



OFFICIAL REPORT
AITHISG OIFIGEIL

Local Government and Communities Committee

Friday 21 August 2020

Session 5



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LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE
18th Meeting 2020, Session 5

CONVENER

*James Dornan (Glasgow Cathcart) (SNP)

DEPUTY CONVENER

*Sarah Boyack (Lothian) (Lab)

COMMITTEE MEMBERS

Annabelle Ewing (Cowdenbeath) (SNP)

*Kenneth Gibson (Cunninghame North) (SNP)

*Alexander Stewart (Mid Scotland and Fife) (Con)

Annie Wells (Glasgow) (Con)

*Andy Wightman (Lothian) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Aileen Campbell (Cabinet Secretary for Communities and Local Government)

David Torrance (Kirkcaldy) (SNP) (Committee Substitute)

CLERK TO THE COMMITTEE

Peter McGrath

LOCATION

Virtual Meeting

Scottish Parliament

Local Government and Communities Committee

Friday 21 August 2020

[The Convener opened the meeting at 10:00]

Decision on Taking Business in Private

The Convener (James Dornan): Good morning. I welcome everyone to the 18th meeting in 2020 of the Local Government and Communities Committee. I thank the broadcasting office for their help in organising the meeting, and I ask everyone to ensure that their mobile phones are on silent.

We have received apologies from Annabelle Ewing. I welcome the Scottish National Party substitute, David Torrance, back to the committee.

I also welcome Alexander Stewart, who has rejoined the committee after a brief hiatus. Graham Simpson and Jeremy Balfour have moved on. I put on record our thanks to Graham and Jeremy for their services to the committee.

As Alexander Stewart has been with the committee previously, he does not need to formally re-declare his interests, but I remind him of the requirement to declare interests, as per the usual procedure, when the committee discusses any relevant issues.

Agenda item 1 is a decision on taking agenda items 5 and 6 in private. Item 5 is consideration of evidence on the third sector and Covid-19 that will be heard at the meeting. Item 6 is consideration of our approach to the Community Empowerment (Scotland) Act 2015.

As we are meeting virtually, instead of asking whether everyone agrees to take those items in private, I will ask whether anyone objects. If there is silence, I will assume that you are content. Does anyone object?

The committee is content to take agenda items 5 and 6 in private.

Third Sector (Covid-19)

10:01

The Convener: Agenda item 2 is an evidence session on the third sector and Covid-19. We will discuss the impact of Covid-19 on voluntary organisations and the third sector, the third sector resilience fund, and how the Scottish Government plans to help the sector to recover over the coming months and years. This builds on evidence that we took before the summer recess.

I welcome Aileen Campbell, the Cabinet Secretary for Communities and Local Government, and, from the Scottish Government, Calum Irving, the head of the third sector unit, and Laura Turney, the head of public service reform. I am grateful to them for taking the time to answer our questions today.

As this is a virtual meeting, we will take questions in a pre-arranged order. We might have time for a small number of supplementary questions at the end. Each member will have around nine minutes in which to ask their questions, and will be notified when they have one minute of their time left. If the cabinet secretary invites one of her officials to answer any question, I would be grateful if she stated that clearly on the record.

Once the cabinet secretary has made her opening remarks, I will invite members to ask their questions. Please give the broadcasting staff a few seconds in which to operate your microphone before you begin to ask your question or provide an answer.

I invite the cabinet secretary to make a short opening statement.

The Cabinet Secretary for Communities and Local Government (Aileen Campbell): Good morning. It is good to welcome new members to the committee. I welcome the opportunity to join you to discuss the impact of Covid-19 on the voluntary sector. As you noted, convener, I am joined by Calum Irving and Laura Turney.

The response from the people of Scotland during these incredibly difficult times has been nothing short of inspirational, and that is the case in the third sector. I have been overwhelmed by the many stories that we have heard of individual and collective acts of kindness and generosity. I thank everyone who has stepped up to deal with the impact of the pandemic on our lives, and I thank the many thousands of people who were already making a difference.

The role of the third and voluntary sectors in the past five months has proved what I and many of you already know: those organisations, networks

and people are critical to the health and wellbeing of our people, places and communities. They have helped people to get their medicines and messages; they have ensured that people have had food for their families; and they have befriended and supported their neighbours and the most vulnerable people in our communities, keeping people connected. That must be recognised and commended, so I take the opportunity to thank everyone—individuals, charities, community groups and partners—for their support and hard work over the past few challenging months.

We have supported that action quickly and effectively, particularly in collaboration with partners in the third sector. At the start of the crisis, before we went into lockdown, I announced an initial £350 million community fund, and more than £100 million of that fund has been committed to the third sector. It has been delivered rapidly, ahead of funding in other parts of the United Kingdom and on a much greater scale.

The committee has taken a great interest in the third sector resilience fund, which has so far invested £22 million. It has focused on the immediate cash-flow challenges that organisations face, saving an estimated 15,000 jobs and helping organisations with a combined annual turnover of around £1.5 billion to survive. The wellbeing and supporting communities funds have also played a vital role in supporting the third sector and ensuring that it, in turn, can support people and communities. The wellbeing fund, which has so far invested £21.6 million, has been led by a partnership of the Corra Foundation, the Scottish Council for Voluntary Organisations and third sector initiatives. It has provided support to third sector organisations including charities and social enterprises, helping them to work with at-risk people who are most affected by the pandemic.

