our members that they are inundated with work and that some potential customers are getting a little irate, let us say, because somebody cannot come immediately. That is because of the deluge

of work, which is most welcome in the current economic climate. However, we have a situation of feast or famine. Much of the current work will be completed in the next couple of months and then, in March and April, our members will suddenly be twiddling their thumbs and wondering where their next job is coming from. The building MOT proposals, which have the aim of stimulating and encouraging more preventative and planned maintenance, would allow us to smooth out the flow of work, which would have all sorts of positive benefits.

On VAT, to be frank, and as I have said time and again, the best builder, roofer or plumber will struggle if they constantly have to compete against the black economy. The first question that many customers ask our members is, "Can you lose the VAT, because I have your quote and another guy's quote, and he has said that he can lose the VAT?" Who knows how people do that? Alan Sugar and Richard Branson could not operate consistently in a market in which they were undercut by 20 per cent. We should bear it in mind that companies that are prepared to lose the VAT and take cash payments probably do not have legitimate business overheads, will not be training apprentices and will not have the correct insurance. A reduction in VAT to 5 per cent, which I know the Scottish Government supports, would be most welcome.

Kevin Stewart: Do those who operate in, shall we say, the informal economy add to the difficulties and create even more dangerous buildings in some cases because they cannot carry out repairs to professional standards?

Michael Levack: Yes, that is without doubt the case. We are regularly involved in that. Literally by the day, I get calls from trading standards officers, consumers or indeed—as I have had this week—members of the Scottish and UK Parliaments about cases in which, unfortunately, consumers have been ripped off by cowboy builders. Unfortunately, people come to us after the horse has bolted. I often suggest that people take more care when buying a second-hand motor car than they do when commissioning repair and maintenance work to their homes.

David Gibbon: In my experience, one pernicious thing that goes on in tenemental properties is that people routinely go out to contractors for quotations when they are unable to specify precisely what is required. They probably cannot even go and see for themselves because it is up on the roof. They get half a dozen quotes that are all entirely incompatible and they are tempted to choose the cheapest one, which almost by definition is the one that will not do them any favours. A process whereby people have the building independently inspected and the required

works defined independently before inviting quotations would be of benefit to all.

John McKinney: We have heard about the spike of existing work because of the weather. There is evidence that contractors have been downsizing because of the current trading conditions, so now that a spike of work has come because of the extreme weather conditions, contractors basically do not have people to address the issues. There is not sufficient capacity to address the spike in work that we have had because of the weather.

Mr Stewart asked about how weather conditions will have impacted on the building stock. The problems for any property that has a critical element of disrepair will have accelerated because of the freeze-thaw effect and the subsequent winds.

Michael Levack's point about rogue traders is totally correct. The scheme that we have tried to develop involves a bank of materials for recycling to help the Government with its zero waste strategy. A lot of materials that are taken off properties can be recycled and reused, and a scheme would be created for the recycling and reuse of materials. I am mainly talking about stone and slate, which are at a premium. They are very good examples. Those who participated in the scheme—property owners and contractors who deposited and picked up materials—would be able to collect the materials free of charge. That would give them a commercial advantage over rogue traders, who would perhaps still have to pay for their materials. I would not say that the scheme would remove the imbalance in trading conditions, but it might help to level up the playing field slightly. It would also reduce the price that the property owner would eventually pay for a reputable contractor to undertake the work as a result of the materials being cheaper.

I totally agree with the point that David Gibbon made about an independent report that identifies work not according to the vagaries of various contractors identifying what work they think is required. That is exactly right. People could go to a contractor and say, "Please give me a quote for this work." They will be empowered to go to the contractor and say, "Quote me for this, not for anything else," which will allow them to make an informed decision and compare quotes, as the same required work and materials will be identified. People will not have to address that issue themselves, which they are not qualified to do.

Professor Hague: I would like to add something to my colleagues' eloquent answers. When a crisis comes with a storm, everybody is suddenly alerted to problems. We lost a rone in the previous winter, and my neighbour has lost

some flashing this winter. People are conscious of such problems, but the issue will be gone a month or two later. However, the reality is that storms create not only visible damage—they also create invisible damage, which creates the long-term pattern of disrepair that is evident in the statistics to which I referred. Therefore, my argument is that we need a more holistic, proactive and longer-term perspective. We are not arguing that building MOTs are the solution to all problems; rather, we see their adoption as a useful path to go down or at least to explore in a trial.

Kevin Stewart: I understand the points that have been made about the need for consistency through planned maintenance and about the fact that folk may have been lost from the workforce because of the inconsistency of unplanned maintenance and may not be available when there are the spikes that Mr McKinney talked about. Mr Gibbon said that there is a fine balance to be struck and that people would not want to be seen to be “too bossy” in implementing a building MOT scheme. Under the proposed scheme, would property owners be required to undertake the repairs that are identified in the building MOT report? That question is for Mr Gibbon and Mr McKinney.

John McKinney: The short answer is no. It is all about the empowerment of people so that they can make an informed decision about properties. I think that the “Scottish Small Towns Report 2007-2013” identified that property owners do not know the condition of their properties well enough to make informed decisions. That is purely what this is about. The report that we propose would identify work in the future so that people could plan for it. If a person has a number of disrepair issues to be addressed in their property, those issues would be prioritised so that they could make an informed decision. How that would be done would be up to them. They would be given a list of contractors who are qualified to do the work and signposted to appropriate grants that might be available, but it would then be over to the property owner to undertake the repairs. If they did not do so, there would be legislation if their property fell into further disrepair.

Kevin Stewart: So no bossiness would be involved.

John McKinney: No.

Kevin Stewart: How would appropriate contractors be determined in the scheme?

10:30

John McKinney: That issue would have to be addressed and a transparent model would be required for that. Obviously, I represent the roofing trade. A flat-roofing apprenticeship does not take

into account slating and tiling, which are both to do with the domestic market. The reverse is also the case. If someone has a good roofing contractor putting a flat roof on their property, they might recommend that contractor to a friend, but they might have no experience of doing slating or tiling, or of doing the kind of slating and tiling that is required by traditional buildings.

You could identify which contractors were appropriate by examining the skills that they have attained, whether they put people through apprenticeships, whether they are approved installers of certain products and so on. You would identify where they are in relation to training at the moment and what qualifications their workforce has. I suggest that the targets that would have to be met in order to be an approved installer would be lower to start with but could be increased within the pilot.

