OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government, Housing and Planning Committee

Tuesday 17 December 2024

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

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LOCAL GOVERNMENT, HOUSING AND PLANNING COMMITTEE
36th Meeting 2024, Session 6

CONVENER

*Ariane Burgess (Highlands and Islands) (Green)

DEPUTY CONVENER

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)

COMMITTEE MEMBERS

Meghan Gallacher (Central Scotland) (Con)
*Mark Griffin (Central Scotland) (Lab)
*Fulton MacGregor (Coatbridge and Chryston) (SNP)
*Emma Roddick (Highlands and Islands) (SNP)
*Alexander Stewart (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Michael Cameron (Scottish Housing Regulator)
Paul Sweeney (Glasgow) (Lab)
Evelyn Tweed (Stirling) (SNP)
George Walker (Scottish Housing Regulator)

CLERK TO THE COMMITTEE

Euan Donald

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Local Government, Housing and Planning Committee

Tuesday 17 December 2024

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (Ariane Burgess): Good morning, and welcome to the 36th meeting in 2024 of the Local Government, Housing and Planning Committee. Mark Griffin is joining us online, and we have received apologies from Meghan Gallacher.

I welcome Evelyn Tweed MSP and Paul Sweeney MSP, both of whom are joining us for our evidence session with the Scottish Housing Regulator.

I remind all members and witnesses to ensure that their devices are on silent.

The first item on our agenda is a decision on taking items 3 to 7 in private. Do members agree to take those items in private?

Members *indicated agreement.*

Scrutiny of the Scottish Housing Regulator

10:00

The Convener: Under the next item on our agenda, we will take evidence as part of our scrutiny of the Scottish Housing Regulator. We are joined, from the Scottish Housing Regulator, by Michael Cameron, the chief executive, and George Walker, the chair. I welcome you both to the meeting.

I invite Mr Walker to make a brief opening statement.

George Walker (Scottish Housing Regulator): Good morning, everyone. I will try to be quick with my opening statement, but it is a little longer than it has been in the past, primarily because I feel that it is important to share with the committee some issues relating to the housing emergency. My statement will run a minute or two longer than usual. I hope that that is okay.

Thank you for inviting us. We are always happy to see you and to present our annual report and accounts, in this case, for 2023-24. We know that you will have questions for us about our work, but I will start by drawing your attention to the three key things that we are focused on: the housing emergency and homelessness—I will come back to that issue in some detail—tenant and resident safety, and an interesting issue that has emerged in relation to Gypsy Traveller sites.

I will start with the housing emergency. We have previously spoken about our concerns about homelessness. Since we last met, 13 local authorities have declared housing emergencies, and the Scottish Parliament has declared a national emergency.

Our assessment is that systemic failure is impacting homelessness services in some councils. Two local authorities are currently impacted by systemic failure, and a further eight are at a significantly heightened risk. By “systemic failure”, we mean that the demands in the homelessness system—the number of people who are homeless and the level of their needs—have exceeded the capacity of the system to respond. For some councils, the required increase in capacity goes well beyond what they can possibly deliver alone. We are engaging with every local authority in Scotland to gather information and assurance about homelessness services, which will update our view on which councils are impacted by systemic failure. We continue to work with the Scottish Government, landlords and key stakeholders to address those acute issues.

I will provide some detail. In July, we published early analysis of landlords' data on empty homes and lettings and of their plans to build new homes. The rate at which registered social landlords are building new homes has fallen significantly, and it is projected to remain at a lower level for the next five years. The recent budget announcement included increased funding for the affordable housing supply programme, which will obviously help, although it will certainly take some time for the new homes to be delivered. Social landlords, however, have seen a drop in the number of homes becoming empty. Taken together, that means that social landlords have significantly fewer homes available to let to people in need. That said, RSLs and local authorities have, together, increased the number and the percentage of homes that they let to people who were homeless. That is important.

Systemic failure requires a systemic intervention. Over the longer term, we need to reduce demand in the system by preventing homelessness. The Housing (Scotland) Bill includes provisions on improving prevention, but we suggest that an immediate focus on increasing capacity is required in order to meet the current level of need, particularly in relation to temporary accommodation.

Let me explain. The most acute impact of the current systemic failure is that councils have a lack of suitable temporary accommodation when a person needs it. Breaches of the council's statutory duties, either through having to place a person in temporary accommodation that breaches the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014, or—worse, and in more extreme cases—through being unable to meet the duty to provide temporary accommodation at all, because none is available, are becoming much more commonplace. For us, then, a key measure of success in tackling the housing emergency will be a significant reduction in the current levels of statutory failure to accommodate and breaches of the unsuitable accommodation order.

That might mean, however, that we see an increase in the number of people in temporary accommodation. That could be a positive outcome if, and only if, such temporary accommodation is suitable. With more than 10,000 children in temporary accommodation—yes, 10,000, which is a record for the fifth successive year—and with the reality that building more permanent homes will take considerable time, we strongly believe that, in the short to medium term, there must be a focus on providing more and better-quality temporary accommodation. We are keen to discuss that further with the committee today, if we might.

Moving on, tenant and resident safety remains a focus for us. We have recently published an updated position on reinforced autoclaved aerated concrete in social housing, and we would be happy to discuss that further with the committee today. We are certainly in the process of monitoring the on-going management of RAAC by social landlords. We are also working with the Scottish Government and stakeholders to determine what actions are needed for the sector in Scotland following the publication of the Grenfell inquiry's important phase 2 report. In addition, we recently concluded a consultation on the introduction of new indicators for damp and mould. We will set out the outcome early in the new year, with the aim of landlords collecting that information in the coming financial year.

The third key issue that I want to highlight is Gypsy Travellers. We monitor and report on social landlords' achievement of the minimum standards for Gypsy Traveller sites and, recently, we published a thematic inquiry on landlords' approach to involving Gypsy Travellers, which highlighted significant weaknesses. We also recently published the outcome of our investigation into a serious concern that had been raised by the residents of a site that is provided by Fife Council, in which we found significant performance failures by the council, mainly relating to site conditions. We have now received two further serious concerns from residents of two Traveller sites in the Perth and Kinross Council area.

Our work with local authorities over the coming period will, of course, have a specific focus on Gypsy Traveller sites, and you might also be interested to know that we are currently working closely with the Scottish Human Rights Commission on a piece of work that focuses on those site provisions. Those serious concerns, and our work on assessing landlords' compliance with the minimum standards, raise serious questions for us about the effectiveness and cultural appropriateness of the current and very basic minimum site standards. We take the view that it is now appropriate for the Scottish Government to consider a fundamental review of those standards, particularly with an eye to considering the human rights of Gypsy Travellers as they relate to the provision of adequate housing.

Of course, we know that there are other challenges facing tenants and social landlords. We continue to focus, and will keep our focus, on critical issues such as the cost of living, fuel poverty and net zero targets.

Finally, I would like, if I may, to reflect on things a little. After all, this will likely be my final appearance before the committee, as my term as chair of the SHR finishes in 2025. In that time, our

board has worked hard to ensure that the SHR is a transparent regulator and we have delivered effective regulation. I am proud that we have introduced annual assurance statements, which social landlords have, to their huge credit, fully adopted. Also, we now publish transparent engagement plans for every single landlord in Scotland, as well as a clear regulatory status—that is, either "compliant" or "not compliant"—for every RSL in Scotland. We are grateful to landlords, because they have helped us to deliver that, and I firmly believe that governance in the sector is all the better for it.

I thank the committee for its continued scrutiny, and we welcome the fact that you have sought views from our stakeholders on our work. Our stakeholders regularly give us valuable input, which we use to shape our approach and deliver the statutory objective that the Parliament has set us. We will carry on engaging transparently and positively with our stakeholders in that way, and we will, of course, continue to keep the committee fully updated on our work throughout the year.

Although I am here as chair of the SHR, I should say that I am supported by an excellent and—I am happy to say—increasingly diverse board, and I thank that board and all the staff team at the SHR for their work.

Convener, I know that you and the committee will have questions for us, so I will now pass over to you. Thank you for your time.

The Convener: Thank you. It was helpful of you to outline the three key areas that you are focused on, which members will certainly want to ask you about.

You will be aware that, this time round, we have taken a deeper-dive approach, not only with your work and your annual report, but with the work of the Scottish Public Services Ombudsman. That approach has been welcomed. There is nothing like getting feedback and other perspectives to understand situations. We have a number of questions based on what we have heard.