The supporting communities fund has so far invested £16.7 million through a locally driven response led by community anchor organisations such as development trusts. Working in partnership with officials, they have acted as a conduit for funding and have worked with the relevant local authorities, charities and volunteers in communities of interest. Across all those funds, collaboration with independent funders and partners in the third sector has been swift and effective, and there is much that we can learn from that work and take forward. We have a great opportunity to reflect on what our role as Government, public services, local government and the third sector needs to be in order to create the conditions for our communities to flourish.

There are still incredibly challenging and vexing times ahead. We cannot fund every request from the sector, and we cannot save every job in the

sector, but we will work hard to help it to adapt to the challenges that lie ahead. We want to ensure that the spirit of collaboration that we have seen is nurtured and taken further. The crisis has shown us that the third sector and volunteering are essential to the social and economic wellbeing of the country. As a Government, we will continue to support and engage the sector as we recover from the crisis.

I look forward to taking the committee's questions.

The Convener: Thank you, cabinet secretary. Given that a lot of Scottish Government funding has been going into the third sector, in which areas has the money been best used and most helped the third sector?

Aileen Campbell: It is difficult to pinpoint one place in that way, because it has all been critical when it has been needed. For instance, the third sector resilience fund was established quickly and it was there to help those organisations that would not have been able to meet their costs in the next three to four months. They needed that help quickly. If we had not had that fund, those organisations would no longer be there. As we developed the wellbeing and communities funds, they helped organisations to adapt what they do in response to the challenges that they faced. They also supported communities to respond to the needs in their local areas. If they had not been able to do that with funding, the resilience of the country would not have—[Inaudible.]

Therefore, it is difficult to pinpoint one area. Collectively, it has all been important and it has all knitted together well. It is possibly not helpful to look at one particular fund. It needs to be looked at in the round.

The Convener: Okay, that is helpful.

I will ask a couple of questions about applications to the third sector resilience fund. How many organisations applied to it, and what proportion of those applications were successful?

Aileen Campbell: It is important to recognise that the fund is still open, so we will do further analysis on that.

There were 3,474 applications, of which 1,323 were successful. Beneath those figures, it is important to remember that the fund was established incredibly quickly, before the UK job retention scheme that allowed people to go on furlough. At that point, there was a noticeable drop in the number of applications and things started to fall into place for other organisations to go elsewhere to get help.

Those are the figures, but I caveat and contextualise them by saying that that was before other a lot of other funding streams came on

board, including our wellbeing and communities funds, which organisations were able to bid into for funding, and before some of the changes that Kate Forbes and Fiona Hyslop announced. Those are the numbers at present, but we will do a further, fuller wash-up when the funding comes to an end.

The Convener: That takes us back to your previous answer about not looking at the fund on its own but looking at it in connection with the other funding that is available. What were the main reasons for failed applications? Is there a theme to the reasons why people who applied for funding did not get it?

Aileen Campbell: It might have been that organisations' operating costs were too high, so they could have sustained their financial situation only for a while. There were also applications for ineligible costs. The TSRF is for meeting overheads and essential staff costs, so if an organisation wanted to do some innovation or change its approach, the costs of those things would be ineligible. The TSRF is about keeping organisations stable; so, in that case, we would have directed the organisation to other funding streams when they went live.

Some organisations' applications failed because they had a degree of financial resilience that enabled them to continue for a bit, but they were offered the chance to re-bid for the fund if their situation changed.

The failed applications are a symptom of the fact that the TSRF was the first fund that was up and running.

The Convener: That takes me nicely on to my next question. Is it fair that organisations with reserves were denied access to the fund?

Aileen Campbell: Criteria had to be set. It was an emergency fund and it was set up quickly. It was designed to help those organisations that would not have been able to meet essential costs in the three to four months after the point at which they applied. It was about supporting organisations that would not have survived had the fund not been there. If an organisation was not eligible for the TSRF, it was told that it could apply again if its situation changed.

There were other supports available. Just Enterprise and Firstport were on hand to offer in-kind support and advice; the wellbeing fund came on stream, and there were other avenues to explore; and then the UK job retention scheme and other Government funds could be accessed.

We endeavoured to cover all bases, so that we were as equitable as possible. I am sure that there are lessons for us to learn, but we did what we did as fast as we could to help those that were most in need.

The Convener: As you say, the resilience fund was set up to rescue organisations that were in immediate danger. Has it achieved its goal?

Aileen Campbell: I certainly hope so. We will keep the committee abreast of any further analysis that we do. The test of whether the organisations can continue, which we will evaluate, will come when the fund ends. There are still organisations using the TSRF, and we will collect that information at the six and 12-month marks.

As restrictions start to ease, some organisations might be able to get back to doing what they were doing before, although possibly to a lesser extent. That will depend on the organisations and what they were doing.

I hope that the fund has achieved its goal. It has certainly kept organisations going over the past wee while. We will do some analysis of that and will continue to engage with the committee.

Sarah Boyack (Lothian) (Lab): My question is on the previous point. We are now six months into the pandemic. When the committee last took evidence, the feedback was that 30 per cent of third sector organisations were not confident that they could survive until March, and only a few were confident that they would survive. What is the overview of the resilience fund's impact, particularly for those organisations that were not able to apply for it or that were unaware of the extra funding that was available to them? What is the update on where the sector is now?

10:15

Aileen Campbell: For the TSRF and the other funds that are still distributing money, we will continue to analyse what the sector is like—we will keep that temperature check in place. We continue to work with SCVO, and we are also working with the Office of the Scottish Charity Regulator, so we get a good understanding of the temperature of the sector. I am sure that the committee will wish to explore that area today. That understanding will help us to think about what happens next.

Some of the responses that we put in place were an immediate crisis response, and we are now actively considering the best way in which to support the third sector to adapt to the change in circumstances. That is work in progress. As I said to the convener, we will continue to keep you updated.

