



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Economy and Fair Work Committee

**Wednesday 2 March 2022**

**Session 6**



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**Wednesday 2 March 2022**

**CONTENTS**

	<b>Col.</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>1</b>
<b>SUBORDINATE LEGISLATION.....</b>	<b>2</b>
Digital Government (Scottish Bodies) Regulations 2022 [Draft] .....	2
<b>REGISTERS OF SCOTLAND.....</b>	<b>7</b>

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**ECONOMY AND FAIR WORK COMMITTEE**

**6<sup>th</sup> Meeting 2022, Session 6**

**CONVENER**

\*Claire Baker (Mid Scotland and Fife) (Lab)

**DEPUTY CONVENER**

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)

**COMMITTEE MEMBERS**

- \*Alexander Burnett (Aberdeenshire West) (Con)
- \*Maggie Chapman (North East Scotland) (Green)
- \*Jamie Halcro Johnston (Highlands and Islands) (Con)
- \*Fiona Hyslop (Linlithgow) (SNP)
- \*Gordon MacDonald (Edinburgh Pentlands) (SNP)
- \*Colin Smyth (South Scotland) (Lab)
- \*Michelle Thomson (Falkirk East) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Tom Arthur (Minister for Public Finance, Planning and Community Wealth)  
Jennifer Henderson (Registers of Scotland)  
Albert King (Scottish Government)  
Francesca Morton (Scottish Government)

**CLERK TO THE COMMITTEE**

Anne Peat

**LOCATION**

The James Clerk Maxwell Room (CR4)



## Scottish Parliament

### Economy and Fair Work Committee

*Wednesday 2 March 2022*

*[The Convener opened the meeting at 09:34]*

### Decision on Taking Business in Private

**The Convener (Claire Baker):** Good morning, and welcome to the sixth meeting in 2022 of the Economy and Fair Work Committee.

Our first item of business is to decide whether to take agenda items 5 and 6 in private. Are members content to take those items in private?

**Members indicated agreement.**

## Subordinate Legislation

### Digital Government (Scottish Bodies) Regulations 2022 [Draft]

09:35

**The Convener:** The committee will now take evidence on the draft Digital Government (Scottish Bodies) Regulations 2022. I welcome to the meeting the Minister for Public Finance, Planning and Community Wealth, Tom Arthur. He is joined by Albert King, who is chief data officer in the Scottish Government, and Francesca Morton, who is a solicitor in the Scottish Government. I invite the minister to make a short opening statement.

**The Minister for Public Finance, Planning and Community Wealth (Tom Arthur):** Good morning. I thank the committee for the opportunity to discuss the draft Digital Government (Scottish Bodies) Regulations 2022, which are technical regulations that will add certain Scottish bodies to the debt and fraud schedules of the United Kingdom Digital Economy Act 2017. That will provide the bodies with the potential to better identify and manage debt and fraud against the public sector, through responsible sharing of information.

I will set the draft regulations in context. Part 5 of the Digital Economy Act 2017 introduced new information-sharing powers to reduce debt that is owed to, or fraud against, the public sector, while ensuring that robust safeguards and protections are in place to prevent unlawful disclosure. To be able to use those information-sharing powers, public authorities must be listed in the debt and fraud schedules of the act. That provides a legal means for them to share information with other listed public authorities for debt and fraud purposes. The act does not compel data sharing, so there is no requirement for the public bodies to use the powers and share data.

We all want to be confident that our rights to privacy are protected, that there are adequate protections against exploitation of our personal information, and that that information is held securely and used effectively for public benefit. I want to highlight three of the robust safeguards and protections that are in place to prevent unlawful disclosure of information.

First, data protection law, which governs how personal data is processed and shared, continues to apply, as does the Human Rights Act 1998. Secondly, data can be shared only for the specific debt and fraud purposes that are set out in the 2017 act and not to achieve other objectives.

Thirdly, public bodies must also have regard to a code of practice that provides details on how the

debt and fraud information-sharing powers should operate. The code provides that all information sharing under the debt and fraud powers be initially run as a pilot before the process becomes business as usual. That allows for the benefit of the data sharing to be explored, and for identification of any potential impacts and ethical issues.

There have been two public consultations to seek views on Scottish bodies being included in the schedules. I am pleased to say that responses on the proposals were overwhelmingly positive.

Providing our public bodies with the potential to better identify and manage debt and fraud against the public sector could provide significant additional investment in our public services.

I am happy to take any questions that the committee might have.

**The Convener:** Thank you, minister.

You mentioned pilots. How long would a typical pilot last? Will the processes for evaluation of all pilots be consistent? Will there be a similar approach to deciding whether a pilot should continue in the longer term?

**Tom Arthur:** I cannot speak about the duration of individual pilots. However, the review board mechanism, which will be analogous to the new provisions that are in place in England, will obviously provide a means of assessing pilot proposals. In the process of transitioning a process from pilot to business as usual, the independent review board will have a key role in terms of the recommendations that it makes to ministers. Obviously, individual proposals will have to be considered case by case. The service that will be provided by the review board will help to inform ministers' decisions.

**Maggie Chapman (North East Scotland) (Green):** Thank you for your opening remarks. I have a couple of questions about safeguards.

You talked about, and listed quite clearly, the safeguards to prevent unlawful sharing of data. Given what has been in the media recently about the Post Office scandal and the incorrect data and software malfunction that led to many convictions, what safeguards are in place to ensure that the data that is stored and shared is correct in the first place? As an extension of the safeguards, what opportunities will there be for debtors to know who has that data, when that data is shared, how long it is kept and whether they can challenge that?

**Tom Arthur:** The regulations will add public bodies to the appropriate schedules of the 2017 act. As such, they are within the broader context of existing data protection measures, including the general data protection regulation, the Data Protection Act 2018 and the need to comply with

the European Convention on Human Rights. All those provisions are in place; public bodies have a duty and an obligation to adhere to them.

I will bring in Albert King to give a bit more detail about what the existing protections are. He can set out the broader data protection landscape in which the measures exist.

**The Convener:** That would be helpful.

**Albert King (Scottish Government):** There are already measures that exist under data protection legislation, such as on conducting data protection impact assessments. The pilot measures provide an opportunity for the bodies that would be involved in data sharing to assess the quality of the data and to consider whether that enables them to meet the objectives of the pilot and to do so in ways that are ethical and do not affect people's privacy rights.

The review board has a clear role in assessing the outcome of the pilots and in making recommendations about the transition to business as usual.

**The Convener:** Do any other members have questions? Two members are attending virtually.

**Alexander Burnett (Aberdeenshire West) (Con):** I have three brief questions.

Paragraph 4 in our papers for the meeting says that the Scottish Government is the

"appropriate national authority" to amend the list of specified bodies"

by adding or removing bodies from it. What scrutiny will there be of any wish of the Scottish Government to amend that list? Will that come before a committee or Parliament, or will the decision be made unilaterally by the Government?

**Tom Arthur:** Mr Burnett said that he had three questions. Did I mishear him?

**The Convener:** Mr Burnett, are the questions on separate issues, or would you like to ask them together?

**Alexander Burnett:** I will ask them all together.

Paragraph 12 of our papers says that the Scottish Government

"will ... establish its own structures for oversight",

and paragraph 14 says that

"A similar register will be established".

