

BRIEFING FOR THE MINISTER FOR ZERO CARBON BUILDINGS, ACTIVE TRAVEL AND TENANTS' RIGHTS

CONFERENCE: WEALTH OF NATIONS 2.0: Building Unstoppable Momentum towards a Wellbeing Economy

Tuesday 22 November 2022

Key message	We will continue to build on our global leadership in the transition to a wellbeing economy, developing our Future Generations approach, and collaborating with fellow WEGo countries and stakeholders across Scotland and beyond.
What	Joining the conference as a delegate in the afternoon.
Why	WEAll's conference will gather key stakeholders in the space of wellbeing, social justice, and just transition.
Who	Organisers' key contacts: <ul style="list-style-type: none"> • Jimmy Paul, Director, Wellbeing Economy Alliance (WEAll) Scotland • Sarah Davidson, Chief Executive, and Jen Wallace, Director – Scotland, Carnegie UK • Prof Sir Anton Muscatelli, Vice Chancellor, University of Glasgow • Gerry McCartney, Professor of Wellbeing Economy, University of Glasgow
Where	Bute Hall , University of Glasgow. Meet official support just before 14:00 at the north entry to Bute Hall by the Hunterian Museum.
When	Tuesday 22 November. Minister Harvey to arrive at 2:00pm and depart at 4:30pm . Full conference runs 9:15-4:45pm. NB: <i>The First Minister is also scheduled to attend to deliver a keynote and participate in a panel in the afternoon.</i>
Likely themes	<ul style="list-style-type: none"> • Taking a Future Generations lens to decision-making • Inter-related current global crises (environmental, social, financial) • Accelerating business purpose (towards collective wellbeing) • Community empowerment; Delivering Just Transition to Net Zero • Reinvesting in families in an upstream, preventative way • The roles of public, private and third sectors, education and funders
Media	<ul style="list-style-type: none"> • WEAll & 100 signatories open letter to FM published 16 Nov. Coverage in The Times Scotland.
Supporting official	<p>[Redacted], Assistant Economist, Wellbeing Economy and Regional Analysis (WERA) - M: [Redacted].</p> <p>[Redacted], Senior Economist, WERA ([Redacted]) and [Redacted] and [Redacted] from the NPF team will also be attending the session.</p>
Attached documents	<ul style="list-style-type: none"> A. Afternoon conference programme with timings B. Stakeholders' (organisers) profile, sensitivities, issues and recent engagements C. Biographies D. Wellbeing and Sustainable Development Bill & Future Generations Commissioner E. Top lines on Wellbeing Economy and other topics F. Organisers' joint open letter to FM and news release with quotes

Summary

The conference organisers - WEAll Scotland, Carnegie UK, and the University of Glasgow – are seeking to build “momentum towards a wellbeing economy” in Scotland and globally. They want to showcase “the progress being made”, and to motivate delegates “to accelerate this further” and “make clear commitments to play [their] part in delivering a wellbeing economy”.

The Minister was invited by WEAll Scotland as a key player in this space within the Scottish Government. The invite was accepted given the strategic prominence of increasing collective wellbeing within Scotland’s purpose (National Performance Framework) and in SG’s overarching vision for economic strategy and policy (National Strategy for Economic Transformation, among other key strategies). Mr Harvey will participate as a delegate in the afternoon sessions, notably a break-out session on using a Future Generations lens in Policy Making.

The conference audience and agenda will include a wide range of SG’s key stakeholders, particularly from the third and public sectors, social enterprises, and young people, as well as representatives from Scottish Government and fellow members of the Wellbeing Economy Governments (WEGo) network. **SG officials are also hosting an in-person meeting of WEGo members on Monday 21st**, the day before the conference, at Glasgow University. **This will be the first in-person meeting of the network since May 2019, due to the pandemic restrictions.**

The engagement is an opportunity to hear stakeholders’ views on Future Generations approaches and reinforce Scotland’s global leadership role in the transition to a wellbeing economy, including tackling the twin nature crises and building a fairer, healthier, safer and greener - as well as wealthier - society.

The positions of the event organisers, most of the expected delegates and those of SG on this issue are close. One of the aspects where opinions among delegates will vary to some degree is on the role and relative importance of economic growth and productivity – and of [different types of growth](#) and productivity (and for whom) – within the wellbeing economy approach. Some are agnostic on growth (WEAll), while some believe ‘degrowth’ (a [managed decline in economic activity and consumption](#)) is the only viable option to remain within safe planetary limits. Others, like SG, see a role for inclusive, sustainable or ‘green’ growth coupled with reductions in damaging economic activities. Most agree on putting a greater [emphasis on upstream](#), preventative system change instead of relying only on growth first, redistribution and downstream intervention later to ‘patch up’ societal and environmental problems, as per OECD’s position.

SG officials across a wide range of policy areas and directorates regularly engage with WEAll, Carnegie UK and the University of Glasgow on different aspects of wellbeing economy policy and delivery. Recent Ministerial engagements include meetings between WEAll Scotland, Carnegie UK and other stakeholders in attendance with Deputy First Minister, Minister for Public Finance, Planning and Community Wealth, Minister for Social Security and Local Government, Minister for Zero Carbon Buildings, Active Travel and Tenants’ Rights, and the Minister for Green Skills, Circular Economy and Biodiversity, in addition to senior officials. WEAll, Carnegie and other stakeholders published an open letter to FM on Wednesday 16 November detailing a number of asks outlined in Annex F.

Afternoon conference programme with timings

The morning sessions include a keynote speech from **Fiona Duncan, Chair of The Promise**, as well as speeches from Prof Sir Anton Muscatelli (University of Glasgow) and Sarah Davidson (CarnegieUK), Dr Katherine Trebeck (founder of WEAll) among others.

The **draft** afternoon programme (awaiting a final version) looks as follows:

2:00	Welcome back and recap Jimmy Paul, Director of WEAll Scotland
2:10	Keynote Speech 2: The Economy Miriam Brett, Political Economy Expert
2:30	Keynote Speech 3: Building a Wellbeing Economy in Scotland Nicola Sturgeon, First Minister
2:45	Building international momentum towards a Wellbeing Economy FM and WEGo Leaders interviewed by young people
3:35	Breakout discussions on opportunities for change: <ul style="list-style-type: none"> ● Accelerating Business Purpose ● A Future Generations Lens to decision-making ● Delivering a just transition to net zero ● Measures of collective wellbeing ● Reinvesting in families in an upstream, preventative way ● Shifting power towards communities
4:15	Feedback from Keynote Listeners convened by [Redacted] [Redacted]
4:30	Event close Jimmy Paul, Director of WEAll Scotland

The room and facilitators for the highlighted session are yet to be announced.

Profiles of conference organisers, sensitivities, issues and engagements

Wellbeing Economy Alliance (WEAll) Scotland

WEAll Scotland was launched in 2018 as a global collaboration of organisations, alliances, movements, and individuals working together to transform the economic system into one that delivers social justice on a healthy planet. It understands a Wellbeing Economy as ‘an economy that works for people and the planet’, arguing that the current system, driven solely by economic growth and profit, is no longer serving society. They are the Scottish arm of the global [Wellbeing Economy Alliance](#) which has hubs in 15 countries. WEAll helped instigate the **Wellbeing Economy Governments** (WEGo) network. It was present at the inaugural event in South Korea in 2018 and continues to support and promote the initiative.

Carnegie UK

The Carnegie UK Trust is an independent, endowed charitable trust based in Scotland. Their purpose is better wellbeing for people in the UK and Ireland. They aim to influence decision-makers, including businesses, politicians, civil or public services, and non-governmental organisations. They use evidence about wellbeing to make the case for which approaches and systems need to change, and recommend how to make that happen. They have been an influential stakeholder in the development of the **National Performance Framework**.

Sensitivities

WEAll Scotland, Carnegie UK, and around 100 other signatories – some of whom are likely to be in attendance at the conference – published an **open letter to FM** on Wednesday 16 November calling for more action to deliver a wellbeing economy, as well as praising SG for its progress to date. See Annex F for details.

Current issues

On Monday 21 November, the day before the conference, the Scottish Government will have hosted a **meeting of WEGo** nation representatives, the first in-person meeting of the group since January 2020. Issues being discussed include SG’s PfG commitment to appoint a Wellbeing Economy Ambassador and how this could be linked to / coordinated with the WEGo network.

Ministerial engagements

- 2 Nov: Meeting between WEAll and Minister for Zero Carbon Buildings, Active Travel and Tenants’ Rights to discuss the Wellbeing & Sustainable Development Bill and Future Generations Commissioner plans.
- 24 Oct: CarnegieUK and Oxfam Scotland sent a joint letter to DFM in October calling on him to raise the ambition for the NPF review to ensure valuing and investing in care is fully visible in the next iteration of the National Outcomes.
- 21 Sept: Meeting between WEAll and Minister for Social Security and Local Government
- 30 Aug: Workshop organised by WEAll with Minister for Public Finance, Planning and Community Wealth, officials and other stakeholders on Community Wealth Building as part of a wellbeing economy

- 28 June: Roundtable with Minister for Green Skills, Circular Economy and Biodiversity, DG Economy and WEAll, CarnegieUK and other wellbeing economy stakeholders, on NSET and the Wellbeing Economy Monitor.

DG Economy and DG Strategy officials meet regularly with WEAll Scotland, Carnegie UK and other key stakeholders in this area. Occasional meetings also take place with officials across other DGs and directorates. Recent SG officials' engagements include:

- 17 Nov: Meeting between CarnegieUK, Oxfam Scotland and DG Communities and Director for Performance, Delivery and Resilience to discuss their letter to DFM of 24 Oct (above).
- 1 Sept: WEAll Meeting with DG Economy, Chief Economist and Director of Economic Strategy
- 20 June: Meeting with Paul McLennan MSP (SNP East Lothian), Chair of the Cross-Party Group in the Scottish Parliament on Wellbeing Economy.

Organisers and panellist biographies



JIMMY PAUL, director of WEAll Scotland. Having joined the organisation in April 2021, he leads the team and Allies programme as they continue to support Scotland's transition to a wellbeing economy. Jimmy has worked in leadership roles across health and social care, most recently at the Centre for Excellence for Children's Care and Protection. He co-chaired Scotland's world-leading Independent Care Review (2017-2020). Jimmy also represents Scotland on the non-statutory UK-wide [Future Generations Commission](#).

Sarah Davidson, CEO, Carnegie UK Trust.

Prior to joining Carnegie UK in August 2019, Sarah had a 25-year career in civil service, latterly as Director General in the Scottish Government. She is a Trustee of the Scottish Chamber Orchestra and of St Mary's Music School in Edinburgh, a Fellow of the RSA, and was appointed CB in the 2019 New Year's Honours List.

Jen Wallace, Carnegie UK Trust

An experienced manager and public policy researcher and analyst, Jen has authored more than 40 reports and written three books (one as sole author), many of which relate to public service reform. She is also a Fellow of the Royal Society of Arts, a member of the REF 2021 Main Panel for the Social Sciences and Chair of the advisory panel for What Works Wellbeing Scotland.

Professor Sir Anton Muscatelli, Principal and Vice Chancellor, University of Glasgow since 2009, and former Principal and Vice Chancellor of Heriot-Watt University. He is former Chair of the Russell Group of Universities. Professor Muscatelli was a member of the Council of Economic Advisors and chaired the Scottish Government Standing Council on Europe. He is one of three members of the expert panel set up to advise on the implications for Scotland of the UK Government's UK Growth Plan (or mini budget).

Gerry McCartney, Professor of Wellbeing Economy, University of Glasgow. He has training both in Medicine and Economics. After this, he entered the public health training scheme, based initially at NHS Argyll and Clyde and then at NHS Greater Glasgow and Clyde. He also worked at the Glasgow Centre for Population Health (GCPH) where he produced the first synthesis of the causes of the excess mortality in Scotland and Glasgow. In 2010 he took up post as Head of the Scottish Public Health Observatory (ScotPHO) at NHS Health Scotland and then Public Health Scotland.

Marie Brousseau-Navarro, Wales Deputy Commissioner for Future Generations Commission

Marie is a specialist in public law, the law of devolution, parliamentary procedures and now of the Well-Being of Future Generations (Wales) Act. She was previously the Director for Policy, Legislation and Innovation for the Future Generations Commissioner. She helps develop and deliver the Commissioner's corporate plan and priorities and has oversight of the commission's legal work, budget, risk management and internal processes. In her former position, Marie was responsible for overseeing work on monitoring and assessing public bodies' well-being objectives, lead the work on the legal application of the Act, in addition to her work with correspondence, transport and planning.

Wellbeing and Sustainable Development Bill & Future Generations Commissioner

BACKGROUND:

- The Scottish Government is committed to exploring how to ensure the interests of future generations are taken into account in decisions made today, potentially through establishing a Future Generations Commissioner (2022/23 PfG).
- SG is also committed to introducing a Wellbeing and Sustainable Development Bill, which may place duties on public bodies and local government to take account of the impact of their decisions on wellbeing and sustainable development (2021/22 PfG).
- In May 2022, Scotland's International Development Alliance published a report setting out 14 recommendations for the WSD Bill. This has been supported by WEAll Scotland.
- Proponents of a Future Generations Commission(er) have argued that it would better enforce the outcomes-based approach of the NPF across government and public bodies.
- SG is considering the recommendations of the Finance and Public Administration Committee's Report on the National Performance Framework, titled 'Ambitions Into Action'.

TOP LINES

- The Scottish Government is committed to introducing a Wellbeing and Sustainable Development Bill. The Bill is intended to strengthen Scotland's National Outcomes and ensure the interests of future generations are built into the decisions made today.
- The Bill may also place duties on Scottish Ministers, public bodies and local authorities to ensure they are accountable for their contribution to wellbeing and sustainable development.
- We strongly believe in our duty as a government to protect the interests of future generations. As part of developing the WSD Bill, we are considering how best to achieve this, including a proposed new Future Generations Commission(er).

Wellbeing and sustainable development are central to the Scottish Government's overarching purpose, as set out in the National Performance Framework.

- The National Performance Framework (NPF) is Scotland's wellbeing framework.
- The NPF localises the UN Sustainable Development Goals to Scotland, and establishes National Outcomes giving equal importance to economic, environmental and social progress.
- The NPF combines measurement of how well Scotland is doing across all of these dimensions, thus recognising the importance of measuring success against more than GDP alone.
- The NPF is recognised around the world as a means to promote intergenerational wellbeing, which means attending to the conditions required to ensure wellbeing for future generations.

The Scottish Government will shortly begin its review of the National Outcomes – an opportunity to consider how the WSD Bill could strengthen the implementation of the NPF.

- The Finance and Public Administration Committee has recommended that the WSD Bill should give legal effect to the outputs of this statutory review.
- The Committee's recent Report suggested that such legislation could close the 'implementation gap' between the ambitions of the National Outcomes and their delivery across policy areas.
- In developing the WSD Bill, we are therefore considering how the NPF, as Scotland's wellbeing framework, can be further embedded in the practices of government and public bodies.

The climate and biodiversity emergencies show the need for governments to think long-term. We are therefore exploring options for a Future Generations Commission.

- The proposed WSD Bill may make it a statutory requirement for Scottish Ministers, public bodies and local authorities to consider the long-term consequences of their policy decisions for the wellbeing of the people they serve, including those not yet born.
- A Future Generations Commission could be a key part of the support and accountability which would need to accompany such duties.
- We are consulting widely on this broad policy area to ensure any legislation is effective.

Top lines on Wellbeing Economy and other topics

SENSITIVITY 1: *the WEAll open letter to FM called on SG to transform Scotland's National Performance Framework into a Wellbeing Framework, and strengthen its power and reach through comprehensive engagement to underpin the review of the National Outcomes. It also proposed using the upcoming Wellbeing and Sustainable Development Bill and proposed Future Generations Commission/er to put the NPF/Wellbeing framework on a stronger statutory footing, and put collective wellbeing and environmental sustainability at the centre of decision-making, with enhanced support and scrutiny mechanisms.*

SG top lines in response:

Our vision for Scotland is to create a wellbeing economy - that is, an economic system, within safe environmental limits, which serves and prioritises the collective wellbeing of current and future generations.

- Wellbeing is an explicit part of our national purpose as a country, underpinning Scotland's **National Performance Framework**. It is Scotland's strategic wellbeing framework.
- We are preparing for the next statutory review of the National Outcomes, which provides an opportunity for further engagement on this.
- We will bring forward a **Wellbeing and Sustainable Development Bill** to strengthen Scotland's National Outcomes and ensure the interests of future generations are built into the decisions made today. In developing the WSD Bill, we are therefore considering how the NPF can be further embedded in the practices of government and public bodies.
- We strongly believe in our duty as a government to protect the interests of future generations. As part of developing the WSD Bill, we are considering how best to achieve this, including a proposed new **Future Generations Commission(er)**.
- We are consulting widely on this broad policy area to ensure any legislation is effective.
- Today we have published a **Wellbeing Economy Toolkit**, informed by our Wellbeing Economy **Pilot in Clackmannanshire**, to support councils and regional economic partnerships to embed wellbeing economy principles into their economic development plans and strategies
- To show global leadership and provide international and expert guidance on developing a wellbeing economy, we will appoint a **Wellbeing Economy Ambassador**.
- Scotland is leading the wellbeing economy agenda on the international stage, and we are proud to be founding members of the **Wellbeing Economy Governments** network (**WEGo**) with New Zealand and Iceland.
- **Examples of our work** to build a wellbeing economy in practice include our policies on: Community Wealth Building, Just Transition to Net Zero, Scottish National Investment Bank core missions, our approach to becoming a Fair Work Nation, legislation and policies on the Circular Economy, Land Reform, 20 minute neighbourhoods, and our strategic mission and plans to tackle Child Poverty, including the **Single Child Payment** recently launched.

SENSITIVITY 2: *The open letter to FM argues that "a narrow focus on GDP growth grounds the strategy in "the same logic that has delivered decades of poverty, inequality and environmental degradation."*

Our National Strategy for Economic Transformation sets our vision for a wellbeing economy and contains bold actions, within the powers and budget available to us, to deliver prosperity for all Scotland's people and places, within safe environmental limits.

- In light of the intensification of the **cost crisis** since NSET was published, work is underway to prioritise and bring forward the actions which will help mitigate these pressures whilst ensuring the foundations are there to transform the Scottish economy over the next ten years. These were included within the programme delivery plans published last month (31 Oct).
- The strategy's programmes and actions are focused around delivering on our ambitions for a fairer, greener and wealthier economy, in which sustainable, inclusive growth and improving productivity are regarded as important building blocks of a wellbeing economy – not ends in themselves. Our measures to deliver a circular, net zero and nature-positive economy that is fairer and more inclusive run throughout the strategy.
- **Equality Impact Assessments** for each of the strategy's programmes, along with an EQIA on the strategy as a whole, were published on 31 October alongside NSET delivery plans.
- In fulfilment of commitments in NSET:
 - We have published a **Wellbeing Economy Monitor** [June] to track Scotland's progress towards a wellbeing economy and complement traditional economic metrics of success such as GDP with measures such as greenhouse gas emissions, biodiversity, health, income and wealth inequality, poverty and child poverty, and fair work indicators.
 - Our Wellbeing Economy Monitor indicators are being integrated within the metrics to be used to measure the success of the National Strategy for Economic Transformation, with indicators tracking our ambitions of a fairer and greener economy as well as a wealthier economy.
 - We have today [22 Nov] published a place-based **Wellbeing Economy Toolkit**, informed by our Wellbeing Economy pilot in Clackmannanshire, to support local authorities and regions to embed wellbeing economy principles in their economic development plans.
 - a **Centre of Expertise in Equality and Human Rights** has been established within the SG to embed human rights and equality in economic policy development.

NSET commitments:

- All the programmes in the strategy are interconnected, and our initiatives on promoting entrepreneurial culture in under-represented groups, community wealth building, and skills investment for working age people in poverty will contribute to a fairer and more equal society.
- We will undertake and publish a review of how best to significantly increase the number of **social enterprises, employee-owned businesses and cooperatives** in Scotland, supporting regional regeneration and the wealth of local communities. This will learn lessons from best practice in other countries.
- NSET commits our new Chief Entrepreneurship Officer to drive forward our ambitions on entrepreneurship, including support for **businesses with alternative ownership models**, and working across the wider skills system.
- NSET aims to embed a culture that encourages and promotes entrepreneurial activity in every sector of our economy. We recognise that the Government must take an entrepreneurial approach itself to drive forward innovation across the economy and **to ensure more of the nation's wealth and services are managed for the collective good. We will apply this to public service reform** and implement metrics to reward entrepreneurial approaches and activity within public sector bodies.

- We will review our strategic approach to **public ownership** so that public companies are managed, developed and initiated for the public good, and work collaboratively to provide support and advice to identify opportunities to establish successful public companies.
- The business-led, SG-commissioned **Business Purpose Commission** for Scotland published its report on 28 June. Its recommendations address the opportunities to support business with their purpose, finance purposeful growth, and empower employees to drive purpose.
- NSET commits to “Building on the findings from the Business Purpose Commission Report to inform how businesses can deliver positive impacts on prosperity, wellbeing – including tackling child poverty – and environmental sustainability.” We are considering the recommendations very carefully, with particular focus on the two recommendations and associated action areas for Scottish Government to lead.
- We will ensure that **Fair Work** principles and conditionality form the foundation of our approach to a just transition to net zero, starting with the **Energy Strategy and Just Transition Plan**, the **Agriculture and Land Use Plan**, and forthcoming **regional and sectoral plans**.
- Scotland’s **Vision for Trade** ensures that our approach to international trade contributes to wider social and environmental outcomes, centred around the core principles of sustainability, net zero, wellbeing, inclusive growth and good governance.
- The use of **conditionality** on Fair Work practices and Net Zero has been enshrined in the bidding process for Scotland’s **green freeports**, ensuring that no bidder who cannot demonstrate adherence to these principles will win, is a model of how we will roll out such measures.

Participation and consultation in the development and delivery of NSET:

- The National Strategy for Economic Transformation was developed based on analysis of evidence, as well as through input from the **NSET Advisory Council and extensive stakeholder engagement**. The Scottish Government reached out to businesses, workers and stakeholders from across the country and also received more than **260 responses to a consultation**.
- Front and centre of mind in our engagement is the need to reach far and wide, not just geographically, but by targeting the harder to reach elements of the eco-system – those who will bring fresh, new ideas and challenge our thinking.
- Our focus on delivery and putting true partnership working at the heart of every step of the programmes has been underlined by Ministers and officials undertaking an extensive programme of engagements, including roundtables, meetings and events since the launch of the strategy. This has involved more than **450 stakeholders across business, public and third sectors** in small settings, as well as addressing hundreds more at events.
- Successful delivery requires all of our partners to work together, and we will draw on the strengths of people and organisations from all sectors. We will continue to work together with partners to ensure a **Team Scotland approach** and draw on the talents and resources across Scotland.
- The new Scottish Government Economic Leadership Group, which I chair (FM), will ensure political accountability and drive for delivering the strategy.

OTHER ISSUES THAT MAY COME UP IN DISCUSSION BASED ON THE ASKS IN THE OPEN LETTER TO FM:

1. Outcomes based budgeting

Stakeholder ask: bring forward a clear outcome budgeting framework, evidencing how public spending delivers wellbeing outcomes.

SG position: **The Scottish Budget funds the delivery of Scottish Ministers' priorities to achieve the National Outcomes identified in the National Performance Framework.**

2. Fiscal policy for reducing wealth inequality and investing in people and nature

Stakeholders' ask: Use devolved tax powers to share Scotland's wealth more evenly and support public investment in a strong social safety net, universal basic services, fair public sector wages and environmental improvements

- the next Budget should continue progressive moves to increase tax revenue more fairly and clearly set out both the distributional impacts of this and how revenue will be invested in areas that can help Scotland progress to a Wellbeing Economy.
- undertake wide-ranging public engagement to develop options to realise a fully progressive tax system, including more fundamental reforms to income tax rates and bands, a clear roadmap for reforming/replacing the regressive council tax, and options to utilise local tax powers.
- Options should be developed for better incentivising purposeful business – for example, reforms to non-domestic rates and the introduction of environmental levies.

SG position:

Devolved tax:

- Decisions on **non-domestic rates** will be taken as part of the Scottish Government's forthcoming budget in line with the Framework for Tax 2021 and prevailing economic conditions, as well as the make-up of the tax base.
- Ministers are in regular dialogue with business leaders who have made clear that the high cost of doing business in the UK is significantly hampering their ability to recover following the pandemic and impacts of Brexit.

