



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Local Government and Communities Committee

**Wednesday 30 September 2020**

**Session 5**



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Pàrlamaid na h-Alba

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## Wednesday 30 September 2020

### CONTENTS

	Col.
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>1</b>
<b>SUBORDINATE LEGISLATION.....</b>	<b>2</b>
Corporate Insolvency and Governance Act 2020 (Meetings of Scottish Charitable Incorporated Organisations) (Coronavirus) Regulations 2020 (SSI 2020/284).....	2
<b>PRE-BUDGET SCRUTINY 2021-22 .....</b>	<b>5</b>

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## LOCAL GOVERNMENT AND COMMUNITIES COMMITTEE

### 24<sup>th</sup> Meeting 2020, Session 5

#### CONVENER

\*James Dornan (Glasgow Cathcart) (SNP)

#### DEPUTY CONVENER

\*Sarah Boyack (Lothian) (Lab)

#### COMMITTEE MEMBERS

\*Keith Brown (Clackmannanshire and Dunblane) (SNP)

\*Gail Ross (Caithness, Sutherland and Ross) (SNP)

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

\*Annie Wells (Glasgow) (Con)

\*Andy Wightman (Lothian) (Green)

\*attended

#### THE FOLLOWING ALSO PARTICIPATED:

Johanna Baxter (Unison)

Aileen Campbell (Cabinet Secretary for Communities and Local Government)

Callum Chomczuk (Chartered Institute of Housing)

George Eckton (Citizens Advice Scotland)

Kirsten Hogg (Scottish Council for Voluntary Organisations)

Charlie McMillan (Scottish Commission for Learning Disability)

Alison Watson (Shelter Scotland)

#### CLERK TO THE COMMITTEE

Peter McGrath

#### LOCATION

Virtual Meeting



## Scottish Parliament

### Local Government and Communities Committee

*Wednesday 30 September 2020*

*[The Convener opened the meeting at 10:00]*

### Decision on Taking Business in Private

**The Convener (James Dornan):** Good morning and welcome to the 24th meeting in 2020 of the Local Government and Communities Committee. Once again, I thank the broadcasting office for its work in helping to organise the meeting. I ask everyone to ensure that mobile phones are on silent.

At agenda item 1, we consider whether to take items 5 and 6 in private. Item 5 is consideration of the evidence that we will hear today and item 6 is consideration of our work programme. Rather than asking whether everyone agrees, I ask instead whether anyone objects. If there is silence, I will assume that members are content.

As no one has objected, we are agreed that items 5 and 6 will be taken in private.

## Subordinate Legislation

### Corporate Insolvency and Governance Act 2020 (Meetings of Scottish Charitable Incorporated Organisations) (Coronavirus) Regulations 2020 (SSI 2020/284)

10:01

**The Convener:** Item 2 is consideration of the draft Corporate Insolvency and Governance Act 2020 (Meetings of Scottish Charitable Incorporated Organisations) (Coronavirus) Regulations 2020. The committee will take evidence on the instrument. I welcome from the Scottish Government Aileen Campbell, Cabinet Secretary for Communities and Local Government; Jamie MacQueen, lawyer; and Caroline Monk, senior policy officer.

The instrument has been laid under the affirmative procedure, which means that the Parliament must approve it before the provisions can come into force. Following the evidence session, the committee will be invited, under the next agenda item, to consider the motion to approve the instrument. I remind everyone that the Scottish Government officials may speak under the current agenda item but not in the debate that follows. I invite the cabinet secretary to make a short opening statement.

**The Cabinet Secretary for Communities and Local Government (Aileen Campbell):** Good morning to the committee. It is good to be with you in order to move this Scottish statutory instrument. The regulations will allow Scottish charitable incorporated organisations—SCIOs—to continue to hold remote meetings of their members even if their constitution would not normally allow that.

SCIOs make up 19 per cent of the 25,000 charities that are registered in Scotland. Because of the current Covid-19 restrictions, holding members meetings in person will not be possible. By law, SCIOs have to hold certain members meetings, and the regulations extend to 30 December 2020 the time period in which they may do so by remote means.

I recognise how important it is that charities are able to continue the vital work that they do throughout their communities. The regulations are technical and they contribute to the overall package of support that the Scottish Government is providing to charities at this time.

I look forward to taking any questions from the committee.