Will the minister give us an insight into the cost of setting up the register and other structures? What will they look like? What work has been done on setting them up? How transparent will the register and structures be? How much do those structures overlap with those in other parts of the UK? We should avoid unnecessary duplication and cost.

**Tom Arthur:** I will start with the last point, about overlap. There is a UK provision regarding relevant bodies in England and bodies that deal with reserved matters, so there is no overlap or duplication. The regulations refer specifically to Scottish bodies.

Alexander Burnett asked about the review board and the register. Once we have a pipeline of pilots, that will inform how we set up the review board. We will ensure that it is independent and we will look to secure voices from relevant specialisms, such as in academia. I anticipate that the review board and the register will broadly reflect the approach that has been taken in England.

Mr Burnett will appreciate that the decision about which bodies to include in the regulations has been informed by consultation. Mr King can comment on the process for any future amendment to the list of bodies.

09:45

**Albert King:** The process for adding bodies to the regulations would involve laying of affirmative instruments before Parliament. I invite Francesca Morton, my colleague from the Scottish Government's legal directorate, to add to that.

**The Convener:** Do we have Francesca Morton on the line?

I am afraid we might only have you with us, Mr King. No—we have Francesca now. Good morning; please go ahead.

**Francesca Morton (Scottish Government):** If the Scottish ministers want to add bodies to the 2017 act's schedules, they can do so in a way that is similar to the process that we are using to progress the regulations. We would have to take into account various conditions in the 2017 act that set out, for example, that the person must require information from a public authority for the purposes of the recovery of debt. The Scottish ministers would also have to have regard to the secure handling processes of such bodies. As I said, that is similar to the process that we have gone through in specifying the bodies in the current draft.

**Tom Arthur:** I hope that that assures Mr Burnett. The process is similar to the one in the 2017 act. Of course, because it uses the affirmative procedure, there will be an opportunity for parliamentary scrutiny, just as there is this morning.

**The Convener:** As we have no further questions, we move to agenda item 3. I remind everyone that only members and the minister may take part in the debate.

*Motion moved,*

That the Economy and Fair Work Committee recommends that the Digital Government (Scottish Bodies) Regulations 2022 be approved.—[Tom Arthur]

*Motion agreed to.*

**The Convener:** The clerks will produce a short factual report and arrange to have it published.

I thank the minister and his officials for joining us this morning.

09:47

*Meeting suspended.*

09:48

*On resuming—*

## Registers of Scotland

**The Convener:** Our next item is an evidence session on Register of Scotland's activities and performance. Registers of Scotland is a non-ministerial office and part of the Scottish Administration. It is directly accountable to the Scottish Parliament and responsibility for scrutiny falls within the remit of this committee.

I welcome Jennifer Henderson, the keeper of the registers of Scotland, and I thank her for joining us. As always, it would be appreciated if questions and answers could be kept as concise as possible. I invite the keeper to make a short opening statement.

**Jennifer Henderson (Registers of Scotland):** Thank you for the opportunity to appear before you today to give an update on ROS's progress and our recent performance.

I will start by describing our move to digital. The pandemic has been a watershed moment for many of us. One of the most important impacts for ROS was a swift transition to digital working. We rapidly launched an award-winning secure digital submissions service to support Scotland's housing market. That is good news for citizens, businesses and the economy. Our digital solutions provide the basis for a quicker, safer and more customer-friendly conveyancing process and, although they were initially a temporary solution to the problems of the pandemic, they have proved to be so popular with our customers that we are now in the process of, we hope, making them a permanent solution, subject to the wishes of Parliament.

We have been able to make the transition thanks, in part, to ROS's robust information technology systems and agile smart working culture. We have adapted quickly to remote working and will be rolling out hybrid working for our colleagues.

Delivering a high-quality service to our customers is always our first priority, so I am pleased to be able to tell the committee that, throughout this challenging period, we have exceeded our customer service key performance indicator. Performance is currently sitting at 92 per cent, against a target of 80 per cent. We are also committed to the wellbeing and development of colleagues. Again, during the pandemic period, that has been recognised through our achievement of gold Investors in People status in 2021.

We are committed to equality, diversity and inclusion. During the pandemic period, we have updated our strategy and a number of our staff

networks have gained external recognition for the work that they do. For example, we have received a Carer Positive accreditation for the work that we do to support working carers.

I will briefly mention our finances. When managing the events of the past two years, I think that we have demonstrated flexibility and expertise. We faced a pause in the housing market at the start of the pandemic, but there was also a rapid return, with house sales exceeding expectations. I am pleased to say that the high volume of activity in the market has led to a high intake of casework for ROS, which has had a positive impact on our income, and we now anticipate that we will be able to deliver all our corporate objectives without the need to draw down Scottish Government funds.

On climate change, ROS is on target to deliver net zero emissions as part of the Government's climate change agenda, and that is a key element of our sustainability and climate change strategy.

I will briefly mention our two main targets in relation to delivery. We are confident that we will be able to deliver the benefits of a completed land register by the end of 2024. That will provide quick and smooth transitions for our customers, and increased insight and ability to answer the question, "Who owns Scotland?" I will be happy to cover our refreshed plans for how we will achieve that in more detail.

I end by mentioning our major challenge. Clearly, delivering our work to service standard is an important priority for us. With regard to the current backlog of work that we have, we have not made the progress that we expected to make during the past two years. Until March 2020, we were on schedule to clear our backlog but—as I hope, the committee will appreciate—at that point we had to pivot quickly to remote working and sustaining the property market. We achieved that, but it meant that there was an impact on our ability to make progress in clearing the backlog. However, we have revised our key performance indicators in relation to that and we have a plan in place to tackle the issue going forward, which I will be pleased to cover in more detail during today's session.

I will end by acknowledging the support that we have received. None of what we have managed to achieve in the past two years would have been possible without the close working relationships and support that we have received from our customers and stakeholders—in particular, organisations such as the Law Society of Scotland—and we are also grateful to Parliament for giving consideration to the legislation that was required to enable us to progress our digital agenda.



I look forward to answering your questions.

**The Convener:** Thank you. That was helpful.

You mentioned performance and the backlog. I know that the target was missed and that the backlog has actually increased. I recognise that you have come through a challenging period and that the pandemic has put pressure on the services. What are the challenges to reducing the backlog? You mentioned that the shift to remote working had put additional pressures on ROS. What are the targets? I think that you said that there is a new plan for delivery. By what date do you hope to have things back on track?

**Jennifer Henderson:** I am happy to get a chance to talk about that. The thing that I always want to say when we talk about our backlog is that, for the vast majority of people who have cases in our backlog, it makes no practical difference. The number 1 service standard that we hit is taking 100 per cent of our applications on to the application record on the day that we receive them, and we have achieved that all the way through the pandemic. That secures people's application on the register, and it is the updates to the register that take a bit of time. During the period when the register is being updated, people can transact on their property, they can remortgage and they can get planning permission to build an extension and so on—the backlog does not stop them doing anything.

There are a very small number of cases for which it presents a problem, so we have introduced an expedite service. That means that someone who faces personal or financial hardship because of a case on the backlog can come to us and explain what is going on and we can expedite their case. By doing that we are mitigating the impact of the backlog, although obviously we do not want just to keep mitigating it; we want to clear it.