Public sector pay:

- **As set out in the Emergency Budget Review [2 Nov], we are prioritising funding for enhanced public sector pay to support those who need help most.**
- Enhanced public sector pay offers are already costing over £700 million more this year than we originally budgeted for – with some negotiations still on-going.
- Every additional percentage point on a pay deal, and every pound we spend on measures to help with rising costs, must be funded from reductions elsewhere - given our largely fixed budget and limited fiscal powers.
- To be clear, I don't begrudge a single penny of that and criticism of workers and trade unions fighting for higher pay is deeply misplaced.
- On the contrary, paying higher wages is one of the biggest contributions we can make to helping families with soaring costs.
- The UK Government has chosen not to act on public sector pay, so our more progressive approach – with public sector wages on average 7% higher in Scotland than in the rest of the UK – is funded within our severely limited budget.

- We have provided £260 million of additional funding to local government to support their pay offers.

Social security:

- **In line with SFC forecasts we are set to invest £4.2bn in benefits expenditure in 2022-23, providing support to over 1m people - money which will go directly to people who need it most and to support people to live independent lives.**
- This is over £460m above the level of funding forecast to be received from the UK Government through Block Grant Adjustments – it is an investment in the people of Scotland and a key part of our national mission to tackle child poverty.
- We have built a brand-new public service; established Social Security Scotland; and introduced 12 benefits, 7 of which are entirely new forms of financial support available only in Scotland.

3. Accelerating Business Purpose

Stakeholders' ask: Reshape the business environment in Scotland to facilitate a shift towards purposeful and democratic business practices that support collective wellbeing and environmental sustainability and do not profit from undermining either of them.

- Enterprise agencies and all public business support should prioritise purposeful and democratic business practices, including social enterprises, cooperatives and employee-owned enterprises, as recommended by the Business Purpose Commission.
- All projects to support entrepreneurship, innovation and start-ups delivered as a part of the NSET should be focused on those businesses that can make the biggest contribution to a Wellbeing Economy and should be tailored to different rural and urban contexts.
- Fair work conditions on public sector grants and contracts should be strengthened and extended to other dimensions of a Wellbeing Economy, including environmental aspects and democratic governance structures.
- The Business Purpose Commission for Scotland published its report '*Now is the time for Purpose: putting purpose at the heart of Scottish business*' in June. The Report sets out a vision that 'by 2030 all businesses in Scotland will have become purposeful businesses which profit from finding solutions for people and planet'. The report is comprehensive and makes recommendations for a range of stakeholders across business, governments, and tertiary education and training organisations.

SG position:

- **We are considering the Business Purpose Commission recommendations for SG and look forward to working with businesses and other stakeholders to support this important, long-term agenda.**
- NSET commits SG to build on the findings from the Business Purpose Commission Report, to inform how businesses can deliver positive impacts on prosperity, wellbeing – including tackling child poverty – and environmental sustainability.
- The Scottish Government believes that economic activity should serve a purpose. We believe business is a force for good and has a pivotal role in creating a wellbeing economy.

Business Support:

- As part of NSET, **we will radically transform the way in which the public sector in Scotland provides support for workers and businesses.** Building on the work of the **Business Support Partnership**, this includes reviewing the products and services available, tailoring them to reflect

the priorities of the strategy, and **targeting support** to delivery of local and national aims, ultimately towards achieving the vision of a thriving wellbeing economy.

- The first and foundational element in better targeting of business support towards enterprises that enhance our collective wellbeing is to improve the data that we collect and use in building our business support policies and products. Scottish Government will work closely with the Business Support Partnership, and indeed the wider business community, to ensure that as these data-led improvements emerge, they deliver the intended outcomes and create value towards a wellbeing economy.

Fair Work:

- **Our vision is for Scotland to be a leading Fair Work Nation by 2025**, where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.
- While employment law remains reserved to the UK Government, we will use our Fair Work policy to promote fairer work practices across the labour market in Scotland.
- As committed to in the Bute House Agreement, we will introduce a requirement on public sector grants to pay at least the real Living Wage to all employees, and provide appropriate channels for effective voice, subject to limits on devolved competence. *[NOTE: announcement on this planned for 29 November by Minister for Just Transition, Employment and Fair Work, and Minister for Green Skills and the Circular Economy. Comms planning is ongoing]*
- Fair Work is central to NSET, which reiterates our commitments, including for employers to pay at least the real Living Wage, to offer living hours and support flexible working, all of which is vital in tackling the cost crisis, in-work poverty and child poverty.

4 Day Working Week:

- **It remains this government's aim to make progress on the shorter working week**. I believe there is a strong link with this and future ways of working (such as hybrid working).
- The 2022-23 public sector pay policy introduces the option for employers, in discussion with trade unions, to explore piloting a four-day working week. More detail regarding the four-day week pilot in the public sector will be set out in due course.
- We are keenly aware of the pilots already undertaken or planned in other countries, and are working diligently to share information and ensure experience elsewhere informs the design of the pilot.

Public procurement:

- **Economic, social and environmental considerations are routinely included in public procurement in Scotland**.
- Through the Climate and Procurement Forum, we are working collaboratively across sectors to maximise the opportunity to address climate through procurement.
- The latest published report established that the £13.3 billion spend through public procurement during 2019 – 20 resulted in £11.8 billion of economic activity, 120 000 full-time equivalent jobs, £6.5 million Scottish GDP and that spend in Scotland was shared among 25,611 suppliers.

4. Community empowerment

Community Wealth Building (CWB)

- **We have seen important and significant progress in our Community Wealth Building pilot localities and regions**. These areas are: Clackmannanshire, South of Scotland, Western Isles, Tay Cities/Fife and Glasgow City Region, with all developing and implementing bespoke CWB action plans, supported by SG.

- Community Wealth Building can support the retention and creation of employment, business growth, community-owned assets and shorter supply chains supporting net zero ambitions; ensuring that our collective wealth works better for people, place and planet.
- Alongside this pilot work, the Scottish Government committed £3m to advance CWB across the Ayrshire region, through the Ayrshire Growth Deal.
- The Programme for Government 2021 included a commitment to introduce legislation on Community Wealth Building – a key practical means by which we can achieve our Wellbeing Economy vision. Community Wealth Building is focused on growing the influence communities have on the economy and ensuring communities receive more of the benefits from the wealth they help to generate. We have committed to holding a consultation on the contents of the legislation and welcome a range of feedback on the actions required to grow and retain local wealth, building on the progress Scotland has already made on delivering Community Wealth Building.

Place-based policy making:

- The Place Principle, adopted by Scottish Government and COSLA as a basis for collaborative working, ensures that local investment is relevant to local communities for the benefit of local people.
- The Place Based Investment Programme, backed by £325m over 5 years, is actively supporting partners on the ground to collaboratively lead and realise the changes needed in their communities.
- The focus of our fourth National Planning Framework, the National Infrastructure Plan and our policy to introduce 20 minute neighbourhoods are all examples of where we are focusing and mainstreaming the wellbeing economy approach into our plans and strategies.

5. Reinvesting in families in an upstream, preventative way

From last Monday [14 Nov], our five family payments, including Scottish Child Payment, could be worth over £10,000 by the time a first child turns 6 and £9,700 for subsequent children.

- This compares to less than £1,800 for eligible families' first child in England and Wales, and under £1,300 for subsequent children. This difference of more than £8,200 highlights our major support in the early years for low-income families.
- The Scottish Child Payment is unique to Scotland, the most ambitious child poverty reduction measure in UK and an important action to mitigate the cost crisis.
- From 14 Nov, all children currently in receipt of the Scottish Child Payment (SCP) are having it automatically increased to £25 per week.
- SCP applications are open to those responsible for eligible under-16s with all payments backdated to the date we receive their application. This will mean around 400,000 children are eligible.
- Official Statistics show 104,000 children benefiting from SCP on 30 June 2022, with over 1.4 million payments made in the first 17 months between Feb 21 & June 22.
- Take-up of Scottish Child Payment is high. Analysis published on 31 October shows that almost 9 in 10 children who are eligible for SCP received the payment in 2021-22.
- Based on modelling from March 2022, SCP [is estimated to lift 50,000 children out of poverty and reduce relative child poverty by five percentage points in 2023-24.](#)
- We will automatically award Best Start Grant Early Learning and School Age Payments to eligible families in receipt of SCP by the end of the year.

We are committed to Keeping The Promise by 2030

- The Scottish Government's ambition is for all children to grow up loved, safe and respected so that they can reach their full potential. Keeping The Promise will ensure this ambition is turned into a reality for all care-experienced children and young people.
- The Scottish Government cannot deliver The Promise on its own. We are committed to working with Local Authorities, the third sector, health boards, stakeholders who represent care experienced people and, most importantly, children and families to Keep The Promise.
- Fundamentally, we want to significantly reduce the number of children and young people who are living away from their families.
- To achieve this ambition, where children are safe and feel loved they must stay with their families; and families must be given support to nurture that love and overcome the difficulties which get in the way.

[To note that Fiona Duncan, Chair of The Promise is delivering a keynote speech at this conference in the morning]

SENSITIVITIES

News release and Open letter to FM from the conference organisers and > 100 signatories calling for more action to build a wellbeing economy in Scotland

The letter praised SG's aspiration to become a Wellbeing Economy being set as the vision for the National Strategy for Economic Transformation (NSET), the publication of the first iteration of the Wellbeing Economy Monitor, efforts to encourage fair work, support for community wealth building and the commitment to review how to increase the number of purposeful and democratic businesses in Scotland (NSET actions). The signatories state they are looking forward to seeing the recommendations of the Business Purpose Commission and Just Transition Commission being taken forward.

Summary of asks, to which some SG responses are included above:

- transform Scotland's **National Performance Framework** into a Wellbeing Framework and strengthen its power and reach;
- fast-tracking a new **Future Generations Commissioner**
- bring forward a clear **outcome budgeting framework**, evidencing how public spending delivers wellbeing outcomes.
- **increased public investment into places, people and nature**
- use **devolved tax powers** to share wealth more evenly, invest in social security, universal basic services, public sector wages and environmental improvements
- reshape the **business support** landscape to prioritise the kind of enterprises that enhance our collective wellbeing and better **incentivise purposeful business** – e.g. reforms to **non-domestic rates** and the introduction of **environmental levies**.
- **Fair work conditions** on public sector grants and contracts should be **strengthened; conditions should be extended** including **environmental aspects and democratic governance structures**
- a **stronger infrastructure for participation in economic policy-making**, ensuring that seldom heard voices are listened to.

[Wellbeing Economy Alliance Scotland news release published 16 November](#)

Over 100 charities, economists, businesses and unions urge FM in open letter calling for an "urgent transition to a Wellbeing Economy."

Signatories commended measures such as the first Wellbeing Economy monitor, efforts to encourage fair work and the commitment to review how to increase the number of purposeful and democratic businesses in Scotland. But the authors – who include Carnegie UK, IPPR Scotland, STUC, Friends of the Earth Scotland and the Church of Scotland - stress this is not adding up to "substantive progress". They are calling for a "robust plan to put the wellbeing of people and nature at the heart of our economy."

The letter, sent ahead of the conference, urges Nicola Sturgeon to transform Scotland's National Performance Framework into a Wellbeing Framework and strengthen its power and reach; use

devolved tax powers to share wealth more evenly, invest in social security, universal basic services, public sector wages and environmental improvements; and to reshape the business support landscape to prioritise the kind of enterprises that enhance our collective wellbeing.

The Scottish Government's National Strategy for Economic Transformation contains the aspiration to become a "Wellbeing Economy" but signatories to the letter say that a narrow focus on GDP growth grounds the strategy in "the same logic that has delivered decades of poverty, inequality and environmental degradation." In a supporting statement, the faith leaders, businesses and civil society leaders define a Wellbeing Economy as one that "delivers good lives for all people and protects the health of our planet."

Sarah Davidson, Chief Executive, Carnegie UK said:

"Scotland has been at the forefront of the global debate about developing an economy that works for everyone. But there's an opportunity to turn that rhetoric into reality in Glasgow next week.

"That means Ministers in Edinburgh changing how they measure success, ensuring that social, environmental, and democratic priorities are considered alongside economic goals. It means adopting policies that boost collective wellbeing. It means fast-tracking a new Future Generations Commissioner to speak up for the people that will come after us."

STUC General Secretary Roz Foyer:

"The need has never been greater for the Scottish Government to step up to the plate and fundamentally redesign our economy for the benefit of working people. We cannot ever hope to have a 'wellbeing economy' whilst wealth is created and hoarded by those at the top.

"People throughout Scotland are suffering through a cost-of-living crisis not of their making and not of their choosing. It's time, now more than ever, that Scottish Government action matched Scottish Government rhetoric, urgently prioritising wellbeing and welfare over wealth".

Professor of Wellbeing Economy at the University of Glasgow, Gerry McCartney said:

"Redesigning the economy to serve the needs of people and planet, and to value what actually matters is an urgent task. Poverty is rising, life expectancy is stalling, and the climate and nature crises are posing an existential threat.

"We need a deep deliberative conversation across Scotland about the society we want and the economy that can support this. There is no alternative if we want a healthy planet for our children and grandchildren to live on."

Friends of the Earth Scotland Sustainable Economy Advisor, Matthew Crighton said:

"A Wellbeing Economy that looks after people and planet is urgently needed because our current economic system is speeding us in the wrong direction, with climate science warning that we have a small and rapidly closing window to secure a liveable future.

"We need a redesign of the economy which will orient all public spending towards these vital shared

goals and also requires private companies to play their part too. The Scottish Government has many of the necessary powers to improve lives now and we are calling on it to translate its support for the idea of a wellbeing economy into tangible action.”

ENDS.

WEAll and 108 signatories joint letter to First Minister (16 Nov)

Dear First Minister

We are writing to you as a group of social and environmental justice NGOs, local authorities, grassroots community groups, faith groups, service providers, funders, economists, academics, think tanks and business leaders united in our belief that Scotland must urgently transition to a Wellbeing Economy.

Many of us are firefighting to provide frontline support to those swept up in the rising tide of destitution. Others among us are trying to play our part in the transition to an economy that values people and the environment, for example, piloting new ways of providing for each other, running community energy projects and deploying alternative business models that contribute to our communities. Others are directly involved in efforts to restore nature and tackle poverty.

Too many people in Scotland are living in cold homes, skipping meals and falling behind on rent while Scotland's 20 richest families own more wealth than 30 percent of the poorest citizens combined. In the most deprived 30% of Scottish areas life expectancy is falling. At the same time, there are growing fears that Scotland's legal emissions reductions targets will be missed and the Intergovernmental Panel on Climate Change (IPCC) recently warned that the world faces a "brief and rapidly closing window to secure a liveable future." The IPCC also echoed our collective belief that GDP is a poor metric of human wellbeing.

As a founding member of the Wellbeing Economy Governments partnership, Scotland has played an important role in building momentum for change among governments. We were pleased to see the aspiration to become a Wellbeing Economy contained within Scotland's National Strategy for Economic Transformation. We also welcomed the publication of the first iteration of the Wellbeing Economy monitor, efforts to encourage fair work, support for community wealth building and the commitment to review how to increase the number of purposeful and democratic businesses in Scotland. And we are looking forward to seeing the recommendations of the Business Purpose Commission and Just Transition Commission being taken forward. These are steps in the right direction.

But we are writing to you today because we are concerned that progress isn't happening fast enough to meet the very real and urgent challenges we face. To date, we have not seen substantive progress in redesigning our economy which continues to break planetary limits and create high levels of inequality. With its narrow focus on GDP growth, the National Strategy for Economic Transformation is grounded in the same logic that has delivered decades of poverty, inequality and environmental degradation. What is required now is a robust plan to put the wellbeing of people and nature at the heart of our economy.

Today we have published a joint statement on what we envision such a Wellbeing Economy to look like in Scotland, which will require actions from governments in both Westminster and Holyrood.

As next steps on the journey to a Wellbeing Economy we ask you and the Scottish Government to use the powers at your disposal to:

Transform the National Performance Framework into a Wellbeing Framework and strengthen its power and reach.

- In the short-term, this requires a comprehensive engagement process to underpin the review of the National Outcomes so the people of Scotland have a voice in shaping what the framework measures.
- In the medium term, ensure the upcoming Wellbeing and Sustainable Development Bill puts the wellbeing framework on a stronger statutory footing to provide a clear vision for public bodies, bringing together and strengthening a range of duties to put collective wellbeing and environmental sustainability at the centre of decision-making. This should include enhanced support and scrutiny mechanisms, for example through the promised Future Generations' Commissioner. The Scottish Government should also bring forward a clear outcome budgeting framework, evidencing how public spending delivers wellbeing outcomes.

Use devolved tax powers to share Scotland's wealth more evenly and support public investment in a strong social safety net, universal basic services, fair public sector wages and environmental improvements needed for a Wellbeing Economy.

- In the short-term, the next Budget should continue progressive moves to increase tax revenue more fairly and clearly set out both the distributional impacts of this and how revenue will be invested in areas that can help Scotland progress to a Wellbeing Economy.
- In the medium term, the Scottish Government should undertake wide-ranging public engagement to develop options to realise a fully progressive tax system, including more fundamental reforms to income tax rates and bands, a clear roadmap for reforming/replacing the regressive council tax, and options to utilise local tax powers.

Reshape the business environment in Scotland to facilitate a shift towards purposeful and democratic business practices that support collective wellbeing and environmental sustainability and do not profit from undermining either of them.

- In the short-term, enterprise agencies and all public business support should prioritise purposeful and democratic business practices, including social enterprises, cooperatives and employee-owned enterprises, as recommended by the Business Purpose Commission. All projects to support entrepreneurship, innovation and start-ups delivered as a part of the National Strategy for Economic transformation should be focused on those businesses that can make the biggest contribution to a Wellbeing Economy and should be tailored to different rural and urban contexts.
- In the medium-term, fair work conditions on public sector grants and contracts should be strengthened and extended to other dimensions of a Wellbeing Economy, including environmental aspects and democratic governance structures. Options should be developed

for better incentivising purposeful business – for example, reforms to non-domestic rates and the introduction of environmental levies.

Scotland is full of hopeful and inspirational action that is putting the Wellbeing Economy thinking into practice. But transforming such actions into the economy we all need will require bolder action by the Scottish Government to set the direction of the economy, it requires a stronger infrastructure for participation in economic policy-making, ensuring that seldom heard voices are listened to, and it requires increased public investment into places, people and nature to deliver what really matters to people.

We hope that you will consider our asks and we would be keen to meet to discuss this further.

ENDS.

Signatories to the letter and statement include **Carnegie UK, IPPR, STUC, Friends of the Earth, Poverty Alliance, Wellbeing Economy Alliance Scotland, Church of Scotland, NSPCC Scotland, Children in Scotland, Oxfam Scotland, Scottish Women’s Budget Group, Unison, Social Enterprise Scotland, Foundation Scotland, Corra Foundation, New Economics Foundation, Health and Social Care Alliance, Scottish League of Credit Unions, One Parent Families Scotland, Scottish Communities Alliance, Scottish International Development Alliance, Energy Action Scotland, Scottish League of Credit Unions, Darren McGarvey, businesses, social enterprises and co-ops** such as Remarkable, Today the Arena, Media Co-op, Greencity Wholefoods and Locavore. Academic signatories include Professor Dave Reay, Chair in Carbon Management & Education, Executive Director of Edinburgh Climate Change Institute, University of Edinburgh, and Policy Director of ClimateXChange and Professor Tim Jackson, author of Prosperity Without Growth and Professor of Sustainable Development and Director of the Centre for the Understanding of Sustainable Prosperity (CUSP).

Gerry McCartney article in the Herald

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**MINISTERIAL ENGAGEMENT BRIEFING:
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TRAVEL AND TENANTS' RIGHTS**
Briefing for the launch of the **Building Standards Modern Apprenticeship
Course**

What	<p>Mr Harvie will deliver a short speech to building standards modern apprentices who have been recruited into local authority building standards services this year. This is the first cohort of students on the MA pilot course designed to meet the needs of building standards professionals.</p> <p>The Minister will hear about development of the pilot course, benefits of providing an entry point at MA level, and the career aspirations from some apprentices.</p>
Where	<p>This is an online event using MS Teams to be as inclusive as possible due to the dispersed locations of the modern apprentices.</p>
When	<p>Wednesday 23 November 2022 Start: 10.00 Finish: 10.45</p> <p>Microsoft Teams meeting Click here to join the meeting</p>
Key Message(s)	<p>Local authorities are investing in the future of the building standards verification service by recruiting modern apprentices for the first time in over a decade. The new route into a career in building standards will encourage more young people to join the profession, enable managers to develop talent for the future and ensure building standards is seen as a rewarding career choice.</p>
Who	<p>[Redacted], Programme Manager for Construction, Energy Skills Partnership (ESP) will host the event. ESP is the college sector agency for energy, engineering and construction in Scotland</p>
Why	<p>A key element of the Workforce Strategy for the Building Standards Verification Service is to balance the demographic profile of the workforce. There is a high probability that the workforce will reduce by 20% over the next five years due to turnover. This reduction will impact on resilience and service delivery unless new talent is introduced. The MA pilot raises the profile of building standards careers and provides an essential entry route for young people. Building Standards Managers are committed to a “grow your own” approach to develop staff who can remain in the profession and progress their career over the longer term.</p>
Expected outcome	<p>Congratulate the modern apprentices for gaining their role in the building standards profession and communicate the value that</p>

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	the building standards verification service brings to the people of Scotland.
Speech details	<ul style="list-style-type: none"> • Short 5 minute speech • 14 modern apprentices plus representatives from local authority verifiers, Local Authority Building Standards Scotland (LABSS), ESP and course lecturers from Fife College. • Minister is not expected to take formal Q&A but will engage in an informal conversation with three or four of the apprentices.
Supporting official	<p>[Redacted]</p> <p>[Redacted]</p>
Briefing contents	<p>Annex A: Event programme</p> <p>Annex B: Representatives from LABSS and ESP</p> <p>Annex C: Summary Page / Top Brief</p> <p>Annex D: Speaking Note</p>
Media Handling	No official Comms support
Social Media	Local Authority Building Standards Scotland – Twitter handle @labss_la
Any Planned Industrial Action	No
Name of the Constituency MSP	N/A
Name of Constituency	N/A
Name of Region	N/A
Local MSP contacted (Y/N)	N/A
Greeting Party	[Redacted]
Specific entrance	The event is online so travel to a specific location is not required.

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ANNEX A

Event Programme

The event takes place on **Wednesday 23 November 2022**. It is an online event using MS teams, starting at 10.00 am and ending at 10.45 am.

10.00: The Minister is introduced by **[Redacted]** to the host, **[Redacted]** who then welcomes the Minister to the event and introduces him to the attendees.

10.05: The Minister is invited to give a short speech congratulating the modern apprentices on taking up their new roles. Also recognising the work of LABSS, ESP, Fife College and Inverness UHI College to deliver the pilot course and his ambitions for building standards.

10.10: ESP and LABSS respond to the Minister's speech by saying more about the development of the MA route for building standards and the impact it will have for the profession in the longer term.

10.20 (approx.): Conversation with three or four modern apprentices.

A few modern apprentices will speak with the Minister about why they joined the course, their learning experience so far and their career aspirations for the future.

10.30 (approx.): **[Redacted]** and **[Redacted]** will summarise and close the event thanking the Minister for his attendance.

10.45 (approx.): Event ends

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ANNEX B

Representatives from Energy Skills Partnership

[Redacted]

[Redacted]

Representatives from Local Authority Building Standards Scotland

[Redacted]

[Redacted]

[Redacted]

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ANNEX C

BUILDING STANDARDS SYSTEM AND THE WORKFORCE STRATEGY

- **Skills and Workforce Strategy**
- **Building Standards – Verification and enforcement**

TOP LINES

- The building standards system is established by The Building (Scotland) Act 2003.
- The purpose of the building standards system is to protect the public interest by ensuring that work on new and existing buildings results in buildings that meet reasonable standards as set out in building regulations.
- The Building (Scotland) Act 2003 gives powers to Scottish Ministers to appoint verifiers to operate the building standards system in Scotland. The 32 local authorities have recently been re-appointed as verifiers by Scottish Ministers from 1 May 2023.
- The focus of the workforce strategy is to raise competence of verifiers, expand the provision of bespoke professional training and balance the demographic profile of the workforce.
- The verification service is expected to lose around 20% of the current workforce between 2020 and 2025. Effective training, recruitment and succession planning is required to ensure the workforce is able to meet future challenges.
- A new Professional Competence Framework for Verifiers and a Competency Assessment System were implemented with all local authorities on 1 June 2021.
- The new Construction Technical Modern Apprenticeship pathway seeks to increase the number of young people in the building standards profession has been developed. Cohort 1 consisting of 14 apprentices started on the course in September 2022.
- A Building Standards Ambassadors Network has been established to promote careers in schools, colleges and universities.