Previous witnesses told the committee about their concerns about the Scottish Housing Regulator being

"heavy handed or insufficiently justified"

in some of its decisions. We also heard that there might be a perception of fear of the regulator, especially among smaller RSLs. Do you recognise those concerns? How can you ensure that the SHR is perceived to be an open organisation that can be trusted by everyone?

George Walker: I will start on that, and Michael Cameron might have some thoughts to add. That is a very fair question, given the evidence that the committee has had.

We believe that, in broad terms—it will not be perfect; nothing is—we have good levels of trust among the bodies that we regulate and our wider stakeholders. That is borne out by the bulk of the feedback to the committee and by the responses to the review of our regulatory framework that was conducted last year, which was supported across the sector, with few changes being requested. We have concluded that process and have now started implementing the new regulatory framework.

I think that the fact that there are good levels of trust in the SHR is also borne out by the findings of the Scottish Federation of Housing Association's research, which has not raised the issues to which you allude.

We continue to operate a regulatory framework effectively to do the job that the Parliament set us, which is a tough job. We recognise that, at times, we have to have difficult conversations with organisations that are not performing and are not complying with everything that they should be complying with. We realise that those messages can be very difficult for individuals to hear, and it can be challenging for our staff to deliver them.

I assure the committee that we engage extensively with stakeholders and, in particular, as you might expect, with social landlords and their representatives. I will give an example. We engage regularly with the SFHA, the Association of Local Authority Chief Housing Officers and the Glasgow and West of Scotland Forum of Housing Associations at board level—Michael and I engage with board members and chairs—and at officer level.

We also have three groups that act as standing forums for RSLs, which we meet regularly. That means that we meet about a third of the RSLs in Scotland three or four times a year, depending on what they want. There are three groups: the rural and island landlord group, which has nine members; the urban landlord group, which has 13 members; and the systemically important landlord group, which has 24 members, who come from the larger bodies. We meet all those groups. I chair two of those groups, and my deputy chair chairs the third one. We believe that it is really important to engage with those stakeholders in the best way that we can, to understand the challenges that they face and any concerns that they have.

As someone who attends most although not every one of those meetings, I would say that those groups are not shy—they are very direct with us in any feedback that they have. I make the point that some of the feedback that the committee has heard relates to issues that have not been brought up with us by those groups.

We also have a standing group with the advice agencies that we work with, and we regularly meet other stakeholders, such as UK Finance, lenders, Shelter, the Tenants Information Service and the Tenant Participation Advisory Service.

I will leave it there. Michael might want to add to my answer.

Michael Cameron (Scottish Housing Regulator): I will pick up on the issue of people being afraid to contact the SHR, which was raised by Share in evidence. It is worth saying that Share has never raised such concerns with us, although, following the committee's evidence session, I have been in touch with the chief executive of Share, and we have set up a chat in the new year, so that I can better understand any concerns that the organisation might have.

As George Walker said, the issue is not one that has been raised with us, and it has not been raised by the main landlord representative bodies in their submissions to the committee. We do not hear about it, either, in the wider engagement that George has touched on.

We have hundreds of engagements with RSLs every year. Last year, 110 RSLs contacted us in relation to notifiable events. The year before that, the number was 125, or almost all RSLs in Scotland, which suggests that landlords feel that they can come to us, even about difficult issues.

10:15

This year, we published our first annual report on notifiable events to help landlords better understand how we respond when they bring those events to us. That was in response to feedback that we received last year, during our review of the regulatory framework.

Having said all that, we understand the trepidation and hesitation that some people may experience in contacting a regulator, particularly when that is about something that has gone wrong within their organisation. That is why we produce a lot of guidance for landlords to explain how we respond to serious cases and what they can expect when they contact us after something has gone wrong.

Thankfully, serious issues do not often happen and landlords will generally work with us to resolve those. Our analysis of the notifiable events that we received in the past year shows that most RSLs provide good supporting evidence about those events and that those are therefore quickly and effectively resolved by both the RSL and us.

Having said all that, I would be more than happy to have a conversation with anyone who has any concerns about how the SHR is engaging with them.

The Convener: You said that you have hundreds of engagements and that there were 110 last year. Do you mean the year that we are in or the one before?

Michael Cameron: I meant the year that has concluded and to which our report relates.

The Convener: Thank you.

Do you have a breakdown of how many of those engagements were with local authorities?

Michael Cameron: All the notifiable events come from RSLs.

The Convener: I will continue with that theme. You said that it can be challenging for staff to deliver difficult messages. We heard in previous evidence that there is some variation among regulation managers in interpretation of the regulatory standard. I am interested to hear how you ensure that regulation managers take a consistent and transparent approach to applying standards.

Michael Cameron: First, it is probably worth saying that our framework requires us to take a risk-based and proportionate approach, and that our engagement with any landlord is determined by that approach.

We regulate a diverse range of organisations. No two RSLs are the same, so our regulatory responses and engagements might vary to reflect the risks that are faced by particular organisations and to reflect their contexts. We tailor our engagement to each landlord's context and to the issues that they have raised with us. That can result in differences in our approach to issues that might look similar, because those differences reflect the context and nature of the particular organisation.

We provide extensive publications about how we operate, in order to ensure as much transparency as possible about our work. As I already said, that includes publication of our first annual report on how we have handled notifiable events, which has been very well received.

We provide regular training for our staff, updating them on the regulatory framework and on how we manage our engagement with landlords. We train our staff in how to engage as effectively as possible, particularly when they are dealing with difficult circumstances regarding a particular landlord.

If any landlord has a particular concern about how they are being engaged with, or if they have a sense that it is different to how it might be for other landlords, I would be more than happy to have a discussion with those landlords. We have had no landlord complaints at all about such issues, so it

is difficult to understand the nature of the concern when we do not have anything specific to go on.

The Convener: I guess that it is a bit of a challenging situation. To refer back to my first question and issues around trust and fear of the SHR, people can feel uncomfortable about coming forward. It is something of a cyclical situation, where you are not hearing that people are afraid to come forward. I hope that what we are doing today, what we have done in our previous work and what we have heard in previous evidence sessions will help to bring those issues to light.

Michael Cameron: That is why we have extensive engagement with stakeholders, in particular with representative bodies of landlords. Such issues are very rarely, if ever, on the agenda for those discussions. However, we would be more than happy to have a discussion with anyone who might have a concern in that regard.

The Convener: One of you mentioned the three standing forums—for rural and islands, urban, and "systemic impact", or something like that.

George Walker: "Systemically important" is what we call it.

The Convener: That's it—systemically important. Those are the larger groups. That is not all of them, however. There is, perhaps, a missing forum that needs to be convened to bring people together.

Alexander Stewart has a supplementary question in this area.

Alexander Stewart (Mid Scotland and Fife) (Con): There seems to be a mixed view about the regulator, when it comes to trust. You have given a view this morning, and we have heard evidence from others. How do you deal with the impact, and how do you deal with working relationships for yourselves and for associations and individuals? How do you build and maintain trust if there is an issue? We certainly believe that there is an issue.

George Walker: There are a couple of things to do. Your question is a very fair one, given some of the things that you have heard. We want to be as open and transparent as we can be, which is why we set up the three landlord groups that we have touched on. Over time, the membership of the groups will change. To be as transparent as we can, we publish blogs of the groups' discussions, because that is what the landlords wanted—they did not want exact minutes.

We take feedback from the groups, and I can honestly say that the groups in question are not shy: they engage with us on issues very directly, and we have had some frank discussions. At a recent meeting that I was at, we had a meeting on the complexities of how best we might deal with the problem of damp and mould. We got some really good feedback.

On the other really important issue of people being fearful of coming forward, we have the excellent additional layer of the Glasgow and West of Scotland Forum of Housing Associations, ALACHO and the Scottish Federation of Housing Associations, which are at arm's length from individual landlords. Those membership bodies can come to us with concerns, either directly on behalf of their members or anonymously, so there is also that arm's-length way of dealing with things. Michael Cameron and I regularly meet the chairs and chief executives of those organisations at all levels, as a second route for us to raise things. I can honestly say that such concerns are not coming up.