We have been working with OSCR, SCVO and others to get the data and an understanding of where the challenges and vulnerabilities are and what we need to start to do. That will include working with local authorities, too. It is not just us who provide funding to the third sector; it is a

matter of our working collaboratively, with an understanding of how we can best support the third sector in general and also the national health service.

That is where I would like to take the conversation in working with those partners, so that they all recognise just how critical the third sector has been over the past five months. It has meant that some people have not needed to go to accident and emergency units, it has provided mental health support and it has meant that people have been getting fed. That is why it is necessary for us to work on that intelligence collectively and collaboratively. I think that we will be able to publish some further analysis in the autumn.

Sarah Boyack: The advisory group on economic recovery highlighted the importance of the third sector, saying that it will be more important than ever as we move on, post-Covid, and there is a recession to address. The group has also highlighted cuts to public services, saying that there is a vulnerability there, with the third sector having to fill in for public sector jobs and services. Have you done an analysis of which parts of the third sector have suffered more than others?

Picking up the point about local authorities and the health service working together in a preventive way, how are you targeting support? How are you analysing which areas of the third sector have been more vulnerable? Do you have focus groups for social enterprises, childcare, tourism, arts or the community sector? How are you prioritising or creating resilience for the future?

Aileen Campbell: Some of that will be down to the work that we need to do for the analysis that I have outlined and spoken about. We already have an understanding of where some of the vulnerabilities will be. There will be some vulnerability in organisations that require gatherings—arts organisations will have been vulnerable, for instance—and among organisations that require a lot of fundraising, which might not be so reliant on public sector support. We know that there has been an impact on organisations' ability to fundraise. They cannot have big gatherings, so they are not fundraising in the same way, which has had a significant effect.

We are working towards what we need to do in response to some of that. Recommendations were accepted in our response to the AGER report, but there is a continuing need—which we have always known about—to provide more certainty to the third sector and to understand just how impactful that sector is not just across social policy areas but across the whole of public life. There is also the contribution of third sector organisations to the economy, through the people they employ. How

do we get more than one year's funding for them? Those have always been aspirations, and we need to have more conversations about how we can make some of that happen.

The advisory board on social renewal has a circle theme specifically for the third sector and volunteering. The board brings together a collective of third sector organisations—people who are in the third sector and such like—to provide us with advice about what we need to do to help the sector more directly. We already know that we need a better understanding of what is required, which is why we have that circle to advise the board about what the Government and others will need to do. I say again that it will be an issue not just for ourselves but for local authorities and health boards as well.

Sarah Boyack: Do I have time for another question, convener?

The Convener: Yes.

Sarah Boyack: I want to pick up on the issue of employment, cabinet secretary. You said that we have saved 15,000 jobs in the third sector. Where are we with that now? Although we have begun to move into the next phase of the pandemic, with retail opening—which will help a lot of charities, for example—other lockdowns are beginning to happen, and there are worries about a second wave. What work are you doing to make sure that employment is retained, given that some charitable organisations are beginning to offload staff?

The convener made a point about organisations that have reserves and cannot apply for funds. Do we have a sense of how vulnerable those crucial organisations are, as they go into autumn worrying about what happens next financially?

Aileen Campbell: To be clear, the figure of 15,000 jobs relates to the third sector resilience fund—

Sarah Boyack: The resilience fund—yes.

Aileen Campbell: It is not the total.

As I said to the convener, organisations that might have been ineligible to apply for support were told that, if the situation changed, they could apply again. Just Enterprise and Firstport were there to help advise organisations that might not have been successful at the first time of asking. There were also opportunities through the supporting communities fund and the wellbeing fund.

It is important that we look at all the support in the round. A lot of third sector organisations were helped and supported by those other funds, not only by the third sector resilience fund, and other changes were made through the business support

that was announced by my colleagues Kate Forbes and Fiona Hyslop.

As I said in my opening remarks, we are mindful of the challenges ahead. It is important that we do the analysis and the work, and turn our focus to what comes next and how we best provide support. That might not necessarily be just about the resources that the Government has; we need to think about the collective resource in public life, better use of procurement, and making sure that we can enable and support organisations to get back to fundraising. Nonetheless, we need to ensure that portfolios across Government are doing all that they can. We have worked hard to ensure that we can give a degree of certainty. We lifted restrictions on some of the grants that we give to make sure that we provide as much support as possible through the resources that we put out to the third sector.

None of that is going to be easy. That is why it is important that we have the circle in the advisory board to give us a sense of what is necessary to ensure that we keep as many jobs as possible.

Alexander Stewart (Mid Scotland and Fife) (Con): Good morning, cabinet secretary. You talked about how critical the third sector is and how many organisations have gone the extra mile. As you discussed, some sectors have suffered more than others. As we progress through the easing of lockdown, a number of local situations have arisen. Given that there is talk of a possible second wave, what scenario planning has the Government undertaken to ensure that the third sector is better prepared for a second lockdown?

Aileen Campbell: That is a good point. Across Government, work continues in preparation for a range of risks—not only a potential second wave, as Alexander Stewart highlighted, but winter pressures, Brexit, and a host of concurrent risks which are pretty imminent on the horizon.

Our outbreak management team continues to support local incident management teams for local Covid outbreaks. We are working closely with our partners through our strategic co-ordination group, which is chaired by Assistant Chief Constable Mark Williams from Police Scotland and Annemarie O'Donnell from Glasgow City Council, to respond to Covid-19. A huge amount of work is going on across the Government to ensure that we are cognisant of the concurrent risks, and that we prepare as much as we can to ensure that we respond to them as effectively as possible. We will continue to work on that basis, but none of it is particularly easy, because the third sector is currently responding to a lot of vulnerability in the here and now. We are not out of it yet, and if more pressure is applied, things are going to be incredibly difficult and challenging.