Skills and Workforce Strategy

- The 'Workforce Strategy for the Building Standards Verification Service' was published on 1 October 2020, and is being delivered over three years. The aim of the strategy actions is to create a competent and sustainable service for the future.
- Officials are responding to issues raised originally by the Compliance and Enforcement Review Panel, Chaired by Professor John Cole.
- The building standards verification service has an older demographic profile and is expected to lose around 20% of the current workforce between 2020 and 2025.
- There is a clear unmet demand for staff to fulfil key roles across Scotland. The loss of experienced staff and difficulties in recruiting represents an ongoing and significant loss of capability and capacity across a modest workforce of around 570 people.
- This is being addressed by the growing number of graduates joining the profession and the recent addition of 14 modern apprentices for cohort 1 of the new modern apprenticeship course from August 2022.

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- The new Professional Competency Framework and Competency Assessment System (CAS) introduced in June 2021 provides a national methodology for building standards staff against an agreed job role profile. This will improve building standards as a profession as verifiers will have assessed the competence of individual staff members.
- A feedback exercise took place from June to August 2022 to collect data on skills gaps and improvements to the CAS.
- Officials are working with LABSS to develop a virtual learning environment and with education bodies to include new building standards content in existing accredited degree courses.

Construction Technical Modern Apprenticeship Pilot Course

- A new modern apprenticeship pathway, Construction Technical (Architectural Technology) was developed for building standards. It started on 29 August 2022 with 14 modern apprentices specifically recruited into building standards teams.
- This course provides an entry point to attract more young people into a career in building standards.
- The course is an important deliverable from the Workforce Strategy for the Building Standards Verification Service. LABSS led the development of the pilot (Cohort 1) with Energy Skills Partnership (ESP); the college sector agency for energy, engineering and construction in Scotland.
- The course will help local authority building standards services, as employers, to attract and retain talent in a range of technical job roles.
- The Architectural Technology course has been developed with new learning content to meet the need of the building standards profession.
- The course is delivered entirely online by Fife College in partnership with Inverness UHI College and it suits a fifth year school leaver with two higher qualifications or anyone with a relevant trade qualification.
- The Modern Apprenticeship qualification is achieved after year two with the option to progress to the Technical Apprenticeship in years three and four.
- There is an option after four years to progress to a Graduate Apprenticeship or to a relevant degree at university.
- Local Authority Building Standards Scotland's Training Advisory Group has adapted the existing degree level content currently being delivered through Glasgow Caledonian University to suit the learning requirements of the MA course.

Local Authorities Participating in Cohort 1

- Aberdeen City Council – 1 apprentice
- Comhairle Nan Eilean Siar – 1 apprentice
- Dundee City Council – 2 apprentices
- East Dunbartonshire Council – 1 apprentice
- City of Edinburgh Council – 4 apprentices
- Fife Council – 1 apprentice
- North Ayrshire Council – 1 apprentice
- Perth and Kinross Council – 2 apprentices

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- South Lanarkshire Council – 1 apprentice
- A number of local authorities withdrew from recruitment into Cohort 1 which reduced the expected number of apprentices from 23 to 14. This happened for a number of reasons such as internal restructuring of teams, late confirmation of funding for roles and delayed start to the recruitment and onboarding process.
- This created difficulties for the colleges and as a result the building standards apprentices were merged with the Architectural Technology apprentices into a single cohort to ensure the course was financially viable.
- All local authorities that withdrew from cohort 1 and those that expressed interest in cohort 2 will be asked to provide early confirmation of their involvement to provide assurance to the colleges.

Recruitment for Cohort 2 in 2023

- Currently, six local authorities have confirmed their involvement in cohort 2 or have expressed interest in participating.
- Local authority Chief Executives will be updated on progress with cohort 1 and plans for cohort 2 to secure their continuing support for managers investing in future talent.
- At the same time, letters will be issued to Building Standards Managers asking them to confirm their involvement in cohort 2 by 31 January 2023.
- Managers will be asked to confirm their commitment to cohort 2 and specify the number of apprentices to be recruited. This is to provide certainty to Fife and Inverness Colleges around the cost effectiveness of running cohort 2.
- It is expected that another cohort of 14 apprentices will be required to secure the funding for the course in the longer term.

Building Standards Ambassadors' Network

- There is an opportunity for the modern apprentices to become Building Standards Ambassadors once they are more established in their role. Their experience of joining the profession through this route should provide a compelling story for effective outreach aimed at late secondary school pupils and students on other technical courses at college.
- The Ambassadors' Network was established from April 2021 to support delivery of the workforce strategy project aimed at raising the profile and esteem of the building standards profession.
- An initial group of 12 Ambassadors has been expanded to 18 following additional volunteers from multiple local authorities stepping forward to be involved in outreach activities to promote careers.
- An Ambassador's role is to engage directly with school pupils, students at college or university and professionals in other disciplines who are looking for a career change. The purpose of these engagements is to explain the different job roles available in the building standards profession and highlight the positive aspects of a career working in a verification role.
- A Delivery Plan for 2022-24 has been developed by the Network Facilitators to provide a prioritised set of activities for all Ambassadors.

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- Building Standards Division provided start-up costs of £10,000 to ensure the Network has the collateral required for effective delivery in all parts of Scotland.
- Building standards staff at different levels in the profession and with varying experience have volunteered to become an Ambassador which requires an additional commitment beyond that of their regular workload.
- Building Standards Division presented recognition awards to all Ambassadors at the LABSS Conference 2022 to thank them for their commitment to bringing new talent into the profession.

Speaking Note

- I'm delighted to join you this morning to launch the Modern Apprenticeship course which has been developed to target support for new apprentices in the building standards profession.
- I understand that the building standards service is critical to every community in Scotland to ensure our buildings are safe, healthy and energy efficient. The Building Standards Workforce Strategy has been making great progress since its launch in October 2020. It has raised the profile of the profession, provided new options for training and upskilling, and as demonstrated today, brought new talent like you into the workforce.
- I am incredibly happy to see the commitment from you as the first cohort of young people on this course, and I am sure you will have a bright future ahead of you. The commitment from Building Standards Managers to provide mentoring for you as apprentices, and support this new pathway, is both welcomed and acknowledged. This is an opportunity to build

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a lasting career that will broaden and diversify the building standards workforce.

Workforce Strategy

- I am aware that the verification service is subject to resourcing pressures and requirements to keep skills current in the face of technology and regulatory changes. The workforce strategy has been an important step forward helping to address these and other challenges.
- The new Professional Competency Framework and the Competency Assessment System are now being used to assess competency levels in all job roles. I understand that introducing these tools is still at a fairly early stage and more work is required to embed these.
- However, the start of the Modern Apprenticeship marks another leap forward in our ambitions for the building standards profession. I'm clear that the profession will, in the longer term, be in a much stronger position through the introduction of more apprentices who are supported to develop their skills and experience.

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- The nurturing of talent by experienced staff shows a real commitment to the growth of the profession. I'm pleased to see this ambition is being realised through the recruitment of you as the first 14 modern apprentices, and local authorities' plans to recruit more apprentices next year for a second cohort.
- Another key success has been the creation of the Ambassadors' Network. I am grateful to everyone who has volunteered to become an ambassador and help to raise the profile of building standards as a rewarding career choice. The involvement of people who are at different points in their own career, and are willing to talk to others about their route into building standards, shows the openness of the profession. I hope the apprentices on the course will consider how they might become Ambassadors in the near future. This is an opportunity for you to share your story with others considering this career choice.

LABSS, ESP and Colleges

- I'd like to thank everyone involved in the design, development and delivery of the pilot course. The continuing involvement from LABSS in this work has been a driving force. I appreciate the extent of partnership working

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between LABSS and my officials in Building Standards Division to deliver the workforce strategy. The time and effort given to getting this course up and running, and the other workforce-related tasks, is not underestimated. Likewise, the course would not be possible without the professionalism and determination of **[Redacted]** and **[Redacted]** at ESP, and **[Redacted]** and **[Redacted]** from Inverness College and Fife College. Your, and your colleagues, combined efforts has created an new entry point and career path that is essential for the future of the building standards profession.

Closing

As the Minister with responsibility for building standards, my ambitions are for Scotland's buildings to be safer, healthier, sustainable and low in energy use. This is essential to help us address climate change and you will play a key part in the delivery of a better built environment. You also have the opportunity to use your skills and abilities to embrace new technologies and modern ways of working to achieve a low carbon future.

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- So, to close I would like to congratulate you as the first cohort of apprentices into building standards services, and wish you success with your future career. You are joining the profession at a key time as we look toward the future. This is an exciting time for all involved.

MINISTER FOR ZERO CARBON BUILDINGS, ACTIVE TRAVEL AND TENANTS' RIGHTS

Scottish Women and Girls in Sport Week 2022 – Women on Wheels

What	Visit to a Women on Wheels led ride and opportunity to speak to some of the participants and staff involved in this programme, as part of Scottish Women and Girls in Sport Week.
Key Message	<ul style="list-style-type: none"> • We understand the importance of sport and physical activity for women and girls in Scotland and the positive impact that has on their physical, mental, and social health across all stages in life, from early years, teenage years, through adulthood and on to later life stages. • Being physically active and taking part in sport has many benefits for women and girls through building new friendships and relationships which help to reduce isolation and loneliness for women and girls in Scotland. • We want to celebrate women and girls in sport through increasing visibility and developing partnerships, in particular recognising how women and girls have remained physically active during the Covid-19 pandemic and how we can help girls and young women back into sport and physical activity post-pandemic.
Why	The visit will provide the Minister with an opportunity to engage with Scottish Women and Girls in Sport Week 2022, to meet stakeholders and raise the profile of Government support for women and girls' sport.
Who	<ul style="list-style-type: none"> • REDACTED – Founding Director, Women on Wheels REDACTED • REDACTED – Sports Development and Physical Activity Manager, Glasgow Life
Where	Govanhill Workspace, Unit 4, 69 Dixon Road, Glasgow, G42 8AT
When	Date: Friday 7 October Time: 11:00am – 12:00pm
Dress code	Business / Smart casual / casual The Minister will be cycling so should dress accordingly (and for the weather).
Official(s) attending	<ul style="list-style-type: none"> • REDACTED – Lead Manager, Sports Development, sportscotland REDACTED
Media Handling	<p>sportscotland will arrange a photographer and draft a media release.</p> <p>Social Media <u>@ActiveScotGov</u> @WomenonWheels_ <u>@sportscotland</u> <u>@ScotGovHealth</u></p> <p>#SheCanSheWill #ActiveGirls</p>
Annexes	ANNEX A – Summary Page ANNEX B – Scottish Women and Girls in Sport Week 2022 ANNEX C – Background Information

SUMMARY PAGE

Programme

11:00am	Arrival and Welcomes The Minister will be met by REDACTED on arrival.
11:15 – 11:35am	Cycle to Queens Park Go on a lead ride to Queens Park recreation ground and meet participant's staff.
11:35 – 11:55am	Tea/coffee at the cycling hub for follow up conversation Opportunity for the Minister to meet with some of the WoW staff/board in their office to hear about their work
12:00pm	Minister free to depart

Background

1. This year's theme is visibility and partnership. Active Scotland partners and **sportscotland** will be promoting and celebrating Scottish women and girls in sport and physical activity with a range of activity and events. The Week provides an opportunity to increase visibility and participation of women and girls in sport and physical activity, and the benefits it can have on physical, mental, and social health. It also provides an opportunity to showcase the local and national partnerships across the country.

Key Messages

2. We understand the importance of sport and physical activity for women and girls in Scotland and the positive impact that has on their physical, mental, and social health across all stages in life, from early years, teenage years, through adulthood and on to later life stages.
3. Being physically active and taking part in sport has many benefits for women and girls through building new friendships and relationships which help to reduce isolation and loneliness for women and girls in Scotland.
4. We want to celebrate women and girls in sport through increasing visibility and developing partnerships, in particular recognising how women and girls have remained physically active during the Covid-19 pandemic and how we can help girls and young women back into sport and physical activity post-pandemic.

BACKGROUND INFORMATION: SCOTTISH WOMEN AND GIRLS IN SPORT WEEK 2022**Scottish Women and Girls in Sport Week 2022**

5. Scottish Women and Girls in Sport Week is being held from Monday 3rd October - Sunday 9th October 2022. This marks the sixth year we have celebrated Scottish Women and Girls in Sport Week. The Week provides an opportunity to increase visibility of women and girls in sport and physical activity, showcase partnerships, raise awareness of the barriers and highlight the many health benefits it can bring.

Key Activity Happening During The Week

- Showcasing women and girls projects across Scotland.
- Promoting Active Girls Month in association with **sportscotland**.
- Visibility Film digital asset.
- Ministerial engagements.
- Scottish Women and Girls in Sport Week on Life Matters national radio feature.
- Scottish Parliament Debate: Women & Girls in Sport.

Scottish Women and Girls in Sport Week 2022 Key Messages

6. Importance of increasing visibility and partnerships to remove barriers, support and encourage women and girls' participation in sport and physical activity.
7. Increased visibility of women and girls in sport and physical activity so that more women and girls are inspired to be more active and connected.
8. Value in partnership working to bring together expertise, share knowledge and resources to support women and girls to engage in sport and physical activity.

BACKGROUND INFORMATION: WOMEN ON WHEELS

Background

9. Women on Wheels (WoW) is a Glasgow based community cycling hub for women. A service designed and led by women, it delivers a range of cycling activities to get women back on a bike or onto a bike for the very first time. Its mission is to empower and enable women to overcome their barriers to take up cycling - for transport, to improve their physical and mental health, and most importantly, for the pure joy of it! WoW was set up in February 2022 as a SCIO and was launched online as part of International Women's Day on 8 March. The hub was formally opened on 27 May.

Vision & values

10. WoW are an all-inclusive community where women cycling is the norm, not the exception. WoW have worked with women for over a decade to understand that they have a number of barriers to cycling, including:

- Safety
- Lack of confidence
- Lack of access to a bike
- Being a parent/carer
- Lacking time or childcare
- Religious or cultural barriers
- Lack of money to access services
- Health restraints

11. Through its cycling hub and services, they will provide support and opportunities for women and their families to get engaged with cycling and reap the benefits. WoW services and team are focused on its key values, which guide their programme:

- Passion for cycling
- Inclusivity
- Community building
- Environmental
- Integrity
- Collaboration

Programmes and services

12. WoW provide various programmes and services including:

- **Lessons:** one-to-one and group lessons for complete beginners and those getting back on a bike after a break.
- **Confidence building rides:** regular led bike rides to build confidence and get comfortable travelling around the city by bike.
- **Social events:** weekly hub social gatherings and (coming soon) speaker events and film nights
- **Bike buddy support:** gain confidence building cycling into your regular routine by planning a cycle commute route with Bike Buddies.
- **Maintenance classes:** learn skills for roadside repairs and bike servicing so you're empowered to regularly fix your bike by yourself
- **Bike hire** (coming soon): WoW will offer services to hire a bike, helmet and accessories from them for a month to make sure it fits your lifestyle before committing to buying one.

**MINISTERIAL ENGAGEMENT BRIEFING:
PATRICK HARVIE, MINISTER FOR ZERO CARBON BUILDINGS, ACTIVE
TRAVEL AND TENANTS' RIGHTS**

Briefing for meeting with Alasdair Allan MSP

What	<p>Mr Harvie will meet with Alasdair Allan MSP to discuss the removal of subsidies for oil and LPG boilers from Scottish Government support schemes in the context of the energy price and cost of living crises.</p> <p>[Redacted]</p>
Where	Meeting via MS Teams (joining link in calendar invite)
When	23 November 2022 at 13:30-14:15
Key Message(s)	[Redacted]
Who	<p>Dr Alasdair Allan is a SNP MSP for Na h-Eileanan an Iar since 2011.</p> <p>Dr Allan has previously raised concerns about the quality assurance standards for domestic retrofit (PAS2035). He remains concerned about stalled local delivery of energy efficiency schemes (see Annex B).</p>
Why	<p>An opportunity to discuss the reason for the removal of oil and LPG boilers from Scottish Government support schemes.</p> <p>See MiCase: 202200323236</p>
Expected outcome	See above.

**MINISTERIAL ENGAGEMENT BRIEFING:
PATRICK HARVIE, MINISTER FOR ZERO CARBON BUILDINGS, ACTIVE
TRAVEL AND TENANTS' RIGHTS**

Briefing for meeting with Alasdair Allan MSP

<i>Speech details</i>	N/A
<i>Supporting official</i>	PO has requested official support and a note taker. The following officials will attend: [Redacted] (Heat Strategy) [Redacted] (Heat Strategy) [Redacted] (Area based delivery)
<i>Briefing contents</i>	Annex A: Top Brief Annex B: Local Delivery Of Energy Efficiency Improvements
<i>Media Handling</i>	N/A
<i>Social Media</i>	N/A
<i>Any Planned Industrial Action (Y/N)</i>	N/A
<i>Name of the Constituency MSP</i>	N/A
<i>Name of Constituency</i>	N/A
<i>Name of Region</i>	N/A
<i>Local MSP contacted (Y/N)</i>	N/A
<i>Dress code</i>	N/A
<i>Greeting Party and specific meeting point on arrival (if event is at a non SG Building)</i>	N/A

**MINISTERIAL ENGAGEMENT BRIEFING:
PATRICK HARVIE, MINISTER FOR ZERO CARBON BUILDINGS, ACTIVE
TRAVEL AND TENANTS' RIGHTS**
Briefing for meeting with Alasdair Allan MSP
Annex A:

TOP BRIEF

TOP LINES	<p>The Scottish Government is acutely aware of the impact of the current cost of living crisis on households, especially for those living in rural and island communities.</p> <ul style="list-style-type: none">• We know that island and rural communities have the highest proportion of the least energy efficient homes, and that rural areas of Scotland experience higher rates of fuel poverty. <p>[Redacted]</p> <ul style="list-style-type: none">• In August 2021, the Scottish Government committed to immediately end public subsidies for oil and LPG boilers, which are among the most environmentally harmful heating systems.• This meant that funding was no longer available for replacement oil/LPG boilers or heating systems under any Scottish Government funded energy efficiency schemes.• This commitment is aligned with our legally binding climate change targets that Parliament agreed to, and as set out in our Heat in Buildings Strategy. <p>However, support is available to households in rural and island communities to improve the energy efficiency of their homes and to switch heating systems.</p> <ul style="list-style-type: none">• The Scottish Government is committed to investing at least £1.8bn in heat and energy efficiency over the course of this Parliament.• We will deliver this through a package of support via long-standing programmes that have already supported over 150,000 households in or at risk of fuel poverty, including in rural and island communities.• Many of the available support schemes include a rural and islands uplift to reflect higher delivery costs in more remote areas.• Earlier this year, we committed to expanding the Home Energy Scotland advice service by 20%. This provides free and impartial advice to households regardless of where they live in Scotland.• Our Warmer Homes Scotland scheme is a national scheme that delivers bespoke packages to every household, so while we aren't specifically changing our approach for specific regions, we do offer tailored and individualised support relevant to the characteristics of each dwelling.
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**MINISTERIAL ENGAGEMENT BRIEFING:
 PATRICK HARVIE, MINISTER FOR ZERO CARBON BUILDINGS, ACTIVE
 TRAVEL AND TENANTS' RIGHTS
 Briefing for meeting with Alasdair Allan MSP**

	<ul style="list-style-type: none"> • Households in extreme fuel poverty in remote rural and island areas can benefit from energy efficiency improvements worth up to £21,100 as part of our local Area Based Schemes. • As committed to in the Heat in Buildings Strategy and Bute House Agreement earlier this year, we will replace the cashback element of the existing Home Energy Scotland cashback and loan scheme with a standalone grant for zero emissions heating and energy efficiency measures, this will give households the flexibility of accessing a loan, grant or combination of both. As with the current scheme, the replacement scheme will be accessible to all households in Scotland including Island and rural households where they meet the eligibility requirements for the scheme. • The Scottish Government is also providing support to some of Scotland's more remote and rural off-grid communities through the Community and Renewable Energy Scheme (CARES) to help them upgrade their energy systems and decarbonise their energy supplies. <p>LOCAL DELIVERY (AREA BASED SCHEMES)</p> <p>[Redacted]</p>
<p>ADDITIONAL LINES</p>	<p>SUITABILITY OF ZERO CARBON HEATING SYSTEMS IN ISLAND COMMUNITIES</p> <ul style="list-style-type: none"> • The Heat in Buildings Strategy confirms our intention to introduce, subject to consultation, regulations requiring Scotland's homes (including all owner-occupied and private rented properties) to meet EPC Band C or equivalent, where that is technically feasible and cost effective from 2025 onwards. • [Redacted] • This Strategy also proposes homes in Scotland will install a zero direct emissions heat source in a phased way at specified trigger points from 2025, with all homes using zero direct emissions heating by 2045. • Some properties will require a bespoke approach to meeting requirements for decarbonisation of their heat supply and reducing their demand for heat as they may be constrained in terms of technology options available, or limited by location, property type, space or impact on the fabric of historic buildings. • Depending on these and other factors, zero emissions heating may be supplied by individual heat pumps,

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Briefing for meeting with Alasdair Allan MSP

connection to a heat network, electric systems such as storage heaters, or systems that have very low emissions such as those that use hydrogen.

FUEL POVERTY FIGURES IN ISLAND COMMUNITIES:

- We are determined to address the higher levels of fuel poverty found in many of Scotland's remote rural and island areas.
- That is why our fuel poverty definition takes account of the additional costs associated with living in remote and island communities. The legislation provides for uplifts to be applied to the Minimum Income Standard (MIS) for households in these areas.
- We are also committed to continuing to spend more per head on energy efficiency in remote rural areas, where we know installation and labour costs are higher.
- Due to the recent rises in energy prices we have modelled the current fuel poverty rate under the Energy Price Guarantee of £2,500. This involves increasing the modelled fuel bills of those households in the 2019 Scottish House Condition Survey in line with the percentage increase the Energy Price Guarantee represents over the mean 2019 price cap, then using these new modelled fuel bills to recalculate fuel poverty rates and the fuel poverty gap.
- Accounting for the impact of mitigations^[1], including the Energy Price Guarantee, we estimate that there are around **860,000 (35%) fuel poor households in Scotland.**
- Households using gas (32%) as their primary heating fuel have lower fuel poverty rates than households using other fuels such as oil (36%) electricity (54%) and other fuel types (49%). **Consequently, areas without connection to the gas grid have higher fuel poverty rates.** This is reflected in the high proportion of rural households which are in fuel poverty. For example, 49% of remote rural households and 44% of remote small towns are in fuel poverty compared to 35% of households in large urban areas.
- Furthermore, in the period **2017-2019** seven local authorities had **significantly higher fuel poverty rates than the national average** (24%), these were: Na h-Eileanan Siar (40%), Highland (33%), Argyll and Bute (32%), Moray (32%), Dundee City (31%), Shetland Islands (31%) and Orkney Islands (31%).
- However, due to sample sizes local authority analysis relies on a three year pooled data set. As our current methodology is based on uprating 2019 data to 2022 prices

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the sample sizes are too small to produce Local Authority level data under the energy price guarantee.

^[1] This accounts for the Cost of living payment, Disability cost of living payment, Pensioner cost of living payment, Council tax rebate for households in band A to D, the Energy bill support scheme, but does not account for the £100 alternative fuels payment.

SUPPORT SCHEMES

Warmer Homes Scotland

- Warmer Homes Scotland is the Scottish Government's national fuel poverty scheme designed to help those households living in or at risk of fuel poverty through the grant funded installation of measures such as insulation and heating systems in their homes.

Home Energy Scotland (HES) advice service

- Home Energy Scotland, administered by Energy Saving Trust on behalf of the Scottish Government, is a domestic advice service that acts as a single point of access for free, bespoke, impartial advice on energy efficiency, renewable heating and fuel poverty support in Scotland.
- HES provides in-depth support to householders on low and zero emissions heating technologies, other domestic renewables and more complex energy efficiency improvements.
- There are five regional Home Energy Scotland advice centres together with a sixth advice centre offering an out of hours service. The five regional centres cover the following areas: **The Highlands and Islands**, North-East Scotland, Strathclyde and Central, South-East Scotland and South-West Scotland. Each of the 5 HES regions has been selected on the basis that it has at least one significant urban area in it, and a portion of rural areas.
- This more localised approach means that the advice provided to householders can be better tailored to reflect local circumstances (e.g. housing types, the installer base, the support available from local authorities and other local organisations, etc.). It also means that the advice centres are able to partner with others working in these areas to reach households through existing customer support networks. In addition, it enables easier access to local events and outreach staff are available to visit households where appropriate in any part of Scotland.