That is not to suggest at all that I do not recognise that conversations with organisations that might be in some difficulty or even failing have been difficult at times, for both sides. It is not easy for someone who is leading an organisation to hear from the regulator that their organisation is not in compliance or is not upholding the standards that they should be upholding. It is not easy for our staff to deliver that. Indeed, I have heard a number of stories from SHR staff members about being shouted at, screamed at and sworn at—in the past, rather than recently, and during certain statutory interventions that took place. Make no mistake: we are very clear that such conversations are difficult.

On the flipside of that, we will sometimes hear from tenants—you may have heard some of this, too—that we are not tough enough on landlords and that we need to be tougher on them and need to act faster or harder, or whatever the words are.

That is the job that is given to us, as the regulator. We walk the line between representing the interests of tenants and ensuring that they are safe, and having what I can only describe as sometimes difficult and challenging conversations with the organisations that we regulate. I am under no illusion about that, and I know that it must be very difficult to hear from a regulator that your organisation is not up to scratch and is failing in certain areas.

That is the best answer that I can give to the question. I do not know whether I have missed anything that Michael would like to add.

Michael Cameron: I will just emphasise that what we can do as regulator is be as transparent as possible about how we operate, what we do and why we do it. We can then have the most extensive possible engagement with our stakeholders to try to ensure the widest possible understanding of our role, and that we get as much feedback as possible.

Alexander Stewart: Thank you.

The Convener: I am going to give a bit of a time warning. We have quite a few questions to get through, so I ask that all of us try to be as succinct as possible with questions and answers, although they are on very important issues.

Mark Griffin joins us online and has a number of questions.

Mark Griffin (Central Scotland) (Lab): In previous weeks, we have heard evidence suggesting that the self-assurance approach to regulation could be subjected to more scrutiny. For example, Tenants Together Scotland members said that they would like to see the housing regulator

"carry out more regular checks on landlords categorised as low-risk to verify the accuracy of reported performance data."

I have two questions on that. First, how can you give us assurance that social landlords' performance information is checked for accuracy?

Secondly, with largely desktop-based regulation, is there a risk that it is potentially more difficult to pick up on culture issues in organisations?

Michael Cameron: I will take the second question first. When Parliament passed the Housing (Scotland) Act 2010, it set the SHR up as a risk-based and proportionate regulator, and gave us statutory functions to monitor, assess and report regularly on the performance of social landlords and the governance and financial health of RSLs, and to make regulatory interventions where appropriate. At that time, Parliament repealed the provisions of the Housing (Scotland) Act 2001, which had empowered the then regulator to carry out cyclical inspections.

That shift has meant that we now have a regulatory framework that is risk based, proportionate and assurance based. Central to that approach is that landlords assure themselves, their tenants and us. That is consistent with the duties that are placed on us and the powers that are available to us. Every landlord is responsible for delivering good outcomes and services to its tenants and service users. Landlords need to be self-aware, analytical, open and honest about their performance and they need to identify and drive improvement.

When we engage with landlords, we look first at what they have done to assure themselves that they are meeting the regulatory requirements. We issue extensive statutory and advisory guidance to assist landlords to understand their responsibilities and what they need to do, and we regulate against those outcomes and standards. Our guidance is entirely principles based. We have worked with the SFHA, ALACHO and the Glasgow and West of Scotland Forum of Housing Associations to develop an extensive toolkit to help landlords to get the assurance that they need across the full range of their activities.

In the past four or five years, we have introduced the annual assurance statement. George might want to say more about that, as he has touched on it already.

George Walker: Mr Griffin asked a very sensible question. It is fair enough for people to say, "Gosh, but could they be giving you misleading information?" Two cycles ago, when we introduced in the regulatory framework the idea of annual assurance statements, it would be fair to say that that was not a universally popular idea, because landlords felt that it was more work for them to check their compliance in all areas. Interestingly, we think that it has had a fantastic outcome, because we believe that what we get from landlords now is a broadly honest assessment of their compliance. Can we say that everything is perfect? I am sure that we cannot, but no organisation can. Organisations are identifying, in the annual assurance statement, where they are falling short and what they are doing about that.

Anecdotally, I have had feedback from a number of chairs and committee members who have all said to me at various meetings that what that has done is start them looking in darker corners that have not seen the light of day for a while, and testing where they are strong and where they are less so. We have had good feedback from that.

10:30

The final thing that I will add that might be helpful is that we make a number of visits after the annual assurance statements—I think that we have been doing 10 or 12 in recent times—to a selection of landlords to assess how they approach that, how they have assured themselves and what the process was that they went through to produce for us the annual assurance statement.

Can I say that the system is perfect? Of course I cannot. No chair could ever say that, but I can say that there has been a big improvement. The feedback that we get these days from organisations that complete the statements is generally positive. I hope that goes some way towards answering your sensible concern.

Mark Griffin: I want to touch on an answer to a previous question. Some evidence from tenants' groups has suggested that they would like the regulator to take a stronger approach when a social landlord's performance is poor. For example, Robyn Kane from the City of Edinburgh

Council area told us that the regulator identifies when performance is poor, and said:

"However, we do not see the benefit of that at all. It has taken more than six years to get some benefit."—[*Official Report*, *Local Government, Housing and Planning Committee*, 3 December 2024; c 35.]

How can tenants see performance improving at a quicker pace following an intervention from the regulator?

George Walker: Again, that is a fair question. It highlights the fine line that we walk that I referred to earlier. Tenants would like us to be tougher and faster, and landlords do not want us to be too tough. That is the job of a regulator.

I will let Michael Cameron comment in a little more detail on the Edinburgh situation, but I think that it is about engagement, discussion, dialogue and trying to move things forward; some things move forward quite quickly.

I will give a recent example of the Gypsy Traveller site in Fife and the serious concerns that came to us. I am not dodging the question about Edinburgh in saying that—I will get Michael to come to it. By the time that we engaged with Fife Council, it was starting to deal with the challenges and to work on the site, and that work has progressed quite quickly. We now have assurances from Fife Council that it has tendered to do the work on the original site and move Gypsy Travellers back to it.

Things can therefore move quite rapidly when the regulator steps in, but I would be misleading the committee if I did not say that other situations are just more difficult: maybe Edinburgh is one of those. That takes us into the territory of where we have highlighted systemic failure and where we believe that the difficulties in some areas go beyond what any given landlord can handle alone.

If you would like more detail on Edinburgh, I am sure that we can give it, but equally, I am mindful of the convener's desire for us to be brief.

Mark Griffin: It would be broadly helpful for the committee to get information on authorities that you have described as being in systemic failure, but I will leave it to the convener to pursue that.

The Convener: Thank you, Mark. I now bring in Willie Coffey.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): I invite you to say a few words about compliance, which is another issue that has been brought to the committee In its evidence, Co-operatives UK told us that it thought that the regulator focuses a bit too much on compliance, to the exclusion of, let us say, enabling and facilitating innovation. It pointed to differences between the regulatory framework as it applies to bigger associations and to smaller ones, and asked, I suppose, whether one size fits all. What are your views on that? Is the compliance regulatory framework flexible enough to allow development, growth and innovation to take place?

Michael Cameron: I am happy to start on that. On stifling innovation, I suggest that social landlords have been among the most innovative of organisations in society over the past three or four decades, and they have been regulated throughout that time. Indeed, landlords are out there innovating now. You might not be surprised to hear, therefore, that I do not subscribe to the view that our regulation inhibits good innovation.

We are carrying out the role that Parliament set for us: we are providing appropriate checks and balances in the system and ensuring that the interests of tenants and others are protected, and we will continue to do that. Our approach is based on assurance and principles, and we regulate against outcomes and standards. As I have mentioned, our guidance is entirely principles based, and we aim to engage with landlords in the least intrusive way possible to ensure that we get the necessary assurance that we require.

We also work extensively with the SFHA, ALACHO and the Glasgow and West of Scotland Forum of Housing Associations to develop the toolkit that I mentioned, the purpose of which is to empower landlords to get the assurance that they need that they can operate in as innovative a way as possible while adhering to the requirements that are placed on them.

We also engage in a range of activities to support landlords to develop and grow. For example, we provide a range of guidance and recommended practice, including on business planning and asset management. We regularly alert landlords to emerging issues and risks that they should be aware of. We also publish the outcomes of our thematic inquiries, which is an important way for us to highlight examples of positive practice in the sector.