The scheme would also work with the local colleges to ensure the provision of that training, so that contractors who are within the scheme can access the training locally. In its own way, that would assist with the situation in colleges, which are finding it hard to survive, commercially, in the current circumstances, as it would increase the college intake and allow colleges to continue to deliver construction courses.

Anne McTaggart: Roughly how much would the building MOT cost? Thereafter, who would pay for it? Would it be the tenant or the owner?

John McKinney: Shall I answer that very nice question?

Historic Scotland has commissioned a scoping survey of Belgium and the Netherlands to try to identify a model that will be applicable for Scotland. I believe that we will hear from that survey sometime around the end of March—I do not have a definite date for that. It will give us a lot more detail.

The principle of the scheme is that it would be paid monthly, by subscription. Basically, it would be the same process as a lot of people already undertake in relation to their boilers, whereby they pay an energy provider who inspects and approves their boiler once a year and can be called out if there are any issues with it. We propose a similar system, whereby there would be an in-depth quinquennial review of the property and an annual review to update that review.

A very basic model that has been drawn up identifies a cost of around £12 a month for a basic three-bed, semi-detached property. That figure would change depending on the property details—the number of rooms, garages and so on. I am a bit reticent about giving you that figure, but it is indicative of the overall pricing strategy and the break-even point for the scheme. The idea is that

the scheme would be self-financing within five years, once we had gained a critical mass of properties, and that we would create a long-term legacy from that money, as happens in other northern European countries.

Anne McTaggart: How would the building MOT system work with regard to properties in multiple ownership, which we all have in our communities?

John McKinney: That is the biggest challenge to the pilot. The Scottish house conditions survey 2010 identified that 37 per cent of our pre-1919 properties are tenemented. Those buildings are the ones that comprise the largest proportion of buildings in disrepair. Some 23 per cent of all building stock is tenemented. That is the biggest issue.

Making the MOT system work with regard to those properties would involve working with the city heritage trust and the townscape heritage initiatives to address the issues. There is no definitive answer to the question. We must simply ensure that the pilot area accurately reflects the overall percentage of tenemented buildings, so that we can address the challenge in that context.

Michael Levack: In terms of the cost of the scheme—I am glad that John McKinney offered to answer that question—the Scottish Building Federation did not come up with the proposals, but we are supportive of them and have made observations and comments. We should remember that we are talking about the whole range of buildings, not only houses. We should also remember the role and the duty of the public sector in this context.

Let us look at value, rather than cost, in terms of what the scheme could provide through stimulating economic activity by giving companies local sources of employment and the apprenticeships and training opportunities that have been mentioned. In these harsh times, we are often challenged to come up with innovative funding models. That must be balanced against the potential view that this is about more red tape and bureaucracy, but it seriously warrants further examination of the specific detail that we may not be able to provide this morning.

Professor Hague: The other players could be the insurance companies, which are among the potential beneficiaries of the scheme, to put it in crude terms. If, as we have accepted, a maintained property is less likely to generate a repair, then somewhere along the line that should feed into premiums. I do not know exactly how that could work, but it is the sort of thing that should be explored.

Similarly, there is a degree of experience that suggests that in multi-occupancy properties the facilitation role is very important, irrespective of

whether it is performed by the traditional factor. In the latter part of the last century, one of the great innovations in housing management in Scotland was community-based housing associations—a model that has been widely admired across Europe. When the Housing (Scotland) Act 1974 was introduced, people did not have that model, and they had to innovate to create something. People can rise to the challenge, and we need a facilitating and experimental environment in which we can monitor the results and back the winners—back what works.

John McKinney: Edinburgh World Heritage receives about £1 million a year, from which it is able to empower property owners and leverage in £5 million to £6 million. As Michael Levack said, foreign investment could have a significant positive impact on turnover.

Bill Walker: Some of my questions have been answered in the responses to Anne McTaggart. I agree with David Gibbon that a great deal of work on buildings is reactive. To some extent, it is the same with cars, but I remind John McKinney that at least cars must have MOT tests when we are required to do things, so compulsion is involved. A buildings MOT is a very good idea.

Most of the buildings that we see around us today will be around for many decades to come. I have lived in a series of relatively elderly houses, and when I get a good electrician or a good plumber I like to hold on to him. The problem is that when one goes to another tradesman—equally good, perhaps—he has to work out from the beginning where all the wiring or pipework is, the quality of the materials, and so on. I guess that when houses are brand new they have a master manual, but as they get older that information tends to disappear. I am an electrical engineer, but I would not like to work out where all the cables and wires are in my house. Would the scheme involve an audit of some kind to provide a full checklist of what is in the property so that people do not have to go through this business every time that work requires to be done, as it regularly should be? There should be a proper record, as with a car, for buildings, whether houses or other kinds of building.

David Gibbon: It would be highly desirable to have a sort of logbook for buildings. There are mechanisms whereby that is beginning to happen—the Construction (Design and Management) Regulations 2007 and so on are introducing that for new buildings and buildings that have had significant alterations carried out on them. There is some movement in that direction, but it will always be difficult at the level of domestic properties, which change hands quite often and everything gets lost. Perhaps the logbook could be attached to the home buyer report.

Michael Levack: The question links to Kevin Stewart's earlier question about reputable contractors. I understand the issues that you mention, but a good tradesman or a reputable company will fairly quickly get to grips with this. The Construction Licensing Executive, which is currently supported by the Scottish Government—there are other, similar schemes—was set up some 10 years ago as a not-for-profit, charitable organisation that ensures that companies that operate in the construction trades are licensed. It may dovetail nicely with the proposals for a building MOT scheme.

Bill Walker: I guess that the issue is about having a good body of information about buildings, as all our buildings are pretty old. However, most of the existing buildings do not have such a body of information about them, detailing where the cables and pipes are, et cetera. I realise that an audit of every building in Scotland would be a huge project, but what do you think about going through that process so that we do not waste so much time, effort and money every time that something has to be done, with a new contractor, however clever, having to look into everything again?

David Gibbon: That brings us back to what is in the public interest and what is in the private interest, and it seems to me that the private interest is not really the business of Government, although you may disagree with me. The issues may be to do with buildings falling down, bits falling over and that sort of thing—the danger aspect—or providing general encouragement to keep the environment up to a certain level, but we could get carried away. I do not think that whether people have information on their plumbing and wiring layouts is a matter for Parliament to legislate on.