We are doing three things to clear the backlog, which go together as a trio. First, we have recruited some extra staff so that we have more hands on the pump working on the problem. It is worth explaining that new colleagues cannot immediately start working on backlog cases. Backlog cases are the most complex ones, so new colleagues join us and are trained up on our simpler cases. That allows us to release colleagues who already have experience to be retrained to work on more complex cases, which means that there is a chain.

Secondly, we are looking at process improvements for colleagues who are already working on backlog cases. That means finding different ways of working so that the same number of people can get through more cases.

The final thing that will help is the introduction of technology. Our ability to digitise some of our simpler cases will mean that we can free up even more people to get on to the backlog. Those things make up the strategy.

We have two separate sets of targets. The first is a straightforward target to take cases out of the backlog. We set that every quarter, and I am pleased to say that, throughout the past financial year, we exceeded the targets that we set for ourselves. To put that in context, our target for the last quarter was to get 2,000 cases out of the backlog; we took more than 3,800 out. That we got rid of more cases from the backlog than we planned or expected illustrates that the strategy is working.

The other important targets that we set are those for dealing with new cases coming in. If we cannot keep pace with new cases coming in, the backlog will be here forever; things will keep flowing through and not quite get done to service standards. For the three types of application that come in, we set service standards to turn around more new cases very quickly, and we exceed all those. We are doing what we call turning off the tap and emptying out the bath. We are stopping things going into the backlog while we get rid of it. All of that is working well, and we are getting to the point at which more things go out of the ROS door each week than come in.

The answer to the question on when the whole thing will be gone is that it is going to take us at least three years to get rid of the whole backlog—probably a little bit longer—but during that period the age of the backlog and the number of cases in it will keep shrinking.

While the expedite process is in place, anybody who has a case can come to us to say that their case is urgent and ask us to deal with it. Our typical turnaround time for an expedite case is two weeks.

Sorry, that was a lengthy explanation. However, I think that it is always important to set out the whole thing. I hope that was helpful.

**The Convener:** That was helpful. You said that you are making good progress and are going beyond the targets. The corporate plan says the target would need to be revised to 80 to 90 per cent of new cases. I appreciate that this is the first time that you have appeared before the committee but—this is probably a silly girl question—can you tell us why we ended up with such a big backlog and why we are in this situation?

**Jennifer Henderson:** The origins of the backlog go back to 2014. Very simply, the legislation change in 2014—when everything had to start moving to the land register—meant that we did not have enough people to keep pace with the

complex cases, and while we trained people the backlog built up. We were training people as fast as we could, but the backlog was building up. I came into post in 2018 and observed that we had a number of cases outside the service standard.

The other thing that I should emphasise is that, although we have a backlog, the vast majority of cases are completed within the service standard. Of the 500,000 cases per year that we deal with, 95 per cent of them are dispatched within the service standard. I accept absolutely that any number of cases not being done within the service standard is unacceptable, but I do not want anyone who is listening to think that we are talking about all the cases that we deal with—we are not. However, as you will appreciate, even a small percentage of 500,000 cases a year not being done within the service standard builds up.

When I came in in 2018 we had a backlog of about 50,000 cases, so I asked what we would do to get that sorted. We set up a strategy and it was running well until March 2020, but then the six-month hiatus that we had to face while we put all our effort into keeping the housing market functioning meant that the backlog got a lot worse during that period. It is like anything: once a problem gets worse, it takes extra effort to get it back again, but we are now getting there.

10:00

I can give you the latest numbers for the up-front cases. Dealings make up most of our cases, and 91 per cent of them are being done within 35 days. First registrations are the hard stuff—new cases coming on to the land register—and 72 per cent of those are being done within 35 days. Transfers apart is where you sell off a bit of land or create a housing estate, and 69 per cent of those are being done within 35 days.

We are ratcheting that up all the time. Our ambition to get to the point at which we are turning all cases around across the board within that 35-day target is in sight.

**The Convener:** Thank you.

**Colin Smyth (South Scotland) (Lab):** Nobody could have prepared for the impact of the pandemic, but do you think that, because yours is a paper-based regime, you might have been caught out, and a lot of the work that you are now doing to digitise everything was not in place when the pandemic hit? Has that not caused huge challenges?

**Jennifer Henderson:** That is a great question. Prior to the pandemic, we had done a lot of work on digitising many of our internal systems. I will describe how things used to come to us prior to the pandemic. We took paper in at the front. Our

solicitor customers would post paper to us, but when that paper came through the door, the first thing that happened was it was scanned and digitised so that colleagues inside ROS were always working from digital versions.

What we had not done prior to the pandemic was equip most colleagues to work remotely. We were still very much an office-based organisation. People would expect to come into the office, log in to a fixed machine on a desk, and then work digitally.

At the beginning of the pandemic, two things stopped us from making progress. One was getting 600 colleagues equipped to work from home, so we built laptops, rolled them out, and got everybody established to work from home. That held us up because we did not have enough people working.

The other thing that held us up was the need to build the digital submissions system so that customers—who were no longer able to send us paper, because they were not in their offices either—could submit to us digitally. I also did not think that it would be remotely responsible to have a team of people in a building scanning paper during a public health emergency.

Those two things therefore delayed us, but what we did has got us much further forward in the attempt to digitise the process end to end.

**Colin Smyth:** You highlighted the work that your staff did during an incredibly challenging times, and they continue to do it as you change processes and deal with the backlog.

Your corporate plan suggests that there will be a 25 per cent reduction in staff numbers during the next five years, at a time when you are still having to deal with that backlog and changing your processes. What is the basis for that planned reduction in staff, and how will it be achieved in a way that will not impact on the huge amount of work that you have to do?

**Jennifer Henderson:** That is also a great question. We revise our corporate plan every year by looking at where we are, where we had hoped to be, and the number of people we will need going forward.

In the next few years, the number of new first registrations will start to decrease. As we move towards getting on the land register everything that will transact, we will not have to deal with as many first registrations, so we will need fewer people to do new stuff, but we will obviously still need people to take care of the backlog.

The other thing that will drive our anticipated reduction in staff numbers is the automation of all our up-front cases. Dealings—a property that is already on the land register being sold and its

entry on the land register moving to the new owner—make up most of our work. A reasonable number of our registration colleagues do that at the moment—that is their day job—and we expect to be able to automate about 80 per cent of that work, so we simply will not need as many people to deliver that work.

The first thing that we will do is retrain those people to work on backlog cases, so that they can keep going on the backlog. In the past year, we have recognised that we will need more digital and data people. We have been running a reskilling programme to retrain colleagues who currently have registration expertise so that they have digital expertise, as that is what we will need.

In our forward staff projections, we recognise that a number of the colleagues that we retrain will probably want to take their skills out into other organisations and move elsewhere in the public sector. We do not necessarily think that we will retain all of them, but we think that we will be delivering a service for the wider public sector if we are developing digital and data people. That is the essential plan for our expected staff movement.

In our corporate plan, which we will publish on 1 April, we are being a little bit more cautious about our trajectory down. Bluntly, I want to hang on to everybody for as long as I can, until the backlog is absolutely gone. We are therefore being more cautious about whether we will be able to release people as early.