Alexander Stewart: You have identified what could potentially happen in the future and described the approach that is being taken. However, could the Government take a more strategic and aligned approach to how it supports the third sector?

Many third sector organisations live from year to year, and it has been suggested that they should be supported with funding over the long term rather than the short term in order to give them flexibility and security so that they can continue to provide support and assistance. The pandemic has highlighted how vulnerable some of those organisations and groups are. Would the Government see a aligned and strategic approach as a better, more progressive way of supporting the sector?

Aileen Campbell: Absolutely, and that alignment will be happening. We can take a lot of learning from what has happened over the past five months. We have in place our advisory board; there is a circle inside it that is concentrating on the needs of the third sector, and we will take those needs into account when we are undertaking work on preparedness for future risks.

With the funding that it has announced, the Government has tried to be agile enough to respond to what has emerged, which will influence how we go forward. If we apply those future concurrent risks to the most badly affected and particularly vulnerable organisations and groups, we need to be mindful about what that means in terms of support.

The best people for us to engage with in that regard are those in the third sector. That is why it is critical that, in the advisory board, we have that circle, with third sector representation, to ensure that we proceed in the best possible way, bearing in mind some of the constraints that we have around finances. The question is, how do we best deploy those finances? As I said in response to Sarah Boyack's question, it is important that we look at procurement, because that can enable us to make the best use of the resources and money that are there. Things like community wealth building are important as well, because we do not want an extractive economic model; the point is to ensure that the money is used to benefit people in the community, which is true for the work of the third sector in general.

Alexander Stewart: During the pandemic, financial challenges facing the third sector have been identified, and there has been discussion of how it will support itself and progress, whether that involves using reserves or organisations looking at how they can align their short-term and medium-term financial planning.

At the start of the process, it was thought that the third sector could potentially be decimated, but many organisations have been supported and have recovered to some extent. Nevertheless, they still see themselves facing real financial challenges over the next two to three years. The issue is how we manage that and support them through a strategic approach. You touched on Government cross-portfolio work, which is important for capturing that strategic approach and working together with the third sector to ensure that it receives the vital support that it requires.

Aileen Campbell: I would not disagree with much of what you have said. I am appearing before the committee as the minister with responsibility for the third sector; however, I am acutely aware that my portfolio is only a small part of the picture across Government. There are countless third sector relationships with Government across education, health, culture and so on. I endeavour to ensure that we apply best practice and that we offer advice and expertise, from the teams that support me and from the third sector itself, to support work across Government as best as we can.

10:30

As a Government, we too have not had certainty around some of our budgets—we have had yearly budgets—and that has an impact on setting budgets. Ideally, we would want to give third sector organisations certainty, and ensure that they do not have to see other funds being distributed and have to work out what will be left for them. That situation is not ideal, considering how important the third sector is to our wellbeing. It goes back to the need to ensure that there is a sense of parity across public life.

Some of those in the third sector have said to me that they feel that the term “third sector” is not particularly helpful because it does not capture half of what they do. The sector needs better use of resource and more certainty over a longer timeframe. We must ensure that we are consistent across Government, and we must work with those across the rest of public life to ensure that they properly value what the third sector does. That goes back to issues around the outcomes of the Christie commission, such as preventative spend, community empowerment and a whole gamut of things.

It is important that we continue to support the third sector—without it, the country would not have been as resilient as it has been. We would not be where we are now without the third sector.

David Torrance (Kirkcaldy) (SNP): As everyone knows, I have been involved with the third sector for a long time, in various

organisations. I want to put on record how proud I am of how, in such difficult times, the sector has managed to deliver services and keep them going for communities.

Recently, third sector redundancies have been announced in my constituency, and it is clear that not all third sector organisations will survive. What can organisations in the sector do to work with each other and with the public sector to ensure that we have a thriving third sector in the future?

Aileen Campbell: I know that you have a very close relationship with the third sector; I have visited some third sector organisations in your constituency in Fife. You make a good point. It reflects some of the responses that I have already given about the need for us to work collaboratively, with local authorities and others and with the third sector itself, to ensure that what we do and how we do it best reflects the need that exists.

The advisory board has a particular focus on the third sector. It is seeking to bring everyone together round the virtual table to collaborate and advise us on our support actions to ensure that they meet the sector’s needs.

However, that will not be easy. It is vexing to say that we will not be able to save every job—regardless of political party, that is not a situation that any of us want to be in. Nevertheless, we can make best use of what we have to provide as much support and protection as we can.

David Torrance: Do you believe that the sector can respond to the crisis with an approach that creates a balance between not losing services and not duplicating them?

Aileen Campbell: I think so. I mentioned the Christie commission—next year, it will be 10 years since the commission reported. Part of Christie’s response on public sector reform was to try to ensure that we empower our communities to maximise the money that we have, and that we act preventatively and do not duplicate provision.

Third sector organisations have been doing that since before the Christie commission report was written—it is their bread and butter. They have been and continue to be agile; they make phenomenal use of the resources that they get; they respond to the needs of their communities; and they employ a huge number of people. We need them to help the country respond, and there needs to be a recognised role for them as we move forward.

Again, I stress that dealing with this situation will not be straightforward or easy. The third sector will be critical because of its ability to deliver on the national performance framework outcomes and to

enable us to build something tangible on our ambition for the wellbeing economy.