Margaret Mitchell: Let us pursue the issue of public versus private interest, which you have raised. Should an increased duty of care be built into the MOT provision that you are looking for if a building is a public building—as opposed to a privately owned home—that the public walk past and which might pose an increased risk?

David Gibbon: The Government commits itself to a level of inspection and maintenance of its own buildings although, from experience, I am not sure whether it lives up to that commitment. In general, that measure is already in place.

Margaret Mitchell: I am thinking of private business in the town centre.

David Gibbon: Private business is another matter altogether. However, it is not all doom and gloom. The full repairing and insuring lease, for instance, is an effective mechanism for bringing people up to the mark at regular intervals. When a

tenant gets to the end of such a lease, the landlord will serve a schedule of dilapidations and insist that the building is repaired, although that does not always work.

Margaret Mitchell: What if a private business owns the building and it is not rented or leased out?

David Gibbon: If there were to be any compulsion, a risk assessment would have to be carried out to see where the compulsion needed to be applied. By no means all buildings fall into the category of being dangerous or a threat to the public interest.

Margaret Mitchell: That brings me to my next point. Is that not really the duty of the local authority, under the Housing (Scotland) Act 2006? Should not local authorities already be doing that, which would make the proposed MOT superfluous?

David Gibbon: I think that the next group of witnesses will address that.

Margaret Mitchell: Do you have a view? If someone wanted to be Machiavellian, they could say that you all have a vested interest in promoting building MOTs. I am sure that we are hearing totally objective evidence, but you could be considered to have a vested interest in that regard. I think that it is reasonable to pose that question to you.

10:45

John McKinney: May I answer? I agree with your points, but the statistics from the Scottish house conditions survey 2010, the “Scottish Small Towns Report 2007-2013” and the safeguarding Glasgow's stone-built heritage project that was undertaken by the Scottish stone liaison group all indicate that the current system does not ensure that properties are at an acceptable standard. Two thirds of our properties have critical elements of disrepair, and if that is not addressed the buildings will rapidly deteriorate. That is the situation under existing legislation, so the proposed buildings MOT would sit beside that. The idea is not to replace existing provision but to provide a carrot for people who want to undertake repairs as opposed to imposing the stick of legislation. I hope that that would reduce the number of properties that are referred to the local authority because they are in dangerous disrepair.

Margaret Mitchell: Rather than duplicate what a local authority should already do, would the solution not be to ensure that the local authority does that work and is staffed up to do it?

Michael Levack: Regarding your earlier point about standards, I cannot see why the standards for buildings that are in public ownership should be

different from those for buildings that are in private ownership. We should be able to develop a minimum—

Margaret Mitchell: I am sorry, but I think that you have misunderstood me. I mean a building that is located in a town centre, to which the public has access.

Michael Levack: Yes; I will come on to that. I hesitate to mention the name of a city or town in this regard, because I know that various publications like to say which are the grimmest cities or towns. However, it is important to put the building issue in perspective so that we can perhaps visualise it. We talk about economic stimulus, strong local economies and so on. If we look at our high streets and main streets—let us move away from considering only city centres, with which we are all familiar, and think about our towns—we can see that there has been minimal expenditure on hard landscaping. We could argue that there has been some improvement from that expenditure. We could also argue about whether the procurement process has provided local jobs.

We could look at any high street or main street, but I will mention my home town of Kirkcaldy first; David Torrance's ears will prick up at that. I have travelled recently to other places that I know well, such as Fort William, Linlithgow and Cambuslang. All those places have a number of buildings that I think that any of us would agree are in a very decayed if not dangerous state. It is important that we do something sooner rather than later to stimulate some means of addressing that situation.

In these tough economic times, I appreciate that we must consider carefully whether to introduce new legislation to supplement existing legislation, but the existing legislation is clearly not working. The written evidence from the Scottish Building Standards Agency is compelling in terms of its opinion of local authority measures. We need something to stimulate further activity.

You mentioned interests—yes, I will declare an interest if you want me to.

Margaret Mitchell: I understand where you are coming from, but I want to develop this a bit further. I still think that there would be duplication, although we may disagree on that. However, is there not a real danger that, especially in these hard economic times, only responsible house owners would sign up for the building MOT and that the people whom you want to reach would not do so? If there was no element of compulsion, would the move not be self-defeating, even if it raised awareness?

Another aspect of your evidence that set alarm bells ringing ever so slightly for me was the idea that a building MOT scheme might help with

insurance premiums and preventative spend—I understand all those arguments—but is the other side of the coin not that insurance companies would then make the MOT a condition for reducing premiums or maintaining their level and that there would be a higher premium for not having a building MOT? In that case, the cost would automatically be passed on to the home owner, who is already under what I would argue is the burden of home ownership, given that there has been a decrease in house sales in the past year.

Michael Levack: I am sorry, but I would welcome that. As Cliff Hague said in his opening remarks, when the severe weather comes we become concerned, but as soon as the spring comes we forget about it. We are not going to impose a massive burden on everybody overnight, but we have to start somewhere and take a lead. The existing legislation is not working, and we need to find some other measures to stimulate activity and encourage people.

Margaret Mitchell: I would argue that some post-legislative scrutiny would be good.

I have one last question. What safeguards could be built into the system to prevent some surveyors and contractors from inflating prices and identifying unnecessary work? That is what appears to have happened with the City of Edinburgh Council's statutory notice system.

Michael Levack: We should be very careful in talking about the situation in Edinburgh, because there is an on-going detailed investigation by the City of Edinburgh Council and Lothian and Borders Police; I certainly would not want to be drawn into making any comment on that. I would suggest, however, that the situation is not quite as simple as it perhaps appears from the papers and the media coverage.

Margaret Mitchell: What safeguards would be built into the scheme?

Michael Levack: I mentioned the Construction Licensing Executive a few minutes ago. Currently, my mother, who is 80 years of age, could apply to HM Revenue and Customs for a construction industry scheme tax card. She would have it within 14 days, and she could then go out and buy a Transit van and a mobile phone and trade as Izzy Levack, joiner and builder, without a single qualification.