**Colin Smyth:** So, under your current plan, you aim to reduce the 1,174 staff that you have at the moment to 894 by 2025-26, which is quite a substantial reduction. Are you saying that that may be revised because of the backlog?

**Jennifer Henderson:** Yes.

**Colin Smyth:** That is a substantial reduction. What guarantees are there for staff, who have given a huge commitment at this difficult time, that there will be no compulsory redundancies and that you will ensure that people are found alternative employment across the public sector so that we can hold on to the skills that your team obviously have?

**Jennifer Henderson:** No compulsory redundancies has been our policy for a long time, and that is why we are working hard on reskilling.

I wish to highlight another thing in relation to the staff numbers in our current corporate plan. A reasonably large number of our current digital staff are contractor staff, not permanent staff. Part of our plan, and part of the reason why we are retraining people, is to have more permanent people with digital skills. Some of the staff number reduction that you see represents our expectation

that we will not need as many contractor staff and we will be replacing them with permanent staff, and that is part of how we will keep permanent people with jobs in the civil service.

**Colin Smyth:** You have just lined up my colleague's questions on contractors very nicely.

**Michelle Thomson (Falkirk East) (SNP):** Yes—good morning and thanks for coming along, Jennifer. I want to explore a wee bit more about the IT contractors. Your annual accounts give the costs

“primarily to meet the digital requirements of updating legacy IT systems and evolving our IT estate onto a long-term sustainable basis”

as about £132,000 a year, which looks to me like folk working for 11 months a year on a day rate of £600, roughly.

How, specifically, do you plan to do what you have set out and get the crossover that you have alluded to—building the skills of the permanent staff while starting to move the fairly high numbers for contractors. Can you tell me a wee bit more about that?

**Jennifer Henderson:** It is always nice when you have managed to half-answer the question.

We have digital contractors—I emphasise that they do a brilliant job for us—who fundamentally do two things. We are building lots of new systems, which means that we need extra people, but we will not need them in the long term. We have a particularly high number of digital staff at the moment because of all the replatforming that we are doing. That is a huge amount of work—five years' worth of work to completely transform our digital estate. We will then be able to release quite a number of those contractors, because their jobs will be done.

The other half of our contractor base is there to fulfil what we call the enabling “keeping the lights on” bit of IT. We will clearly need that support going forward; one of the biggest things that we are doing is ensuring that our digital estate is sustainable so that we can keep on top of things and keep things current.

We are training and developing existing permanent colleagues so that they have the digital skills to move into those roles—we have set up a specific “grow our own” programme for that. We ran an internal campaign and invited people to apply to be reskilled. As part of the reskilling process, the successful applicants have spent 16 weeks with CodeClan, being taught how to do all the digital stuff. Once they have done that, they go into a digital role in ROS. It is almost like an apprenticeship role, where they shadow our experienced colleagues and develop the skills on the job. The plan is that, over the next two or three

years, they will get really embedded in that work, to the point where we are confident that we can start releasing some of our contractor colleagues, because we will have permanent people who can backfill. The programme has been really successful and popular. Every year, we will roll through a new cohort of “grow our own” colleagues, so that we can build that digital skill set for the future.

**Michelle Thomson:** I hear what you are saying about the transition—it is very clear. It would be helpful for me to understand what applications and coding skills you are talking about. I guess that your ability to grow people, particularly when you get into complex bug fixing, is an essential part of keeping the show on the road, but is there a bespoke application? What sort of coding skills are required?

**Jennifer Henderson:** The typical coding skills that we teach people cover programs such as Java, but we use a mixture. I will explain a little about the ROS digital estate. We buy some of our digital platforms as a service, if one is out there. For example, we buy our case-management system as a service from another organisation. Clearly, we maintain it and make sure that it works for us, but we have not developed our own version because there are perfectly good systems out there. Our land register application and our mapping system are unique to us. Such systems need to be bespoke, so we develop them.

One of the challenges that we have had in relation to the need to replatform and redevelop systems is that some of them are very old. Our oldest land register system has been going since 1981. I cannot tell you what code it was written in; all that I can tell you is that there are not very many people left who can still recompile it. That is part of why we are doing all the upgrading.

We have a heat map of all our digital systems—which ones are being replatformed, how complex that work is and what we are ultimately aiming for. I would be happy to come back to you in writing with a bit more detail on that, if you are interested.

**Michelle Thomson:** Yes. I do not know whether I am right on the day rate, because it was just a quick calculation. I am asking about types of skills, because people who have skills such as Java will be picked up. Although your plan to get your staff up to speed on those skills addresses one problem, it also introduces a new organisational risk, because those staff will have skills that are sellable at a daily rate of £600, which most people would consider useful. Can I assume that the risk side, from an IT perspective, is also in your personnel planning?

**Jennifer Henderson:** Yes. We are currently refining our strategic workforce plan, which is

exactly that forward trajectory of what will happen with the mix of skills. It looks at where we rely on contractors, where we want to replace them with permanent staff and, exactly as you describe, where there is a much greater risk of people choosing to take their skills elsewhere.

Our registration colleagues have a very low turnover rate, because they have a very specialist skill and there are not many other places where people who have those skills can ply their trade. However, we absolutely recognise that once we have retrained people in digital, they will have a very attractive skill, so we need to produce more of them than we need, because we know that we will lose some of them.

However, we are also looking at what makes us an attractive employer. We recognise that we cannot necessarily compete on pay, but there are other benefits. We have some fantastic permanent digital colleagues who choose to work for us because they have a very good public sector and public service ethos. We are making sure that we have that employee offer, so that people see that it is not all about being able to get a more attractive day rate and that they will get other things.

The digital contractors who work for us say that they have come to us—as opposed to plying their trade anywhere else—because of the interesting digital work that we are doing. They recognise that working for us is an opportunity to get unique digital skills. That also makes us an attractive employer for a permanent person, because they will get skills that they would not get anywhere else.

10:15

**Michelle Thomson:** Thank you for all that—it is helpful. I have a last wee quick question, which I hope that you can answer quite quickly. How confident are you in your ability to bring down the bill for contractors? I am thinking specifically about your budgeting for keeping the show on the road. From my experience in a previous life, I know that that is always extremely difficult, because IT bought-in costs are always going up and it is difficult to keep people.

A quick answer is fine.

**Jennifer Henderson:** I am confident that we can do it.

**Michelle Thomson:** Thank you.

**Maggie Chapman:** Thank you for that information. To build on Michelle Thomson's questions, I too, in reading your annual report, picked up on the phrase

“updating legacy IT systems and evolving our IT estate onto a long-term sustainable basis.”

You talked about the two sets of contractors that you currently have: those who are working on the new systems that you are developing, who will not be needed in the long term; and the “keeping the show on the road” folk, whom you want to bring in-house as ROS employees. I understand that, and I take on board your comments to Michelle Thomson.

I am interested in the updating process. From what you have said, and from what I have read in the documentation, that has been going on for a while. How are you managing that process alongside the aspects that Claire Baker asked about—the actual work of ROS and managing the arrears? How do you see the balance of risk and resource allocation between those two aspects?