The Convener: David Torrance has disappeared—he must not have liked the cabinet secretary's last response. He has dropped offline.

Aileen Campbell: Oh, no.

The Convener: We will move to Andy Wightman. If David Torrance comes back, I will ask him whether he has any further questions.

Andy Wightman (Lothian) (Green): In your opening remarks, cabinet secretary, you mentioned that some third sector organisations will have been helpful in preventing people from presenting at A and E, so they are already doing preventative work. You have just cited the Christie commission. I do not know the average cost of presentation at A and E, but if a third sector organisation prevents people from presenting at A and E and that cost is not incurred, how can the organisation be properly rewarded for those savings? Are we any closer to developing an accounting framework for preventative spend?

Aileen Campbell: As everyone acknowledges, it is difficult to quantify some of that. I mentioned that in my response to David Torrance because, through our third sector resilience fund, we have helped some of the organisations that are in that health space. I was citing that as an answer to why it is important to continue to support the third sector and see it thrive.

As we move more towards considering outcomes, that should be part and parcel of how we account for our finances and decisions. I have to concede that, at this point in time, that is not an exact science. However, we will all coalesce around the NPF, with that focus on outcomes. The third sector is critical to that, because we will not be able to fulfil those outcome aspirations without the third sector.

There has to be continued work on that, but there is space to do that. Because of the aspirations around the wellbeing economy and community wealth building, there is an opportunity to try to get a better handle on some of that and put more rigour around the hunch, which we all have, that the third sector helps us with our preventative spend, because it helps avoid those higher-tariff costs in more statutory services. We must support the third sector to tell that story and ensure that it is recognised, not just in Government but across public life. That is why not just Government but local and health authorities need to be involved in that.

Andy Wightman: You touched on the future and how we will have to learn from the current situation. It is clear that parts of the third sector still face significant challenges; you mentioned that

forthcoming challenges such as a second wave of the virus or Brexit might come down the track. It appears to me that the third sector has been supported in a rather sectoral way, so we have had a lot of work on social enterprise but, across the piece, there does not appear to be a strategic framework to look forward in the medium term at the role and expectations of the third sector and public sector support for it.

Are there moves to build a more strategic framework for the third sector, so that it has more certainty and clarity and can plan for the future in a way that does not involve the tensions and difficulties of annual budgeting, which you have conceded?

Aileen Campbell: Again, I point to our social renewal advisory board. One of the board's circles has a particular focus on the third sector, which is represented on the board. We have asked the board to give us ideas and recommendations not only on what we do to respond to the crisis but on how we build for renewal and the best approaches for that. It is in that space that we will start to get some of the work that you are looking for. We will keep you updated on how that work progresses.

The board is keen that we capture the good stuff that has happened over the past five months. It has been a horrible, awful, traumatic and desperately sad time for so many, and it continues to be so, but we want to capture the good things that have happened in the social policy space, such as the partnerships that have been formed as a result of people having to roll up their sleeves, disregard boundaries and professional silos and get torn in to what needs to be done. In the conversations that I have had, there has been a universal desire to keep that collaboration and partnership not just in the third sector but across local government and so on.

The crisis has also thrown up examples of such collaboration not happening, but that gives us the chance to push for it to happen. We need to work through what we need to do and learn from the fact that the country could not have responded to Covid in the way that it did had it not been for the third sector. We need to think about what that means for decisions in the future and how we reflect that properly. The work of the social renewal advisory board will be critical to that.

The work of Benny Higgins also cited the need for much more certainty for, and recognition of, the third sector, so there is alignment in that regard. It is good that the work of the third sector is being recognised in the economic space. That is critical so that it is not pigeonholed in a social policy sense but is recognised for the economic and job contribution that it makes, which is what the third sector wants.

Andy Wightman: [*Inaudible.*]

The Convener: Andy?

Aileen Campbell: Convener, I am going to get a complex if everyone drops off after I have given my answer. [*Laughter.*]

The Convener: I am not sure what you are doing, cabinet secretary, but it is frightening me.

Are you there, Andy?

Andy Wightman: I am not sure whether the cabinet secretary heard my question. I was not aware that my microphone was off.

The Convener: Do you want to ask it again?

Andy Wightman: I was just reflecting on the cabinet secretary's response. For members of the committee, homelessness will be a litmus test, because it is an area in which boundaries have been broken down and there has been a good response. The question is whether that will endure.

Has the Scottish Government got good data on the financial challenges that the sector faces over the next year or two? Is the Government in a position to understand those yet, or is it still grappling with what has been happening over the past six months?

Aileen Campbell: Up to a point, we are still grappling with what has happened over the past six months, and a lot of organisations continue to respond to the challenge. We will publish further analysis in the autumn—around October—and we continue to work with OSCR to take the temperature of the sector. That will give us some insight and intelligence to help us with our future work. We will keep the committee posted on that. Of course, there are various other surveys, too. That is still work in progress, but we can be fairly confident that we are getting enough reach to ensure that we get robust data to help us with decisions in the future. We will keep the committee updated.

10:45

David Torrance: Convener and cabinet secretary, I apologise for my bad internet connection.

Many third sector organisations rely on volunteers, and many of those volunteers have been in their house for the past four or five months, doing nothing. Is there any indication of a drop-off in numbers, and what can the Scottish Government and the third sector do to encourage people back into volunteering?

Aileen Campbell: That is a good point. There is a drop-off. This is anecdotal but, in my constituency, there were a number of volunteers

who were older and so more vulnerable when the pandemic struck, which meant that they were not able to engage and help in the way that they had been doing.