**MINISTERIAL ENGAGEMENT BRIEFING:
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	<p>Home Energy Scotland loan and cashback</p> <ul style="list-style-type: none">• The current Home Energy Scotland (HES) loan with cashback scheme provides up to £15,000 loans with up to £6,000 cashback grant for energy efficiency (EE) improvements, and up to £17,500 with £7,500 cashback grant for renewables measures for homeowners or self-builders.• A stand alone grant offer to replace the cashback element of the loan is due to launch on 30 November, but details and timing of this are yet to be made public. <p>Area-based Schemes (ABS)</p> <ul style="list-style-type: none">• The aim of the scheme is to reduce fuel poverty by enabling local authorities to design and deliver energy efficiency programmes in fuel poor areas.• It focuses primarily upon insulation measures for 'hard to treat' properties but includes zero/low carbon heating and microgeneration measures as part of a 'whole house' and fabric first approach
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Annex B:

LOCAL DELIVERY OF ENERGY EFFICIENCY IMPROVEMENTS

TOP LINES

[Redacted]

BACKGROUND

[Redacted]

A1: TOP LINES

- Despite the decision of the UK Government to introduce the Energy Price Guarantee from 1 October – which capped the typical household energy bill at £2,500 for the next two years – this represents a further increase from the £1,971 cap in April 2022, and an even larger increase from the October 2021 cap.
- Therefore increases in energy bills this coming winter will still be substantial pushing many renters in to fuel poverty and extreme fuel poverty. And we know that households in the rented sector generally pay more of their income on housing costs, have higher rates of income poverty and child poverty, and have less financial resilience to cope with cost of living shocks.
- It is clear the cost crisis is being felt acutely by people who rent their home. We cannot sit by and watch people struggle to keep a roof over their head during a crisis that has not been caused by them. That is why we are taking emergency action - using the powers that are available to us –through the challenging months ahead.
- A temporary rent freeze and moratorium on evictions will protect tenants by putting in place measures to stabilise immediate housing costs and enable them to stay in their homes for longer.
- The intended effect of the Bill is :
 - i. To protect tenants by stabilising their housing costs by initially freezing rents;
 - ii. To reduce impacts on the health and wellbeing of tenants caused by being evicted and/or being made homeless – by giving them more time to find alternative accommodation, through a moratorium on evictions and
 - iii. To avoid tenants being evicted from the private sector by a landlord wanting to raise rents between tenancies during the temporary measures and reduce unlawful evictions, through the complementary measures of a moratorium on evictions and raising the level of damages that may be awarded.
- The primary aim of the Bill is to protect tenants at this difficult time. However, we recognise that landlords may also be impacted by the cost crisis.
- That is why within the overall freeze and the moratorium there are safeguards for landlords to address specific, defined and limited circumstances, reflecting the circumstances that some might face.
- We know that many will claim the inclusion of safeguards erodes protection for tenants - but the provisions in this Bill aim to work in the real world.
- The legislation must be fair, balanced and as robust against legal challenge as possible. If we did not take this approach, it is highly likely the Bill would fail and we would end up in a situation where we could provide no additional protection for this vulnerable part of the population – something I hope no-one would want to see.
- I am also aware of concerns from the social sector in particular.
- However, in our conversations with social landlords, they have understood the importance of our focus on rent affordability. In turn, they have highlighted how rents support services and investment in new homes and improved quality. Our commitment is to work with social landlords to find the best ways of meeting all three priorities.

ANNEX A – CORE BILL BRIEFING

- We also intend to work with all stakeholders, landlord and tenants groups, to understand how the cost crisis is impacting people to inform the extension of measures if that is necessary.
- As this is emergency legislation, we have set out our intention that a reporting requirement be included – similar to the approach we took in the Coronavirus legislation - to demonstrate the need for provisions to either continue or expire, where appropriate and based on the evidence at the relevant time.

[To be agreed] Through our emergency budget review I will consider what additional financial support may be available to help tenants, for example as we have done with local authorities through our £10m Tenant Grant Fund. This will be informed by further engagement with partners around what is required to ensure that meaningful support is available for those who need it most.

- As part of our Cost of Living Campaign we are raising awareness of existing protections and support for renters. If approved by this Parliament, this information will be updated to reflect the additional protections for tenants under the emergency measures. This will help tenants find information on their rights and the support available in one place.

A2: AIMS AND RATIONAL FOR INTERVENTIONS

AIMS OF THE INTERVENTIONS

The purpose of the Cost of Living (Tenant Protection) (Scotland) Bill is to respond to the emergency situation caused by the impact of the cost crisis on those living in the rented sector in Scotland.

- The overall package of measures provided for in the bill seeks to:
 - protect tenants by stabilising their housing costs;
 - prevent negative impacts on the health and wellbeing of tenants caused by being evicted and/or being made homeless at a time when they are already struggling as a result of financial stress resulting from the cost of living crisis.
- These aims are being achieved through a **temporary restriction on rent increases, temporary moratorium on evictions, increased damages for unlawful evictions and additional powers to temporarily reform rent adjudication.**

Scope - college and university halls of residence and in Purpose Built Student Accommodation and being included as students need help too.

- Students renting in college and university halls or Purpose Built Student Accommodation way did not receive the £400 energy cost support and – although they may be eligible for support from other routes, such as hardship funds – these are already under significant pressure and that is why our emergency legislation includes this type of student accommodation.
- A significant number of students in Scotland live in college and university halls of residence and in Purpose Built Student Accommodation. Data shows us that in a typical year, there is just over 47,000 students residing in this sort of rental accommodation.

A temporary restriction on rent increases supports these aims by:

- reducing the risk that a rent increase will result in a tenant being unable to meet the cost of their rent during the cost crisis or build up substantial rent arrears resulting in a risk of eviction.
- The purpose of the rent cap is to stabilise certain costs at a time of volatile and escalating cost of living crisis for tenants that have less resilience against rising costs than other groups

The temporary moratorium on evictions supports these aims by:

- preventing landlords ending tenancies in order to circumvent the rent freeze and increase rents for a new tenant; and
- preventing the negative impacts on the health and wellbeing of tenants caused by being evicted and/or being made homeless.
- Providing more time for people to seek support and to find alternative accommodation that meets their needs at an affordable rent.

Temporarily improving the way in which compensation can be awarded and the method of calculating the level of compensation increasing damages for unlawful evictions supports these aims by:

- reducing the risk of unlawful evictions being carried out during the moratorium on evictions by making it more expensive and risky for a landlord to pursue an unlawful eviction than going through the correct routes, acting as a potentially strong disincentive.
- making it easier and more attractive for tenants to challenge an unlawful eviction and receive compensation where an unlawful eviction is found to have occurred.

ANNEX A – CORE BILL BRIEFING

Temporary powers to change the rent adjudication process are also being included to support transition away from the emergency measures once the rent restrictions are lifted and landlords are able to increase rent, should these be needed.

BENEFITS OF THE OVERALL PACKAGE

With the measures set out within this Bill we expect to benefit tenants by:

- Reducing the number of evictions across the winter months during the emergency.
- Stabilising the rents through a 0% cap over the winter, allowing them more capacity to deal with other bills especially energy bills. This cap can be varied to respond to ongoing economic pressures if necessary with the option to have different levels of cap for social and private rented sectors.
- Providing tenants with additional protection from unlawful evictions and disincentives for landlords by substantially increasing the civil damages associated with it.

For landlords a number of protections in place will:

- Allow private landlords to enforce an eviction in certain circumstances including where there are substantial rent arrears, or the landlord needs to sell, or live in the let property due to financial hardship, in cases of anti-social behaviour or criminality and where the property has been abandoned.
- Limit the moratorium on eviction to 6 months to ensure all landlords are able to plan and have certainty.
- Work with social landlords to explore options and understand the impact of any cap from 1 April onwards and what support may be needed by them.
- Allow private landlords to apply to increase rent in respect of limited, prescribed, legitimate costs associated with offering the property for rent.

The provisions strike a fair balance with the individual rights of landlords because:

- The provisions are time limited (even if extended by regulations under s6(3))
- The provisions can be suspended under s5
- The provisions can be expired early (s7(1)) and must be expired early if no longer necessary or proportionate (s7(2))
- Ministers must review whether the provisions are necessary under s8
- The rent cap can be adjusted to a rate higher than 0% by regulations in respect of each sector to which it applies – with the possibility of different rates applying to different sectors
- There are sufficient safeguards in place to allow landlords to increase the rent payable where prescribed property costs have increased over the relevant period by up to 50% of any prescribed property costs or 3% of the rent payable – when taken with the other measures above this strikes a fair balance.

A3: CORE BILL - LINES OF ATTACK AND REBUTTALS

This Bill will have a devastating impact on the wider property market. It will reduce the supply of homes, push rents up further and stop the social sector housing developments.

- If approved by the Scottish Parliament the provisions within this Bill will increase protection for tenants from eviction and rent rises at a time when the cost crisis is having a devastating impact on household finances for many.
- They are also temporary - our intention is that they will apply until 31 March next year. We will keep their impact on the wider property market under review and we are engaging with stakeholders as part of that process.
- Since 1999, the number of homes rented privately to households in Scotland has grown from 120,000 to 340,000, at a time when there have been a range of new regulations brought into place. Regulation to improve quality and accountability is not at odds with increased supply.
- We recognise that where rental income goes is a critical difference between the private and social rented sectors – for social landlords, rents are channeled directly back into the quality of homes and services for tenants and that rent in the social sector supports public investment in housing. That is why we have set out to work in partnership with the social sector to consider the implication of rent controls after 31 March.
- Scotland is also ahead of the rest of the UK in providing affordable housing, **[to be updated after quarterly stats on Tuesday]** having delivered almost 112,000 affordable homes since 2007, over 78,000 of which were for social rent. We have now started progress against our commitment to deliver 110,000 affordable homes by 2032, of which at least 70% will be available for social rent.”

The Bill doesn't protect social tenants as rents won't rise again in that sector until 1 April – it is a token gesture.

- Landlords in the social sector usually only increase rents once a year, in April, although they are not prevented from increasing them more frequently. There is not a mechanism for social sector tenants to challenge a proposed rent increase, as there is for private tenants.
- We recognise there are critical differences in how rents are consulted on and agreed in the social rented sector. The vital importance of tenant participation and consultation in that rent setting is a hugely valuable part of our current system.
- We have set out our intention to work in partnership with the social sector over the coming months to consider the implication of rent controls after 31 March.

During the previous eviction ban some tenants used it as an excuse to stop paying rent, leaving landlords in a terrible financial situation – this Bill will cause that to happen again.

- We know some landlords are also feeling the effects of this crisis themselves, and we've added safeguards for those in the private rented sector to mitigate the increased costs they will be seeing, provided they are directly related to their activities as a landlord.

ANNEX A – CORE BILL BRIEFING

- Tenants will continue to accrue rent arrears while the evictions moratorium is in force, and our Bill allows evictions to proceed where the amount owed becomes unmanageable, as this could in turn affect a tenant's ability to secure housing in the future. As such we would strongly encourage tenants to continue paying as much of their rent as they can.
- Anyone who is experiencing difficulties should contact their landlord or an advice agency to get help as early as possible. The Scottish Government has allocated almost £3 billion in this financial year to contribute towards mitigating this crisis, and have just launched a new website providing information on the wide range of advice and financial support available for those who are struggling.

This is not a rent freeze – landlords can still increase rents.

- We recognise that the cost crisis is also impacting on some landlords and while the primary purpose of this legislation is about protecting tenants, it is also important to ensure it strikes a fair balance.
- Therefore, for private landlords, there will be a route they can use, where necessary, to apply to increase an in-tenancy rent for limited, prescribed, legitimate costs associated with offering the property for rent – where those costs have increased.
- For example, costs caused by increased mortgage rates. We have proposed this can cover up to 50% of increased costs up to an overall maximum limit of up to 3% of rent.
- This Bill provides an important balance between providing the strongest protection for tenants whilst also recognising the property rights of landlords and the hardship they may face in some circumstances, particularly small scale landlords who rely on the income.
- The inclusion of safeguards in the Bill seeks to strike the right balance between the rights of tenants and landlords to ensure a proportionate approach overall.
- Although the full powers needed to address the cost crisis do not lie with this Parliament, this Bill represents a comprehensive package of carefully considered measures to provide additional protection to tenants at this exceptional time.

There is no ban on evictions, landlords can still evict their tenants while this emergency legislation is in place.

- The provisions introducing a moratorium on evictions prevent the enforcement of eviction action in the private and social rented sectors, and in college and university Halls of Residence and Purpose Built Student Accommodation – except in a limited number of specified circumstances.
- It is vital that this emergency legislation achieves an appropriate balance between the rights of tenants and landlords. It is also vital for tenants that landlords continue to offer properties for rent in the private rented sector.
- For example, landlords must be able to take action where there are grounds for eviction due to antisocial behavior or criminality due to the hugely detrimental impact such behavior can have on communities.
- It is also imperative that we don't leave tenants owing unsustainable levels of rent to their landlords, as this would risk affecting their ability to secure housing in the future. As such, our Bill contains a safeguard allowing evictions to proceed where the total owed is at least

ANNEX A – CORE BILL BRIEFING

six months' worth of rent at the time the eviction order is issued. We would encourage tenants to continue paying as much of their rent as they can. Anyone who is experiencing difficulties should contact their landlord or an advice agency to get help as early as possible.

These measures are temporary – landlords will simply hike their rents en masse when the legislation comes to an end

- We agree that is a concern. That is why the Bill contains provisions to support a transition away from the emergency measures, when we hope the worst of the cost crisis has passed.
- Therefore, the Bill contains a regulation-making power to temporarily reform the existing rent adjudication process to support this transition and to mitigate any unintended consequences from the end of the rent cap.
- This power will be subject to Affirmative procedure, ensuring that appropriate Parliamentary scrutiny is given to the necessity for any temporary changes proposed.

Why has this been rushed through Parliament/why has there been so little consultation – are you trying to avoid scrutiny?

- This is the worst cost of living crisis in living memory. We know that people who rent their homes are more likely to live in poverty, be financially vulnerable and to live on low incomes compared to those who own their home. As such they are particularly vulnerable to rising prices, so it is imperative that these protections are brought in as quickly as possible.
- MSPs and stakeholders will have the opportunity to consider and scrutinise the Bill this week, and we will carefully monitor the impacts of the legislation while it is in force.

What about longer term protections for people who rent their home?

- We remain committed to implementing an effective national system of private rent controls by the end of 2025, while exploring what further action we can take to ensure rents in the social rented sector are affordable.
- However, given the huge pressures rented households are facing right now, it is imperative that we bring in measures urgently to increase protection for tenants from eviction and rent rises. This puts Scotland far ahead of anywhere in the UK in responding to the hardship which many tenants face.
- Our New Deal for Tenants also sets out proposals to raise quality and standards in renting – aiming to make sure all tenants enjoy a good experience and recognising the good work of those landlords who provide it.

A4: SHORT BILL HANDOUT

BACKGROUND AND NEED FOR MEASURES

The cost crisis is having a significant impact on households in the rented sector

- Energy prices mean that, despite the UK Government’s Energy Price Guarantee, there will be significant increases in fuel poverty rates this year, particularly in the private and social rented sectors, with around half of households in these sectors being in fuel poverty compared to a fifth of mortgaged households.
- Households on pre-payment meters will be particularly affected by the increase in energy prices, as around 80% of annual household gas consumption falls within the winter months. The share of households on pre-payment meters is much higher in the social rented sector (43%) and private rented sector (22%) than in the owner occupier sector (6%).
- Students renting college and university and PBSA accommodation did not receive the £400 energy support and will not be eligible for the household energy price cap.
- The Joseph Rowntree Foundation recently highlighted “*there is around an £800 [£783] gap on average between the overall rise in the cost of living and the support package for families on means-tested benefits to address it*”. [8 Sep]
- CPI inflation, which averaged 4% in 2021/22, has accelerated to nearly 10% in August 2022. Increases in wages and benefits are not keeping pace with the higher inflation rate.
- In data from letting agents for the latest quarter (Apr-Jun 2022), Citylets have reported that advertised rents in the private sector have increased by 15.1% in Edinburgh and 13.0% in Glasgow. Rightmove have reported that advertised rents in Scotland have increased by 12.5% over the same time period – above CPI inflation.
- The latest figures from ONS (Office for National Statistics) show overall rent increases in the private rented sector, which includes increase for both new and existing tenants, increased by 3.6% in August 2022.
- Results from the Nationwide Rent Better Research show that about a half of landlords never increase rents or only on a change of tenancy, about 15% increase rents annually and 35% increase less frequently or take another approach.
- Joseph Rowntree Foundation’s Poverty in Scotland 2022 report, published this week [3 Oct], highlighted that renters feel much more insecure than home owners, with one in five people that own with a mortgage reporting that they felt financially very insecure compared to almost one in three private renters and two in five social renters. [based on Aug 2022 survey]

Poverty, housing costs and financial insecurity

- Since 2006/07, households in the private rented and social rented sectors have been spending on average much more of their income on housing costs, 26% and 24% respectively, compared to owner occupiers with a mortgage, where the rate fell to 7% in 2019/20.
- Over a third (37%) of households in the PRS have a household income of £20,000 or less and the lowest income quintile were paying an average of almost half (47%) of their household income on housing costs (2017-20).
- Those living in rented sectors are at greater risk of poverty and more likely to be financially vulnerable than owner occupiers and those who own with a mortgage (Table below):

	All individuals in Relative Poverty (2017-20)	Children in Relative Poverty (2017-20)	Financially Vulnerable households (2018-20) ¹	Fuel poverty Rate under Energy Price guarantee ²
All households	19%	24%	30%	35%
Social Rented Sector	39%	47%	63%	54%
Private Rented Sector	34%	40%	40%	48%
Owned outright	14%	18%	9%	28%
Owned with mortgage	7%	10%	24%	19%

Key facts on rented sector in Scotland

- As of 2019 it is estimated that 930,000 households and 1.85 million people lived in either the Social or Private Rented Sectors – this accounts for around 37% of all households in Scotland.
- Of these, 590,000 households and 1.17 million people lived in the social rented sector. A further 340,000 households and 680,000 people lived in the Private Rented Sector.
- The PRS has grown in size by more than 2 and a half times over the last 20 years, from 120,000 to 340,000 households.

¹ This means they have savings which would cover less than one month of income at the poverty line.

² These estimates account for the support for households that was announced by the UK Government at the end of May and the Scottish Government’s £150 Council Tax rebate for households in bands A to D or in receipt of Council Tax Reduction. They do not account for the £100 payment for off grid households announced in September.

ANNEX A – CORE BILL BRIEFING

COST OF LIVING (TENANT PROTECTION) (SCOTLAND) BILL 2022

OVERVIEW

The Cost of Living (Tenant Protection) (Scotland) Bill 2022 has been introduced to offer increased protection to tenants as part of the Scottish Government's overall approach to tackling the cost crisis. Those who rent their homes are more likely to live in poverty and be financially vulnerable, and have lower incomes overall, compared to those who own their home either outright or with a mortgage. Even prior to the cost of living crisis, low income households in the rented sector generally paid more of their income on housing costs than owner occupiers. The cost crisis is increasing the financial pressure faced by households, exacerbating existing inequalities.

The Bill, if passed, will introduce a temporary freeze on rent increases, a temporary moratorium on evictions, increased damages for unlawful evictions until at least 31 March 2023, and additional powers to reform rent adjudication. This will help to stabilise housing costs for tenants and, where possible, reduce negative impacts on the health and wellbeing of tenants caused by being evicted and/or being made homeless at a time when they are already struggling financially as a result of the cost of living crisis.

The measures are designed to offer increased protection to tenants who may be more vulnerable to the impact of the cost crisis, whilst also including safeguards designed to recognise that there are also impacts on landlords, to create balanced and robust legislation.

RENT CAP

The emergency measures will set a cap on the maximum permitted rate of increase in rent in the private and social rented sector and for college and university halls of residence and purpose built student accommodation. The cap will be set at zero for the period to 31st March 2023 but this can be varied whilst the emergency measures are in force, to respond to changes in wider economic circumstances.

The cap will apply to any rent increase proposed on or after 6th September 2022. For the period the measures are in force landlords will not be able to increase rents for existing tenancies, other than in line with the cap. Rent setting between tenancies is unaffected.

The legislation includes a safeguard for private sector landlords, allowing them to apply to a rent officer to raise rent by the lower of: up to 50% of the increase in the preceding six months on a limited number of prescribed costs, or, 3% of overall rent.

As social landlords set their rent levels from 1 April we anticipate that the immediate impacts on the sector will be limited, albeit the rent cap will provide certainty to tenants that their rent cannot be raised in excess of the cap i.e. not at all while the cap is at zero. The Scottish Government will work together with the sector to determine the best way forwards from 1st April 2023 onwards.

MORATORIUM ON EVICTIONS

The moratorium will prevent enforcement action in the private and social rented sector, college and university halls of residence and purpose built student accommodation in respect of evictions where proceedings are raised after the legislation comes into force and proceedings raised before the legislation comes into force provided that the an eviction notice was served on or after 6th September except in a limited number of circumstances.

A number of safeguards have been put in place to allow evictions in cases of anti-social behaviour and criminality, to protect other tenants and the local community, cases of abandonment, to avoid empty properties and additional exemptions to support landlords who find themselves in financial hardship. This also includes where there is substantial rent arrears, to prevent tenants building up unmanageable debt they will continue to owe and support the landlord's ability to continue to offer the property for rent.

ANNEX A – CORE BILL BRIEFING

INCREASED DAMAGES FOR UNLAWFUL EVICTION

These measures are intended to make it easier and more meaningful for tenants to challenge an unlawful eviction and receive appropriate damages. The changes will also help to discourage landlords from carrying out unlawful evictions by increasing fines to a maximum of 36 months' worth of rent. The tribunal or Court will have the discretion to award an lower in appropriate circumstances, and will have a duty to inform relevant authorities such as the Police and local authority, and in cases relating to a social landlord, the Scottish Housing Regulator where an order has been made.

POWERS TO TEMPORARILY REFORM RENT ADJUDICATION

These measures will allow Scottish Ministers to temporarily reform the rent adjudication process to support the transition out of the emergency measures.

A5: FMQ (AS OF 3 OCTOBER)

- 3 Oct:** Cost of Living (Tenant Protection) (Scotland) Bill introduced to the Scottish Parliament.
- 3 Oct:** Douglas Ross announces a Rent To Own policy today at Conservative party conference.
- 30 Sep:** Joseph Rowntree Foundation published Tenants' Insight Project Report on the experiences of lower income tenants in PRS who want action to improve affordability and fairness, property conditions, better information sources and improved access to low-cost, high-quality homes across all tenures.
- 26 Sep:** Herald: Scottish Housing Regulator claim rent freeze “won’t work” as rents in the social sector already set until 31st March. Shelter calls for clarity on how rent freeze will work as housing advisers can’t answer questions from tenants who have received rent rise notices.
- 23 Sept:** Daily Mail reports that Fraser of Allander Institute said they expect the SNP's rent freeze to exacerbate problems in the rental market.
- 21 Sep:** Mercedes Villalba calls for SG to backdate rent freeze to June.
- 20 Sep:** Glasgow and West of Scotland Forum of Housing Associations have written to you asking that SG does not impose rent controls over the social housing sector after 31 March 2023.
- 18 Sep:** Sunday Times report private landlords may take legal action against SG over rent freeze, and report pausing of developments in build-to-rent sector.
- 14 Sep:** ONS private rental index figures to Aug 2022 show that annual rental cost growth in Scotland to Aug-22 (3.6%) remains above the growth rate in England (3.4%) and Wales (2.5%).
- 6 Sep:** PfG published, setting out our commitment to protect tenants by freezing rents and imposing a moratorium on evictions until at least 31 March 2023. Living Rent call for this to include student accommodation. The Scottish Association of Landlords claim SG is "attacking landlords for political reasons"].
- 31 Aug:** [Inside Housing] Scottish Housing Regulator reports the highest level of rent arrears (£169m at 31/3/22 up 6.1% from the previous year) since reporting against the Scottish Social Housing Charter began in 2010.
- 31 Aug:** [Financial Times] UK Government issues consultation on capping social sector rents at 3,5 or 7% to provide security and stability to tenants.
- 30 Aug:** [Housing News] Shelter call for new Scottish Housing Emergency Action Plan to prepare for the impact of covid-19 related rent arrears and spiralling energy bills.

TOP LINES

We are taking urgent action in Scotland, well ahead of rest of UK on protecting tenants.

- These are exceptional measures in the Bill developed to respond to reflect the cost crisis – if approved by the Scottish Parliament they will increase protection for tenants from eviction and rent rises.

ANNEX A – CORE BILL BRIEFING

- They will apply until at least 31 March – in both the social and privately rented sectors – and we will keep them under review, including whether they need to be extended beyond March and in what form.

Tenants Union Living Rent, the Scottish Trades Union Congress and other groups have welcomed the announcement of the rent freeze and other measures.