Thinking about the longer term, I note that you talked about bringing down the cost of contractors in the future. In mapping, certain things can change very quickly. Are you certain that you will have resources available when you need them? I am thinking about the skills and expertise that you may not want to keep in-house, but for which you will need contractors in the future. How is that playing out in your mapping for future financing and resourcing?

**Jennifer Henderson:** That is a great set of questions. First, I will deal with the question of how we balance driving forward our digital with ensuring that we put the right resources into all our other work. Those two things are closely linked. I will describe what we are doing with our digital estate; we have two goals in that regard. We have mapped it all out: we know how complicated everything is—there is an amazing multicoloured diagram—and we have a score for how challenging it is to sustain. With a lot of our digital development, our goal is to improve our product sustainability. That is where we will be able to say that we know that, in the future, it will cost us less to keep on top of keeping current.

I have a good example of that. Over the past year, we have run a huge exercise to put quite a decent amount of our stuff into the cloud, and that is how we will move forward. Using the cloud takes out a massive amount of our overheads, because we do not need people who understand how to operate all the on-premises IT. That kind of stuff is going on in the background to make our whole IT estate much more sustainable.

On top of that, a number of the applications that we are upgrading are also about, for example, getting automation into how things are delivered. When the IT folks are thinking about and planning an upgrade, they have to demonstrate to us, when we are choosing whether to make that investment, how that will help ROS to do the day job.

There is a really good recent example. Our old land register system presented a complex set of information to our settlers. They were looking at one screen and another, and having to retype things between different bits of the application. With everything that we have done in the background to digitise, we have been able to build them a new interface. They can now just go, “Check, check, check—yes, that all matches up; I can see they’ve paid their LBTT”, and press the “settle” button—job done.

We have both created a more sustainable system and made it easier for people to use, so we get the benefit on both sides. That is how we are managing getting the digital estate upgraded while ensuring that it supports us in delivering.

You are absolutely right about the situation as we go forward. I would not want to say that we will not, in the future, need to use contractors for bespoke projects if we need to build a new register or a new system. That is when it is potentially appropriate to use contractors, because it involves a temporary piece of work; we want to bring them in, get the work done and then release them. However, we are also trying to ensure that we have the right skills in-house to commission that work effectively, and to ensure that we are not completely reliant on contractors to do that. We would like blended teams in the future.

That is how we work at the moment. Most of our product development teams are not all contractors. They have a number of permanent staff as part of them as well.

**Fiona Hyslop (Linlithgow) (SNP):** Good morning. Thank you for coming in to give evidence.

I will ask about how you track customer satisfaction. The committee understands that Registers of Scotland customer satisfaction surveys traditionally focus on larger business customers. I understand that you do a quarterly survey of 100 of your top business customers and an annual survey of up to 400 of your top business customers. How does Registers of Scotland engage with smaller firms, sole legal practitioners and members of the public to understand the issues that they face and the level of customer satisfaction?

**Jennifer Henderson:** You are absolutely right: we survey our top 100 and 400 business customers.

On engaging with smaller firms, we also have a small team of customer relationship managers who have relationships with all our solicitor firms. Every firm has the opportunity to pick up the phone to a customer services support person and talk about its particular issues.

We run regular engagement activities—in fact, we have one coming up in a couple of weeks’ time—to which all solicitor firms are invited. In the past year, I think that 3,000 participants have come along to those online events. I support the events, which are a great opportunity to have one-to-one conversations with firms of all different sizes about the problems that they experience or the things that work for them.

We have a user experience panel on which solicitor firms of all sizes are represented. When we develop new systems, we ensure that we build systems that will work well for not only big firms with lots of support but the sole practitioner.

We have a robust complaints process through which firms can come to us and raise an issue if something has gone wrong. I get a number of letters from firms, on which I engage with them.

We have a pretty rounded way of understanding how all our customers think of us. Also, there is a feedback button on all our systems. If anyone using any of our systems thinks that it is not quite working, they can press that button. We take that feedback on board and update the system.

I am pleased that you asked about citizens. We have had a number of events for citizens. We had good citizen attendance at our annual report and accounts event, which I was pleased to see.

We have just changed provider for our customer service satisfaction survey, which will also now involve a survey with citizens. In our independent customer satisfaction survey, we will survey the 100 citizens—I think that that is the number, but I might be wrong—who have most recently had contact with us and who will be asked about their experience of dealing with us. For the first time, we will be able to get a citizen satisfaction score as well as a solicitor satisfaction score.

**Fiona Hyslop:** Many of your relationships are with solicitors and solicitor firms. If MSPs are approached about Registers of Scotland, by and large we refer the people involved to solicitors because many of the issues that are being dealt with are legal and we are not qualified or allowed to provide legal advice. MSPs tend to deal with public bodies’ processes and injustices. When something to do with land registration goes wrong—with title deeds, for example—it can be extremely distressing for a member of the public.

I have a current case. I will not go into the detail of it but I am concerned about how Registers of Scotland has dealt with it. After many years, my constituent now has a title deed that reflects the Ordnance Survey map. We have had many and extended contacts with Registers of Scotland.

My constituent paid to download the land register that appears on the website. Just a few

weeks ago, they were told without notice that Registers of Scotland was going to change it after many years.

This is not about process: it is about how people are dealt with and their mental distress. Something that can seem very dry, because it is about legal contracts and registers, has a human face.

I do not know how many letters or contacts you have had from MSPs about that process. You may not have had the information to date—you have said that you are now going to find out about citizen customer satisfaction. Until now, there has been no means of knowing about that, except for the complaints process, which has not been as accessible as those of other public bodies.

You talk about the future. This meeting is part of our feedback to you about what matters. How can you improve your processes so that you are more alert? You are here as the keeper of the registers of Scotland. You have senior responsibility. When things go wrong and there is an injustice, you should be alert to that. That is about more than generalised customer satisfaction. I am being direct, but how our constituents come to us with issues about your organisation is pertinent and relevant.

**Jennifer Henderson:** If I may, I will give you some numbers. I would be interested in exploring your view that our customer complaints process is not as accessible as it could be. I think that we deal very robustly with customer complaints. We do not get many: we have had 61 complaints so far in this financial year. There is a mixture of complaints. Some come from solicitors, and some come from citizens who feel that they have not had good service from us.

We have a two-stage process. At the first stage, we respond within five days. If we can fix the problem, we do, and we apologise if we have made a mistake. The vast majority of customer complaints that come to us are fixed at stage 1 and within five days.

If the customer is not satisfied with the outcome of the stage 1 process, they can come back. We then have 20 days to carry out a more detailed investigation into what has happened. At that point, if the more senior investigating officer concludes that we could have fixed the problem, they will arrange for it to be fixed. If the customer is still dissatisfied at that point, they can go to the Scottish Public Services Ombudsman. So far this year, no complaints have been referred to the ombudsman. I think that that process works quite well.

One challenge for the organisation is that sometimes the customer is unhappy about something that is not within our gift to fix. We are not a judicial body. It is not within my gift to resolve

complaints involving boundary disputes with neighbours—that is, someone thinks that their boundary should be in one place while their neighbour has a very clear view that that is not where it should be. I have to explain why it is not within my gift to resolve such problems. I can tell the unhappy customer what options are open to them, but I cannot fix the problem.