Nobody—neither trading standards nor the Government—could touch her at present. We need some barriers to entry and some protection for consumers. We need some degree of regulation; I know that that is not popular, particularly in the current economic environment, but the construction industry needs it. Otherwise, we will remain where we are: an industry that

sometimes lets customers down by the rogue element that is attracted to make easy money.

Margaret Mitchell: Talking about your mother's employment prospects is a clever way to stimulate action.

Michael Levack: It is a very serious flaw in the current system.

Margaret Mitchell: I understand that it is.

John McKinney: The convener made the point that a building MOT is aimed purely at empowering those who are interested in maintaining and repairing their properties to make educated decisions. It is not aimed at those who have no interest in repairing their properties; legislation will pick them up when their property falls into disrepair and becomes potentially dangerous. The benefit will be—it is hoped—that a well-maintained property will reduce people's energy bills.

On the point about guarding against commercial advantage, the proposed scheme does not indicate which contractor will get which work. It is up to the property owner to approach contractors to undertake the work, and they still have the final decision on who they appoint to undertake the work.

If you got five contractors to give you a quote—the Department of Trade and Industry recommends three—and one was inflating their prices out of the ball park, you would not go anywhere near them because it would be guaranteed that every contractor meets a minimum standard. They would be qualified to undertake that work, and they would have the appropriate insurances and a skilled workforce, so the likelihood is that you would go for price because they are all on an equal playing field with regard to quality of work. They would all specify exactly the same amount of repairs that were required, because that issue would have been identified in the report. Personally, I would be comfortable in going for price.

Professor Hague: I have a couple of points, picking up on the general themes. We are talking about a binary system in which there are people who repair their properties and people who do not, but I suspect that it is a three-way thing. There is a large group in the middle who know in principle that they ought to be doing something but who think that there are other things to do in their lives. If we could get a scheme that was easy to enter and backed by promotion, we could begin to change some of that. We might still not get the hard core who will never invest, but we might begin to broaden the virtuous grouping into a wider group.

There is a cost in the end, anyway. People either pay continuously, or they pay when there is a big problem. That is largely a phasing issue rather than a case of either it costs something or it does not.

People can usefully work together. If we think of schemes that focus on, for example, a neighbourhood or something like that, it benefits one home owner if another home owner improves their property. That applies to commercial properties, too. There could therefore be different ways into the scheme, but much of it is about setting a different climate and raising the issue. I return to my initial point. Part of the problem is that people are sitting in houses that official surveys have identified as having serious problems, but they seem to be oblivious to that.

John Pentland: I think that everyone can agree in principle that an MOT of some description is good, but applying that in practice will be more difficult. If someone is asked to pay £12 a week for an MOT that tells them that they will have to spend thousands of pounds on their property, they are unlikely to ask for the MOT in the first place.

Professor Hague mentioned an innovative way of getting all those groups together. I would rather find some way of paying that £12 a week if, five years along the road, a contractor was going to come and repair the guttering, the downpipe or the roof as necessary. Could that kind of idea be explored?

When I was looking through the committee papers, I was taken aback to read that some local authorities and housing associations were not so good at what they were doing. I thought that they would set the standards. Through their rent policies and capital investment programmes, significant investment is made in improving standards. I thought that they could be used as good examples of how buildings should be kept.

Obviously, Historic Scotland sometimes comes along and lists a building as A, B or C, and ultimately money will have to be spent on that building. Who spends that money? Some might think that the building should be demolished rather than protected and the building could end up being unaffordable in one way or another. Perhaps the panel could expand on my questions.

Michael Levack: Regrettably, buildings are being added to the buildings at risk register every week. It is like everything else—there needs to be some balance. Do we want to protect the special buildings that we have? We can always argue about some listings that are, shall we say, unusual or bizarre, but in general the system that is in place works well. Equally, the current system allows certain buildings to decay on the basis that they will eventually have to be demolished, which

will suit their owner's game. That is not acceptable for local communities.

John McKinney: On a quick point, the cost in the model was £12 a month—I am sorry if I said £12 a week.

The idea behind the scheme is that it would act with the signposting for identifying grants for undertaking repairs on a property, and it could therefore save people money if they are not aware of the grants that might be available, such as the green deal. I have a neighbour who pays more than £60 a month for his Sky television; that is where our priorities lie at the moment. We need to change hearts and minds and people's views on how they can save money through their fuel bills and so on.

11:00

John Pentland made a point about Historic Scotland. We have liaised with Historic Scotland about a pilot and it is in favour of the principle of having a pilot.

Historic Scotland issues fairly reasonable grants for people to undertake repairs to qualifying properties, but it is looking at being a wee bit more proactive with grants and with ways of preventing properties from falling into disrepair. That would save Historic Scotland money in the long run, because it would not have to pay out grants when properties fell into disrepair. It is trying to look at the issue slightly differently. I do not know where that will go, but my discussions with Historic Scotland have covered such issues.

Professor Hague: I have a final one-liner. A lot of this is about providing better information, so that people can take more informed decisions.

The Convener: Does David Stewart want to ask a question?

David Stewart: I will leave my questions until the next panel appears, as they are more relevant to local authorities.

Kevin Stewart: I thank the panel again for giving evidence. The key reason why I asked the committee to look at the issue was that much more building failure seems to have occurred of late. My great concern is that such a failure might lead to a major injury or a fatality, which none of us would want.

I will return to a point that David Gibbon made. I do not think that any scheme should be "too bossy". To sum up, will the gentlemen on the panel tell us how a balance can be struck, particularly to reach the folks whom Professor Hague said were probably in the middle—people who know that they probably should do something

but are not doing it? How can they be informed about the benefits of a scheme?

David Gibbon: We touched on VAT. It is absolutely ludicrous that work to alter a historic building—work that requires listed building consent—is zero rated, but a repair to such a building is hit with 20 per cent VAT. That is absolutely barking mad and is a disincentive to good maintenance and repair. That situation has gone on and on for decades and I do not understand why it persists and cannot be dealt with. We talk about carrots and sticks, but that situation is so mad in the wrong direction that it is hardly true.

Kevin Stewart: Unfortunately, we do not have the powers to deal with that here—I wish that we did.

Bill Walker: Very good, Kevin.

The Convener: I ask the panel members for final remarks.

John McKinney: I totally agree about the VAT issue, but I will not repeat the point.