We provide, too, a large amount of performance information, which enables landlords to undertake detailed benchmarking of their own performance and to work with their tenants to help them to scrutinise their performance. I suggest that that points to a regulatory framework that facilitates landlords doing what they are trying to do—which is to support their tenants and local communities.

Willie Coffey: Is the balance right though? Why would Co-operatives UK tell us that the flexibility is not there and then you tell us the opposite? Why would it say that?

George Walker: It is a perfectly fair question. I did not see specifically what Co-operatives UK said to you on that, and I do not know whether you

have something in mind about an innovation that has not happened because of the regulator, but we would be keen to hear about that. Co-ops UK has not come to us with that, so it is hard for me to know the specifics of what lies underneath it. We would be happy to hear about anything specific that you or Co-ops UK has in mind—absolutely. Any organisation can come to us.

We have just been through a cycle of landlord group meetings of the kind that we talked about. Those are a great forum, and landlords use them a lot to share with each other some of the innovations that they are doing, to talk about the successes that they have had—or, frankly, some of the frustrations—and to give each other ideas about how they have dealt with a difficult problem. We see that happening in those groups.

However, your question is fair. The issue was raised with you. If Co-ops UK or you want to come to us with anything specific or talk it through with us, we are very happy to do that. However, given that Co-ops UK has not come to us with any examples, thoughts or worries, it is hard for us to be more specific than that.

Willie Coffey: It said, for example, that housing co-ops are a different model from other housing management systems, and that smaller associations sometimes feel overburdened by the regulatory framework that impacts on them, whereas larger organisations can cope pretty well.

I suppose that the question for you is whether you apply flexibility in how you deal with smaller housing co-ops, for example, rather than just imposing on them the regulatory framework that must be obeyed. That is really where we are. They felt that there was a lack of flexibility on your part in dealing with them.

Michael Cameron: In answer to that point, the first thing to say is that, when Parliament introduced the 2010 act, it did not make any distinction in the type of landlord that would be subject to that regulation. Straight away, there is a statutory requirement on us to regulate landlords and to do that in a consistent fashion.

That said, we are a risk-based and proportionate regulator. We take account of the issues that are presented by individual organisations and we tailor our approach to those organisations depending on their context. Again, as George Walker has said, if any of those organisations has a concern about those things, I would be happy to discuss how we impact on them and how we can, where possible, adjust our approach to ensure that we support those organisations to do what they are trying to do, while getting the level of assurance that the Parliament expects us to get.

George Walker: I give you the commitment that I will take that matter up and ask that question in the next round of landlord engagement groups and see whether they have any thoughts or guidance. You have been given a certain view and evidence, and it is important that we respond to it. I give you my personal commitment that we will take that question into those groups and see what comes from that discussion.

Willie Coffey: Thank you very much for that.

My other question was on interventions and their costs. We had some evidence about the extremely high cost of some interventions—witnesses told us that the Reidvale intervention cost £0.5 million and the Wishaw one cost £400,000. The discussion that the committee then had was about value for money and justification for such high levels of cost, and about whether those costs are capped and, ultimately, who pays for the intervention that is passed on to tenants. I would like to get your thoughts on the intervention process and whether any careful scrutiny and monitoring need to take place of whether the public is getting value for money from those high costs.

Michael Cameron: First, it is worth pointing out that we have neither used our statutory intervention powers nor initiated a statutory intervention since 2018, so they are not common occurrences—they do not happen often.

Our principal consideration when deciding on a statutory intervention is the potential risk to tenants and service users and to their interests if we do not intervene. However, we always consider the impact on an organisation when determining whether to use our intervention powers. We will not intervene when the landlord assures us that they are willing and able to address the issues that present the problem or the failure and when they are engaging constructively with us. The vast majority of our engagements with landlords happens on that basis.

The failures that lead to intervention have serious implications for an RSL. There is a cost to the RSL if a statutory appointment of a special manager takes place, and there are risks around the calling in or repricing of loans that a landlord has. That is why we always consider such interventions carefully before we use those powers.

The cost that you have mentioned is to fix things that have gone wrong, which is why we stress to landlords the importance of their acting to avoid the need for us to intervene. That includes quick and constructive engagement with us when they identify problems. We publish an account of every statutory intervention and its outcome, which includes the direct costs of the intervention, to be

as transparent as we can and, in part, to highlight that there is a cost to those failures.

For a few years now, we have been encouraging the SFHA and the Glasgow and West of Scotland Forum of Housing Associations to consider the development of a sector-led improvement service that is independent of us, which would provide support to landlords who might be struggling with serious issues—until now, only our intervention has provided that type of support to organisations that are in difficulty. I am pleased to say that the SFHA has now started to develop an approach that would provide that type of support to those organisations. We very much welcome that initiative and would be keen to see it developed further as an alternative to statutory intervention, to avoid the risk of incurring the costs that you have highlighted.

Willie Coffey: Would you say that cost of the two that I mentioned—nearly £1 million—was money well spent and that the outcomes were positive for tenants?

10:45

Michael Cameron: We have not used our statutory intervention powers in relation to Reidvale Housing Association, which you mentioned, so the costs of work that might have gone on there are not a consequence of our intervention.

The other one that you mentioned was Wishaw and District Housing Association, which has delivered value for money, because there has been significant improvement in the service that has been delivered to tenants there. I will highlight one very important improvement. A stalled site in Wishaw high street had been draining the resources of the previous association, but another association taking on that work has resulted in the delivery of much-needed new homes in Wishaw.

Willie Coffey: Thank you.

Alexander Stewart: My questions relate to the Glasgow and West of Scotland Forum of Housing Associations and Reidvale Housing Association, which you have touched on. Some evidence that we have received has been critical of the attitude towards community-based housing associations and the perceived merger culture. The forum gave the example of Reidvale Housing Association, which it said did not inform or consult tenants about an options appraisal process. It said that the regulator "simply let go" that breach of a regulatory standard. That was the perception.

First, do you agree that, in the case of Reidvale Housing Association, you let a regulatory standard on the options appraisal process be breached? Secondly, how do you respond to concerns that there is a regulatory culture that nudges smaller RSLs towards transferring to larger associations?

Michael Cameron: I will pick up the first question. The 2010 act sets out that an RSL that is proposing to transfer its homes to another landlord must consult each affected tenant and conduct a ballot or seek their written agreement to such a transfer, and the RSL must notify the regulator of the result of the ballot or the written agreement before transferring the homes. Therefore, an RSL has a legal duty to consult or ballot tenants when it proposes to transfer engagement to another RSL, but there is no duty on an RSL to have that level of consultation with its tenants prior to proposing the transfer and undertaking a ballot.

We set out in our guidance the requirements on landlords relating to tenant balloting and consultation. Reidvale Housing Association complied with that guidance. Earlier in the process, it notified us of its intended approach. At that time, we engaged with it and said that it would be good practice for it to engage with its tenants prior to taking the decision to propose a transfer. We also sought for it to appoint an independent tenant adviser to ensure that tenants had a source of independent advice throughout any discussion or ballot to seek their views.

Alexander Stewart: My second question was about smaller RSLs being nudged to become larger associations. There seems to be the perception of a merger culture.

George Walker: I have been quite public in saying that I do not believe that there is that culture. The whole SHR team knows my views, and the board is quite united in that regard. Michael Cameron and his whole team know the board's view, which is that we do not wish to encourage mergers—we are completely agnostic on them. Some mergers have taken place. As it happens, most of them have not involved the regulator at all, although some have.

That is the best answer that I can give you. We are as clear as we can be on that issue. We have discussed the matter with the various membership bodies, one of which is the forum that you named. The board's view is very much that we do not want to encourage mergers.

Alexander Stewart: The forum's view is that there should be greater acknowledgement of the consequences of losing a smaller community housing association to a larger one. Can you update the committee on how you would respond to its suggestion about how that can be achieved in practice?

Michael Cameron: The legislation that we work within does not really empower us to take a view in that fashion; instead, it sets us to regulate each landlord in the same way. However, we ensure

that, with any proposed transfer, tenants have access to independent tenant advice and that the ballot and consultation happen in accordance with the statutory requirements on landlords.

I would just point out that, back in 2018, the Parliament withdrew from us powers of consent over transfer. As a result, as long as a transferring landlord adheres to the statutory requirements around tenant balloting and consultation, we have no powers to halt any such transfers.