- Living Rent have said **[QUOTE]**: “as skyrocketing rents continue to pile on top of out of control energy bills, this will have a massive impact”.
- The Scottish Trades Union Congress said **[QUOTE]** “The Scottish Government is to be commended for freezing rents. If implemented correctly [...] this will help thousands of households across Scotland when they need it most.”
- Age Scotland have said that **[QUOTE]**: “for the growing number of older people living in rented accommodation [the rent freeze announcement means] one less thing for them to worry about over winter”.
- Sadiq Khan, Labour Mayor of London, said **[QUOTE]**: “This bold action from the Scottish Govt will support thousands of households during this national crisis. I’ll continue to call on the UK Govt to grant me the power to freeze rents in our capital. Londoners face record rents at the worst possible time.”
- In my recent (7 Sep) visit to Shelter Scotland, I heard directly from advice workers on the challenges tenants are experiencing day to day and the urgent need to support tenants in difficulty, and discussed the measures we have announced.
- Deborah Hay, senior policy adviser for JRF in Scotland said **[QUOTE]**: “Even before the recent cost-of-living crisis, tenants in this study were calling for urgent action to boost the supply of good quality, low-cost homes and offer tenants a fairer deal.
- “So, while we await further detail about how the proposals will work in practice, we welcome the Scottish Government’s intention to limit rent increases, boost cash support for those struggling and ensure no one is evicted for being poor this winter.

We recognise the huge pressures the cost crisis is placing on households, particularly on those who rent their home. The recent announcement by the UK Government will not halt the rise in prices and people will still pay more for their energy from October.

- That is why we are proposing in the Bill to protect tenants by effectively freezing in-tenancy rents and imposing a moratorium on evictions – except in a number of specified circumstances - at least until 31 March with options to extend beyond then if necessary.
- Our intention is for the cap to apply to rent increases initiated on or after the announcement was made on 6 September.
- We are working at pace to agree expedited processes to deliver any legislation necessary to achieve this with the Scottish Parliament and the UK Government, to ensure these crucial changes are brought about as soon as possible.
- We are engaging with stakeholders and others as we develop and implement the emergency legislation.

ANNEX A – CORE BILL BRIEFING

LANDLORD CONCERNS

We are engaging with landlords in both the social and private rented sectors, as we develop our temporary emergency measures, and safeguards.

- We will work with landlords to ensure appropriate safeguards, just as we did during our Covid response. Equally, we want this to be a proportionate response to the cost crisis.
- While the primary purpose of our emergency proposals is to protect tenants during this cost crisis, a number of safeguards will be built in to ensure that the circumstances of landlords are appropriately reflected.

The number of private tenancies has grown dramatically since devolution, through a period of increasing regulation and market intervention, more than doubling in size.

- Recent research from the ongoing Rent Better study highlighted a possible increase in number of landlords seeking to leave the sector but there is no strong quantitative evidence on whether that is occurring or at what scale.
- Between 1999-2000 and 2019-20 the Scottish Household Survey shows that the number of households renting privately in Scotland has more than doubled from 120,000 to 340,000.
- We will continue to learn from the experience of others and consider international evidence, as we work closely with a range of stakeholders to understand their perspectives.
- We will engage with landlord groups further as we develop these temporary emergency measures.

We will work with the private rented sector as we seek to develop and implement these measures.

- We are aware that some investors in build to rent have signalled a pause to pipeline projects.
- However, Springfield Properties have said that they recognise that the measures announced are “*a temporary measure designed to support families facing fuel poverty this winter*”, and that the group “*continues to believe that the delivery of PRS housing offers a viable revenue stream in the longer term*”.
- Our emergency legislation has been developed at pace.
- We intend to release more details next week, including around the safeguards for landlords which we are putting in place.

SOCIAL RENTED SECTOR

The emergency legislation will introduce exceptional measures for exceptional pressures to support people to remain living in their home.

- We recognise that the cost crisis impacts on many households but even more so on renters, right across the board.
- So it is right that the measures apply to both the social and private rented sectors.
- But they operate in very different ways, and we are taking account of that in taking these measures forward.
- We are carefully considering what safeguards can be put in place for social landlords who have competing pressures in a difficult financial climate
- We also recognise the significant challenges faced by social landlords in increasing housing supply, improving quality and maintaining affordable rents.

ANNEX A – CORE BILL BRIEFING

- In its thematic study on 8 September, the Scottish Housing Regulator said: **[QUOTE]:** “Keeping rents as affordable as possible for their tenants is a principal objective of all social landlords. In a context of rising inflation and significant pressures on the household finances of tenants, this objective has never been more important.”

The vast majority of social sector rents are already set until 1st April 2023 and will not increase before then.

- This has informed our announcement and confirmation of a rent freeze up until at least 31st March 2023 at this stage.
- We will work in very close partnership with the sector to determine the best way forwards from 1st April onwards, monitoring the situation in the coming months to determine what action will be appropriate.
- A Short Life Task and Finish Working Group, bringing together leaders from across the Social Rented sector, had its first meeting on Tuesday (27 Sept).
- This group will help bring together evidence from across the sector to identify and consider the options available to support households and minimise the impact of rent increases on tenants next year.
- We will ensure there is clear messaging for tenants to ensure they know what this will mean for the rent they pay.

Affordable housing is a clear and long standing priority for the Scottish Government.

- Scotland has led the way in the delivery of affordable housing across the UK with more than 111,750 affordable homes delivered since 2007, over 78,000 of which were for social rent.
- We also brought the right to buy to an end in 2016, ensuring homes remain in the social sector.

LABOUR AMENDMENT

The amendment put forward by Labour back in June was not workable and would have been at much higher risk of legal challenge.

- We have taken the time needed to ensure that the legislation we bring forward to freeze rents and introduce a moratorium on eviction is legally robust and will ensure tenants are protected.
- Our emergency legislation must, by definition, be temporary. But given the huge uncertainty as to what the next 6 months holds, we intend to review very carefully whether and how any measures might be extended; and how what we do now paves the way for longer term reform – which we have already committed to.
- A Housing Bill in the year ahead will give new and strengthened rights to tenants, improve affordability, and deliver key policies relating to short term lets and the prevention of homelessness.
- Meanwhile, in Wales, the one part of the UK where Labour could actually act as the Scottish Government is acting, we see very little sign of the ambition we have outlined or indeed of the ambition to reform renting as we have in Scotland over the last 10 years.

ADVICE FOR TENANTS

Tenants should, of course, continue to pay their rent, and those who have difficulty paying their rent should speak immediately to their landlord who will support them to access all the help and advice available.

ANNEX A – CORE BILL BRIEFING

- There are pre-action requirements for landlords, whether in the social or private rented sector, and it is in everyone's interest to address any rent arrears, rather than letting them build up.
- For tenants who are struggling to pay their rent, we are putting in place flexibility around the Tenant Grant Fund.
- We are expanding the Discretionary Housing Payments, the Fuel Insecurity Fund, all of which helps household budgets and will help to deal with the pressures of rent.
- We have just launched a new website providing information on the wide range of advice and financial support available to people in Scotland.
- This includes information on help available for households to meet rising energy, housing and other costs.
- It also provides details on accessing Scottish and UK social security payments, including online benefit calculators, as well as wider health and wellbeing information.

STUDENTS

We also recognise the huge pressures the cost crisis is placing on students.

- All students who are renting in the private rented sector will benefit from the protections we are putting in place.
- For those students in University and College Halls of Residence or Purpose Built Student Accommodation, the structure of contracts is different. We will, therefore, work to ensure parity of protection for those students.

SG SUPPORT FOR TENANTS

We are providing £88.2m housing support this year, building on the £39m of additional funding already provided to protect tenants as a result of the pandemic.

- And we will broaden the scope of our £10m Tenant Grant Fund so that it can also support people who are struggling with the rising cost of living.
- Scotland is significantly ahead of anywhere else in the UK in the protections it provides for private tenants.
- There are already strict legal processes a private landlord must follow to increase rent, including only being able to raise once a year and providing three months' notice, and tenants can challenge any unfair rises through Rent Service Scotland.
- We are undertaking a further awareness raising campaign over the coming months to ensure more tenants know about these rights and how to use them and our New Deal proposals reinforce our determination to do more.
- We have also taken other action to support tenants with their housing costs, helping to safeguard tenancies, providing a total of £88.2m for Discretionary Housing Payments this year, building on the £39m of additional funding already provided to protect tenants as a result of the pandemic.
- This includes £68.1m to mitigate the bedroom tax helping over 91,000 households in Scotland to sustain their tenancy.
- And an additional £15.1m has been made available to mitigate against the impact of other UK Government welfare cuts, including to mitigate the Benefit Cap as far as we can within our powers, and changes to the Local Housing Allowance rates.
- We will be investing a further £5m in Discretionary Housing Payments, subject to the emergency budget review, so that local authorities can help people on low incomes who are struggling with rising energy bills.

ANNEX A – CORE BILL BRIEFING

- This additional funding will help local authorities deal with increased demand for Discretionary Housing Payments and will be a lifeline for those who need help to heat their homes.

PROTECTION AGAINST EVICTIONS

There are already significant protections in place for private and social tenants in Scotland but we are going further in recognition of the costs crisis.

- Whilst eviction actions initiated in court by social landlords have increased [by 54% in Q4 of 2021/22 to 629 actions], this is still substantially below pre-pandemic levels. A court order is also required before an eviction can be carried out.
- Social landlords have already said they will only take eviction action as a last resort. Supporting tenants remains core to what they already do by providing them with advice and support to help them sustain their tenancy and to access benefits.

Unfortunately some tenancies will no longer be sustainable and landlords must be able to deal with serious cases such as antisocial behaviour or where a tenant refuses to engage in rent payments and high levels of arrears are accruing.

- With the Private Residential Tenancies introduced in 2017, Scotland already has the most protections for renters from eviction anywhere in the UK.
- And through the Coronavirus (Recovery and Reform) Act, we are ensuring that private landlords must continue to follow the pre-action protocol in respect of any rent arrears cases – and the Tribunal will retain its discretion to decide whether an eviction case is reasonable or not.

There are strict legal processes that private landlords must follow to evict a tenant – failure to do so is a criminal offence that should be reported to the police.

- We have worked directly with Police Scotland on illegal evictions and understand that they have made operational changes to ensure call handlers are fully briefed on the law relating to this matter and able to advise officers attending any such situations.
- We have strong homelessness legislation in place to support households facing eviction and people should contact their local authority for advice and support.

NEW DEAL FOR TENANTS AND RENTERS' RIGHTS

Our 'New Deal for Tenants' proposals show our determination to continue to strengthen the position for tenants.

- It sets out our commitment to deliver robust rent controls; to review the current grounds for possession; introduce greater flexibility to personalise a rented home and keep a pet; and to establish a Tenant Participation Panel to ensure tenants' voices are at the heart of developing and implementing national policy.
- We published the independent analysis of our New Deal for Tenants' consultation on 23 August. In total, 8346 responses were available for analysis and we are currently considering those views as we take forward this important work.

We have committed to introducing rent controls in a housing bill and to do so in a way which is robust and provides lasting benefit to tenants.

- We are introducing a Housing Bill next year which will further strengthen these existing rights by improving rent adjudication and sets out the framework for the delivery of new rent controls in the private rented sector by 2025.

ANNEX A – CORE BILL BRIEFING

- The introduction of rent controls will need to be carefully considered alongside our emergency response for the rented sector to the costs crisis.
- We will also continue to explore what further action we can take to ensure rents in the social rented sector are affordable.

The principle of introducing rent controls is supported by a majority of MSPs.

- Scotland is leading the way within the UK, with Wales saying that it wants to follow Scotland's example – and Scotland is doing more on rent controls than any part of the UK for over 30 years.

B1 – RENT FREEZE - Private residential tenancies, assured tenancies and short assured tenancies

Short summary / purpose of provisions

The purpose of the provisions is to protect tenants by stabilising their housing costs during the cost crisis. There is evidence that tenants have less resilience against rising costs than other groups

The temporary rent cap in the private rented sector will:

- Apply to existing private residential tenancies, assured tenancies and short assured tenancies.
- The rent cap does not apply to:
 - i) 1988 Act exempt tenancies: these tenancies are exempted from the existing statutory requirements on rent increase, as rent increases are governed by contractual terms. We believe there are very few tenancies in this category.
 - ii) Regulated tenancies under the Rent (Scotland) Act 1984: the Act is two generations old and legislation has phased out entering into new regulated tenancies to the point that there will be very few of these tenancy types left. These tenancies have protections under the Act with rent increases restricted to once every 3 years.
 - iii) Common law tenancies e.g. agricultural tenancies: these are exempted from statute, with rent increases governed by contractual terms.
- Landlords will be able to re-set rent levels between tenancies.
- Ministers will set a permitted rate of rent increase (“rent cap”), which can be varied whilst the emergency measures are in force. In the period up to 31 March 2023, the cap will be set at zero to prevent rent increases.
- Landlords will only be able to issue rent increase notices if the rent cap rises above zero.
- Rent increase notices issued on or after 6 September 2022, but before the emergency measures come into force, will be void.
- Existing rights of tenants to challenge a rent increase and appeal to the First-tier Tribunal will be maintained for rent increase notices issued before 6 September 2022.
- To ensure that landlords comply with the rent cap if it rises above zero, tenants will be able to apply to a Rent Officer for verification that any rent increase notice they receive does not exceed the permitted rate.
- As a safeguard for landlords, whilst the rent cap is in force (at any level) they will be able to apply to Rent Service Scotland to increase rent to recover up to

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

50% of the defined prescribed property costs, where the increase in costs has occurred in the previous 6 months.

- The prescribed property costs are, for the time being:
 - i) the interest payable in respect of any mortgage or standard security over the rental property;
 - ii) any insurance premium payable by a landlord relating to insurance connected to offering the property for rent, for example 'landlords' insurance' (excluding general building and property insurance);
 - iii) any 'service charge(s)' related to the rental property that are recoverable from the tenant via their rent as part of the contractual arrangement between tenant and landlord.
- To provide a safeguard for tenants we have limited the level of increase in respect of prescribed costs such that rents cannot increase by more than 3% of the existing rent (regardless of the level of the landlord's prescribed property costs).
- In considering how to set an appropriate limits on both the portion of costs that are eligible to be passed on, and the maximum permitted in rent, we have sought to balance the need to ensure the emergency measures achieve their purpose, with the recognition that some landlords will be affected by the cost crisis, particularly in relation to prescribed costs associated with offering their property for let.
- Allowing for 50% of prescribed costs to be passed on as a rent increase is appropriate as it offers protection to both the tenant and the landlord, ensuring neither bears the full cost of any increase while the emergency measures are in force. By sharing the cost increase between landlord and tenant, this protects tenants who are already bearing the increase in their own living costs already.
- The rationale for setting an overarching limit on the level of prescribed costs that can be passed on is to provide tenants with stability during incredibly uncertain times. We consider 3% to be appropriate. Figures from the ONS Private Rental Index show that the annual increase in private rents across all tenants in Scotland is estimated to have been rising significantly over recent months, with a 3.7% increase in July 2022, the highest since the series started in 2012.
- At present this strikes a proportionate balance between increases in applicable costs for landlords, and making sure the emergency rent cap achieves its purpose of stabilising costs across as many tenancies as possible.
- To set the 3% cap at a different level would risk tenants being liable to increases to the extent that the rent cap could provide little or no benefit where the landlords prescribed costs have increased significantly. Households in the rented sector generally pay more of their income on housing costs than owner occupiers and are more likely to be in relative

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

poverty, including fuel poverty, and to be classed as financial vulnerable, meaning they are less able to cope with increased costs.

- Scottish Ministers have powers to vary both the 3% and 50% caps as appropriate in order to respond to the evolving cost crisis in a proportionate manner.

Likely angles and rebuttals / Lines to take

The rent cap should be backdated given the cost crisis has been ongoing for months.

- We have acted to protect tenants from rent rises from the announcement of the emergency measures in the Programme for Government. This protects tenants where action might have been taken by landlords in response to the PFG.
- Any rent increase proposed by a landlord since 6th September will be void.
- The emergency measures must be proportionate and we have taken a balanced approach to make sure the rent cap measures included in the Bill are robust against challenge.

In order to protect tenants the Scottish Government should be freezing rents for the duration of the crisis.

- By definition emergency legislation must be temporary but given the huge uncertainty as to what the next 6 months holds, the ability to extend needs to be available.
- Rents for most tenants are expected to be frozen until 31 March 2023 which provides stability in rent costs at a time of wider financial uncertainty.
- Flexibility and ongoing monitoring/reviewing of the level of cap is essential to allow the emergency measures to respond to the ongoing uncertainty in the wider economic circumstances.
- If the emergency measures are to be extended beyond 31 March, we will review the level of the rent cap to ensure that it is a proportionate response to those circumstances.

In order to provide clarity and stability for tenants and landlords the Scottish Government should be clear on the duration the measures from the outset.

- By definition, emergency legislation must be temporary but given the huge uncertainty as to what the next 6 months holds, the ability to extend needs to be available.
- We will keep the measures under review and extended them only if this is required as a result of wider economic circumstances and with the agreement of Parliament.

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

This is not a rent freeze as rents will still be able to rise for some tenants.

- The emergency measures must be proportionate and we have taken a balanced approach to make sure the rent cap measures included in the Bill are proportionate. Taking account of individual circumstances – albeit in defined and limited situations - is necessary to make the legislation robust.
- Whilst our focus is on protecting tenants, we recognise the impacts of the cost crisis may also be felt by some landlords. That is why we have included safeguards in the emergency measures to allow for consideration of increases in a limited range of landlord costs associated with offering a property for rent.

The costs crisis is not driven by rents but the measures are seeking to make private landlords responsible for the impact of the wider cost crisis on tenants.

- This emergency legislation is necessary to support those who rent their homes to mitigate the impact of the cost crisis on tenants that have less resilience against rising costs than other groups.
- Households in the rented sector generally pay more of their income on housing costs than owner occupiers. They are also more likely to be in relative poverty, including fuel poverty, and to be classed as financial vulnerable, meaning they are less able to cope with increased costs.
- We are satisfied that there is a strong justification for the measures included in the Bill and that they are appropriate and proportionate.

The measures do not adequately take account of the impact of the cost crisis on landlords, especially in relation to the costs directly associated with offering a property for rent.

- Whilst our focus is on protecting tenants, we recognise that the impacts of the cost crisis may also be felt by some landlords. That is why we have included safeguards in the emergency measures that allow for consideration of landlords' prescribed property costs.
- Allowing for rent increases in relation to prescribed costs recognises the potential increase in costs for some landlords and aims to support them to continue to offer properties for rent.
- The emergency measures will be kept under review and we will work with the private rented sector to understand the impacts.
- The provisions strike a fair balance with the individual rights of landlords because
 - The provisions are time limited (even if extended by regulations under s6(3))
 - The provisions can be suspended under s5
 - The provisions can be expired early (s7(1)) and must be expired early if no longer necessary or proportionate (s7(2))
 - Ministers must review whether the provisions are necessary under s8
 - The rent cap can be adjusted to a rate higher than 0% by regulations in respect of each sector to which it applies – with the possibility of different rates applying to different sectors
 - There are sufficient safeguards in place to allow landlords to increase the rent payable where prescribed property costs have increased over the relevant period by up to 50% of any prescribed property costs or 3% of the rent

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

payable – when taken with the other measures above this strikes a fair balance.

There is already a shortage of properties for rent in the PRS and these measures will result in landlords leaving the sector as soon as they can, with negative consequences for tenants and increased pressure on social housing and homelessness services

- These are exceptional measures developed to reflect a rapidly worsening cost of living crisis.
- We believe that a well-regulated private rented sector which maximizes affordability is in the interests of both landlords and tenants.
- The measures are temporary, will be kept under review and only be maintained or extended if required as a result of wider economic circumstances.

Issues raised by Stakeholders

Crisis - *The rent cap is a blanket measure that protects all tenants regardless of circumstances, the policy is not focused on providing help to those who are most in need.*

- We will broaden the scope of our £10m Tenant Grant Fund so that it can also support people who are struggling with the rising cost of living.
- We have taken other action to support tenants with their housing costs, providing a total of £88.2m for Discretionary Housing Payments this year, building on the £39m of additional funding already provided to protect tenants as a result of the pandemic.
- This includes £68.1m to mitigate the bedroom tax helping over 91,000 households in Scotland to sustain their tenancy.
- And an additional £15.1m has been made available to mitigate against the impact of other UK Government welfare cuts, including to mitigate the Benefit Cap as far as we can within our powers, and changes to the Local Housing Allowance rates.
- We will be investing a further £5m in Discretionary Housing Payments, subject to the emergency budget review, so that local authorities can help people on low incomes who are struggling with rising energy bills.
- This additional funding will help local authorities deal with increased demand for Discretionary Housing Payments and will be a lifeline for those who need help to heat their homes.

Living Rent - *The rent freeze and the continuing uncertainty around longer term plans for rent control in Scotland will see landlords raise rents at the first opportunity after the measures are lifted.*

- We recognise that there may be some unintended consequences from introducing a rent cap, including the potential for significant rent increases when the emergency measures are lifted.

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

- To support the future transition out of the emergency measures we have taken steps to make sure that we have powers to temporarily amend the rent adjudication process so that we can ensure that rent increases remain reasonable when the cap is lifted.
- If this power is utilised, the regulations will be subject Parliamentary scrutiny and consultation with landlords and tenants representatives.

Living Rent - *The Scottish Government should commit to keeping the measures in place until longer term rent controls are implemented.*

- Emergency legislation must, by definition, be temporary but given the huge uncertainty as to what the next 6 months holds, we have taken powers in this Bill to be able to extend or vary measures to enable us, with the agreement of Parliament, to respond to the crisis in the short to medium term. .
- As laid out in the Programme for Government, we intend to introduce a new Housing Bill in 2023 which will begin to deliver our New Deal for Tenants.
- The intention is that this will include measures to deliver on the commitment to introduce a national system of rent controls for Scotland by 2025.

SAL/Propertymark - *The effect of these measures, coming after a period of uncertainty for landlords caused by the commitment to longer term rent control, will result in many landlords deciding to exit the sector. This will reduce supply and will be bad for tenants.*

- We are aware of claims that landlords in the private rented sector are considering vacating the market.
- Whilst our focus is on protecting tenants, we recognise the impacts of the cost crisis may also be felt by some landlords. That is why we have included safeguards in the emergency measures that allow for consideration of landlord's circumstances.
- The measures will be kept under review and we will work with the private rented sector to understand the impact.
- The number of properties available in the private rented sector has grown alongside increased regulation, from 120,000 properties in 1999 to around 340,000 in 2019-20

SAL/PRopertymark – *the key issue in the PRS is lack of supply and these measures will make the PRS in Scotland high risk, leading to a reduction in investment.*

- We recognise that the rent cap may be a consideration in terms of investing in the private rented sector for new or existing landlords.
- However, the emergency measures are temporary, will be kept under review and only be maintained or extended if this is required as a result of wider economic circumstances and with the agreement of Parliament.

Supportive quotes

Living Rent have said “*as skyrocketing rents continue to pile on top of out of control energy bills, this will have a massive impact*”.

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

The Scottish Trades Union Congress said “*The Scottish Government is to be commended for freezing rents. If implemented correctly [...] this will help thousands of households across Scotland when they need it most.*”

Age Scotland have said that “*for the growing number of older people living in rented accommodation [the rent freeze announcement means] one less thing for them to worry about over winter*”.

Sadiq Khan, Labour Mayor of London, said QUOTE: “*This bold action from the Scottish Govt will support thousands of households during this national crisis. I'll continue to call on the UK Govt to grant me the power to freeze rents in our capital. Londoners face record rents at the worst possible time.*”

B2 – RENT FREEZE - Social rented sector

Short summary / purpose of provisions

- Tenants in the social sector are among the most vulnerable to cost increases
- Although it is unlikely that rents *will* increase in this sector over the period to 31 March 2023, that can't be guaranteed There is currently no statutory bar on the increasing of rent in the sector.
- This is a fast moving, volatile, emergency situation and so on balance it is considered that it is better to ensure no increases can take place than to not act
- The restriction in rent increases will apply to existing Scottish secure and short Scottish secure tenancies.
- The temporary restriction will allow Ministers to set a 'permitted rate' of rent increase ("rent cap") with the power for this to be varied whilst the emergency measures are in force.
- In the period up to 31 March 2023, the cap is expected to remain at zero to prevent rent increases. The measures will continue to be reviewed, and may be extended with the agreement of Parliament, if it is proportionate at that point to do so.
- The ability of landlords to increase rents (in line with the rent cap) will be maintained, and the level of the cap itself is variable, which means that it can be tailored in a proportionate manner.
- We are working closely with the social rented sector to discuss the operation of any cap on social rents through the establishment of a Short Life Task and Finishing Group.
- As part of this we are also carefully considering what alternative (non-legislative) safeguards can be put in place for social landlords who have competing pressures in a difficult financial climate.