I recognise that not everyone comes to us through our own complaints process. We have had 75 MSPs come to us so far this year. They have not all come with customer complaints. They might come with a property ownership inquiry, for example. If contact from an MSP is the route by which we find out that a customer has a problem, we treat that in a very similar way to the way that we would treat it if it came to us through our formal complaints process. We look at what we can do and whether we can fix it. We ensure that you and your colleagues get a very clear explanation of what we can and cannot do.

I hold my hands up. There are 500,000 transactions a year, and we will make real mistakes with a very small number of those. However, it is a very small number—I would like it to be zero, but I think that it is probably impossible to get things right every time. All that I can say is that when we make a mistake, we do our best to fix it if we can. If we cannot fix it, we explain why we cannot fix it and what options are open.

I absolutely recognise that we will be dealing with people who find the situation distressing. A number of my customer services operatives have had specific training in having conversations with customers who may be very distressed. They try to support people by explaining what has gone wrong and what can be done. We always treat our customers with absolute respect. We try to support them, recognising that the situation can be very distressing.

**Fiona Hyslop:** That is a very expansive and informative answer—thank you.

10:30

**Jamie Halcro Johnston (Highlands and Islands) (Con):** Good morning. I want to follow up slightly on Fiona Hyslop's point, and then maybe ask another question.

You talked about a three-year delay or backlog. What kind of organisations account for the cases that make up the majority of those delays? Is it large organisations, small organisations or businesses, or individuals?

Also with regard to the backlog, it is now three years. What is your target for it to be in one year's time?

**Jennifer Henderson:** A mixture of organisations makes up the cases in the backlog. I would be happy to supply the committee with a breakdown, which we have by county, MSP constituency area and type of case. Cases will involve everything from someone who has sold off the bottom of their garden to have something built on it, to potentially large and complex commercial transactions and everything in between. I would be happy to supply more detail on the breakdown.

We emphasise to everybody that we can be approached for an expedite of any case that is causing an issue. As we emphasise to solicitors, we will always be able to fix a problem quickly, but we cannot fix all the problems quickly; if we had to expedite everything, we would be expediting nothing.

With regard to our targets, as I explained earlier, the target is to continue to increase how quickly we deal with new cases, so that we can free up more people to get them on to the backlog cases. We are about to publish our corporate plan, and I do not want to jump the gun on that, but I would be happy to follow up in writing about the targets that we are setting for specific case numbers to come out of the backlog in the year ahead. We are also doing the final cranking of the calculations on where we expect the backlog to be in a year's time, in terms of how old the oldest case will be and how big the backlog will be, so that we can be transparent about that. When we finish those calculations, I will be happy to provide that to you.

**Jamie Halcro Johnston:** Are you saying that we should know from your corporate plan where you expect to be in the next year and the following years?

**Jennifer Henderson:** Yes.

**Jamie Halcro Johnston:** It would certainly be useful to get more detail on the cases, because that would give us an idea of where the backlog is having an impact and who it is impacting on.

You have also talked about expediting. What are the criteria for a case to be expedited? Is it about the size of an organisation or the number of cases that it has?

**Jennifer Henderson:** It absolutely is not based on size or anything like that. We have two criteria, which are financial and personal hardship. They are pretty broad criteria.

An example might be a person who is borrowing from a particular lender for a particular specialist mortgage, and the lender has said that they are not prepared to lend unless the case is fully registered. That is an example of financial hardship. As for personal hardship, there can obviously sometimes be sad cases, such as when there has been a death and someone wants to get

their registration completed in order to deal with probate and such things. There is a very broad set of evidence that we will accept from people who come to us.

Perhaps I could put the expedited cases numbers in context, because that tells a useful story. So far this year, we have done 1,000 expedites. Out of all the cases in the backlog, 1,000 customers have come forward to say, "Here's the problem I'm having," and we have turned round their cases and got back to them within two weeks. In a small number of cases in the backlog there is an issue, and we can fix those.

**Jamie Halcro Johnston:** For clarification, when is it expected that the corporate plan will be published?

**Jennifer Henderson:** It will be published on 1 April.

**Jamie Halcro Johnston:** Thank you.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** In your opening statement you mentioned, I think, that the 2024 target for completion of the land register will be met. Is that correct?

**Jennifer Henderson:** The target is for delivery of the benefits of a complete land register in 2024. We plan to do it in a slightly different way from having every last square inch of land on the land register.

**Colin Beattie:** Can you explain that a bit more?

**Jennifer Henderson:** I certainly can. I am delighted to get the chance to talk about this. Perhaps I can explain what we have been doing for the past few years.

We have been moving land on to the land register since 1979, but that really kicked up a gear in 2014, because the sasine register, which was previously where people could register, was closed to a number of deed types. People had to move on to the land register if, for example, they bought a property or remortgaged. There has been a huge acceleration in things moving on to the land register in the past eight years.

First registrations—the buying of a property—is the obvious driver. However, the other thing that has been coming through in large numbers is voluntary registration; we have had 29,000 since 2014. Those involve people who are not selling their property but who nevertheless would like it to be on the land register.

In the past two or three years, however, we have noticed that the volume of voluntary registrations is not going to get us to the position of having everything on the land register by 2024. We have therefore been taking a step back and

thinking about the point of completing the land register, and what we were hoping to achieve by having everything on it.

Our view is that two benefits were expected. The first is ease of transaction in buying or selling of a property. We will deliver that, because everything that will need to transact will be on the land register. That leaves the areas of land that are never going to be sold. How do we get information about them, if they have not come through the voluntary registration process? In that respect, we realised that there is nothing wrong with those properties still being in the sasine register, apart from the fact that the sasine register has no map. You cannot look at a map of Scotland, point to an area of land that is still in the sasine register, and say, "Tell me who owns that."

In the past year, therefore, we have come up with a solution whereby we have mapped those areas. I published that just on Monday, so I am happy to share the link with the committee. We have published a map of Scotland that shows everything that is on the land register plus everything that we have now mapped that is tied to a sasine title. We have got to 80 per cent coverage of the land mass of Scotland with that method, so we are getting there on transparency and answering the question, "Who owns Scotland?", which was the other benefit that we expected from getting everything on to the land register. That is the important question that needs to be answered in relation to policy decisions on issues such as concentration of land ownership and the public-private split of land ownership.

We have our foot down on getting to 100 per cent of the map being filled in by 2024, while clearing our backlog so that everything that transacts is on the land register and can go through smoothly as a transaction. I hope that that clarifies where we are.

I will just say quickly that, in the background, we will still continue to accept voluntary registrations. We would still love to get everything on to the land register, but in the absence of things coming through in the volumes that are needed, this is an alternative way of making sure that we deliver the benefits.

**Colin Beattie:** It sounds like a bit of a compromise. Clearly, the original target and delivery under it have changed. To me, the changes that you have made seem to be fundamental. It will take years longer to get all the benefits that were anticipated from completion of the land register, and we do not have a target for that. You hope that, by 2024, you will get some of the benefits, albeit that how that will be achieved seems in some ways to be a little vague. Has that been discussed with your sponsor department in



the Scottish Government? Is there clarity on how things are going forward?