The whole idea of what we ask for is a pilot to flush out a lot of the issues that the committee has raised. The questions that are harder to answer are welcome, because they make us think about how a pilot would work. We greatly appreciate the questions at which members might see us squirm slightly because we do not have the answers, as they make us think about the way forward.

The proposed scheme is not legislative; it is all about empowerment. There is no element of Big Brother or of the stick—it is all about the carrot. It is about encouraging people who want to look after their properties to do so and about how they can do that. If somebody had a building MOT report that identified work, but they wanted to have a new kitchen this year, they could say, "Fair enough—I could get a new kitchen that might cost £2,500, but my roof would still need repairing after that, so why don't I spend money on the roof this year and get my new kitchen next year?"

We are talking not about people spending more money, because people do not have more money to spend, but about bending their spend and influencing it through education. That relates to Professor Hague's point about the middle ground—the people who have limited funds that they are prepared to invest in their property. A scheme would identify work on the fabric of a property rather than the more tangible and fluffy elements of a property.

I agree with the point that was made by Michael Levack on creating the right environment to stimulate the market. My submission refers to American evidence on how repairs and maintenance can be more labour intensive. Each

contract will be relatively small, so a big main contractor will not bring in specialist contractors from elsewhere, meaning that local jobs for local people will be created, and local apprenticeships will support the local college. When that situation is replicated across the country, everyone will benefit.

Michael Levack: Margaret Mitchell made a point that showed exactly why the current legislative powers are not working. The Scottish Building Standards Agency has produced a paper on the difficulties in the way in which the powers on cost recovery work for local authorities. The Scottish Government is already considering the issue, and that would be a good starting point on what may be a lengthier journey.

Professor Hague: Social change is possible; people's behaviour does change. Thirty years ago, most people around the table would have been smoking and they may have had a drink or two before driving home. Social change can happen in different ways—although I am not suggesting that those two models are the ones to apply. A mix will be required, involving the market-based incentives that we have been talking about, and involving community-based initiatives—and we should not underestimate local people's capacity to work together and focus on where they live. We should be prepared to do research and to monitor carefully what is happening, and we should build on what works and abandon what does not work.

The Convener: Okay. I thank the members of the panel for their evidence.

11:06

Meeting suspended.

11:08

On resuming—

The Convener: Our second panel of witnesses for this agenda item comprises Bill Dodds, who is the head of building standards in the Scottish Government built environment directorate, and Alastair Mackenzie, who is from the Scottish Association of Building Standards Managers. You are both very welcome. I noticed that you were sitting in for some of the earlier questions, and that will probably be helpful. Would you like to make some opening remarks?

Bill Dodds (Scottish Government): I thank the committee for inviting us, and I am happy to present some evidence. The debate has been interesting and has covered many of the issues raised in the background papers. It might be helpful if I set out what the building standards system is trying to achieve. As was suggested earlier, the building standards system is there to

protect the public interest. It is set out in the Building (Scotland) Act 2003, and is primarily about health and safety and protecting the public, whether they are in a building or passing by.

This morning we heard some debate about defective and dangerous buildings. In relation to our legislation, a defective building may well become a dangerous building. We heard a lot of discussion about roofs, but danger could also come from stonework or anything else that could fall off and hit someone who was passing by.

The legislation is designed to be a backstop. It is the owner's responsibility to maintain their property. If they do not, and if the property falls into a defective or dangerous condition, the local authority is responsible for dealing with it. My colleague Alastair Mackenzie will answer any questions that relate to local authorities.

When the system came into operation in 2005, defective buildings were covered. The power in the 2003 act that covers them is discretionary. Such buildings may be on their way to becoming dangerous, because of a loose slate, a leaking gutter or whatever. The legislation also covers dangerous buildings, and local authorities will act almost instantly when any building presents an imminent danger. Again, I am sure that Alastair will answer any questions on that.

Alastair Mackenzie (Scottish Association of Building Standards Managers): As you said, convener, I represent the Scottish Association of Building Standards Managers. That is a bit of a mouthful, so we use the acronym SABSM. The association represents all 32 Scottish local authority building standards services. Our primary aims are to promote a culture of continuous improvement; consistency of interpretation and approach; and the achievement of best-value principles in the delivery of a local authority's building standards service.

As Bill Dodds suggested, the function of building standards is to ensure the health, safety, welfare and convenience of people in and around buildings. Further aims are to conserve the use of fuel and power in buildings, and to promote the achievements of sustainable development in the built environment.

The building standards function can be viewed in two distinct areas of activity. One is the verification role, which deals with the building warrant application, approval, inspection and certification functions; and the other relates to compliance and regulation—which is of particular relevance to the committee today. In addition to regulation and compliance, we also deal with the provisions in section 28 of the 2003 act, which cover defective buildings. As Bill Dodds said, those provisions are not mandatory. However, the

provisions in sections 29 and 30, which deal with dangerous buildings, are mandatory. Local authorities must action a report that says that a building is dangerous.

On behalf of SABSM, I thank the committee for giving us the opportunity to participate in today's session. Committee members will be aware of the contents of our submission, and I will do my best to answer any questions that members may raise. If I cannot give a full answer on any topic, the association will get back to the committee in detail.

There has been a lot of talk about the cost implications for owners, but the cost to local authorities has not been touched on much. As committee members are probably aware, David Stewart MSP is promoting a member's bill. Also, Bill Dodds's team is considering investigating the benefits of reintroducing charging orders under the terms of the 2003 act. If members consider SABSM's paper, they will see that, between 2005 and 2009, local authorities wrote off around £693,000 of public debt when they carried out remedial actions and default actions and were unable to recover the costs from the owners.

11:15

The paper also shows that in spring 2010 we had somewhere in the region of £1.3 million of outstanding debt, which is still unrecovered. SABSM advocates that, if we are looking to reintroduce charging orders, the Scottish Government may wish to look at applying them retrospectively to properties where dangerous building notices have been served, the owners have been unwilling or unable to do the work and local authorities have carried it out by default.

I know that it is a very difficult question to consider and for the Scottish Government to answer, given that properties could well have changed hands in the interim, but there is a precedent. Planning legislation was recently changed to allow local authorities to vary section 75 agreements retrospectively. The precedent therefore exists, albeit in a different context. If we could apply—perhaps with caveats—charging orders retrospectively, part of that £1.3 million could be recovered.