**The Convener:** Thank you. We move to questions. I would be grateful if members would notify me, via the available digital channels, of any

questions by typing “R” for request. I will call by name and in turn anyone who wants to ask a question. Please allow a second for the microphone to be operated.

**Andy Wightman (Lothian) (Green):** Why is the extension to 30 December 2020 and not to the end of the next emergency period, which would be 31 March 2021?

**Aileen Campbell:** That keeps it in line with the rest of the United Kingdom. It keeps it consistent, and it is part of the three-month extension arrangements. If a further extension is needed, we will look at that. In the intervening time, we will continue to engage with the Office of the Scottish Charity Regulator and other relevant bodies to offer support as best we can.

**Andy Wightman:** To be clear, if the circumstances that have necessitated the SSI are still there in December, going into 2021, will you will bring forward a further SSI?

**Aileen Campbell:** If that is required. We will continue to use the period, though, to engage with OSCR and others and, if we require to extend the period further, we can look at that. The act allows the Scottish ministers to extend the relevant period by three months at a time, with the final backstop being 5 April 2021, so, as I said in the previous response, we will continue discussions with stakeholders to make sure that we can work out what is necessary.

**The Convener:** As there are no further questions—

**Aileen Campbell:** Convener, it has been brought to my attention that it needs to be clarified for the *Official Report* that this is a made affirmative instrument rather than a draft affirmative, so it will come into force on 30 September regardless of approval by the Parliament. I can bring in Jamie MacQueen on that point if that is helpful.

**The Convener:** Thank you very much for that. Sarah Boyack wants to come in.

**Sarah Boyack (Lothian) (Lab):** What has the experience been in the past six months that the legislation has been in place?

**Aileen Campbell:** I understand that it has been testing for many organisations, and for charities in particular, and that there has been lots of use of different technologies. OSCR and others stand ready to support that work. Many charities have been creative and have used a combination of different methods to have meetings that suit their membership and some charities that are holding meetings have seen a bigger uptake in member participation than in previous years. That is anecdotal evidence from OSCR about what has been happening over the past wee while, and we

will continue to work with OSCR to ensure that the right support is in place should charities feel that they require it. It seems like it has been okay and that charities have been coping, which is probably a symbol of the agility and nimbleness of the sector more generally; it shows that they are able to be resilient in the face of challenges.

**The Convener:** Item 3 is formal consideration of motion S5M-22819, which calls on the committee to recommend approval of the draft regulations that we have just taken evidence on. I invite the cabinet secretary to move the motion and make any further comment that she wishes to make.

**Aileen Campbell:** Again, I want to make it clear to the committee that it is a made affirmative instrument not a draft affirmative.

I move,

That the Local Government and Communities Committee recommends that the Corporate Insolvency and Governance Act 2020 (Meetings of Scottish Charitable Incorporated Organisations) (Coronavirus) Regulations 2020 [draft] be approved.

*Motion agreed to.*

**The Convener:** The committee will report on the instrument in due course. I invite the committee to delegate authority to me as convener to approve a draft of the report for publication.

**Members indicated agreement.**

**The Convener:** I thank the cabinet secretary and her officials for taking part in the meeting. I now suspend briefly to allow a witness changeover.

10:08

*Meeting suspended.*

10:13

*On resuming—*

## Pre-Budget Scrutiny 2021-22

**The Convener:** Under agenda item 4 the committee will take evidence on next year's Scottish budget. The theme of our scrutiny this year is the impact of Covid-19 on Scotland's councils in the wider context of the long-term financial sustainability of Scottish local government. We have already heard from the Accounts Commission, and over the next two weeks we will be hearing from a diverse cross-section of bodies with a direct interest in local government services.

I welcome George Eckton, director of advice services at Citizen Advice Scotland, Alison Watson, director of Shelter Scotland, and Charlie McMillan, chief executive of the Scottish Commission for Learning Disability. They are all attending remotely.

I am grateful to you for taking time to answer our questions. For information, we have allocated just over one hour for the session and we have a number of issues to discuss with you. We will move on to questions after I give some technical information. For the benefit of broadcasting, there is a pre-arranged order and I will call each member in turn to ask their questions for a block of up to eight minutes. It would help broadcasting if members could indicate who on the panel their questions are addressed to. We may have a short amount of time for supplementary questions at the end.