Likely angles and rebuttals / Lines to take

The sector has made it clear that there should be no intervention in rents after 31 March

- We are working in very close partnership with the sector through a Short Life Task and Finish Working Group to determine the best way forward from 1 April onwards for the social rented sector, monitoring the situation in the coming months to inform us and determine what action will be appropriate.
- We will seek to decide what actions we may want to take post March 2023 as soon as it is practicable to do so, in partnership with the sector. Any extension of the measures would only be done if it is proportionate to do so, and with the agreement of Parliament.
- The rent cap is variable and temporary. The social sector cap can be calibrated independently of the other sector caps (i.e. private sector) to ensure an appropriate and tailored approach.
- The Working Groups will help bring together evidence from across the sector to identify and consider the options available to support households and minimise the impact of rent increases on tenants next year.

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- We also recognise the significant challenges faced by social landlords in increasing housing supply, improving quality and maintaining affordable rents.
- Though social landlords will not be able to increase rent above the cap, they will, still, be able to increase ‘other charges payable under the tenancy’ in the prescribed manner, the rent cap will not restrict this.
- No decision has been taken about the use of emergency measures after the initial period to 31 March (for reasons explained above).
- Any such decision will be informed both by the cost of living situation as it develops and by our active engagement with the sector which is already under way.

That the rent freeze will have no impact as rents have already been set to April

- The vast majority of social sector rents are already set until 1 April 2023 and will not increase before then. This has informed our announcement and confirmation of a rent freeze up until at least 31 March 2023 at this stage.
- Although the usual practice in the social sector is to only increase rents once annually, there is no statutory restriction on the frequency of rent increases, there is also no mechanism (in contrast with the private sector) whereby tenants could challenge a proposed rent increase.
- As such, we deem it necessary to deliver the rent cap to provide certainty for social tenants who are among the most vulnerable to cost increases. The cost crisis is not a ‘usual’ economic landscape along the lines of the previous couple of years, which must be acknowledged.
- Whilst the rent cap is in place, the ability of social landlords to increase ‘other charges payable under the tenancy’ under section 25(1), 2001 Act in the prescribed way remains undisrupted, so the rent cap is necessary to protect social tenants from disproportionately bearing the impact of the cost crisis by also having their rent increased.
- We are working in very close partnership with the sector to determine the best way forwards from 1 April onwards, monitoring the situation in the coming months to determine what action will be appropriate.

These actions will lead to a reduction in the affordable housing supply programme and wider ambitions such as net zero

- Affordable housing is a clear and long standing priority for the Scottish Government. Scotland has led the way in the delivery of affordable housing across the UK with more than 111,750 affordable homes delivered since 2007, over 78,000 of which were for social rent. We also brought the right to buy to an end in 2016, ensuring homes remain in the social sector.
- The Scottish Government has committed £3.6bn this Parliament for affordable housing delivery.
- We operate a flexible grant system which can take account of increased costs and we have given five year resource planning assumptions to ensure as much certainty as possible.
- Housing Associations and Local Authorities should continue to draw on support available, such as through the Social Housing Net Zero Heat Fund, which will provide £200 million of grant support over this Parliament.

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- We are carefully considering what safeguards can be put in place for social landlords who have competing pressures in a difficult financial climate

There are insufficient safeguards for social landlords as compared with private landlords

- If the Bill is to extend beyond the 31 March, there is scope to take into account the particular needs of the sector e.g. through setting a different rent cap % than in other sectors and Scottish Ministers have committed to consult with social landlords.
- The general safeguards allow for flexibility and agility in responding to any issues and the provisions should be expired if no longer necessary.
- The general safeguards are; the provisions are due to expire in March, they can only be extended via regulations following Parliamentary approval and the Scottish Ministers can expire or suspend the provisions before their statutory expiry date

The Scottish Government has not sufficiently engaged with key stakeholders in the development of the emergency measures

- We have been working at pace to develop the emergency legislation.
- We have sought to engage with stakeholders as far as was possible in the very limited time available
- We have established a Short Life Task and Finish Working Group, bringing together leaders from across the Social Rented sector, to consider all the options from April 2023.

Issues raised by Stakeholders

- That the rent freeze until 31 March has no impact as social housing landlords had already set their rents until April.
- That 66% of social housing tenants are on full or partial benefit to cover their rents and any cap or freeze after March will only benefit the UK Treasury.

Stakeholders have noted significant concerns that rent controls from April 2023 onwards would:

- significantly impact the long term sustainability of the sector;
- impact their ability to maintain homes to required standards and to;
- deliver on wider ambitions, including affordable housebuilding and energy efficiency.

Supportive quotes

Age Scotland have said that "*for the growing number of older people living in rented accommodation [the rent freeze announcement means] one less thing for them to worry about over winter... Many of the older people who live in socially rented homes*

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

in Scotland are in some of the country's most economically deprived areas, and we know that they are terrified about their rocketing energy bills.”

B3 – RENT FREEZE - Student residential tenancies

Short summary / purpose of provisions

- Students are at a vulnerable point in their lives. They are unlikely to be earning at any significant level and the disruption to their ability to access education caused by fears due to rent increases and the threat of losing their accommodation is significant.
- The purpose of the provisions is to stabilise housing rental costs in college and university halls of residence and Purpose Built Student Accommodation (PBSA) through a rent freeze which will prevent in tenancy rent increases to March 2023. There is no statutory protection for students in student residential accommodation.
- The Higher Education Student Agency (HESA) data shows, in a typical year, there are approximately 11,500 students residing in Purpose Built Student Accommodation (PBSA) and approximately an additional 36,000 students in college and university maintained halls attending Scottish universities.
- Although assurances have been received from the majority of institutional and PBSA providers regarding the stability of contracts, and that there is little appetite to increase costs mid tenancy, this does not cover with certainty all the providers.
- Students renting college and university and PBSA accommodation did not receive the £400 energy support and will not be eligible for the household energy price cap. Energy cost increases may be passed onto students and although students are eligible for support from other routes such as through hardship funds, these are already under significant pressure.
- Students are also faced with other cost increases, in particular food and clothing.
- Recent research by the Mental Health Foundation Scotland and NUS Scotland highlighted the impact of financial concerns on student mental health. These measures will provide assurance with regard to students in college and university halls of residence and PBSA around in year tenancy rent increases. NUS/UNIPOL accommodation costs survey showed that, in 2021/22 the average annual rent for purpose built student accommodation in the UK was £7,374, an increase of £309 (+4.4%).
- There is no uniform contract across all providers and not all providers of student accommodation are members of bodies where they agree to meet certain minimum standards. If there is no intervention, landlords may pass on these costs to their tenants where the contract allows.
- The Bill provides general safeguards for landlords as:
- The provisions are time limited (even if extended by regulations under s6(3))

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- The provisions can be suspended under s5
- The provisions can be expired early (s7(1)) and must be expired early if no longer necessary or proportionate (s7(2))
- Ministers must review whether the provisions are necessary under s8
- The rent cap can be adjusted to a rate higher than 0% by regulations in respect of each sector to which it applies – with the possibility of different rates applying to different sectors

Likely angles and rebuttals / Lines to take

The Bill does not deliver the protection from rent increases promised for students in PBSA and college/university halls of residence

- The provisions of the Bill will ensure that students in college and university halls of residence and PBSA have the same protections as their peers in the Private Rented Sector.
- The provisions of the Bill will protect students in such accommodation by ensuring that there will be no mid tenancy rent increases through a 0% cap. This mirrors the protection in the Private Rented Sector.
- We have included colleges and university halls of residence and PBSA as contractual arrangements in the sector are diverse and we cannot say for certain that all contracts stipulate fixed rents for the duration of the tenancy. As there is no statutory protection for students in student residential accommodation, the measures will provide additional assurances for such students.

The Bill does not achieve parity of protection for students in this sector compared with the private rented sector

- The Bill's provisions for no mid tenancy rent increases, effectively a 0% rent cap, will ensure that students in college and university halls of residence and PBSA will have the same tenancy rights, in this respect as their peers in the Private Rented Sector.
- This is an emergency piece of legislation to address the pressing needs of the cost crisis now. We have established a Review of Purpose Built Student Accommodation Review Group, which includes representatives from across the sector. The Group will consider a report, now complete, from the UK Collaborative Centre for Housing Evidence (CaCHE) on student accommodation and make recommendations to Ministers which will form the basis of our longer term action in this area and inform a Student Accommodation Strategy for Scotland.
- As the current academic year proceeds we will not only review the provisions, but work with the Student accommodation Group (a stakeholder Group

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

formed during the Pandemic) as they prepare for and set rents for AY 2023/23.

Inclusion of PBSA and college/university halls of residence is not necessary as rents for academic year 2022/23 (running from September 2022 to June 2023) have already been set

- We are aware that many PBSA providers have signed up to the UNIPOL Codes, an accreditation scheme that seeks to raise standards in student accommodation. The Code goes beyond standards set by law and includes transparency on contract terms and conditions. We are grateful for those who have signed up to the Codes. We are also aware of assurance from the wider sector that there is no appetite for in year rent increases.
- That said, not all PBSA providers have signed up for the Codes in Scotland and there is no coverage of Universities UK and Guild HE Code of Practice for educational establishments (that is colleges and universities) in Scotland.
- For those reasons, including this sector in the legislative provisions will provide further assurance to students, whose mental health is already adversely affected by financial pressures, that there will be no in tenancy rent increases during the rent freeze and that this is applicable to all college and university halls and PBSA tenancies, irrespective of UNIPOL codes signatory status or contractual arrangements.
- It is appropriate to seek to prevent rent increases and remove restrictions later if necessary. Students are at a vulnerable point in their lives. They are unlikely to be earning at any significant level and the disruption to their ability to access education caused by fears due to rent increases and the threat of losing their accommodation is significant.

The rent freeze unfairly penalizes student accommodation providers who are being asked to absorb increased costs

- The provisions outlined in the Bill will only apply to existing tenancies. These are exceptional times of crisis. Students in PBSA and halls of residence do not benefit from the £400 energy discount available to students in other rental sectors, nor do they benefit from the energy price cap. PBSA and halls of residence providers are businesses, not households, and will benefit from the UK Government's discounted gas and electricity rates through the Energy Bill Relief Scheme. There is no guarantee that providers would not pass on additional costs to students.

Issues raised by Stakeholders

Student representative bodies, including NUS Scotland, have asked to ensure all students are protected by the provisions in the Bill.

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Providers of PBSA and college and university accommodation are keen to know the intention beyond 31 March as they will begin to set rents for academic year 23/24 around that time.

All stakeholders are looking for detail as soon as possible due to the uncertainty the Programme for Government announcement has created.

B4 – EVICTIONS - Private and social rented sectors

Short summary / purpose of provisions

Alongside measures that will freeze rents, we are seeking to support tenants in the private and social rented sectors through a moratorium on evictions. This will prevent the enforcement of eviction action resulting from notices to leave/of proceedings served, or eviction proceedings started, on or after the 6 September 2022 except in the following limited number of circumstances:

- i. antisocial and criminal behaviour;
- ii. tenant abandonment;
- iii. where the property is to be sold by a lender;
- iv. where a private landlord needs to sell due to financial hardship;
- v. where the private landlord needs to live in the let property due to financial hardship; and
- vi. in cases where there are substantial rent arrears.

The definition of substantial rent arrears is;

- For the private rented sector: the cumulative amount of rent arrears equates to or exceeds an amount that is the equivalent of 6 months' rent under the tenancy.
- For the social rented sector: the rent lawfully due from the tenant which has not been paid is equal to or greater than £2,250 (which is equal to or slightly in excess of 6 months' average rent in the Scottish social rented sector).

Financial hardship of a private landlord will be assessed by the Tribunal, who will assess all relevant information about the landlord's finances, and decide whether it is reasonable to evict in each case.

Provisions in the Bill also ensure that where a landlord is prevented from enforcing an order for eviction while the moratorium is in effect, the enforcement can only be delayed for a maximum period of 6 months.

These measures will help to protect tenants by reducing, where possible, the negative impacts on the health and wellbeing of tenants caused by being evicted and/or being made homeless by giving them more time to find alternative accommodation.

It will also seek to avoid tenants being evicted by a private landlord wanting to raise rents between tenancies during the temporary measures.

In recognition that landlords are also being impacted by the costs crisis, in addition to the general safeguards set out in the Bill, there are further measures which seek to provide appropriate safeguards for landlords who are themselves in financial difficulty, or who have accumulated substantial rental debt as a result of arrears.

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To support the implementation of these exemptions, we have made provision in the Bill for 3 additional grounds for eviction. Where an order/decreed for eviction is granted on any the grounds exempt from the moratorium, landlords will still be able to instruct Sheriff Officers to enforce the order/decreed in the normal way.

The moratorium complements existing legal protections for tenants in both the private and social rented sectors. This includes pre-action protocols for rent arrears and discretion for the First-tier Tribunal for Scotland (Housing and Property Chamber) and the Courts in determining whether it is reasonable in light of all circumstances of the case to grant an eviction order. These protections help to ensure that eviction action can only take place when absolutely necessary.

The moratorium on evictions will not prevent landlords serving a notice to leave/or proceedings on their tenant, or from making an application for eviction to the First-tier Tribunal for Scotland (Housing and Property Chamber) or the Courts.

Likely angles and rebuttals / Lines to take

The Bill does not deliver the protection from eviction promised and tenants will be evicted over the winter.

- Eviction action must be an absolute last resort, when all other avenues have been exhausted and a tenancy is no longer sustainable.
- The moratorium increases protection for tenants who find themselves at risk of eviction as a result of the cost crisis.
- As there were during the pandemic, there are exemptions to allow enforcement of evictions for cases of antisocial or criminal behaviour.
- The measures in the Bill also recognise that evictions should be able to proceed in some other limited circumstances.
- We have listened to concerns that a blanket moratorium with no exceptions does not take account of landlords who themselves are in financial hardship, or have accumulated substantial rental debt because of rent arrears.
- Most people would see sense in exemptions that help to protect our communities, enable vacant stock to be brought back into use or where the landlord is also in financial difficulty.
- The moratorium complements the existing strong legal protections from evictions for Scottish tenants.
- All exemptions are subject to the Court or Tribunal deciding that it is reasonable for an eviction to be granted and in the case of arrears, landlords must follow a series of steps to support tenants struggling to pay their rent before they make an eviction application.

The moratorium is not necessary, existing legal protections provide sufficient protection

- We have already heard anecdotally that some private tenants were issued with notices to leave shortly after the 6th September announcement and the moratorium will help to protect tenants who find themselves facing eviction in these circumstances.

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- A delay to enforcement action for those tenants impacted by the cost crisis will help to give these tenants more time to access support and find alternative accommodation.

The moratorium unfairly penalises landlords who have already gone through the necessary legal steps to evict a tenant

- We have sought to strike the right balance between supporting tenants and ensuring that there are appropriate safeguards for landlords who themselves are in financial hardship or have accumulated substantial rental debt because of rent arrears.
- We believe we have achieved that balance.
- For any landlord who is prevented from enforcing an eviction order while the moratorium is in effect, we have included an additional safeguard to ensure that the maximum period an individual eviction order/decreed can be delayed is 6 months.

Definition of substantial rent arrears is too high/too low

- We have sought to strike an appropriate balance between giving tenants in rent arrears as a result of the cost crisis additional protection and protecting landlords and tenants from accumulating substantial rental debt.
- Tenants who are struggling to pay their rent should seek support as soon as possible to avoid going into arrears.

The Scottish Government has not sufficiently engaged with key stakeholders in the development of the emergency measures

- We have been working at pace to develop emergency legislation.
- We have sought to engage with stakeholders as far as was possible in the very limited time available

Why does the moratorium not apply to eviction proceeding prior to 6 September?

- We don't think it is appropriate to apply the moratorium retrospectively to eviction applications in the system prior to the 6th of September.
- Information from the Tribunal suggests that there are still a number of Coronavirus Acts eviction cases in the system. It would not be reasonable for cases in these circumstances to be subject to further delay.
- We have already strengthened protections for tenants from eviction through the Covid (Recovery and Reform) Act including making pre-action protocols for rent arrears, and the removal of mandatory eviction grounds permanent.

Issues raised by Stakeholders

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Concerns include:

- the need from private rented sector stakeholders (both landlord and tenant side) to have more certainty, clarity and detail on the emergency measures;
- the lack of engagement in developing the emergency measures with stakeholders;
- lack of tenant awareness on renting rights; and the potential for emergency measures to increase in the numbers of illegal evictions taking place;
- measures do nothing to address the current lack of housing supply and could exacerbate supply issues if private landlords exit the market which could lead to higher rents in the longer term and an increase in homelessness.

Supportive quotes

Living Rent secretary Meg Bishop, Big Issue article 6 September said *“A rent freeze and an eviction moratorium is a huge step in the right direction by the Scottish government and will go a long way in supporting tenants.”*

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

B5 - EVICTIONS – University and college halls of residence and PBSA

Protection against eviction for student residential tenancies and safeguards

Short summary / purpose of provisions

- The moratorium on evictions applies to all enforcement action initiated by landlords from the commencement of the legislation.
- The execution of any individual order or decree will not be delayed beyond a maximum 6 month period.
- The evictions provisions ensure the response to the emergency situation caused by the impact of the cost of living crisis applies equally to all students, including those in the PBSA/university halls sector
- It seeks to prevent negative impacts on health and wellbeing of students caused by being evicted and/or made homeless.
- The provisions provide a temporary moratorium on evictions except in certain, limited circumstances.
- No additional safeguards other than the general safeguards set out in the Bill, are proposed for this group as they are either not applicable to the student sector or not appropriate.
- Landlords would be unable to evict students in college and university halls of residence and PBSA for substantial rent arrears, as this is not included in the exemptions. This would give students further assurances as to their tenancy during this period.

Likely angles and rebuttals / Lines to take

Eviction provisions have no impact on this sector

- Whilst the number of evictions within this sector is low, with providers tending to seek recovery of rent arrears through payment plans rather than the courts, applying the provisions universally ensures parity of protection for all students and gives students assurances that no eviction proceedings will be raised based on rent arrears alone.

Exemptions mean landlords will be able to get around the evictions moratorium

- Landlords would only be able to evict on criminal or anti-social behavior and would not be able to evict based on substantial rent arrears. No additional safeguards have been applied to this sector.

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What support is available to students in PBSA/student halls if they fall behind on their rent

- We recognize that a large proportion of students in PBSA and halls of residence are children or young adults. These types of accommodation provide a supportive environment for student tenants, as do the university and college environments in which the students study. Student tenants have access to sources of financial support and guidance, and mental health and well-being services.

Are you signaling to student tenants they don't need to pay their rent for 6 months

- No – it is important that students continue to pay their rent. The legislative provisions also protect students from accumulating debt.

Issues raised by Stakeholders

Student representatives and student landlords have sought clarity on whether this sector is to be included in the Bill, as well as clarity on the detail of the provisions. In particular, clarity has been sought on how this will operate procedurally given the court process is not used or is hardly ever used for this sector. Stakeholders have not been consulted to inform development of the provisions.

B6 – UNLAWFUL EVICTIONS

Short summary / purpose of provisions

There are concerns, as there were during the pandemic, that the emergency measures, may lead to an increase in illegal evictions.

Currently, legislation under the Housing (Scotland) Act 1988 sets out the mechanism for the valuation of damages where an unlawful eviction has occurred. This calculation requires a professional surveyor valuation of the difference between the landlord's interest in the property with and without a sitting tenant. This is an expensive process that is prohibitive for many tenants but feedback from stakeholders indicates it can also lead to a nil valuation.

The New Deal for Tenants Draft Strategy Consultation sought views on reforming the way in which damages for unlawful eviction were calculated and this work has informed measures within the Bill to temporarily reform the way in which civil damages can be awarded for an unlawful eviction.

If passed, the provisions will temporarily amend the Housing (Scotland) Act 1988 to:

- i. replace the basis for the assessment of damages for unlawful eviction with a calculation based on a multiplication of the monthly rent;
- ii. set the minimum and maximum level of damages that the Tribunal or Court can award at 3 times and 36 times the monthly rent respectively;
- iii. enable the Tribunal (and the Sheriff Court in social housing cases) to set damages at a level lower than the minimum threshold where the circumstances of the case merit a lower award; and
- iv. place an additional requirement on the Tribunal to inform the relevant authorities. For example, the local authority landlord registration team, police or in the case of social landlords, the Scottish Housing Regulator. This would allow relevant authorities to consider whether any further action should be taken in relation to the unlawful eviction.

This will help to make it easier and more meaningful for tenants to challenge an unlawful eviction and receive appropriate damages.

This will also make it more difficult, more expensive and higher risk for a landlord to pursue an unlawful eviction rather than going through the lawful routes, therefore further dis-incentivising this behaviour.

Likely angles and rebuttals / Lines to take

The measure are welcome but should be made permanent.

- We consulted on permanent reform to the way unlawful damages are calculated in our New Deal for Tenants Draft Strategy Consultation. I can confirm our intention to consult on with a view to introducing these changes on a permanent basis through future housing legislation.

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- We will consider how we can make use of the transitional provisions within the Bill as we exit these emergency measures to minimise any gap between the ending of the emergency measures and future housing reform. However any extension of emergency provisions will require to be proportionate to the impact of the cost of living crisis and protection of tenants.

Issues raised by Stakeholders

The current process for calculating unlawful damages is no longer fit for purpose.

Concerns that emergency measures may lead to an increase in illegal evictions.

Supportive quotes

There are no supportive quotes from stakeholder specifically in relation to the emergency measures. Some stakeholders have previously indicated support for this measure through responses to the New Deal for Tenants consultation.

- Shelter Scotland Response, A New Deal for Tenants Draft Strategy Consultation *“We welcome the proposal to reform this system in order to simplify the process for the tenant and recognise that a system that makes it easier to seek repercussions may also serve to deter landlord for carrying out illegal evictions.”*
- Shelter Scotland Response, A New Deal for Tenants Draft Strategy Consultation *“The significant maximum penalty should act as a deterrent to landlords who may be considering evicting their tenant without following the correct legal process.”*
- Scottish Association of Landlords, A New Deal for Tenants Draft Strategy Consultation *“We agree that 36 months’ rent is an appropriate maximum for the worst and most damaging cases.”*
- A New Deal for Tenants, Analysis of responses to the Consultation, Analysis Report *“A very substantial majority – 94% of those answering the question – agreed that the current calculation of civil damages for unlawful eviction should be reformed and simplified.”*

B7 – RENT ADJUDICATION REGULATION MAKING POWERS

Short summary / purpose of provisions

We also provide within the Bill for regulation-making powers that would enable us to temporarily reform the current rent adjudication process – the process through which a tenant can challenge a proposed rent increase by their landlord.

We recognise that once the rent cap ends that this may lead to a large number of landlords seeking to increase their rent all at once, and setting rent again by reference to the open market rent could result in significant and unmanageable rent increases for tenants. In these circumstances, the existing rent adjudication process would not provide a reasonable mechanism for determining a reasonable rent increase as this is based on the open market value.

This regulation making power is an important measure that will enable us to take steps to temporarily change the rent adjudication process to address unintended consequences resulting from an end to the emergency measures. Provisions could include the ability for Ministers to make provision by regulations:

- a) on the basis on which the rent is to be determined by a rent officer or the First-tier Tribunal including:
 - i. the matters to be taken into account in determining the rent,
 - ii. matters to be disregarded in determining the rent,
 - iii. assumptions to be made in determining the rent
- b) to prevent Rent Service Scotland or First-tier Tribunal determining a rent at a higher level than that requested by the landlord; and
- c) make provision about the procedure relating to referral to a rent officer or appeal to the First-tier Tribunal.

To ensure appropriate Parliamentary scrutiny, the measures in the Bill propose this provision is subject to the affirmative procedure and will also be subject to consultation with persons representing landlords and tenants.

Likely angles and rebuttals / Lines to take

Regulation making powers are not needed

- It is important that we have the levers at our disposal to support transition out of the emergency measures and to mitigate against any unintended consequences.
- Any regulations will be temporary, subject to consultation and Parliamentary scrutiny.

Issues raised by Stakeholders

We have not engaged with stakeholders directly on measures to provide Scottish Ministers with a power to reform the rent adjudication process.

ANNEX B – PROVISIONS IN BILL – PURPOSE / ISSUES / REBUTTALS

We consulted on changing the rent adjudication process to prevent the Rent Officer of First-tier Tribunal for Scotland determining a rent above that proposed by the landlord in the rent increase notice as part of our New Deal for Tenants Draft Strategy Consultation. Consultation analysis of responses to the consultation found:

- many respondents supported proposals to remove the potential for the adjudication process to lead to a larger rent increase than that proposed by the landlord. It was argued that rebalancing of the adjudication process is required with a greater focus on protecting tenants, while ensuring clear evidence-based outcomes.
- Other respondents – including most ‘Private landlord, letting agent or their representative bodies’ respondents and some ‘Local authorities’ – disagreed with the proposals, and some questioned the robustness of evidence on the reasons for tenants choosing not to use adjudication procedures. It was argued that the proposed changes would result in adjudication being unfairly balanced against the landlord and an increase in speculative applications.