However, we launched the Scotland cares campaign, which enabled people to say that they were willing to volunteer and help out. That got a phenomenal response, and although we were clear that not everybody would be deployed, we endeavoured to ensure that people were kept warm. That was done with Volunteer Scotland and the British Red Cross to ensure that people did not lose the desire to help out. We also made it clear that, although people might not be deployed immediately, the risk had not gone away, the challenges remained and that, at some point—given that there would be an inordinate amount of fatigue in the voluntary sector—we would seek ways to bring in people who had offered their help at a later date. However, people have been at home, so an awful lot of volunteering work has been conducted in that way—telephone befriending is a good example.

Although there has been a drop in formal volunteering as David Torrance pointed out, there has been a huge rise in informal volunteering. We saw communities getting on, rolling their sleeves up and responding to need. A host of things like that happened across the country in many different ways. It is reflective of the communities that people are part of, and we want to try and capture that and build on it. There is an opportunity to ensure that that volunteering continues.

Kenneth Gibson (Cunninghame North) (SNP): The SCVO and Social Enterprise Scotland joint written submission on the role of enterprise agencies and the Scottish National Investment Bank emphasised that those agencies should incorporate dedicated support for voluntary organisations and social enterprises. Does the Scottish Government support that? If so, how do you envisage that working in practice?

Aileen Campbell: That is a fair request, given the impact that the third sector has had over the past five months, as we have talked about at length, and given that the country's resilience would not have been what it was without the sector. We should also consider the third sector's desire to be viewed not as fluffy but as a substantial contributor to the economy that creates a substantial number of jobs, and to be seen as being on a par with other areas of public life and with other businesses.

Highlands and Islands Enterprise can already offer support and the new South of Scotland Enterprise has taken on the broader holistic support in the way that HIE has done. There is also Scottish Enterprise, which is the agency that

we support to support the third sector with some business requests, and which has already shifted its focus toward place. If we collectively want to focus on a wellbeing economy, the challenge is to have far better alignment across all parts of economic life and to provide support and recognition to the third sector.

Kenneth Gibson: Obviously, voluntary organisations are very important in delivery of employability programmes. As we go forward with the double whammy of the pandemic and Brexit, which will hit us hard from January onwards, does the Scottish Government have any proposals to boost employability programmes and the involvement of the third sector in them?

Aileen Campbell: Fiona Hyslop and Jamie Hepburn have been pretty active in the space around employability funding with several announcements, particularly for young people and in identifying some of the vulnerabilities that particular groups may have. Yesterday, I announced a boost to help to support parents in our priority families to get support for employability. The employability Covid-19 response operational group has been established with representatives from—[Inaudible.]—and that includes the third sector. Therefore, there is a particular group that has the third sector looking at that already. The third sector will no doubt be actively engaged in helping us to move forward with all that.

There have been a number of announcements on employability from Fiona Hyslop and Jamie Hepburn. With my other hat on in my portfolio, the need to help our priority families in relation to tackling child poverty will be critical, and it will often be the third sector that provides some of the support to them.

Kenneth Gibson: The Fraser of Allander institute has suggested that the Government's response to the pandemic has been a major first step in developing new social partnerships between the state and organisations to tackle inequalities. Will the Scottish Government increasingly be focused on that? If so, what would be the role of digital skills? One issue that has been discussed is that the pandemic has exposed the real inequality in digital skills across Scotland and that many people have been left digitally isolated over the past few months.

Aileen Campbell: Yes. I point to my response to Andy Wightman's question about some of the positives that have happened over the past five months due to partnership and collaboration. That is what we want to keep. That partnership and collaboration have been particularly to the fore in terms of digital skills. As soon as the lockdown happened and we could not connect in person, everyone became very aware of how important it

was to do so digitally. That is fine if people have the means—access to broadband and devices. However, that was particularly challenging for young people who were not at school, in terms of how they were able to learn.

That is why we announced £15 million for Connecting Scotland this week. That has been established, and we gave it a boost through the communities fund earlier this year and piloted it in areas to provide people who are most vulnerable with not just a device but access to the internet and support around that. We have built on that with the £15 million that we announced this week.

That would not have happened if it had just been the Government that was involved. We needed to work in collaboration. We have seen everybody—the SVCO, other third sector partners and local authorities—working together to make the scheme work. As a result, it will connect people to job opportunities and learning opportunities, and it will help people generally to keep connected.

I spoke to a family this week. The mum of the family told me that the scheme was essential for her girls to continue to learn, and it enabled her husband to work from home in a way that he was not able to before. As a result, she has enrolled at college. She would not have been able to do that had she not been given the device and the support to use the internet.

Such outcomes will be to the fore, going forward. We need to make sure that we do not leave folk behind when we are rolling out broadband and all the rest of it. Doing that will always further entrench inequalities. That is why Connecting Scotland is something to build from.

Kenneth Gibson: I have a final question. The third sector resilience fund was phenomenally successful in that it got money into the sector very quickly. However, when something is done quickly, it might be thought in hindsight that some things could have been done better and more effectively. Given the possibility of another spike over the winter, or perhaps beyond it, and that there is perhaps a wee bit of time for the Government to catch its breath, how would you tweak that fund if, for example, you felt that you had to deliver a similar fund in another pandemic? What lessons have been learned and what differences could be made to make the fund more effective in its delivery?

Aileen Campbell: The main thing would be not to wait for the second wave. That is why we are working now to think about how we might best respond to the needs of the sector and gear it up. That might involve helping organisations to adapt, do their own scenario planning, look to the future, and make sure that their own resilience is in place.