10:15

As there are three people on the panel, I ask all of you please to indicate clearly if you wish to answer the question, by raising your hand, for instance. Do not feel the need to answer every question fully if your views are generally in line with the points that have already been made. Please give broadcasting staff a second to operate your microphone before you speak.

We will now move on to questions. I will begin. Which areas of service and operation generated the most concern or levels of complaints from service users before the Covid-19 pandemic? Has there been a change in the patterns of service users' concerns?

**Alison Watson (Shelter Scotland):** The broader context is that, even before the pandemic, we were seeing significant problems with people's access to local authority support for homelessness. There was every sign that the housing and homelessness system was under severe stress. The annual homelessness

statistics, which were published a few weeks ago, clearly show that we have now had three consecutive years of increases in homelessness. We still have a housing system that is, in effect, rationing a scarce resource, namely social housing.

What Shelter Scotland has seen during the pandemic is that people are finding it much more difficult to navigate a system that was already causing difficulties. There are particular challenges around accessing discretionary housing benefit, for example. People find the system quite confusing, and there is less access to face-to-face support. There is a real need for greater consistency in how people can access that key source of support. We also need clarification of how the DHP pot will be topped up, at least until April, to ensure that people do not have a sense of the system being rationed out over the year, which we sense is possibly what is happening.

Clients have also raised concerns with us about finding council services more inaccessible. Some services have been reduced to a telephone service, but there is a limited number of people to staff the rotas, which is adding to the difficulties of accessing the service.

Generally, the stress that we are seeing in the system is exacerbating the significant stress that was there before. We have the joint "Ending Homelessness Together" action plan and, rightly, we are setting very high ambitions to end homelessness in Scotland. We need the right resources and support to be put in place for local authorities if they are to truly fulfil those promises and deliver on Scotland's highly progressive set of housing rights. We need those rights to be consistently applied, which will require a different resourcing framework.

**The Convener:** Thank you. Charlie McMillan is next, followed by George Eckton.

**Charlie McMillan (Scottish Commission for Learning Disability):** My answer is similar to Alison Watson's. The pandemic did not cause the difficulties that people with learning disabilities are facing, but it has exacerbated them; in many cases, it has shone a light on them.

A key issue was the withdrawal of care and support by some local authority health and social care partnerships in the very early days of the pandemic, which had a significant impact on many people. There seemed to be an assumption that we would be unable to continue to provide the public services that we already had. In cases where a family member could be identified, they were asked to stand in, regardless of whether they lived nearby. That caused issues of loneliness—the most common phrase used by people with learning disabilities and by some families and

carers to describe that was “abandonment by public services”. That has been a significant issue throughout the past six months.

Given the poor outcomes for people with learning disabilities in general, despite all the significant on-going work on strategy and policy, there are key issues around how people regain—[Inaudible.]—and are able to feel part of their communities. There is a range of problems that the SCLD and our—[Inaudible.]—disability services, which we are part of, are working to address.

Fundamentally, the past six months and the on-going situation provide the opportunity to build forward differently and not return to how things were done previously, and to put people with learning disabilities and their families and carers at the heart of everything that we do.

**The Convener:** Before I bring in George Eckton, I will put another question to Charlie and Alison. Have any new concerns been raised, or have existing concerns just been exacerbated by the on-going situation?

**Alison Watson:** There has been a deep exacerbation of problems that already existed. We need to use the learning from the emergency measures that have been put in place, because that gives us the opportunity to better understand how to support vulnerable people in particular. As we look towards the winter months, bringing that learning into our plans is even more important.

We need to ensure that people who have a roof over their head do not lose that protection. During the pandemic, we have understood that housing is central to protecting people’s health and wellbeing. We strongly welcome the continuing ban on evictions, but we have to ensure that the ban is applied consistently across the social and private rented sectors. Yesterday, I had a great conversation with Police Scotland about our growing concerns over illegal evictions in the private rented sector.

We need to ensure that we use the learning from the pandemic to plan further improvements. Our key message remains that there are not enough social homes to tackle Scotland’s housing emergency. That is the key lesson that we need to take forward as we look towards next year’s election. In particular, we have to keep up the momentum on building affordable homes.

**Charlie McMillan:** There are two key points for us. The first is the need for meaningful data collection. One of the huge on-going issues that we experience is the lack of reliable data that is disaggregated to the level of people with learning disabilities. Unfortunately, that group is often missed, which means that it is really difficult to get reliable information on those people’s

experiences, so we are still assessing the impacts of the pandemic. Data collection needs to be in line with article 31 of the United Nations Convention on the Rights of Persons with Disabilities, and we—[Inaudible.]—a range of partners to ensure that that data collection happens. However, data collection by local government needs to be improved considerably.