The costs mentioned in SABSM's paper do not reflect the entire cost to local government. In the main, the costs relate to private contractors—consultants who have been employed in making buildings safe or reducing dangers. They do not include the costs of the building standards team or the building standards surveyors in carrying out their duties under the legislation.

There is a range of duties, starting with simply meeting the owners and agreeing remedial action and thereafter inspecting the work to ensure that it

has been carried out properly. However, officials could go on to the next stage, which involves serving a dangerous building notice. They would then be involved in preparing schedules of works, looking at tender documents, appointing contractors, supervising work and certifying the completed remedial works. That is a significant area of local authority cost that is not identified in the paper.

Climate change and the recent storms have been mentioned. December 2011 and January 2012 have been particularly testing for local authority building standards teams. In Fife alone, 30 dangerous buildings were reported in a two-day period—you can imagine the stress that such events put on teams, who also have their day and daily work to carry out in the building warrant approval and verification role.

The building warrant approval and verification role is designed to be self-financing through the building warrant application fees that are submitted. I suggest that the enforcement role is intended to be financed through grant-aided expenditure. At the moment, that expenditure is based on the number of building warrants issued in a year, which does not entirely reflect the number of enforcement actions that a local authority may need to carry out. Furthermore, grant-aided expenditure in relation to building standards is not ring fenced, so it goes into a council's central pot. In SABSM's experience, few building standards teams benefit from the income—it is used elsewhere.

I will move quickly on to building MOTs. SABSM's views in the paper are fairly explicit, and we feel that further detail would be required for us to comment more comprehensively.

The Convener: Thank you. Kevin Stewart will kick off the questions.

Kevin Stewart: I thank Mr Dodds and Mr Mackenzie for their remarks.

I want first to ask about a comment that Mr Mackenzie made about consistency of interpretation, which is one thing that frustrates some of us. I will not say which building I am talking about, but for many years I have said that a particular building is dangerous. It has not been classified as such, but I think that, if it had been somewhere else, it probably would have been. How do we ensure that there is consistency of interpretation across the country?

Alastair Mackenzie: The consistency that we seek is primarily in our main area of activity, which is the building warrant and plan assessment area. SABSM is doing work with the building standards division to improve consistency in that regard.

On dangerous buildings, each building must be risk assessed individually. The building standards surveyor—usually one of the most senior surveyors in a team—will go along and assess the potential dangers presented by a building. Thereafter, they can call on someone else in the team to give a second opinion or they can get an appraisal from a structural engineer.

The risk assessment is based on the building's location, the building type and the danger that is presented. In some instances, city centres and town centres are the highest risk areas. A building might be deemed dangerous if it is located in a city centre, but a different decision might be made if it is located in the middle of a field in a rural environment where people seldom go near it—the degree of danger is assessed relative to those factors. There may well be inconsistency between one assessment and another. However, I assure you that local authorities will err on the safe side, because ultimately our role is to safeguard the general public in and around buildings.

Kevin Stewart: Is there less consistency in relation to commercial properties than in relation to housing?

Alastair Mackenzie: No. From the building standards surveyor's perspective, it makes no difference whether the building is a commercial property or a domestic or residential property. Each type of property has its own difficulties. If it is a commercial property, we have to address the commercial interests of the individual. We do not necessarily want to put a business out of a building and out of business. On the domestic side, we do not want to make people homeless if we can avoid it. Each type of property has its own in-built risks that the building standards surveyor has to address.

Kevin Stewart: You seem to be slightly sceptical about building MOTs. Are you in favour of a pilot to see whether some of the issues can be teased out?

Alastair Mackenzie: Yes—without doubt. SABSM whole-heartedly welcomes any approach that encourages property owners to maintain their properties, be they commercial or residential.

David Stewart: I give my apologies to the committee as I have to leave early. I will put one quick question to our witnesses. What are your views on the reintroduction of charging orders, particularly for commercial premises? As you know, the 2003 act removed them, for no apparent reason. As you well know, charging orders were around since 1959 and worked very successfully. The Housing (Scotland) Act 2006 introduced a repayment order, which is very similar to a charging order. What is your view on the

reintroduction of charging orders, which is the objective of my proposed member's bill?

Bill Dodds: You are right to say that the charging order disappeared when the new legislation was implemented.

Over the past year or so, some of my colleagues have met you and a number of the other witnesses present today. I back up Alastair Mackenzie's point about building MOTs. We are also in favour of anything that encourages proper maintenance of any type of property, whether it is a house, a city-centre tenement or whatever. Our colleagues at Historic Scotland have been working with us and other Government officials—particularly housing officials—on the possibility of a pilot. We look forward to seeing the information that comes out of the pilot, when we can assess how successful or otherwise it has been.

We do not necessarily seek to reintroduce charging orders. In our business plan for this year, we have committed to working to secure the best mechanism whereby local authorities can recover their costs, and we are currently working on that. Such a mechanism would not necessarily be the reintroduction of charging orders. A charging order is a burden on the building and can take 20 or 30 years to materialise, along with interest, and there are other forms of charging in legislation. Initially, we want to examine the different types of debt recovery.

I think that when the system changed it was thought that local government debt recovery mechanisms were acceptable for the purpose that we are talking about. We have had meetings with SABSM and local authorities, which agree that there is an issue. There is a feeling that because we do not have the mechanism that we used to have for charging or for recovering costs after work has been carried out, there is a disincentive for local authorities to deal with dangerous or defective buildings. We are on the same page as far as that is concerned, and we support SABSM in that regard.

We are looking at the different pieces of legislation and considering the best method for achieving some sort of uniformity in how local authorities operate, and I hope that we will find a proper solution. The 2003 act would have to be amended, so we would need legislation, as members are probably well aware. In this parliamentary session it is proposed to legislate on housing and community empowerment, so we are working with colleagues to determine the best vehicle to use to introduce the power that we are talking about. That is where we are on the issue in the building standards division.

Alastair Mackenzie: SABSM would welcome the reintroduction of charging orders, or the

introduction of a similar scheme that would be fit for purpose and would give local authorities the comfort of knowing that their expenditure on a private building would come back into the public purse. Like other councils, my authority, Clackmannanshire Council, negotiates with owners, who can enter into a monthly repayment scheme, direct debits and the like. Schemes that are in place locally could perhaps be incorporated into a national scheme, so that if a charging order were put in place it would not preclude the opportunity for owners to repay the money before the end of a 30-year period.