I think that we would be in a slightly different place because, at the very start, we enabled some organisations to do some more home working. I hope that that will see them in good stead if things take a turn towards the end of the year.

I think that a lot of the response will be based on ensuring that we support the sector to make some of those changes now and not be reactive, but proactive. However, that will be a challenge.

A lot of the success of the TSRF lay in its being so quick off the mark. Maybe there are things that we can always learn—for example, about making sure that communication is more streamlined. However, those things are now probably a bit more nailed than they were at the start, when we were all trying to work out what to do for the best in order to help the sector. We kind of knew what we needed to do, but it might have felt a bit clunky to those outside. I think that, now that the communication, relationships and partnerships are in place, it will be much easier if we need to replicate anything like that in the future. I hope that we do not.

Kenneth Gibson: Thank you very much.

The Convener: I think that Sarah Boyack would like to ask a supplementary question.

Sarah Boyack: I want to follow up a comment that the cabinet secretary made earlier about a longer-term approach to resilience, with which I totally agreed. The SCVO made the point to the committee that, in delivering a strategic approach, it is critical to get longer-term funding for the third sector. Given the cabinet secretary's comments about preventative spend, which I agree with, how will she bake that into the Scottish Government's budget criteria, so that there is resilience and long-term capacity for the third sector and for local government? We agree on preventative spend, but it tends to get pushed out of the way. Given that we are trying to ensure that we have long-term resilience, how will you be able to deliver that, given the aspirations for a bottom-up approach and the importance of supporting communities not just through the pandemic but through the aftermath?

Aileen Campbell: Again, that is the aspiration. That is what we are working towards doing. To date, that has not been helped by the fact that we, as a Government, have had one year of funding.

In the third sector unit in my part of the Government, we are trying mostly for two years of unrestricted funding. We have encouraged that across other portfolios. We have tried to do what we can to ensure that, across Government, we are doing what we want to see happen as a matter of course. We have a long way to go, but that is the aspiration.

I agree with the SCVO because, when organisations have a bit more certainty for the longer term, there is better use of its money. That involves challenges. I have gone through a number of processes when we have tried to align funding themes. Organisations might have been used to being funded in a certain way, and it is really difficult if that situation gets disrupted in some way.

We need that relationship with the sector, in order to work together to try to overcome some of those hurdles. It sounds easy, but it is not, because it inevitably has an impact.

Sarah Boyack: Yes. If infrastructure was involved, we would do that. My plea is to try to change the metrics for future budgeting, because I know that we will come back to the budget soon.

The Convener: As no one else has a supplementary question, that concludes our questions and our evidence session. I thank the Cabinet Secretary for Communities and Local Government and her officials very much for taking part in the meeting.

Aileen Campbell: Thank you.

Subordinate Legislation

Non-Domestic Rates (Coronavirus Reliefs) (Scotland) Amendment Regulations 2020 (SSI 2020/230)

11:00

The Convener: Agenda item 3 is consideration of Scottish statutory instrument 2020/230, as listed on the agenda. I refer members to paper 3. The instrument has been laid under the negative procedure, which means that its provisions will come into force unless Parliament agrees to a motion to annul it. No motion to annul has been lodged.

As is set out in paper 3, the Delegated Powers and Law Reform Committee considered the instrument on 12 August and determined that it did not need to draw the attention of Parliament to the instrument on any grounds within its remit.

Since members have no comments on the instrument, I invite the committee to agree that it does not want to make any recommendations on the instrument.

Kenneth Gibson: I was going to make a comment but, unfortunately, my microphone was muted, so I could not do so.

I am disappointed that non-domestic rates relief continues to include the large supermarkets, which have been making record profits during the pandemic. Tesco alone paid a £635 million dividend in April. I would have thought that the Scottish Government would be more flexible, so that we could save money by not giving rates relief to large supermarkets and instead allocating that money elsewhere. I have made that comment in the chamber on four occasions, but I wanted to make it once again. There should be more flexibility than is in the instrument.

The Convener: Although you have made that comment, are you—and the other members—happy for us to agree that we do not want to make any additional recommendations on the instrument?

Kenneth Gibson: I will take the fifth amendment on that one.

Members indicated agreement.

Public Petition

Pre-1989 Scottish Secure Tenants (Rights) (PE1743)

11:02

The Convener: Agenda item 4 is consideration of petition PE1743, on the rights of pre-1989 Scottish secure tenants, by John Foster, on behalf of Govan Community Council and others. The petition calls

“on the Scottish Parliament to urge the Scottish Government to amend the Rent (Scotland) Act 1984 to prevent disproportionate rent increases being set for Scottish Secure Tenants.”

The petitioner contends that rents for a category of social housing tenant were raised significantly and that, although a Court of Session case concerning one of the cases judged the method that was used to reach the revised level to be unlawful, that has not stopped the other rent rises from remaining in place. The petitioner says that that cohort of increased rents is being used as a comparator for rent reviews elsewhere in the sector. The petitioner calls for a change in the relevant legislation and for the historical issue with that cohort of tenants to be addressed.

Andy Wightman: We had a brief look at the petition some months ago and I am glad that it has come back to committee. Obviously, the petitioner is disappointed that the Court of Session judicial review did not have wider ramifications. That is not the fault of the Court of Session, which did its job, but it appears that decisions are still being made, which are, in the petitioner's view, “flawed”. As was reflected in the Court of Session judgment, much of the decision making was flawed and used comparators that perhaps should not have been used. However, much of that flawed process is down to the wording of section 48 of the Rent (Scotland) Act 1984, which refers to

“rents of comparable property in the area”.

The petitioner's view is that the wording should be changed to

“rents of comparable social housing in the immediate area”.