**Jennifer Henderson:** We have discussed the matter widely with a range of stakeholders, because we wanted to make sure that the people who were expecting to realise the benefits of a complete land register felt that they would still get the benefits within our planned timescale. I would describe it not as a compromise but as a pragmatic solution to make sure that, by 2024, we achieve something that will give those benefits.

I will take the two big stakeholder groups as examples. We talked to the Law Society of Scotland, which represents the people who transact, and it is content that, if everything that is going to transact is on the land register, that makes their members' jobs simpler, because the idea of people having to comb through the sasine register for first registration support will be a thing of the past. We have also talked to land reform organisations, such as the Scottish Land Commission, which provides advice on the big policy decisions. It is content that, provided that we are able to look at the map and clearly provide information about ownership of everything on the map, the commission will be able to do the work that it needs to do in order to draw out the policy advice and policy shaping that it provides.

We have scratched our heads long and hard and have thought about whether there is a different way of doing that, but there is a good reason why some organisations and property owners are not in a position to come forward for a voluntary registration that would get their land on the land register—there is an affordability issue. That is not in relation to Registers of Scotland, because our fees for registering are pretty modest, and we give a discount for voluntary registrations. However, because of the effort that is involved in combing through all the information and putting together an application to get voluntarily registered, it is an expensive endeavour.

We have had clear feedback from customers that they cannot prioritise putting their resources into that. They might get to it at some point in the future, if they can afford it but, in the interim, we have had to find a different solution that still allows the benefits to be delivered.

**Colin Beattie:** Therefore, one could describe that as a pragmatic compromise.

**Jennifer Henderson:** I would go with calling it a pragmatic compromise. We have also had feedback on the work that we are doing on producing the map and linking it to sasines, which is the first step that someone has to go through in a voluntary registration. We have had feedback that it might nudge some people to say, "Oh, all right, then—I'm going to go all the way and get

that voluntary registration done." Therefore, we think that that work also acts as a bit of an encouragement, but "pragmatic compromise" is a good way of describing it.

**Colin Beattie:** There is a bit of a question about that, but never mind. I will move on to something else.

You mentioned the loss of your financial reserve because, obviously, your status changed, so the difference between your fees and outgoings is now met by the Scottish Government. Obviously, there are additional costs even in achieving the more limited target for 2024 that you are looking at. Has the Scottish Government committed to funding that over the years?

**Jennifer Henderson:** Perhaps it is worth explaining a little about our finances in the past couple of years, because the changes in the housing market have presented some challenges. Broadly, we are expected to be an organisation that covers its costs. Therefore, the level at which the fees are set—for the things that we charge for—are expected to cover us delivering what we are here to do, and that includes delivering the work of completing the land register.

We are in the fortunate position that the housing market has been very buoyant this year, so we are receiving more fees than we expected. As a public sector organisation, we continue to make sure that we are as cost efficient as we can be, so we will cover our costs this year. We will be able to do everything that we need to do and we will not need to draw down anything from the Scottish Government reserve. We thought that we would need to do so at the beginning of the year; we did not predict that the housing market would be as consistently high as it has been all the way through the year, but we are covering our costs this year.

To give you a preview of our corporate plan before we publish it, I note that we expect to cover our costs for the next five years, based on what we project the housing market will do and what it will cost us to do everything that we need to do. We do not expect to have to draw down anything from the Scottish Government.

However, when our status changed and we handed our reserve to the Scottish Government, it was very clear that three risks were, in essence, transferring to it. First, the Government took on the risk of a drop in the housing market, so if we did not have enough fees to cover our income, we would go to the Government. The Government also took on the risk of a large compensation payment, and the risk that, if it wanted us to do extra things, we would not be able to fund that if our fee level was not high enough. The Scottish Government accepted that those risks transferred

to it. The position that we are in at the moment means that we have not needed to call on that extra money.

10:45

**Colin Beattie:** How closely do you work with the Scottish Government sponsor department on that?

**Jennifer Henderson:** We do not have a direct Scottish Government sponsor department; because we are non-ministerial, we sit outside that structure. Tom Arthur is the minister who speaks for us in Parliament, and he holds the various powers that are mentioned in our framework agreement.

We work closely with our Scottish Government finance colleagues—the people who do all the budget-setting work. My chief finance officer has regular meetings with her opposite number in the Scottish Government to ensure that it is up to speed on our latest forecasting and expected expenditure, and that it is aware of where we are.

The expectation is that we will eventually generate a small surplus, which will be returned to the Scottish Government coffers so that, I guess, we build up some credit for events for which we will need to draw down money.

**Colin Beattie:** Can you explain in more detail what unlocking the sasine register means?

**Jennifer Henderson:** It means attaching a map to the sasine register. The sasine register is brilliant if you are an expert at reading the sasine register. You can get any amount of information out of it, but people want to be able to look at a map, so we have collected mapping data using estate plans and things that give us a shape to drop on to the map. My searchers, who are experts in understanding the sasine register, look at the shape on the map, compare it with the sasine register and can say which part of the search sheet relates to the map, so we can join the two together. That means that we can pull through ownership information from the sasine register and can say who owns each shape on the map and whether that is an individual or a public company, for example.

It is as simple as making the register map based. The land register does that; it allows people to click on the map and get ownership information. We have put in an extra step that means that people can click on the map and get to the sasine information in a much more accessible form, instead of needing to understand the detail of how the sasine register works.

**Colin Beattie:** So just to be clear, as an alternative to completing the land register we will—semi-permanently, I presume—still run the sasine register alongside it?

**Jennifer Henderson:** I think that we will have to. The sasine register will have to be in existence until every last piece of land has moved across. However, during the next few years, we expect voluntary registrations. They will drop into the land register and will then vanish from the unlocked sasine register. The sasine register will shrink during the next few years, but in the interim this is a pragmatic solution to deliver the benefits.

**Gordon MacDonald (Edinburgh Pentlands) (SNP):** I will continue the discussion about ROS's finances. You highlighted that you expect this year's income to cover all costs, and this year's quarterly update shows that your income will be about £95 million. If we look at the four years prior to the pandemic, your income ranged from £72 million to £78 million. During the first year of the pandemic, that collapsed to £65 million. That figure of £95 million is a substantial increase—it is 45 per cent up on the first year of the pandemic and 20 per cent up on 2019-20, which is the last full year for which there are figures. Is that substantial increase in revenue purely down to an increase in housing market activity?

**Jennifer Henderson:** We put up our fees—that is the other driver. We had not put up our fees since 2011. Prior to the pandemic, we had identified that we were not going to be in a position to cover our costs. We had absorbed a lot of cost rises, but we had run out of road. Going into the pandemic year—obviously, we had not anticipated that it was going to be the pandemic year—we had in mind that that would be the year to do a fees review. We did that, and the proposed fee changes were approved by Parliament, so our fees went up.

The other factor is that we have different fee levels, and our fees are attached to the price of the property that is being sold. As property prices rise, we get a greater proportion of fees in our slightly higher brackets. We then got a very high property market.

Therefore, there are three factors: increased fees, house prices rising and a very buoyant property market. Those factors have combined to give us that extra amount.