Alexander Stewart: When a smaller RSL moves to a larger one, how do you deal with any promises that are made or the checks and balances that are put in place to ensure that things have been fulfilled for the tenants from the smaller organisation? After all, when there is a transfer, there is a change; different dynamics might become apparent; and tenants need to know that things are being fulfilled. Indeed, what about certain improvements, such as, for example, tenants themselves being involved in the transfer process? How are the checks and balances monitored and the promises kept?

George Walker: I will start with that. It is such an important question, and the board has been very engaged with it; in fact, it has had a number of discussions about the promises that are made during the transfer process and how they are monitored. I will let Michael Cameron give you a bit more detail on that, but we have sought assurance from Michael and the team on how we, as a public body, approach such issues. I just make that point, because it is such a timely issue—the board discussed it only in the past year, and it is in our minds. It is a legitimate concern for the board to have, and it is legitimate for you to ask that question.

Michael, do you want to comment on some of the assurance that you have provided in that respect?

Michael Cameron: When an RSL transfers its homes to another, the receiving RSL will make a number of commitments publicly to tenants. Those commitments can vary across different transfers, with some of them taking several years for the receiving RSL to deliver.

Following the conclusion of a transfer of engagements, we have a process for monitoring the delivery of commitments, which can involve our obtaining quarterly reports from the receiving RSL on progress with delivering the commitments. We would also have regular meetings with that RSL to discuss the delivery of the business plan underpinning the transfer of engagement. That process will sit alongside our more routine regulatory engagement with the RSL, and we will take account of its progress in delivering the commitments in the annual risk assessment that we carry out of every landlord.

It is perhaps worth picking up on some of the reality in that respect. Since 2020, there have been 11 transfers from one landlord to another and, in those transfers, 60 per cent of the commitments have been met. None has been abandoned; however, some have been postponed or have had their timescales extended, principally because of the impact of wider systemic challenges or shocks that we have experienced over the past few years around Covid, the cost of living crisis and so on. All of the RSLs in question remain committed to delivering on the remaining commitments.

Again—and this goes back to my earlier point—it is worth highlighting that we no longer have the statutory powers in relation to transfers that we had prior to 2018. Parliament made those changes in response to the reclassification of RSLs as public bodies by the Office for National Statistics, and, in addressing that issue, the Scottish Government and the Parliament took a number of steps, one of which was to remove our powers of consent, meaning that we have a much more limited role in relation to transfers than we had prior to 2018.

Emma Roddick (Highlands and Islands) (SNP): The SFHA, among others, has suggested that there is a need for a truly independent appeals process for the Scottish Housing Regulator. Will you explain in more detail the appeals process, how often it is used and how you work towards the Scottish regulators' strategic code of practice?

George Walker: I will start on that and let Michael Cameron go into some more detail.

We would welcome an independent appeals process—that would be absolutely fine with us. The only thing that I would mention in that regard is that an appeals process should be well designed, appropriate, objective and independent.

Why do I say that we would welcome that? It is because we are quite confident in the regulatory judgments that we make.

An appeals process that is independent would be a matter for Parliament, of course. We do not yet have the powers in the legislation to do that ourselves, but we would welcome that. It is for Parliament to make a determination on whether that is an appropriate thing. There would be costs involved, and that would be for all of you to determine.

At the moment, we have an appeals process that is—how should I best put it?—as independent as the legislation allows for. The legislation specifies that the appeals process is to go through

the board of the regulator. I am stating the obvious, but I know that that is not independent.

We have an appeals process in which cases come through to an appeal panel involving board members, which is a way of trying to introduce independence into the process. We have independent legal panel members who join it, too. We have done that of our own volition. That is one way to do it. Equally, I understand the challenges of that in terms of independence.

If there is a significant decision or something that we think might be appealed, we ensure that certain board members are identified early and step out of the discussions around that process, so that they do not have access to all the information. Therefore, they can come to an appeal fresh, if I can put it that way, Ms Roddick. They have not been party to all the information that I might be as chair. I would never take part in appeals, because I have access to too much information.

From memory—Michael will correct me if I am wrong—we have twice had appeals that have gone to that stage and to the board.

Michael Cameron: Once.

George Walker: Is it once? Okay. Maybe there was one that we thought might go to appeal and I had to get members to step out but it did not reach that stage.

That is where we are at the moment. If Parliament felt that an independent appeals process was the right, appropriate and proportionate way to go, I would absolutely welcome that because, in many ways, it would make our job easier.

Emma Roddick: Specific legislative provisions would be beneficial and welcomed.

George Walker: I would say so. I see no problem with that. For me, it is a matter for Parliament. As I said, such a process would need to be appropriately independent and appropriately funded, and there would be ways of doing that. I do not necessarily have a view on that. There would be costs in that system and costs to the SHR, so that would need to be borne in mind if you went down that route.

I am confident in the decisions that the SHR makes, and if it would make people feel more comfortable that an independent appeals process is the right way to do it, that is fine.

I am someone who wants—as Michael Cameron will know; he has probably had bleeding ears since the day I became chair—transparency and openness. That has been a big theme of what I have wanted as chair. I should say that I was pushing an open door on that. Therefore, it should be no surprise that, if Parliament wanted an appropriate independent process, we would absolutely welcome it.

Fulton MacGregor (Coatbridge and Chryston) (SNP): Good morning to both of our witnesses, and thanks for the evidence so far. I want to ask about the public's level of awareness of the regulator. The committee heard some evidence that, unless you are a tenant or another service user who is involved with a landlord, there is likely to be a low level of awareness among the public. Do you accept that, or do you have a different view on it?

George Walker: I would accept that. There are, at times, disappointingly low levels of knowledge. It is one of those classic cases in which people wonder what they can do when they have a problem and are interested in what routes are available to deal with that, but those without a problem at a given time are less interested in what the regulator does.

11:00

It is frustrating. Quite recently, perhaps a couple of board meetings ago, the board discussed how we could increase awareness. We do what we can. We engage with various landlord bodies. There are a number of those and you have heard from some of them. We liaise with Tenants Together, which is the lead body in amalgamating tenants. We do some work on social media to raise our profile and to make tenants aware of us. We encourage landlords to put links to the SHR on their websites. To be honest, however, I am probably a little frustrated about those low levels of knowledge. I wish that we had the budget to spend on campaigns to raise awareness, but the reality is that we do not.

I recognise the issue that you raised, which is a perfectly fair one, but I am struggling to say whether we have an answer to it.

Fulton MacGregor: I appreciate that frank and honest reply. That is the same with a lot of situations. There is often low public awareness about politicians and the Parliament. It is good to hear an honest response about that.

George Walker: Michael might be able to add one or two things. I touched only on engagement with tenant groups, but we do a number of other things with tenant panels and tenant advisers. Michael might want to highlight those, because we do more good things, but I wanted to recognise your question and to show that I know that there is an issue.

Fulton MacGregor: You have asked my question to Michael Cameron, which is great.

George Walker: I am sorry.

Fulton MacGregor: That is all right.

Michael Cameron: There are 600,000 tenants in the social housing sector in Scotland, so the scale of the challenge of direct engagement with all those tenants should not be understated. We have not been given the role of engaging directly with every tenant, but we try to put in place mechanisms that will give us the best possible understanding of tenants' perspectives and interests.

George already mentioned our quarterly liaison with Tenants Together Scotland. We have a panel of tenant advisers, who engage directly with us in scrutinising landlords and particularly help us to undertake some of our thematic enquiries.

We also have a national panel of tenants and service users, which has almost 500 members and is a great way for us to get feedback on issues that are important to tenants and other service users, including Gypsy Travellers and people with lived experience of homelessness. We do a range of work with that panel, including annual surveys and focus groups to delve more deeply into particular issues. The latest report on the work of that national panel showed that we have just under 500 members, 34 of whom are residents on Gypsy Traveller sites. We have also had qualitative feedback from 38 households with recent lived experience of homelessness. That enables us to get the best possible understanding of the key issues and priorities for those important groups.

We try hard to maximise our visibility. We mostly rely on landlords to do that by promoting our material on their own websites. We produce annual landlord reports for every landlord and require them to make those available to all their tenants, so that that information is available and immediately accessible to the tenants.

As George said, we will continue exploring ways to promote wider understanding, particularly where that relates to tenants having routes to redress so that they know when to go to their landlord to seek redress, when to go to the ombudsman and, where that is relevant, when to bring matters to us.