Supportive quotes

There are no supportive quotes in relation to regulation making powers in relation to rent adjudication, however, Shelter Scotland did indicate support in their consultation response to the New Deal consultation for the proposal to change the rent adjudication process to prevent Rent Officer or the Tribunal from determining a rent higher than that in the rent increase notice.

New Deal for Tenants Draft Strategy Consultation response “*Shelter Scotland supports the proposal that the rent adjudication process should only result in rents being decreased or maintained.*”

C1 – HOMES WITH PITCH AGREEMENTS - RESIDENTIAL MOBILE HOMES

ISSUES:

- It would be very complex to include site agreements in the emergency measures given their unique nature and the age of the underlying legislation.
- Scottish Confederation Of Park Home Residents Associations is supporting an official RPI to CPI rally by the Park Home Owners Justice Campaign in Westminster on 24 October. We understand that Sir Christopher Chope's private members bill which amends RPI to CPI in England is due to have its second reading on 28 October.
- Changing the basis of uprating from RPI to CPI for existing contracts requires primary legislation and there is a statutory duty to consult before making any changes to the agreement. The Park Homes industry has a track record of challenging legislative change where due process has not been followed.

LINES TO TAKE:

Pitch agreements are different to tenancies and are regulated by the Mobile Homes Act 1983. They will not be included in the emergency legislation.

- Mobile home pitch fee increases are already regulated. Under the Mobile Homes Act 1983, there is a presumption that pitch fees will rise by a maximum of RPI annually, unless it would be reasonable to increase the fee beyond this level because of expenditure to improve the site.
- We have heard concerns from residents that the gap between RPI and CPI is growing, with the effect that pitch fees are growing faster than pension incomes.
- We will therefore undertake the required consultation on the impact of moving the basis of pitch fee uprating from RPI to CPI, in time to make the change in the 2023 Housing Bill.
- This change would have a permanent effect, slowing the rate of pitch fee increases in future years.

There are key protections for residents under the Mobile Homes Act 1983.

- The site owner must issue a proposal for the new pitch fee 28 days in advance of the increase. If the occupier does not agree the proposed fee, they can apply to the Court to determine the new pitch fee. The pitch fee remains unchanged while this process is in progress.
- If the owner of a Mobile Home Site wants to terminate a contract for a pitch on one of the grounds set out in the contract, they must apply to the Court. A Sheriff will decide whether it is reasonable to do so and, if so, what the appropriate date would be to end the contract. The Sheriff will apply the usual tests of reasonableness used when possession is sought. Factors such as the reasons for arrears e.g. rising energy prices, may be taken into account by the courts when exercising discretion.

The Scottish Government is committed to making sure that those living in mobile homes on sites licensed for permanent residents have appropriate rights and protections.

- We will carry out a post implementation review of the Residential Mobile Homes Site Licensing scheme before the end of this Parliament.
- We do not have adequate up to date evidence of how legislation to improve protections for renters has impacted on those who rent mobile homes as their main residence. To inform the Rented Sector Strategy, we have gathered

ANNEX C – ISSUES NOT COVERED IN BILL

information to improve our understanding of this sector and identify potential gaps in protections to inform future policy.

BACKGROUND

The Mobile Homes Act 1983 (and related regulations) control the consumer rights of mobile home owners. It sets out terms which must appear in the “written statement”, including a presumption that pitch fees will rise by a maximum of RPI. These terms are implied into all agreements between site owners and residents and have been tailored for Scotland.

Impact - Stakeholders report 6-7k people with a mobile home as their main home. The majority of whom tend to be older and reliant on pension or benefit incomes. Pitch fees are typically lower than housing rents so the benefit of a pitch fee freeze would be more limited (average in England £172 per month). The market is narrower with less movement than the PRS as homes need to be physically moved. We have not heard concerns about evictions for rent arrears.

[Redacted]

C2 – HOMES WITH PITCH AGREEMENTS - GYPSY / TRAVELLERS

ISSUES:

- Homes with Pitch Agreements under the Mobile Homes Act 1983 will not be included in the emergency legislation.
- While we are pursuing an administrative agreement with COSLA to give Gypsy/Travellers parity with other social tenants, stakeholders may highlight that this is a weaker than a legal protection.
- It would be very complex to include site agreements in the emergency measures given their unique nature and the age of the underlying legislation.

LINES TO TAKE

Gypsy/Traveller pitch agreements are different to tenancies and are regulated by the Mobile Homes Act 1983. They will not be included in the emergency legislation.

- Gypsy/Travellers on public sites should have the same protections as other social tenants. We will work with social landlords as part of our partnership under the Gypsy/Traveller Action Plan, to agree an administrative pitch fee freeze and evictions ban in line with that for their other tenants.
- COSLA and Scottish Government have a strong track record of partnership working to provide support during Covid lockdowns. We will work together to make sure that Gypsy/Travellers feel safe in their homes during the cost of living crisis.

To inform the Rented Sector Strategy, we are gathering information to improve our understanding of the issues for Gypsy/Travellers relating to their pitch agreements.

- We will work with local authorities to examine pitch agreements and rent affordability through the demonstration projects under the Gypsy/Traveller Accommodation Fund to share good practice and inform future policy.

BACKGROUND

Parts of the Mobile Homes Act 1983 apply to public sector Gypsy/Traveller sites. Pitch agreements on these sites should also comply with the Minimum Standards for Gypsy/Traveler Accommodation. Research in 2019 found 29 public Gypsy/Traveller sites across Scotland, providing a total of 397 active permanent, seasonal or transit pitches. All sites are run by Local Authorities except for two in Argyll and Bute which are run by Argyll Community Housing Association.

Impact - Rents are set once a year in line with the council rents so the initial proposed rent freeze (due to end on 31 March) would not have a practical effect until 1 April 2023. ALACHO reported an average pitch rent of £77.90 per week and an increase in public sector Gypsy/Traveller pitch rents in 2021-22 of 1.33%, with a number of social landlords holding rents level this year in recognition of cost of living challenges for this community. We do not have data on eviction rates from public sector sites but stakeholders did not give any examples when asked.

Officials have highlighted the need for equality for Gypsy/Travellers to COSLA officials and will work with them on practicalities of implementation once the Bill has passed.

[Redacted]

C3 – RENT CAP – EXCLUDED TENANCY TYPES

ISSUES:

- Ministers desire as many tenancies as possible to be covered by the rent cap measures
- The majority of tenancies will be covered by the emergency measures but there are a limited number of tenancy types that have not been included

LINES TO TAKE

We are making sure that the majority of tenants are protected by the emergency measures

- All assured tenancies under the Housing Scotland Act 1988, social tenancies under the Housing (Scotland) Act 2001 and private residential tenancies under the Private Housing (Tenancies) (Scotland) Act 2016 are included in the measures.
- There are a small number of older tenancies that have been excluded, although many of these will already have increased protection in terms of rent increases.
- Common law tenancies have not been included eg agricultural tenancies

We have not included two types of tenancy under existing legislation

Rent (Scotland) Act 1984

- There are only small numbers of tenancies left that are governed by the 1984 Act and, for these tenancies, rent increases can only occur every 3 years and the restrictions on rent increases already built into the system operate to ensure rents in respect of the 1984 Act are raised at fair levels.
- The Act is now two generations old, having been largely overtaken by subsequent legislation.
- The complexity of the regime, coupled with its age, make amending it complex and given the very small numbers of remaining tenancies that are subject to its requirements it has been excluded.
- There is precedent for this approach as the provisions in the Coronavirus Acts on eviction (extended notice periods, discretionary grounds of eviction) were applied to the 1984 Act but the provisions on rent (pre-action protocols) were not applied.

Housing Scotland Act 1988

- Assured Tenancies where rent increases are governed by contractual terms have been excluded.
- These are currently excluded from the statutory process for increasing rent and the appeals process by section 24(5) of the Act. They are not governed by statutory requirements at the moment and making any changes to how they functions would be complex and potentially costly
- We believe that the number of these tenancies is likely to be extremely small and the extensive new processes that would require to be set up are unlikely to be used.

Common Law Tenancies

- *Tenancies that are not covered by statutory requirements on rent increases within housing legislation have not been included.*
- *For example agricultural tenancies where the rental agreement relates to the wider agricultural holding rather than a residential property.*

D1 – AFFORDABLE HOUSING SUPPLY

TOP LINES

Updated for new Statistics published today – embargoed until 9.30 am

Scotland has led the way in the delivery of affordable housing across the UK with 112,993 affordable homes now delivered since 2007, over 79,000 (79,187) of which were for social rent, including 19,727 council homes.

- Across the four years between 2017/18 and 2020/21, Scotland has seen 62% more affordable homes delivered per head of population than in England (an annual average of 15.5 homes per 10,000 population, compared with 9.6 in England), and nine times as many social rented homes delivered per head of population (an annual average of 10.8 homes per 10,000 population in Scotland compared to just 1.2 in England).

£3.6bn funding is being made available in this Parliamentary term towards the delivery of affordable homes – so we can continue the important work we started in 2007, of ensuring that everyone in Scotland has a warm, safe and affordable place to live.

- The Scottish Government per capita spending on affordable housing is more than three times higher than the UK Government.

QUARTERLY HOUSING STATISTICS

The previous 50,000 affordable homes target was met during March 2022, a year later than planned, after delays caused by COVID 19 pandemic and global issues around supply and workforce affected the pace at which homes could be delivered.

- Of the 50,000 affordable homes completed (between 1 April 2016 and 23 March 2022), 34,407 homes (69%) were for social rent, 6,245 (12%) were for affordable rent, and 9,348 (19%) were for affordable home ownership.
- The 34,407 social homes delivered were 69% of the overall 50,000 target and 593 homes short of the 35,000 (70%) social homes target.
- The 50,000 affordable homes target couldn't have been achieved without the hard work, investment and expertise of all our RSL, local authority, community and construction sector partners through what have been challenging times.

And we have now started to deliver against our commitment to 110,000 affordable homes by 2032, of which at least 70% will be available for social rent and 10% will be in our remote, rural and island communities.

- A total of 2,362 homes have now been delivered to end June 2022 towards the 110,000 target, of which 2,068 (88%) are homes for social rent.
- Delivering this ambitious 110,000 affordable homes target would support a total investment package of around £18 billion and up to 15,000 jobs each year.

D2 – STUDENT ACCOMMODATION – FUTURE PLANS

22 Sep: Murdo Fraser tweeted that Mairi Spowage, Director of the Fraser of Allander Institute said that plans for a rent freeze will exacerbate supply issues in the mainstream private rented sector.

22 Sep: Glasgow University advising students without accommodation not to enrol unless they have secured accommodation.

21 Sep: Universities Scotland writes to Cab Sec for Education outlining what unis are doing to support students in response to the cost of living crisis. US calls for SG to ensure that student support and student hardship funds are sufficient to meet increased financial pressures and to use the forthcoming EBR to ensure that universities have core funding to enable them to meet the increased needs of students.

TOP LINES

STUDENT ACCOMMODATION

The Scottish Government has no direct role in the provision of student residential accommodation, however, the Scottish Government is committed to delivering a Student Accommodation Strategy for Scotland.

- The Student Accommodation Strategy will be informed by a review of Purpose Built Student Accommodation (PBSA), with a Review Group due to submit recommendations to Ministers shortly.
- The Purpose Built Student Accommodation Review is being taken forward in parallel with the New Deal for Tenants which will address rent affordability and improving standards across the private rented sector.
- And as regards the cost of living crisis, all students who are renting in the private rented sector will benefit from the protections we are putting in place. For those students in University and College Halls of Residence or PBSA the structure of contracts is different and often includes energy costs. We will, therefore, work to ensure parity of protection for those students.

There is no evidence that new protections for tenants will reduce supply in the mainstream private rented sector. The number of private tenancies has grown dramatically since devolution, through a period of increasing regulation and market intervention, more than doubling in size.

- Recent research from the ongoing Rent Better study highlighted a possible increase in number of landlords seeking to leave the sector but there is no quantitative evidence on whether that is occurring or at what scale.
- Between 1999-2000 and 2019-20 the Scottish Household Survey shows that the number of households renting privately in Scotland has more than doubled from 120,000 to 340,000.

COST OF LIVING CRISIS

Clearly this is a challenging time for many students. We expect institutions to prioritise hardship funds towards those most in need as a result of the cost of living crisis.

- We have provided £16.8m in hardship funding to colleges and universities for the current academic year to support HE students experiencing financial hardship.
- The Minister for Further and Higher Education has written to College and University Principals urging them to continue to prioritise the allocation of hardship

ANNEX D – WIDER HOUSING BRIEFING

funds to those students most in need, and to take account of the impact of rising energy bills.

STUDENT SUPPORT

This year we will invest almost £350 million in student support, including free tuition and cost-of-living support for students across Scotland.

- We will continue to make a significant investment in student support supporting tuition fees, bursaries for the poorest students and for groups such as care experienced students, supporting our principle of access to education being based on ability to learn, not pay. In 2022-23, this is expected to be £349 million.
- We have implemented a £350 loan uplift for 2022/23 for higher education students. This means that the most disadvantaged students can access £8,100 per year through bursary and loan and is the first step in our commitment to provide student support in line with the living wage.
- We've committed that the total student support package reaches the equivalent of the Living Wage over the next three years, including for estranged students.
- We will also introduce a special support payment so that students on benefits do not lose out because they are in receipt of, or entitled to, student support.

D3 – HOMELESSNESS FMQ

TOP LINES

We are working tirelessly with our local government and third sector partners to end homelessness and rough sleeping in Scotland.

- Our 2020 *Ending Homelessness Together* action plan renewed our commitment to ending homelessness, and our last annual progress report (published 7 Oct 2021) showed that, with the right approach and funding, local councils and third sector partners have the means to end rough sleeping in Scotland.
- On top of funding provided through the local government settlement, we are providing a total of £100m from our Ending Homelessness Together Fund.
- We are extending the eligibility criteria for the Tenant Grant Fund for local authorities, to prevent homelessness for those who have built up recent arrears.
- We will be investing a further £5m in Discretionary Housing Payments so that local authorities can help people on low incomes who are struggling with rising energy bills. In total, we will be investing up to £88.2m in DHPs in 2022-23.
- This additional funding will enable local authorities to deal with increased demand for DHPs and will be a lifeline for those who need help to heat and light their home.

ENDING HOMELESSNESS TOGETHER ACTION PLAN

Our National Strategy, the ‘Ending Homelessness Together’ action plan, is strongly supported by the sector.

- Our aim is to prevent homelessness from happening in the first place, and we are introducing new legal duties on public bodies, landlords and local authorities to act sooner to prevent people from becoming homeless.
- However, when homelessness does occur, we adopt a housing-led response, supported by funding local authorities to provide settled homes.
- We are providing local authorities with £52.5m for rapid rehousing to ensure people are given a settled place to live as soon as appropriate.
- Due to continued partnership working with local government and the third sector, the number of people engaging in rough sleeping remains low. We continue to monitor the situation carefully.

TEMPORARY ACCOMMODATION

We know the number of households in temporary accommodation is too high and we are firmly committed to reducing it.

- We have already legislated to improve the quality of temporary accommodation and we will continue to do all we can to improve people’s experiences and to support local authorities to reduce the use of temporary accommodation.
- The Housing Secretary has asked an expert group, chaired by Shelter Scotland and the Association of Local Authority Chief Housing Officers, for an action plan to reduce the numbers of people in temporary accommodation, with a strong focus on households with children. The group will report initial recommendations early next year.

UKRAINIAN DISPLACED PEOPLE

The Scottish Government is working closely with local authorities and COSLA to explore solutions to bring forward long-term accommodation.

ANNEX D – WIDER HOUSING BRIEFING

- We have set up a fund of up to £50m for social rented housing providers to bid into to bring empty properties back to use to house Ukrainian Displaced Persons.
- We are reviewing the operation of our Warm Scottish Welcome to ensure we can provide appropriate and sustainable longer term support to displaced Ukrainians.

E1: COST CRISIS / SUPPORT FOR FAMILIES

TOP LINES

Scotland is facing the most severe economic upheaval in a generation, already impacting people, businesses, public services and the third sector across Scotland.

- This cost crisis puts livelihoods – and lives – at risk. It is a humanitarian emergency.
- As this crisis unfolded, the UK Government was paralysed by the Conservative Party leadership race and after a lengthy period of UK Government inaction, the Chancellor's 'mini-Budget' was eagerly awaited by those who are most impacted by the catastrophic effects of the ongoing cost crisis.
- The announcements of 23 September provide cold comfort to the millions of people across Scotland who have been looking for the UK Government to use their powers to provide support for those that need it most but have instead prioritised tax cuts and scrapping bankers' bonuses rather than help for those that need it most.
- This reckless gamble with the public finances has backfired spectacularly, plunging the UK into an economic crisis, that will compound the misery already being faced by millions of households across the country.

The Scottish Government has continually urged the UK Government to focus its efforts on those most impacted and not just rely on blanket interventions which do not recognise the scale of hardship particular households are facing.

- Instead, we get tax cuts for the rich - including bankers and energy companies - and little for everyone else, all at a time when many families across the country are facing a winter unable to afford essentials, including food.
- Analysis by Resolution Foundation has found that almost two-thirds (65%) of the gains from personal tax cuts announced will go to the richest fifth of households: Almost half (45%) will go to the richest 5% alone, while just 12% of the gains will go to the poorest half of households.

SUPPORT FOR HOUSEHOLDS

We are already providing significant support for households to mitigate the impacts of the cost crisis. By the end of March 2023, we will have invested almost £3 billion in a range of measures for households, supporting energy bills, childcare, health and travel, as well as social security payments that are either not available anywhere else in the UK or are more generous, such as the Scottish Child Payment.

- The key policy levers needed to address the crisis still lie with the UKG and we have urged them to take urgent meaningful action to support people and businesses.

In the Programme for Government, we have identified several further responses to maximise support for those in need

- We will introduce our new Winter Heating Payment allowance which guarantees a £50 annual payment to around 400,000 low income households.
- Subject to agreement with CoSLA, we will begin to roll out the provision of universal free school meals to Primary 6 and 7 pupils, and take further action to reduce the cost of the school day for families.
- We will double our Fuel Insecurity Fund to £20 million in 2022-23, to help households at risk of self-disconnection or self-rationing energy use.

ANNEX E – WIDER COST CRISIS RELATED BRIEFING

- We will widen eligibility for the Tenant Grant Fund, to support those struggling with increasing costs.
- We will continue to support more households with energy efficiency measures by widening the eligibility criteria of the Warmer Homes Scotland fuel poverty programme, increasing funding for households through local authority led Area Based Schemes and expanding the Home Energy Scotland Advice Service.
- We will invest in a zero interest loan scheme pilot to help people in Scotland access affordable credit. The scheme will enable people on lower incomes, who cannot afford to repay interest even from community lenders, to access short term credit to meet unexpected costs.
- We will work with partners to strengthen cash first support, so that people are able to access food with dignity and choice.
- We will give local authorities more flexibility to take account of energy bills in their prioritisation of households for Discretionary Housing Payments. We will also increase funding for Discretionary Housing Payments by £5 million.

Tackling Child Poverty is a national mission and we are using all the powers and resources available to us.

- Over the life of our first tackling child poverty delivery plan ‘*Every Child, Every Chance*’ [2018-22], we invested an estimated £8.5bn supporting low income households, of which £3.3bn benefitted children.
- Our second Tackling Child Poverty Delivery Plan, ‘*Best Start, Bright Futures*’ (22-26), sets out our priority actions, including our focus on long-term parental employment support, increased social security, and measures to reduce household costs.

We continue to take significant action to tackle and reduce child poverty in Scotland, including:

- **Increasing the Scottish Child Payment to £25 per eligible child per week and extending it to under 16s.** This is an increase of 150% within 8 months, and will increase eligibility to around 400,000 children.
- From 14 November our five family payments, including SCP, could provide up to £10,000 by the time a first child turns 6.
- **Providing support to 145,000 school-age children and young people through Bridging Payments worth £520 per year** – putting £150m in the pockets of low income families across 2021 and 2022.
- **Investing up to £7.2m this year to mitigate the benefit cap**, as far as we are able within devolved powers, helping up to 4,000 families with around 13,000 children meet their housing costs.
- **Offering free school lunches during term-time to all 275,954 pupils in primaries 1 to 5** – saving families on average £400 per child, per year. This will be extended further to include primary 6 and 7 pupils during the course of this parliament.
- **Investing £50m of Whole Family Wellbeing Funding this year**, which aims to deliver transformational change to improve holistic whole family support.
- Massively expanding the provision of fully funded high quality **early learning and childcare**, providing 1,140 hours for eligible children aged 2, 3 and 4 – savings families up to £4,900 in 2021.
- Increasing **School Clothing Grants**, from previous lowest level of £40 in 2017, to at least £120 for every eligible primary school pupil and £150 for every eligible secondary school pupil from the start of the 2021-22 academic year.
- Launching the **free bus travel** for Under 22s scheme, with approximately 930,000 young people eligible for support estimated to be worth up to £3,000 by the time a child turns 18. Since January this year, over 21 million free journeys have been made and more than half of eligible young people are already benefitting.

ANNEX E – WIDER COST CRISIS RELATED BRIEFING

- Helping to support a 5% point increase in the proportion of people earning the **real Living Wage** or more in Scotland [rising from 80.6% in 2018 to 85.6% in 2021] through real living wage accreditation and our Fair Work First approach.

The Chancellor's mini-Budget is economically and fiscally reckless and saddles generations to come with an unsustainable burden of debt

- While the rich get tax cuts, ordinary people are about to be hit by rising interest rates, on top of existing inflationary pressures.
- The market is now pricing in an interest rate rise of up to 6% by early 2023 – this would have a material impact on households coming off of fixed term mortgages.
- According to Torsten Bell, Chief Executive of the Resolution Foundation [QUOTE]: “The surge in interest rate expectations has already added another £1,000 a year to the coming increase in mortgages for a typical borrower....This is a painful reminder that economic policy is not a game.” (Torsten Bell, 26 Sep)
- All at a time when households across the country are already dealing with soaring energy bills and Brexit increasing food prices by over 6%.

The Scottish Government is deeply concerned about the UK Government's welfare policies.

- UK benefits were uprated by just 3.1% in April 2022. And while additional payments are being provided by the UK Government, these fall well short of the amount needed, just to close the gap on energy bills alone.
- We have called for additional targeted support for those who are already struggling including an increase in Social Security benefits in line with inflation and for the introduction of a £25 uplift to Universal Credit.
- The UKG package doesn't include changes to Social Security benefits meaning that households on benefits will continue to struggle with increased living costs.
- The benefit cap was lowered in 2016, and has never been uprated since then, despite inflation which reached 10% in the year to July 2022. If the cap is not uprated in April 2023, CPAG estimate that a further 35,000 households across the UK will be capped.
- [QUOTE] “*This cruel and irrational benefit cap needs to be scrapped at source by the UK government as a matter of utmost urgency. It can't be right that children are being driven into even deeper poverty when government should be supporting families.*”. (John Dickie, CPAG Scotland – Daily Record, September 16)
- The Government is now increasing the Administrative Earnings Threshold, meaning that around 120,000 Universal Credit claimants who are in work on low earnings will be expected to actively search for more or better paid work or face having their benefits reduced.
- It is extremely worrying that the further changes announced on 23 September puts people working part time at risk of having their benefits sanctioned and losing money at a time of a cost of living crisis.

The Scottish Government is doing what it can with our limited powers to ensure as many people as possible keep a roof over their head, and a job, as we go through these tough economic times.

- As a result of inflation the Scottish Government's budget is now worth around £1.7 billion less than when it was published in December.
- Within this challenging context we set out a range of measures in our Programme for Government to support those most in need. This includes doubling our Fuel Insecurity Fund to £20 million in 2022-23, to help households at risk of self-disconnection or self-rationing energy use and taking action to protect tenants.

ANNEX E – WIDER COST CRISIS RELATED BRIEFING

- Our policy of no compulsory redundancies in the public sector – which I confirmed we will continue to support notwithstanding the budgetary pressures we face – will give those delivering essential services the peace of mind of knowing their job is safe over the winter.
- The UK Government has chosen not to act on public sector pay, meaning that our more progressive approach, with public sector wages on average 7% higher in Scotland than in the rest of the UK, is funded from within our severely limited budget. In total, excluding direct local government contributions, we have provided £700 million to support enhanced pay offers.