To reassure you, and in relation to the question about how closely we deal with Scottish Government finance colleagues, I note that we do a three-point estimate. We look at a high housing market, a median housing market and a low housing market, and share all those numbers with Scottish Government colleagues so that they can see the best and worst cases in terms of income. We take forward the midpoint estimate, which gives us a bit of room in case some of the predictions have not been quite right. We do the same three-point estimate for our costs, because they depend on how quickly we recruit staff, how

many staff leave, how much we are paying our contractors and so on. We are very transparent about what our work might cost us and about what income might come in.

**Gordon MacDonald:** That is really helpful to understand. I would also like to understand your view on that income figure of £95 million. Do you expect that to grow in the next few years? I see in your corporate plan that you expect to get another £7 million of income up to 2025-26, but how much built-up demand is there, given the problems that there have been in the housing market, and do you see that plateauing in future years?

**Jennifer Henderson:** That is a good question. Predicting the housing market is challenging, and we do quite a lot of historical analysis in relation to what is happening in it. At the moment, our prediction is that the housing market will stay relatively level. It is in a particularly buoyant period now, so we have factored in to our planning the possibility that it will settle down to what we could call a more normal housing market.

We also keep a very close eye on what is said by the commentators who talk about what could happen to the housing market in light of the cost of living crisis, interest rates rising and things like that. That is why we do our three-point estimate, in which we also look at what would happen if the housing market drops a bit.

We try to make sure that we are resilient to whatever happens in the housing market. One way in which we are doing that is automation. At the moment, our ability to deliver is impacted by the amount of activity in the housing market, because we need so many staff to deal with it. When we have a bit more automation, it will not matter so much if the housing market fluctuates; we will be able to cope with a higher or a lower market, because quite a bit of our work will be automated. We will have a base of expert staff who deal with more complex cases, and complex cases are less impacted by the housing market than they are by dealings that are done by the housing market. I hope that that is helpful.

**Gordon MacDonald:** Yes, it is. You quite rightly touched on the fact that your fees had not increased since 2011. The current inflationary pressures—the consumer prices index is at 5.5 per cent and is expected to be above 7 per cent before the end of the year—will no doubt put pressure on wages and other costs. Do you anticipate any increase in your fees in the next few years?

**Jennifer Henderson:** We do not. When we do our fees review, we try to make sure that changes to fees will last us for a period. We do forward projections of income and costs over five years, taking into account wage rises, other cost rises

and things like that. We try to make sure that we set our fees at a level that means that we will break even across a housing market.

Every year, we look again at that and make sure that we have those aspects pegged right. We also continue to drive in efficiencies, because, as a public organisation, we should be trying to reduce our costs and deliver more with what we have. Therefore, at the current time, I do not anticipate that there will be a fee rise over the next few years.

**Gordon MacDonald:** My last question is to do with the large increase in provisions in your 2020-2021 accounts. The “Movement in work in progress” budget line has increased from £190,000 to about £13.1 million.

**Jennifer Henderson:** We have to account for the work that we have not yet dispatched out the door by making a provision in our accounts for that. The increase relates to the fact that our backlog got worse, so we now have more of the more expensive cases waiting to go out the door. That provision in the accounts is for the effort that will be involved in delivering on that.

**Alexander Burnett:** I highlight my entry in the register of members’ interests relating to land registration and my taking part in the voluntary registration process.

I have three points to make, the first of which might be more of an observation. Fellow professionals are very sympathetic to the work of Registers of Scotland and its staff. However, they indicate that a lot of the key performance indicators are based on volume rather than on complexity of cases or on land area. That is hiding, or masking, a larger amount of complex cases coming down the track.

As you said, even though 80 per cent of the land area may have been covered by some of the work that you have done, a lot of the larger more complex areas have not even been started yet. There is a feeling that, when looking at some of the estimates for the plan and the recovery, we are seeing only the tip of the iceberg in terms of complex cases. That is just an observation, which you might want to come back on.

My second point is one that my colleague Jamie Halcro Johnston also raised. I would be grateful for more detail on where some of the backlogs are, and on which areas have better registration coverage than others. We would certainly welcome that information, so perhaps you can let us know about the situation in council areas. Our anecdotal evidence from local authorities is that they have not even begun to set aside staff and resource to meet your objectives, so there may be a disconnect in that regard. Perhaps you could comment on that briefly.

Thirdly, you mentioned that you have a new plan coming out. Given the worrying situation with the backlog, are you able to give the committee further, or more regular, updates, either in writing or in person?

**Jennifer Henderson:** I will come back on each of those points.

Your first observation, about the number of very complex cases that might be waiting to come through, is interesting. As I said, we have had 29,000 voluntary registrations since 2014. Not all of those are complex—some of them are straightforward. Regarding the flow of very complex cases, we work closely with anybody who would want to submit a complex voluntary registration, so we ensure that we have space in the queue at the point when they want to come in.

You are right to highlight the complexity of such cases. To give the committee an illustration, we currently have an estate voluntary registration case for which we have had to scan 34 boxes of deeds, which are now being worked through digitally. The map that needs to be analysed and worked out would cover the committee-room floor. There are some very complex cases, but they slot in regularly, so we manage the flow.

We ensure that, at the point when someone says that they would like to bring forward a voluntary registration case, we say to them, “Yes please—come in”, and that we have the team assembled and ready to deal with that. We are, therefore, not overwhelmed by more people wanting to come in than we can serve. I am confident that we will be able to deal with all the complex cases as they come through, but—as per our earlier discussions—they will not all come through by 2024.

With regard to our coverage across council areas, we have the data to enable us to show you, by local authority area, how much of the land is on the map and how much is missing, and we would be happy to do that.

11:00

You are right to identify that some local authorities that own land have not been in a position to come forward with voluntary registration. We have worked closely with six local authorities whose data was in a state that enabled us to put it on the map through the keeper-induced registration process, which is a free service. The authorities simply have to provide the data, but the data is required to be in a certain state.

We are working with a few more local authorities to explore whether their data could possibly be got into the right state to enable us to do that, but the picture is not cause for optimism. In addition, a

number of local authorities simply do not have the data in a format with which we would be able to work. We can certainly follow up with the committee on that in more detail.

On your third point, I would be delighted to provide the committee with more updates. I would also be delighted to come back whenever you want to talk to me about those aspects, and to keep you posted on the progress that we are making in general in dealing with all our casework.

Perhaps I can follow up after the meeting to find out whether the committee would like a monthly written update to keep you posted on how we are getting on with completing the land register and clearing the backlog. We collect that data monthly, and I would be delighted to share it with you and come in to talk to you at any point when you would like to discuss that.

**Alexander Burnett:** Thank you—those are very helpful answers, and I am sure that the convener will come back to you on that last point.

**The Convener:** Thank you very much for your attendance this morning, Ms Henderson. We will be in touch about the best way for the committee to keep up to date with the work of Registers of Scotland. We appreciate the evidence that you have given us.

You have committed to send us some further information on analysis, and on something else—

**Jennifer Henderson:** It was a link to the map that we have published, which shows the coverage, and our corporate plan, once we publish it.

**The Convener:** Yes—the committee looks forward to receiving that correspondence.

**Jennifer Henderson:** Thank you for the opportunity to come to speak to the committee today.

**The Convener:** We now move into private session.

11:02

*Meeting continued in private until 11:37.*

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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