In the Historic Environment (Amendment) (Scotland) Act 2011, an approach was introduced whereby a notice is in place for only five years and must be renewed during that period. Such an approach to charging orders might become cumbersome for local authorities. However, SABSM would welcome any means by which council expenditure could be recovered.

David Stewart: I thank the witnesses and the committee.

Bill Walker: My question is probably for Alastair Mackenzie. I am a councillor in Fife, and I know that local authorities get involved only when a building is found to be dangerous, which is sometimes a bit late.

I listened to what Margaret Mitchell said to the previous panel about the duties on councils. Councils must do their job properly. You said that you would welcome a pilot on building MOTs. Rather than reinvent the wheel and double the expense, is there scope for expanding councils' duties—heaven forbid; that would be subject to the right funding, of course—so that you can be involved in some kind of preventative spend approach? We have heard the arguments in favour of building MOTs and I am in favour of preventing problems from arising in the first place. Can councils get involved in that?

11:30

Alastair Mackenzie: It would probably require a fundamental change in approach from an MOT as well as a local authority perspective. As other witnesses have pointed out, it will be a voluntary function. We are very much encapsulated within councils' regulatory element; although we have defective building powers under the 2003 act, under which local authorities can proactively inspect properties to identify and advise owners of defects, there is no compulsion on local authorities to use them and not all of them have taken them on board since they came into play. If the Scottish Government wants local authorities to take on that role, it will have to make additional investment in the building standards service.

Bill Walker: As I understand it, the building MOT will have to be self-financing through charges and so on. As someone who is wary of duplication, I wonder whether, with the great amount of local authority expertise that you have, you think that such an approach could be extended to ensure that we do not reinvent the wheel. After all, the necessary funding would be recovered through fees on owners.

Alastair Mackenzie: It is too early to establish the costs of administering the MOT role over and above the current costs of inspection. Members have asked about the willingness of individuals to deal with such matters. If the highlighting of defects simply raises the prospect of incurring additional costs, will matters simply fall by the wayside? A conscientious owner will probably take up the option, while the negligent owner probably will not. The question is difficult and I do not think that we can answer it at the moment. For a start, we do not know how big the uptake will be if the measure is voluntary; if it is compulsory, it will place a significant burden on owners of housing and industrial buildings, which in turn will place a significant burden on local authorities. In that respect, I want to find out first how the pilot scheme has operated.

Margaret Mitchell: I suppose that my question is an extension of Bill Walker's. The submission from the Built Environment Forum Scotland points out that, as has already been made clear, local authorities have the power to serve maintenance orders, which are proactive, and to require home owners to produce a maintenance plan. If I understand you correctly, you are saying that although building warrants are more or less self-funding, problems arise with grant-aided expenditure, which goes elsewhere. Is this approach not a bit of a hammer to crack a nut? Is it not a matter of looking at current priorities and legislation? After all, the Scottish Government and everyone else has very much signed up to the principle of preventative spending. Would enforcing current regulations and ensuring that they worked properly not play into that approach without our needing to go down the route of introducing additional MOT functions?

Bill Dodds: It might be worth going back over a few points. The maintenance requirement to which you refer is in the Housing (Scotland) Act 2003. I believe that Alastair Mackenzie lists in his submission the legislation governing the different actions that one might wish to take. Under the legislation governing defective buildings, we record the number of notices that are officially issued. In the first three or four years, 96 such notices were issued, whereas last year alone 97 notices were issued by nine councils. It is clear that that approach is being used more and more and we should remember that the legislation is

relatively new. Given all that, I take your point about current legislation; for example, there is also separate legislation for housing maintenance.

The backstop in the dangerous and defective buildings provisions in the Building (Scotland) Act 2003 is that they apply to all buildings, no matter whether they are public or private, city centre or rural. Having listened to the discussion, I think that, instead of everyone having to spend money on an MOT, we would get best value for money by targeting MOTs at the buildings that are most in need. My guess is that the pilot project will want to get in behind all that to find out how to prioritise how we deal with our defective and dangerous buildings.

In response to your question, I acknowledge that there is a lot of legislation in force but, again, it all comes down to resources and finance. As Alastair Mackenzie has pointed out, there are two sides to the building standards system: the plan-checking and new-build building warrants side and the enforcement side. Central Government provides money to local government for enforcement in carrying out statutory duties. The situation was described in terms of the number of building warrants but, as you know, funding is allocated as a block and it is up to local authorities to decide the proper way of spending their money. If they wish to spend more on regenerating a town centre, say, or bringing some buildings—

Margaret Mitchell: Picking up on that point, I wonder whether you could simply use regeneration funds to be more proactive, enforce maintenance orders and use the other powers that you have to stimulate jobs in the local economy and to ensure that you do not add to the administrative burden that has been described in evidence this morning. Is that not part of a local authority's remit anyway?

Bill Dodds: I will let Alastair Mackenzie answer that question.

Alastair Mackenzie: The current amount of annual GAE would not cover the level of service that would be needed and which we would like to provide. I apologise for going back to charging orders but, because such orders are not in place at the moment, councils have no comfort that they will be able to recover their money. If it is a public danger issue, councils will spend the money; indeed, the figures that we have provided show as much. However, an issue involving a defective building is much softer. I agree that such action is preventative and we would like to do more in that respect, but councils are reluctant to spend money on private buildings with no guarantee that the costs will be recovered.

As a quick example, in my authority I still receive numerous inquiries from councillors and

community councils about a particular defective building—the local MSP Keith Brown, who used to be the councillor for the area, knows it well and it is among the images included in our submission. A defective building notice was served on the owners, who did not action anything that had been identified and a report was presented to committee. When I received estimates for the cost of the work to bring the building back to a reasonable state of repair, I found that it was going to be in excess of £100,000. You can imagine what the council said when I asked them, “Would you like to spend £100,000 on a private building without any guarantee of getting the money back?” The building is still a blight on the streetscape and I still receive regular complaints about it. However, the local authority has pushed the issue as far as it can go without spending money on it.

In the same vein, we have on three different occasions had to serve dangerous building notices on the property. The two original owners did not action the work that had been identified and we did it in default to the tune of about £1,000. Invoices were sent and the council went through its usual debt recovery processes but, because the two owners declared bankruptcy last year, it can no longer recover the money. It just so happened that a month or so before the two original owners declared bankruptcy the property was transferred to two other owners with the same family name residing at the same two addresses.