E2: STAKEHOLDERS

Shelter Scotland

- Supportive of the measures outlined in the PfG to enable people to stay in their homes
- Concerns about the potential for unintended consequences – surge in evictions when moratorium is lifted and surge on rents when freeze ends
- Concerns for impact on social rented sector in the longer term – rent freeze must not prevent social landlords funding and delivering new social homes

[QUOTE] Shelter Scotland recognise *‘the need to support people to keep their homes over the winter and prevent more families becoming homeless’*, adding that they *‘welcome the emergency measures outlined in the Programme for Government’* (MSP Briefing: Shelter Scotland response to the emergency measures announced in the Programme for Government on 6th September)

Citizens Advice Scotland

- Supportive of the rent freeze measures aimed to protect tenants from rising rents and falling into arrears
- Eviction moratorium is well-intentioned
- Welcome the promotion of tenants’ rights awareness and the extension of the Tenant Grant Fund
- Caution that there could be unintended negative consequences – landlords could raise rents to a higher level when rent freeze ends
- Concern that households leave properties when served with an initial notice to quit, prior to eviction order being sought from First Tier Tribunal
- Concern that the measures will lead to more illegal evictions and landlords leaving the market

[QUOTE] Citizens Advice Scotland *‘agrees with the spirit and principles of the proposed housing measures in the Programme for Government’* and *‘supports the pledges to launch a new awareness raising campaign for tenants, increase the amount of DHP funding and widen eligibility for the Tenant Grant funding’* (Briefing for the LGHP committee on the Programme for Government 2022-23 housing measures, September 2022)

Scottish Association of Landlords (SAL)

[SAL have been extremely critical of the announcement made via Programme for Government. They have claimed that this move further evidences a perceived ‘anti-landlord rhetoric’ from the Scottish Government and that the planned emergency measures will have a devastating effect on supply of private rented accommodation across Scotland.](#)

[QUOTE] [John Blackwood \(Chief Executive, SAL\) “Once again the Scottish Government fails to grasp the reality of Scotland’s housing crisis and has chosen the easy option of attacking landlords for political reasons which will only further reduce the supply of housing, putting more people at risk. This is not a solution, it will only cause more hardship.”](#)

ANNEX E – WIDER COST CRISIS RELATED BRIEFING

Scottish Federation of Housing Associations

- Understand and endorse the intention to help people who are facing real poverty and desperate situations as a result of the cost of living crisis
- Critical that measures targeted at Social Rented Sector will have little impact on tenants, as rents are already low in the sector and rents would not normally be revised until 1 Apr.
- Caution that intervention in the Social Rented Sector is unprecedented and could damage investor confidence.
- Warns if measures continue after 1 April 2023, sector will be forced to cut back on non-statutory services, such as welfare rights advice, housing support and community-based programmes.
- Warns if measures continue beyond 1 April 2023 it will impact upon financial stability of the sector and on delivery of wider objectives including affordable home supply, energy efficiency measures and maintenance of properties.

[QUOTE] Sally Thomas, Chief Exec, SFHA *“We are, of course, facing a deep and sustained cost of living crisis, and it is right that politicians should look for ways of helping people at this time”*

However Sally notes *“While freezing rents may seem like an obvious solution, there is a real danger that this blunt tool may end up shattering the structures that exist to support tenants.”* (Inside Housing, 16 Sep 2022)

Glasgow and the West Forum of Housing Associations

- Concerned about precedence set by government intervention in rents set by housing associations and the risk of undermining consultation with tenants.
- Warns that drastic cuts in investment would be needed by housing associations if rents were frozen in 2023 and 2024, otherwise they risk running out of money in 4 years.
- Cautions that a freeze beyond 1 April 2023 could have significant impacts on net zero ambitions.

[QUOTE] David Bookbinder, Director at GWFHA *“The cost of living crisis affecting our tenants and communities is a huge preoccupation for our members”* (Scottish Housing News, 8 Sep 2022)

Link Housing

- Notes on average that 50% of social housing tenants are in receipt of full or partial rental payments met by Universal Credit (UC), and that a rent freeze in 2023-24 would deny the sector £60m of UK Government funding.
- Warns that certainty for 2023-24 is needed ahead of mid-November to enable consultation with tenants on rents to be undertaken.
- Warns that a cap beyond April 2023 would fundamentally change the risk profile of all RSLs.

[QUOTE] Nick Pollard, Group Finance Director at Link Group *“Whilst it is understandable from a political perspective to have a rent freeze doing so in reality denies the Scottish economy access to £60m of funds or thereabouts that would ordinarily be ‘free money’ from Westminster whilst having little impact on tenants.”* (Scottish Housing News, 26 Sep 2022)

ANNEX E – WIDER COST CRISIS RELATED BRIEFING

SUPPORTIVE QUOTES:

Tenants Union Living Rent, the Scottish Trades Union Congress and other groups have welcomed the announcement of the rent freeze and other measures.

- Living Rent have said *“as skyrocketing rents continue to pile on top of out of control energy bills, this will have a massive impact”*.
- The Scottish Trades Union Congress said *“The Scottish Government is to be commended for freezing rents. If implemented correctly [...] this will help thousands of households across Scotland when they need it most.”*
- Age Scotland have said that *“for the growing number of older people living in rented accommodation [the rent freeze announcement means] one less thing for them to worry about over winter”*.
- Sadiq Khan, Labour Mayor of London, said **QUOTE:** *“This bold action from the Scottish Govt will support thousands of households during this national crisis. I’ll continue to call on the UK Govt to grant me the power to freeze rents in our capital. Londoners face record rents at the worst possible time.”*

E3: RENTED SECTOR STRATEGY: NEW DEAL FOR TENANTS'

New Deal for Tenants'

Our 'New Deal for Tenants' proposals show our determination to continue to strengthen the position for tenants

- We committed in 'Housing to 2040' to consult on delivering a new rented sector strategy to improve accessibility, standards and affordability across the rented sector as a whole.
- The new deal for tenants draft rented sector strategy sets out our commitment to deliver robust rent controls; to review the current grounds for possession; introduce greater flexibility to personalise a rented home and keep a pet; and to establish a Tenant Participation Panel to ensure tenants' voices are at the heart of developing and implementing national policy.
- We published the independent analysis of our New Deal for Tenants' consultation on 23 August. In total, 8346 responses were available for analysis and we are currently considering those views as we take forward this important work.
- Our consultation showed that the issue of rent control is highly topical with sharply contrasting views for or against.
- I believe it is crucially important to view the rented sector as a whole but acknowledge that the private rented sector has further to travel to reform.
- However, this does not mean we can't continue to improve outcomes for social tenants alongside reforms for private tenants.
- The New Deal for Tenants work supports our progress towards the human right of an adequate home for all.
- We will consider the views from our consultation on the draft rented sector strategy and the impact of our emergency measures carefully in taking forward our commitment to rent controls and the wider legislation to deliver a new deal for tenants.
- We aim to introduce a Housing Bill in 2023 to begin to deliver the new deal for tenants. The exact timings of the Bill will be kept under review as we give careful consideration to the impact of our urgent action to address the cost crisis through the emergency legislation introduced to Parliament this week to protect tenants by freezing rents and imposing a moratorium on evictions until at least 31 March 2023.

We have committed to introducing rent controls in a housing bill and to do so in a way which is robust and provides lasting benefit to tenants.

- Through the Private Residential (Tenancies) (Scotland) Act 2016, Scotland has the strongest tenancy protections in the UK.
- Landlords are already limited to no more than a single rent increase in a year, for which they must give 3 months' notice and such a rise must be fair or the landlord can be subject to a rent adjudication ruling.
- We are introducing a Housing Bill next year which will further strengthen these existing rights by improving rent adjudication and sets out the framework for the delivery of new rent controls in the private rented sector by 2025.
- The introduction of rent controls will be carefully considered alongside our emergency response for the rented sector to the costs crisis.
- We will also continue to explore what further action we can take to ensure rents in the social rented sector are affordable.

ANNEX E – WIDER COST CRISIS RELATED BRIEFING

What is good for tenants is also good for those landlords and letting agents who manage properties responsibly and professionally.

- The new deal will encourage those landlords who share our commitment to providing good quality homes and will deter landlords who flout the law, undertake illegal evictions or provide high cost, poor quality accommodation.
- Over the last 20 years, there have been a range of necessary changes to the private rented sector aimed at improving quality and accountability and, although stakeholders have often warned that such changes would lead to a reduction in supply of private rented homes, the sector has more than doubled over that time from 130,000 to 340,000 properties.
- We want to work with landlords as we develop proposals and good landlords having nothing to fear from the changes. To the extent that landlords and agents are expressing concerns about the market this appears to be UK-wide, not unique to Scottish-specific policies.

E4: HELP WITH HOUSEHOLD ENERGY BILLS

Everyone needs a safe, warm place to call home, but we know that even with the UK Government mitigations announced in relation to the October energy price cap, that many people will still be affected by rising energy costs and may be unable to afford their fuel bills this coming winter.

- That is why, the Programme for Government commits us to doubling the value of our Fuel Insecurity Fund from £10 million to £20 million, to ensure support continues to be available to people at risk of self-rationing their energy use, or self-disconnecting entirely.
- Energy efficiency measures are also essential so we have widened the Warmer Homes Scotland fuel poverty programme and increased funding for households through local authority led Area Based Schemes and expanded the Home Energy Scotland Advice Service.

We have committed £1.8bn during this Parliament to accelerate deployment of heat and energy efficiency measures and to support those least able to pay

- We have allocated £336m to heat, energy efficiency and fuel poverty measures this year (2022-23) including £119m targeted at fuel poor households.
- This will be delivered through a package of support via long-standing programmes that have already supported over 150,000 households in or at risk of fuel poverty.
- Our investments will make our homes and buildings warmer and cheaper to heat – progressing commitments both to decarbonise the heating in 1 million homes by 2030 and to remove poor energy efficiency as a driver of fuel poverty.

More than £193 million has been invested through the Warmer Homes Scotland scheme since its launch in September 2015 helping over 29 000 households throughout Scotland.

- Warmer Homes Scotland has budget of £55 million for 2022/2023 – its highest ever annual budget.
- Recently agreed changes to the eligibility criteria for Warmer Homes Scotland have made around 110 000 more households eligible across Scotland.
- The Scottish Government are stepping up our investment to accelerate deployment of heat and energy efficiency measures and to support those least able to pay – allocating at least £1.8bn over the course of this Parliament, including, an additional £1.2M package of support to advice services in Scotland.

This year we have allocated £336m to heat, energy efficiency and fuel poverty measures (2022-23).

- Our investments will make our homes warmer and cheaper to heat – progressing commitments both to decarbonise the heating in 1 million homes by 2030 and to remove poor energy efficiency as a driver of fuel poverty
- We have expanded the capacity of our Home Energy Scotland advice service this year to help an extra 12,000 households a year receive free, impartial advice.

Scottish households are among the hardest hit by standing charges hikes and many of our homes are not on the gas-grid.

- The UK Government needs to take full account of Scottish consumer needs, rebalancing the costs on energy bills away from electricity to incentivise low-carbon electrification and remove the premium paid by those with electric heating.
- For consumers who use heating oil, LPG and other non-regulated fuels, we have repeatedly raised the need to explore regulation of the sector with the UK Government and Ofgem. But they continue to fail to take this into account.

UK Government Response

While the UK Government's long anticipated announcement may limit the impact of the energy price crisis, the (average) £2,500 per year that domestic consumers will be expected to pay is still unsustainable for many households.

- This announcement has come too late for many households across Scotland who are already struggling to pay their bills and heat their homes.
- At the Energy Summit of 23 August, I made it clear that a price freeze should be accompanied by additional support for vulnerable households and businesses to meet the energy bills and the impacts of inflation in general.
- With the price cap frozen at £2,500, we estimate that there will be around 860,000 (35%) fuel poor households in Scotland, of which 600,000 (24%) will be in extreme fuel poverty, from October 2022.
- I was very disappointed to hear that there still has been no announcement on additional support for vulnerable consumers and we will continue to raise the concerns of Scottish consumers with the UK Government in regards to this.

This support comes far too late to mitigate the extreme costs of energy that a high number of consumers have paid in recent months placing a significant debt burden on many rural communities across Scotland

- Although the Energy Price Guarantee will provide some additional reassurance for several groups of energy consumers, such as those who hadn't previously been eligible for the £400 Energy Bills Support Scheme, more needs to be done
- We await for clarity on the UK Government's intension to introduce legislation to ensure landlords pass this discount on to tenants who pay all-inclusive bills.
- We are very disappointed at the inadequate support announced for alternative fuel users especially since £100 does not come close in reflecting the price increases of heating oil and LPG costs seen in the past few months.
- A high number of consumers in rural and remote areas of Scotland rely upon heating oil to heat their homes and these people are already having to contend with higher living costs in comparison to those living in more central areas of Scotland.

From February 2023 our new benefit will provide a stable, reliable £50 payment each winter irrespective of the temperature, or where recipients live.

- This is an investment of £20m each year to support winter energy bills for around 400,000 low income households. This compares with just 13,000 Cold Weather Payments made by the UK Government in Scotland in 2021-22 – a scheme for which requires it to be sufficiently cold for 7 days running.

STAGE ONE: OPENING SPEECH

Introduction

Thank you Presiding Officer, I'm very pleased to open today's debate on the introduction of the Scottish Government's Cost of Living (Tenant Protection) Bill. In doing so I want to express my thanks to everyone within government who has worked so hard, at an extraordinary pace, to make this possible.

Almost a month ago, the First Minister launched this year's Programme for Government, which was published in the context of a severe cost crisis.

A crisis that poses a danger, not just to livelihoods, but to lives.

At that time, perhaps, we thought it couldn't get much worse. But thanks to the frankly astonishing actions of the UK Government in the last two weeks it has. Make no mistake, this has the makings of a humanitarian emergency.

This Parliament does not have all the levers we really need to fully tackle this crisis but we are determined to do what we can with the powers we have to protect those who need it most.

STAGE ONE: OPENING SPEECH

Tenants have, on average, lower household incomes, higher levels of poverty and are more vulnerable to economic shocks. 63% of social rented households and 40% of private rented households don't have enough savings to cover even a month of income at the poverty line.

That's compared to 24% of households buying with a mortgage and 9% of households who own outright. Not many households escape the cost crisis. But tenants are just so much more exposed.

That is why this Bill will provide tenants in the private and social rented sectors, college and university halls of residence, and Purpose Built Student Accommodation with greater protection.

Context

The UK Government's response to the energy crisis – through the Energy Price Guarantee – falls far short of what is needed to help people avoid severe financial hardship. And we anticipate as a result that many more tenants will fall into fuel poverty and extreme fuel poverty this winter.

Tenants don't just need help with their housing and energy costs. They need to feel secure at home over the winter.

Policy Aims

With that crucially important context in mind, the Cost of Living (Tenant Protection) Bill has 3 key aims.

- To protect tenants by stabilising their housing costs by freezing rents;
- To reduce impacts on the health and wellbeing of tenants caused by being evicted or being made homeless
- To reduce unlawful evictions.

But in addition to these important measures to protect tenants, the Government also recognises that not all landlords are in the same financial position, so we include in the Bill necessary safeguards which will give them flexibility where it is genuinely needed.

It is the intention for these provisions to last until at least 31 March next year.

I will now go through these provisions in further detail.

Rent Freeze

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First the rent freeze. The Bill will allow for Scottish Ministers to set a cap on the level of increase in rents – initially set at 0% until 31 March 2023.

Under the proposals, Scottish Ministers will take powers to vary the cap, which will operate separately for the social and private sectors. Students in college and university halls of residence and PBSA will also be protected through a 0% cap, ensuring that there will be no mid-tenancy rent increases.

This will apply to all rent increase notices served on or after 6 September 2022.

As I have said, we recognise that the cost crisis is also impacting some landlords and whilst the primary purpose of this legislation is about protecting tenants, it is also important to ensure it reflects landlords' circumstances.

So private landlords will be able to make an application to increase rent for limited prescribed and legitimate costs associated with offering the property for rent where these have increased. This will be for up to 50% of those costs and total no more than 3% of rent; and these percentages may be varied if circumstances justify it.

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There are of course critical differences between the private and social rented sectors. For social landlords, there are already requirements about how rents are consulted on and agreed. And tenant participation and consultation on rent setting is a hugely valuable part of our current system. Social landlords are not for profit bodies with rents channelled back into the quality of homes, services for tenants and public investment in housing. That is why we are working in partnership with the social sector to consider the implication of rent measures after 31 March.

I told Parliament last week and I will emphasise again now, no decision has been made about any use of these measures after March, and any such decision will be informed by dialogue with the sector.

Moratorium on evictions

Turning now to the eviction provisions.

These measures prevent the enforcement of eviction action in the private and social rented sectors, and in college and university Halls of Residence and Purpose Built Student Accommodation – except in a number of specified circumstances.

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Again it is vital that this emergency legislation reflects a range of circumstances facing both tenants and landlords and ensure responsible landlords continue to offer properties in the private rented sector.

Recognising these factors, as was the case with the eviction measures in the Coronavirus legislation, we have allowed for a number of exemptions from the moratorium.

These are a mixture of existing eviction grounds and new temporary grounds for eviction, which we have developed.

This includes allowing evictions:

- in cases of criminal or anti-social behaviour, to protect other tenants and neighbours from behaviour that can have a hugely damaging impact on communities,
- in cases where a tenant has abandoned a property,
- in cases of repossession by lenders, to continue to ensure lender confidence in the sector;
- when a landlord intends to sell the property specifically to alleviate financial hardship; and
- when the landlord intends to live in the property to alleviate financial hardship, preventing their own homelessness.

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The last two grounds are new – in effect versions of existing grounds but with the important caveat that financial hardship must be demonstrated; we will work with the Tribunal to support the implementation of this.

In addition, we have taken the view that in both the social and private rented sectors, evictions may still take place in cases where there are substantial rent arrears.

- i. for the private sector this means a total value of at or over 6 months' worth of rent arrears
- ii. for the social sector this means rent arrears of £2,250 or more (which is around 6 months' worth of average rent in the Scottish social rented sector).

The decision on this issue has not been an easy one, but having considered it at length I am firmly of the view that it will act as a safeguard for both landlords and tenants.

It will allay the concern that a minority of tenants might stop paying rent even when they can afford it. Ongoing substantial rent arrears can mean the landlord could find it increasingly difficult to offer the property for rent, especially where no rent has been paid for a prolonged period.

STAGE ONE: OPENING SPEECH

In addition, for a tenant facing unsustainable rent arrears, prolonging the situation will only increase their debt and financial insecurity and can trap them with debt they will never be able to service.

The protection that a tenant in these circumstances needs is different; what they need is direct support and we are making support available, including through the Tenant Grant Fund.

And of course, as a result of changes parliament approved back in June. Any eviction for rent arrears will also have to take into account all the circumstances of both landlord and tenant, judged to be reasonable by the Tribunal or Court and demonstrate that steps have been taken to help tenants manage or reduce arrears.

The Bill also includes a provision to ensure that the restriction on the enforcement of an eviction order applies only for a maximum of six months from when the order was issued. This applies to individual cases and is separate from the consideration of whether or not the moratorium on evictions is extended beyond 31 March next year.

STAGE ONE: OPENING SPEECH

These restrictions will apply to all eviction orders granted in proceedings raised after the moratorium comes into force and will also apply to proceedings raised before the Bill comes into force where the eviction notice was served after 6 September 2022.

It will not apply to eviction orders granted in proceedings raised before 6 September 2022. Our aim here is to ensure that no-one is evicted in a case started after, or in response to, the announcement of our intention to introduce an emergency rent freeze.

Unlawful Evictions

Presiding Officer, we know that many private landlords are professional and that many supported their tenants during the pandemic. However we cannot ignore the fact that a small minority will try to circumvent these new protections including by trying to unfairly bring existing tenancies to an end. This is an affront both to tenants and to those landlords who follow the rules.

That is why the Bill makes some vitally important changes to the way in which civil damages can be awarded for unlawful eviction – making it more attractive for tenants to challenge an

STAGE ONE: OPENING SPEECH

unlawful eviction and receive appropriate damages where one has occurred.

The provisions introduced today replace the basis for the assessment of damages that the Tribunal or Court can award to a minimum of 3 times and a maximum of 36 times the monthly rent, though there will be discretion to award a lower amount if appropriate.

In addition, the legislation will create reporting requirements where a landlord has been found to have unlawfully evicted a tenant.

This will act as a strong disincentive to those unethical landlords who would seek to avoid going through the proper legal process.

Rent Adjudication

Presiding Officer, turning now to the rent adjudication provisions within the Bill.

This part of the Bill looks ahead to a time when we are hopefully entering recovery from the cost crisis and are therefore intending to support transition out of the emergency measures.

STAGE ONE: OPENING SPEECH

A key concern is that the lifting of the restrictions could lead to a large number of landlords seeking to increase their rent all at once. Returning to open market rent could result in significant and unmanageable rent increases for tenants and a volatile market. In these circumstances, the existing rent adjudication process would not provide an effective mechanism for determining a reasonable rent increase.

The Bill, therefore, contains a regulation-making power to temporarily reform the rent adjudication process to support transition out of the emergency measures and to mitigate any unintended consequences from the ending of the rent cap.

This power will be subject to affirmative procedure, ensuring that appropriate Parliamentary scrutiny is given to the necessity for any temporary changes proposed.

Extension/Expiry/Reporting

Turning finally to the general provisions laid out in the Bill.

- we are seeking to commence the Bill the day after Royal Assent;

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- we propose the flexibility to extend the provisions in Part 1 for two subsequent 6-month periods, if Parliament agrees;
- the powers in Part 3 – rent adjudication – will expire at the end of March 2024 with the option to be extended by periods of up to one year.
- there will be powers to suspend and revive the provisions in Part 1, and powers to expire these provisions earlier than 31 March.

Similar to the Coronavirus legislation, there will be a requirement to review and report on the necessity and proportionality of the provisions in Part 1 and the Scottish Ministers will be required to bring forward regulations to suspend or expire any provision that is no longer appropriate.

Conclusion

Presiding Officer, in conclusion, we are bringing forward this emergency legislation in recognition of the fact that people who rent their home are – right now – being hit hardest by an extraordinary costs crisis.

This Bill primary purpose is to provide the necessary protection for tenants whilst also recognising the circumstances of landlords.

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The Bill significantly strengthens the protection against unwarranted rent rises and eviction; it sends a strong signal to landlords about the damages that can be awarded for unlawful eviction and it provides a bridge into the longer term reforms that I set out in the New Deal for Tenants last December.

The safeguards in the Bill provide a total package of fair and robust measures.

Presiding Officer, this is a government which confronts the cost crisis head-on; a government which gives people stability in their homes and assurance about rents; a sharp contrast with those who want to cut taxes for the wealthiest and let bankers bonuses soar.

This Bill demonstrate our determination to use all the powers we have to protect people in Scotland from these harshest of times. Let us do all we can to support tenants through these times.

I move the motion in my name.

ENDS (around 14 mins speaking time)

STAGE ONE: CLOSING SPEECH

Thank you Presiding Officer, I welcome the chance to close today's Stage One debate on the Cost of Living (Tenant Protection) (Scotland) Bill.

This has been an interesting and passionate?] debate and one that highlights the wide range of diverging views that exist when it comes to the rented sector.

For some in the Chamber today, the provisions in the Bill do not go far enough. Whilst for others, it is claimed that the provisions go so far that they will signal the end of private renting in Scotland.

[Redacted]

It is clear the cost crisis is being felt acutely by people who rent their home. We cannot sit by and watch people struggle to keep a roof over their head during a crisis that has not been caused by them. That is why we are taking emergency action - using the powers that are available to us –through the challenging months ahead.

Presiding Officer, the Bill we have introduced finds the middle ground. It offers important increased protection to tenants, more vulnerable to the impact of the cost crisis than others, and

STAGE ONE: CLOSING SPEECH

recognises that landlords can be impacted by the cost crisis by including safeguards for them that address specific, defined and limited circumstances.

This approach creates balanced, robust and workable legislation.

The Bill also builds on the significant protections that are already in place for people who rent their home in Scotland and the Chamber will be aware that over and above this, we have already committed to delivering a New Deal for Tenants during the course of this Parliament.

Conclusion

Presiding Officer, many important points have been made in today's debate, and I am grateful to members for the thought that they have given to the matter and the points that they have raised.

I am also extremely grateful for the time the Local Government, Housing and Planning Committee took to consider the Bill this morning and of course to the range of stakeholders from across

STAGE ONE: CLOSING SPEECH

the rented sector who have joined meetings over recent days to discuss this important legislation.

I look forward to continuing these important discussions over the course of this week, as we seek to move towards these important protections becoming a reality for the millions of tenants across Scotland who are suffering due to the impact of this cost crisis.

ENDS