Fulton MacGregor: I was going to ask about the national panel but you have gone on to answer that, which is great. I was going to ask in particular about the Gypsy Traveller community, but you have given some details. In the interests of time, I will not go back over that, but are there any other groups that the national panel has particularly focused on?

Michael Cameron: Over the past two or three years, we have had specific exercises on homelessness and Gypsy Travellers—they have been a strong focus. We want to start to explore areas around other marginalised groups, perhaps more within the tenant base. We are particularly keen to work with organisations such as the Scottish Human Rights Commission to think about how we can focus more on groups that might consider themselves to be marginalised. They tend to be the harder groups to reach, and the challenge for us is to try to find ways to get to as many of them as we can.

Fulton MacGregor: I welcome the work on the Gypsy Traveller community. I was on the Equalities and Human Rights Committee in the previous parliamentary session, when a lot of work was done on that. Alexander Stewart was on that committee, too.

I have a question on the perception of the panel. We have heard evidence that the panel can often feel one-sided. We were told:

> "It is not a two-way process; it is not a dialogue or a conversation. It simply involves answering a survey."—[*Official Report*, *Local Government, Housing and Planning Committee*, 3 December 2024; c 31.]

What would you say to that? Do you take on board that criticism? If so, do you have any plans to address it?

Michael Cameron: The annual survey of all panel members is an important part of the work of the national panel, but it is only one part of it. We have focus groups on specific areas. As I mentioned, we work with people with lived experience of homelessness and with Gypsy Travellers. Those were two of the areas in which there were more discursive engagements with people who are members of the panel.

We are keen to develop the area further and have wider engagement. Resources are a challenge in that regard, as we do not have a lot of direct funding to undertake that type of activity. We get great value for money from the commissions that we carry out around the panel. We have had discussions with the Scottish Government about whether it wants to take advantage of the panel to engage more widely with tenants and service users in social housing. That might give us an opportunity to increase the resources that would be available to the panel.

Fulton MacGregor: Thank you.

The Convener: Before I bring in Evelyn Tweed and Paul Sweeney, I have a question. In your opening statement, George, you talked about "systemic failure" in council homelessness services. From your perspective, what more could the Scottish Government do to support councils in responding to their statutory duties on homelessness?

George Walker: I will open on that, and Michael Cameron might have some thoughts as well. I described in some sense in my opening statement

that the reason why we used the term “systemic failure” was to indicate that the issue goes beyond the scope of individual landlords, which in this case is local authorities, as we are focusing on homelessness. The issue goes beyond the scope of what they can do on their own. Is there work that the Scottish Government can do? Yes, absolutely, and we know that there is engagement with local authorities. It is a challenge for everyone involved.

I am sure that the moneys that have been allocated to the housing programme in the recent budget will be welcomed by landlords. As the regulator, we certainly welcome that. However, as I said in my opening statement, that will take quite a long time to deliver. In Scotland, the gap between supply and demand, to put it basically, is significant as we sit here. That is why I made the call to pay attention to temporary accommodation, which might be an area where landlords and the Scottish Government could work together. We cannot pretend that the gap will be closed quickly. Even if the Scottish Government suddenly magicked up shedloads of money tomorrow and said that it could put lots more into dealing with the challenge, it would still take years for those houses to be built. We all recognise that. That is why we have flagged the challenge with temporary accommodation.

At the moment, systemic failure is occurring in a big sense, because many people, including some of the 10,000 children I referred to, are in unsuitable temporary accommodation, which breaches the unsuitable accommodation order, as you know. In even worse cases, as I highlighted, local authorities do not have any temporary accommodation available, so they cannot house people. We therefore contend that attention needs to be paid to temporary accommodation, more of which needs to be made available. Perhaps moneys need to be spent on that, alongside developing new homes, if we accept the premise that temporary accommodation will be needed for some time.

Are there local authorities who are sitting on buildings that are not being appropriately used, that might not be able to be turned into permanent housing but could perfectly well have some money spent on them and be converted to temporary housing for a period of time? When I say a period of time, I mean years, because it will take years. That is why I used the language that I did in my opening statement: an outcome that meant that there were more people in temporary accommodation—but in suitable temporary accommodation—in the short to medium term, might be a reasonable outcome as we move through the housing emergency, as the Parliament has chosen to call it.

I will stop there. Those are the reasons why we have recently spent quite a lot of time focusing on the issue of temporary accommodation. I worry slightly that temporary accommodation might get lost in the discussion and I encourage the committee to take the subject up. It is never for me to tell the committee what to do, and I would never presume to do that—please know that. I just encourage you to take it up, because the danger is that we focus on lots of new build, which we all know is really important, but it could be a little simplistic to think that that will solve the problem in the short to medium term.

We have children and families sitting in highly inappropriate temporary accommodation, or worse, they get none at all because councils do not have it. That is why we contend that this area should not be overlooked and that it would be a step in the right direction to address it.

I do not mean to suggest in anything that I have said that the councils that we engage with ignore the issue and make no effort. That would not be the case, and that is why we use the term “systemic failure”, because it goes beyond the scope of what individual councils can do. Michael, is there anything that you would like to add more widely? I have focused more on temporary accommodation.

Michael Cameron: No, you have highlighted the need for the most immediate focus, which has to be on statutory failures to provide temporary accommodation or breaches of the unsuitable accommodation order. Those feel like the most immediate and critical issues in the emergency that is in front of us.

The Convener: When we went to visit Argyll and Bute Council and had discussions with it, we heard about the wider issues beyond building supply.

In your opening statement, you mentioned Gypsy Traveller sites. We heard last week that the regulator could be stronger on Gypsy Traveller sites and you said in your opening statement that you are now of the view that the Scottish Government should review the standards for Gypsy Traveller sites. I am interested to hear a bit more about what you think needs to happen and what benefits that might bring, as briefly as possible.

George Walker: Okay—fair enough. I do not know how familiar the committee is with Gypsy Traveller sites but, trust me, the minimum standards are really minimum. They are very basic. Bear in mind the fact that a regulator has a benchmark to regulate against, if I can put it that way. In other words, we can go to councils and tell them that they are not meeting the minimum standards and that they should please meet them,

but those minimum standards are quite poor, and we are disempowered, if you like, to go beyond them. There have been a number of recent cases, and I have highlighted three of them so I will not go over them in detail again. One is the case that we are refining against Fife Council, and we are investigating two more cases in Perth. That is why we feel that addressing those minimum standards is really important. Without raising that bar, we are quite limited, in a regulatory sense. The organisations that we regulate would have the perfect right to say, "We meet the minimum standards, Mr Regulator, go away," and we could do nothing about that.

I will hand over to Michael to talk about what that might achieve and how we might do it.

Michael Cameron: There is an opportunity to consider a more fundamental review of the standards that apply to Gypsy Traveller sites. As I understand it, the Scottish Government is considering whether the affordable housing supply programme funding could be used to upgrade Gypsy Traveller sites. That would be important in enabling a significant change in the standards to be achieved. We are not talking only about the physical standards of the sites; we need to ensure that they are appropriate from a cultural point of view and that they meet the cultural requirements of Gypsy Travellers. That is an important area of work that we will continue to undertake, along with the Scottish Human Rights Commission.

11:15

The Convener: It is helpful to hear that the Scottish Government could use its envelope of funding differently to improve the standards. We might come back to you for a bit more detail on various aspects of that.

I will now bring in Evelyn Tweed. You have up to 10 minutes, Evelyn.

Evelyn Tweed (Stirling) (SNP): I have three short questions, so, if I get succinct answers, I will be able to get through my questions quickly and pass on to Paul Sweeney.

I want to declare a couple of interests, as I did a few weeks ago. I am a member of Loreburn Housing Association and a former housing professional.

Good morning, gentlemen. The Scottish Housing Regulator routinely requires RSLs to commission independent investigations when allegations—which are often minor—are made. How do you ensure transparency when you are presented with prima facie evidence of serious misconduct by your own staff or agents?

Michael Cameron: When we engage with a landlord that has serious problems or issues, that can often be as a consequence of matters having been brought to our attention. We would consider the significance of the issues that had been brought to our attention, but we would engage with the landlord and ask it to undertake certain activities only if we felt that sufficient evidence had been put in front of us. That could involve an investigation being conducted by someone who was independent of the organisation, although it would not necessarily need to go to that level.