Margaret Mitchell: We understand the difficulties with charging orders and that there is a case to be made in that respect. However, local authorities have an opportunity to be more proactive here. What added value might an MOT regime have when the local authority already has the power to prioritise these matters? After all, building warrants are not backed by enforcement measures. Will MOTs not identify more problems that the local authority might compulsorily have to look at again? Indeed, might it not face the same problems if the charging orders are not sorted out?

Alastair Mackenzie: Very possibly. As you rightly suggest, the MOT would identify such problems. As far as local authorities are concerned, it is all about resources and it will put additional strain on staff who have already been pushed to their limits.

Kevin Stewart: I think that we have moved away from the original intention of today's inquiry and I want to say something about the final line of questioning.

It is of course up to local authorities to prioritise what they want to do about the issue, but there is unfortunately not enough consistency in what they do. I am concerned not so much about obviously dangerous buildings that the local authority has to deal with, as about the buildings that are illustrated

in the evidence paper as having failed in recent times. None of them would have been declared dangerous at any point, no one looking at them would have considered them to be dangerous and they would never have been reported. The point of building MOTs is to catch the buildings that would largely go unnoticed unless a full-scale survey was carried out on them. I think that that needs to be said because we seem to have strayed from the initial point of the inquiry.

The Convener: Do you wish to comment, Bill?

Bill Dodds: No, except to say that I totally agree with those comments. David Stewart's proposed bill covers two major issues—charging orders and MOTs—and I think that today's evidence sessions have more than covered both of them.

The Convener: Do you have any final comments, Alastair?

Alastair Mackenzie: I am certainly in favour of reintroducing charging orders or a similar mechanism. I realise that it is not a silver bullet and that it will not automatically solve all our building repair issues overnight, but it would greatly improve rates of recovery of local authority expenditure on dangerous and defective buildings and give authorities the comfort that such costs will be recovered. I imagine that that, in turn, will encourage councils to be more proactive in addressing defects before they become dangerous. Similarly, an MOT is not a panacea for all building ills.

Nevertheless, SABSM suggests that the two initiatives would add to the toolbox of current measures for extending the longevity and sustainability of our built environment and heritage. The association would welcome and support in principle any new initiatives that promote greater owner awareness of the consequences of the lack of building maintenance and encourage owners to safeguard their properties and we are more than willing to be involved in any such move.

The Convener: Thank you very much for your evidence, which we will consider at a future meeting. I suspend the meeting to allow the witnesses to leave the table.

11:44

Meeting suspended.

11:50

On resuming—

Petition

Planning Circular 3/2009 (PE1320)

The Convener: We will now consider the evidence received by the committee on PE1320. Members will recall that, on 14 September last year, we heard oral evidence from the Scottish Government's chief planner, the Convention of Scottish Local Authorities, and the Royal Town Planning Institute in Scotland. At a second evidence session on 23 November, we heard oral evidence from the petitioner, Douglas McKenzie, of Communities Against Airfield Open Cast. Both those evidence sessions were enlightening, revealing a lot of useful information. Members have received a briefing paper, LGR/S4/12/1/5, and one of its suggestions is that we should not lose the evidence that we have heard.

Margaret Mitchell: Are we going to decide today what to do with the petition?

The Convener: Yes. The briefing paper contains some suggestions.

Margaret Mitchell: The petition describes unique circumstances, so I would be in favour of writing to the Minister for Local Government and Planning to bring the issue to his attention. The petitioner wishes to give a neighbouring authority the same statutory rights to be a consultee as a Government agency. The minister should be aware of any such situation, rather than things being allowed to happen on an ad hoc basis; the minister could then decide whether or not to do anything further. That would increase transparency and accountability, which would be all to the good.

If the committee intended to consider planning legislation in future, suggestion (b) in our briefing paper is that we should keep in mind the situation raised by the petition. I am in favour of both suggestions (a) and (b).

Kevin Stewart: I agree with that.

The Convener: Do members agree that we should write to the Minister for Local Government and Planning to bring to his attention the evidence taken by the committee on PE1320 at our meetings on 14 September and 23 November 2011?

Members indicated agreement.

The Convener: The second suggestion is that the committee ensures that we note the evidence taken, so that, if need be, we can make use of it in future work. We should ensure that the evidence is not lost to us.

Members *indicated agreement.*

The Convener: Finally, do we agree to close the petition?

Margaret Mitchell: Should we not wait for a reply from the minister before we close the petition?

The Convener: We are not writing to ask him questions; we are simply writing to bring points to his attention. I therefore suggest that we close the petition now.

Margaret Mitchell: I am in favour of keeping it open until we receive a reply. Otherwise, it will have been closed by default.

The Convener: Okay, we have two different views. I suggest that we close the petition today and Margaret suggests that we keep it open until we receive a reply. Are there any other views?

Bill Walker: I am content to support your view, convener. Sorry, Margaret.

The Convener: The question is, that PE1320 be closed. Are we agreed?

Members: No.

The Convener: There will be a division.

For

FitzPatrick, Joe (Dundee City West) (SNP)
McTaggart, Anne (Glasgow) (Lab)
Pentland, John (Motherwell and Wishaw) (Lab)
Stewart, Kevin (Aberdeen Central) (SNP)
Torrance, David (Kirkcaldy) (SNP)
Walker, Bill (Dunfermline) (SNP)

Against

Mitchell, Margaret (Central Scotland) (Con)

The Convener: The result of the division is: For 6, Against 1, Abstentions 0.

PE1320 is now closed. Okay, Margaret?

Margaret Mitchell: Yes.

The Convener: Thank you. I record my thanks to Mr McKenzie for his engagement with this committee and with the previous Public Petitions Committee.

Police and Fire Reform (Scotland) Bill

11:54

The Convener: We move now to item 5. It is likely that the Justice Committee will be the lead committee on the recently introduced Police and Fire Reform (Scotland) Bill, but there are several good reasons why this committee should be a secondary committee. Local government has a role in the current set-up, and I think that it is proposed that local government have an enhanced role in future. I suggest that we seek appointment as a secondary committee for stage 1 consideration of the Police and Fire Reform (Scotland) Bill, and that we consider in private, at a future meeting, our approach to evidence taking on the bill.

Members *indicated agreement.*

Meeting closed at 11:55.

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