Although the legislation governs a relatively small number of tenants, similar problems arise in other parts of the housing market, such as mid-market rents, where there is insufficient legal certainty about how what is a mid-market rent at the outset continues to be a mid-market rent. Much of that is down to the fact that the comparators that are being used are broad housing markets that include the private sector, in which rents in some parts of Scotland have been inflated significantly.

I make two points. The first relates to emerging evidence that suggests that the statutory measures in place that are designed to keep rents affordable are not working. What might have been regarded as comparable rents when the 1984 act was passed—that was Parliament's intention at the time—might no longer be comparable, particularly because we have a much larger private sector and private sector rents are rising fast.

It is important that we revisit the legislation. My view is that the 1984 act needs to be amended. Of course, we should not amend the act just because I want it to be amended or, indeed, because the committee is of the mind that it should be amended.

I am also keen to hear from other members. The committee should reflect that view about rents, or something similar, to the Government and make a point about rent reviews in general. We are talking about, for example, the general failure of rent pressure zones under the Private Housing (Tenancies) (Scotland) Act 2016. I am gathering data on how much data local authorities have collected, because they rely on data collection to implement such zones. The issue is covered in Pauline McNeill's Fair Rents (Scotland) Bill.

There is a bigger question than that which is raised by the petition, which raises a typical problem that we find in the statutory framing of rent reviews. That is a serious issue, and we should reflect our concerns to the Government.

Sarah Boyack: I draw members' attention to my entry in the register of members' interests in relation to my previous employment with the Scottish Federation of Housing Associations.

Following up on Andy Wightman's comments, I am aware of mid-market rent constituents who are beginning to get very worried about their capacity to pay rent, because they have lost their jobs or income through the impact of the pandemic. Have we had any feedback from the Government on what we can do about that? I note that work was planned between the Government and social housing organisations. Would it be possible for us to get comments from the Government?

I agree with Andy Wightman that we need to consider the viability and capacity of tenants to pay rent. It seems as though there is a gap in how the legislation was framed. I think that it is three years since the petition came to the Parliament, so it would be good to try to get a decent response, and evidence that would be useful to guide us, before we go back to the petitioner.

The Convener: We need to remember that we should be talking about the petition—which does open the door to some of the issues that Andy Wightman and Sarah Boyack have raised. As

convener, I need to know what the committee wants to do. We could certainly write to the Government to ask for an update. I think that it has been only a year since the petition came to Parliament—it has not been quite as long as three years—but the same principle applies.

We could decide that writing to the Government is the only action that we want to take, or we could also write to some of the organisations that are involved, such as housing associations, the SFHA, Glasgow and West of Scotland Forum of Housing Associations and the Scottish Courts and Tribunals Service. If we write only to the Government, seeing what it comes back with would give us firmer ground on which to decide whether we want to take any other action, and it might help to tease out the answers to some of the questions that Andy Wightman and Sarah Boyack have asked.

Sarah Boyack: Our papers show that the legal decision was made in August 2017—that is what I meant to reference, rather than to the petition coming to Parliament three years ago.

I agree with the convener's proposals, which might give us a bit more certainty and background. We will be able to make a better decision if we know what the Government and other organisations think about the issue.

Andy Wightman: The Government responded in November 2019 to a letter from the Public Petitions Committee. It did not say much, other than that it was identifying good practice and reviewing fair rents.

The fundamental point—as I argue—is that the statutory framing of section 48 of the 1984 act gives the rent review committee wide scope to interpret what “comparable rents” are. Between 1984 and now, the private rental market has more than tripled in some parts of Scotland. That includes parts of Scotland and properties that were occupied under the 1984 act. Those rents will now be substantially higher. If tenants in that position are facing rent reviews, they could anticipate that they will also receive double-digit rent rises.

The Convener: To summarise, you want us to ask the Government what cognisance it has taken of the issue and what it is doing to make sure that people paying mid-market rents do not find themselves priced out of the market.

Andy Wightman: Sarah Boyack touched on mid-market rent, but that is a separate issue. Convener, you correctly pointed out that there are wider issues that are not in the scope of the petition. However, the petition calls

“on the Scottish Parliament to urge the Scottish Government to amend the Rent (Scotland) Act 1984 to

prevent disproportionate rent increases being set for Scottish Secure Tenants.”

I think that we should urge the Government to amend the 1984 act. That is my position now. The committee may want to reflect a little more before deciding that, too, but I propose that we agree with the petitioner. I understand that we may not be quite there yet.

The Convener: I suggest that we follow the approach that I outlined earlier—that is, we write to the Government and ask it to get back to us, and we write to housing associations and others, including perhaps Living Rent, and get their feedback. That would give us a much stronger position from which to make a decision. I accept that Andy Wightman might have specialist knowledge, but getting that information would help some of the other members to make a decision.

Are we happy to do that?

Members *indicated agreement.*

The Convener: We will write to the Government, Living Rent, the Scottish Courts and Tribunals Service, the Scottish Federation of Housing Associations and the Glasgow and West of Scotland Forum of Housing Associations. We will draft a letter for the committee to see before we send it.

Peter, do you want to come in before we finish?

Peter McGrath (Scottish Parliament): I have nothing to add.

The Convener: I see that Andy Wightman wants to say something.

Andy Wightman: Your list of the organisations that we would write to did not include Living Rent, although you suggested earlier that we could write to it.

The Convener: No—the list did include Living Rent.

Andy Wightman: That is fine.

The Convener: Thank you very much. That concludes the public part of the meeting.

11:14

Meeting continued in private until 11:51.

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