There is a range of tools that we would utilise in such circumstances. Such a course of action would probably be at the more extreme end of our engagement with a landlord. We would be transparent about the fact that that was happening. We would set that out in an engagement plan—we publish engagement plans for every landlord. That would be visible to anyone who was interested in what was happening in a particular organisation and in what our regulatory engagement and strategy were.

Evelyn Tweed: How many independent investigations into its own staff or agents has the Scottish Housing Regulator commissioned?

Michael Cameron: None.

Evelyn Tweed: When I requested information relating to Dalmuir Park Housing Association to assess the validity of serious allegations, your staff used freedom of information exemptions to deny that. Why did they feel the need to withhold that information from an MSP? Is that standard practice?

Michael Cameron: We are required to manage requests for information under the freedom of information legislation. I am conscious that that request is now the subject of an appeal, so I do not think that it would be appropriate for me to go into too much detail on it, other than to say that we consider all requests for information on an applicant-blind basis, as we are required to do under the legislation. In other words, we treat such requests in exactly the same way that we would treat any other request for information.

Evelyn Tweed: Is that standard practice?

Michael Cameron: I would not suggest that it is standard practice, in that it does not happen very often.

George Walker: Ms Tweed, we endeavoured to provide you with everything that you asked for, as far as we could, within the realms of protecting some individual named persons in certain documents. Your requests to us, which were numerous and multiple, involved reviewing something like 300 documents and providing you with a whole slew of those, so I do not believe that we did not respond to your request—we did—and we went well beyond the point at which we would

have been justified in saying that we could not do any more on a cost or any other basis. We responded absolutely as best we could and provided you with a huge amount of information in response to your requests.

I would also say that, at the time, your requests related to vague non-specific allegations. We asked for further information, which we had not received. We offered to meet with your constituents who were raising the allegations and, as you know, those offers were never taken up.

Evelyn Tweed: Thanks for that, Mr Walker. If the Scottish Housing Regulator refuses to commission independent investigations into its own staff and withholds information from MSPs, how can the Parliament have confidence that the regulator is consistently operating within its legal framework?

George Walker: It is probably a matter for the Parliament to consider whether it wants to investigate the Scottish Housing Regulator. As chair of that body, I can tell you that, if anyone came to me with specific allegations about specific situations or allegations that we had treated specific people inappropriately, I would investigate those allegations, but I have not had such allegations. I have received vague allegations that someone was treated in a tough way and that it was a difficult situation. We came back to you to ask for specifics, which we did not get. We need that information in order to carry out an investigation.

I remember very well the case that you raised with us, which related to an intervention that was started, I think, seven years ago and finished about six years ago—something like that. I personally sat with the team that took part in the intervention. Sadly, I could not meet all of them because it was such a long time ago that some of the staff had left. I reviewed documents that related to the intervention, and I felt entirely comfortable, as did my board, that the level and appropriateness of intervention that took place—in this case, I am referring to Dalmuir Park Housing Association—was entirely appropriate.

Vague allegations, such as that somebody felt uncomfortable with an unnamed person or that it was difficult or that somebody felt bullied by an unnamed person, are not something that we could easily take forward in any fashion.

Evelyn Tweed: Mr Walker, you looked into the allegations that were made about your staff and how the Scottish Housing Regulator was operating and you said, “There’s nothing to see here. Everything’s fine.”

George Walker: As I said, we looked at vague, non-specific allegations. Those making the allegations could not provide dates or places in relation to anything that happened—they could not even name the people involved—and we went as far as was possible on the basis of the information that we were given. We offered meetings to those involved. We offered to meet anyone who was brought forward but no one has ever come forward to meet us or taken up that offer.

Evelyn Tweed: I think that I have made my point, Mr Walker. Thank you.

Paul Sweeney (Glasgow) (Lab): I apologise for my late arrival—I had to attend the Health, Social Care and Sport Committee prior to attending this meeting. I thank the gentlemen from the SHR for their attendance. I should also declare that I have recently become a member shareholder of Reidvale Housing Association in Glasgow.

Gentlemen, you will recall that, about this time last year, we were reflecting on the situation at Reidvale. Obviously, things have moved on since then. I would like to reflect on what has gone on there in the past 12 months or so. What lessons can be learned from the process?

If we look back, it seems that the root cause of some of the challenges at Reidvale was standard 7.3 of the Scottish Housing Regulator’s standards of governance and financial management, which states that a registered social landlord must ensure that there is “adequate consultation” before engaging in an options appraisal. However, that was not carried out at Reidvale Housing Association. That is quite a subtle emphasis. It was a fait accompli that transfer was the preferred outcome prior to the tenant consultation being carried out; it was presented as though there was no alternative.

Bearing in mind that concern, which was raised with the regulator at the time, and how things subsequently played out, do you have any reflection on the application of standard 7.3 and how it can be clarified to ensure that all the options are looked at fully, with consultation being carried out with tenants on what they want to do with their community-based housing association before the formal options appraisal is undertaken?

Michael Cameron: We had a discussion about that issue before you joined us this morning, but perhaps I can reflect a little bit more on it.

Our principal role with any transfer is to ensure that the transferring organisation consults with tenants and undertakes a ballot, as it is required to do under legislation. Prior to 2018, we used to have more powers with regard to how an organisation would go about undertaking a transfer of engagement. Parliament then withdrew our consent powers in order to address issues to do with the classification of RSLs as public bodies, following some work that the Office for National Statistics had undertaken. We now have a much

more restricted role when it comes to transfers, which is principally to ensure that the landlord undertakes the appropriate statutorily-required consultation and balloting.

That said, when we engaged with Reidvale at the point at which it had made a decision, we said that it needed to undertake more extensive engagement with its tenants to inform that decision. At that point, it undertook further consultation with its tenants. We also required it to appoint an independent tenant adviser to ensure that tenants had a source of independent advice throughout the consultation and balloting process.

We have had some conversations, particularly with the Glasgow and West of Scotland Forum of Housing Associations, about how we as a sector might look to develop further guidance on how landlords manage the options appraisal process and, if they are considering finding a transferring partner as part of that process, how they then engage with tenants. As things stand, we are not empowered to put together such guidance; however, we would be keen to work with the sector to develop advisory guidance.

Paul Sweeney: There is certainly a legal duty with regard to the ballot and the shareholder vote, which was how things played out at Reidvale. However, the root cause of the problems was the notion that it was simply good practice to carry out tenant consultation prior to a formal options appraisal. From a reading of the regulations, though, it seems to me that that is a requirement, and if the process is not compliant, there is a "Do not pass go" mechanism. In any case, the regulator should certainly intervene at that point to say, "We don't think that you've followed this procedure correctly. You shouldn't be doing an options appraisal before you've done consultation with the tenants and the wider stakeholders in the community." It was only when the options appraisal was published that Reidvale was told that it needed to do a transfer of engagements. That became the narrative from that point onwards, when everyone was caught unawares. Do you see what I mean?

Michael Cameron: This is all about ensuring that as much guidance as possible is available to landlords to help them through the early stages. It is entirely legitimate for the governing body of an RSL to consider its strategic direction; indeed, that is an appropriate thing to do, and we would encourage it to have regard to our guidance on business planning, which sets out our advice on how it should go about that process.

As I said, our regulatory role and powers are restricted to ensuring that organisations adhere to the statutory requirements, but we are very keen to work with bodies in the sector and, indeed, with the Scottish Government to consider whether better guidance on that can be put in place for RSLs.

Paul Sweeney: I know that there has been talk of merger culture—I will not repeat that discussion—but, clearly, concerns arose during the process at Reidvale about statutory managers, who also regularly act as interim directors and transfer consultants. There seems to be a community or ecosystem of people who are associated with each other—who have those relationships.

There was concern that, if there is a merger culture, or an alleged merger culture, having someone who is a statutory manager one minute and a transfer consultant the next could lead to the reasonable conclusion that they are biased towards transfers as an appropriate measure, instead of towards working hard to protect the community control of the housing association. Does there perhaps need to be greater transparency about relationships, the register of interests and so on? Maybe that is something that could be improved in the statutory framework.

11:30

Michael Cameron: We go through an exercise every three years, in the last round of procurement, to procure our list of statutory managers. In the most recent iteration, we took the step of including, in the published information that we have on statutory managers, more information on their background and their work. When we appoint a statutory manager, we would absolutely take account of any potential conflicts of interests that they might have prior to their appointment.

A relatively small number of people come forward to take up the role of statutory manager, and that in itself can be quite challenging. As I mentioned to the committee previously, we are interested in ways that we might be able to work with the sector to put in place a sector-led process that can drive improvement. That would avoid the need for the regulator becoming involved; it would certainly avoid the need for the regulator having to take statutory action. We have had those conversations with the SFHA and the Glasgow and West of Scotland Forum of Housing Associations, which have already put in place a number of mechanisms that would allow peer support to organisations that might be in difficulty. We would be keen to develop that initiative further to see whether it can be a genuine alternative to statutory intervention.

Paul Sweeney: I appreciate that response. I have one more quick question. On the idea of peer support, and of housing associations co-operating to support each other, is there concern that giving

RSLs a non-compliant status could lead to a chilling effect? A neighbouring housing association might want to support another association, but they might be non-compliant. Non-compliance is not the end of the world—it can often be quite benign issues that just need a bit of work—but it might create an idea that one housing association is tainted and cannot work with another one, or look to develop a relationship.

Similarly, I have heard reports from housing co-operatives that they are being pressured to demutualise because it is seen as inappropriate that the membership of the housing association is restricted just to tenants. That is not seen to be a good thing, and that people from outside the housing association should be brought in. However, the principle of co-operation and co-operatives is that it is the people who have a stake in them who are the members. Perhaps some of the practices of the regulator can militate against that idea of co-operation in building housing co-ops and collectives.

Michael Cameron: First, I will pick up on the point about housing co-ops. The fully mutual housing co-operative model is entirely consistent with our regulatory requirements, so there is no issue there in terms of us requiring any change to that model. There has been change over the years, which has been led by the organisations themselves and has not been for regulatory purposes. As I say, the housing co-operative fully mutual model is entirely consistent with regulatory requirements.

We would absolutely encourage peer support and co-operation locally. We do not have many organisations that are non-compliant. Last week, when I double-checked, there were only five out of 140-odd organisations. Most RSLs fully comply with our regulatory requirements, but a relatively small number do not. Where we have an engagement with those organisations, we would look to see whether they can access support from others, or from the representative bodies, to help them to deal with the issues that they are presented with.

George Walker: Is your question related to Reidvale, Mr Sweeney? Although I did not meet you personally on the matter, thank you for engaging with us on that, and for meeting staff, so that you got some of the background. We appreciated your taking the time to do that. As you know, at Reidvale, no statutory manager was appointed because statutory intervention was not taken.

You made an important point about the appearance of conflicts. We would be very willing to discuss that further with you or the committee. The challenge in that area is that there is only a small cohort of people who come forward with the skill set to carry out roles that assist individual organisations.

If an organisation is in trouble or loses a director, the amount of people who might come forward as statutory managers is fairly small, and it is a very challenging role that requires a particular skill set. It is for that reason that Michael Cameron highlighted the peer support mechanism idea that we have been discussing with the forum and the SFHA. In fairness, we have discussed that with an open door, although it has not quite happened yet. We would welcome further engagement on that, if you would find that helpful. That is always a good thing.

Paul Sweeney: I very much appreciate that.

The Convener: I will pick up one little stitch and come back to Willie Coffey for a very brief supplementary question.

Willie Coffey: It is partly to correct the record on my part. When I was talking about the intervention costs earlier, I should have said that it was the Dalmuir Park Housing Association intervention that, according to Patrick Gilbride, who gave us the evidence, cost £500,000, not Reidvale. What was that money spent on? What benefits were accrued? Ultimately, who decides whether that intervention was value for money?

George Walker: As I explained to Ms Tweed earlier, having had the benefit of going through an awful lot of documentation on Dalmuir Park Housing Association, I am well aware that it was a very troubled organisation that was in difficulty. I am aware that a leader hearing from the regulator that they are not doing their job and that an organisation is perhaps even failing is a very difficult thing to hear and not an easy thing to address.

I would categorise many of those costs as being the cost of putting right things that are wrong, and I will let Michael comment further on the impacts of that. However, I am in no doubt at all that Dalmuir Park Housing Association was in a very difficult place and badly in need of change at that time. Please also bear it in mind that we are talking about 2017 and 2018, I think.

The thing that I would encourage the committee to do to help to answer your questions—I am not suggesting that Michael will dodge them, by the way, Mr Coffey—is to talk to the association about the situation. We did not have a regime based on compliance and non-compliance at that time, but that association was in difficulty. Today, it is a compliant and effective organisation, and I encourage you to talk to it about that journey. That might be quite enlightening for the committee.

I will leave Michael to give you more of the specific details.

Michael Cameron: As I mentioned, on the conclusion of every statutory intervention, we produce and publish an account of that intervention, setting out the reasons for the intervention and the process that was then followed. In that account, we also set out the direct costs of the statutory intervention. The direct costs of the statutory intervention for that association were just over £100,000, not the £500,000 figure that you have referenced. We set that out in the published report.

To echo the point that George just made, if the committee is keen to understand the impact of that and the improvement journey that the association has been on, I suggest that it would be appropriate to speak directly to it.

Willie Coffey: Thank you for that clarification. Is it the regulator's view that that money was well spent and that the outcomes for tenants were positive enough?

Michael Cameron: I would contend that, yes; it sorted some significant issues in the organisation. It has remained independent, and it is now a fully compliant organisation that continues to deliver for its tenants and community.

The Convener: I bring in Emma Roddick—very briefly.

Emma Roddick: I want to pick up on my colleague Evelyn Tweed MSP's earlier line of questioning. I do not know the ins and outs of the complaints that were made, but it sounds to me like there were allegations of bullying and that you required more detail to investigate. Is it not the point of an investigation to get the details? How specific would an allegation have to be in order for you to feel the need to investigate? Bullying is quite a specific allegation when it is about a person who is named.

George Walker: The only thing that I can say to that, Ms Roddick, is that it was not about a particular named person. The case that Ms Tweed referred to involved multiple anonymous constituents; no one was named at that time. Michael will correct me if I am wrong. There were fairly broad-based allegations around that intervention.

It is quite difficult to investigate anything specific when non-specific and vague accusations are made by unnamed people. In order to try to deal with that, as Ms Tweed knows, we recognise two things. First, as I said in my answer to Mr Coffey, those interventions are challenging and difficult to do, and it is difficult for leadership to hear that its organisation is not performing well.

Secondly, we made offers to Ms Tweed to meet any of her constituents to discuss the details and understand better what the issues were. Those offers were made multiple times, and they were never taken up. I remake that offer today. At that point, there were vague allegations by anonymous constituents.

Emma Roddick: Given the evidence that has been mentioned so far, in which witnesses have expressed feeling a bit fearful of the regulator, would you accept anonymous complaints and allegations and be able to investigate where appropriate?

George Walker: If we are given information that goes beyond vague information, of course we would. If there is something that we can investigate, we will investigate it. I repeat that it is very difficult to investigate vague claims by unnamed individuals.

There are two sides to every story, are there not? You must understand what the claims are and what the offence is. If you cannot meet the person, discuss the matter and understand what the underlying issues are, it is very difficult to investigate. I say that in particular in the case of Dalmuir Park Housing Association, which we discussed in some detail. It was a failing organisation when the intervention took place. Today, the association is a compliant organisation that is run well.

Do I understand that people might be upset and offended by the difficult conversations that must take place during an intervention? Yes, I do. I know that it is not easy to hear that your organisation is not up to scratch. I can also tell you that, for the staff at the SHR, it is not easy to be sworn at, shouted at and cursed at by people, which is what happened in some cases during the Dalmuir Park Housing Association investigation.

There are two sides to it—one person's bullying is another person's strong intervention. Will I take those cases up and investigate them? Absolutely, if I am given the ability to do so. However, in a situation in which claims are relatively broad brush and vague, and those who are making the complaints are not willing to meet us or discuss them, that is very difficult.

The Convener: I will leave it there, because we have been round this matter a little bit. In the interests of time, we need to move on. We have quite a lot of things on our agenda.

Thank you both for coming in and giving us evidence this morning. George, I wish you all the best for your next steps, because I understand that you will not be with us next year.

George Walker: Sadly not.

The Convener: I wish you both a peaceful and restful festive season. I close the public part of the meeting.

11:43

Meeting continued in private until 12:25.

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