Digital exclusion is the second issue and is probably new. Although we were aware of it, that issue has now come centre stage. Everything is dependent on the digital world—I have to apologise for the quality of my broadband. Despite all my privilege, it is a real challenge—[Inaudible.]—but the challenge is even more significant for people with learning disabilities and for disabled people in general. A lot of the positives that are happening at the moment miss them entirely. Digital exclusion is a key issue for us that has been heightened by the pandemic.

**The Convener:** I am sorry for keeping George Eckton waiting.

**George Eckton (Citizens Advice Scotland):** I will reiterate what the other two witnesses have said. One of our key concerns has been access to services.

During the pandemic, we as a service saw a halving in numbers of our normal regular vulnerable clients, and of those suffering ill health. I imagine that the picture would be similar across most public services. That was a concern. At the time, councils had to use phone or online forms of advice, but those provide an impersonal client journey for the people who are most vulnerable and who require face-to-face support.

That was always going to be a concern, and it was expressed through the network, so we were grateful for continuing discussions with the Scottish Government about being able to open up our client services at the end of August and make them face-to-face. That enabled those of our normal client group who we felt were missing—as well as users of all public services—to access that vital face-to-face support.

**Sarah Boyack:** I draw members’ attention to my entry in the register of members’ interests. I was formerly employed by the Scottish Federation of Housing Associations and I am a member of Unison.

I am keen to follow the convener’s line of conversation about access to services. You have all talked about digital exclusion. Can you say how that might be addressed? We are not through the pandemic: we have months to go and we are moving into winter.

Charlie McMillan talked about building forward differently. What does that look like in terms of



supporting people to access services if it is hard to get digital access or if digital does not meet their needs?

**Charlie McMillan:** Both issues can cause problems. Sometimes the problem relates to access to equipment—when people can interact with digital equipment but do not have it—and—[*Inaudible.*]—has worked with people who required equipment. That was funded through the Scottish Government's digital inclusion work. We are keen for that to be expanded and targeted at people with learning disabilities.

We are working to support one individual—we were never previously a support organisation; that is just part of the change—who had made two suicide attempts before we were able to secure some digital equipment for him. Digital inclusion has given him the meaningful ability to be part of society and the community where he lives. That has significantly helped him and his mental health is improving.

You are right that digital is not going to be the answer for some people; for some, even if it is the answer, they would require very sophisticated digital equipment, such as the eye gaze technology that some people with profound and multiple learning disabilities require. We must be a much more digital society. I smile as I say that, given the challenges that I am facing with digital equipment. We must dig into the detail of what is appropriate for people and how they access and use it, and we must see it as part of our infrastructure. It is a necessity for us all. There is a massive amount of general work to do and then there is a significant amount of work to do on the issues for disabled people.

**The Convener:** Charlie, it has been suggested that we turn off your video to see whether the sound quality gets better. Are you happy with that?

**Charlie McMillan:** Absolutely.

**Sarah Boyack:** I have had constituents who have a lack of capacity at home, or who are carers for a person for whom digital does not work. I take those points on board.

I would like to move that question to Alison Watson from Shelter. You talked about the difficulty of accessing services. To what extent is that a digital issue—one about kit—and to what extent does it arise from the lifestyle of people who do not have access to a secure home or base and cannot get that support?

10:30

**Alison Watson:** The feedback that we are getting from people who come to us for help points to the fact that the difficulty arises from both those issues, as well as from a resourcing issue. People

often go to libraries to access computers in order to process benefit claims and so on but, because libraries are closed, that facility is not available.

Access to local authorities is now by telephone only, and there are issues with how the telephone lines are staffed and whether there is enough capacity. We hear stories of people who are in urgent situations not being able to get through to local authorities.

I go back to my point about discretionary housing payments. Our advisers have had to print off the form in their own home and post it to the client, who then completes it and takes it back to us. All that adds six weeks to the process of trying to get money through to that client. That is happening during the pandemic, when everyone understands that it is absolutely vital that people have ready access to the resources that they need in order to keep themselves going. That is very much in the mix in relation to Sarah Boyack's point about the additional challenges for people who face homelessness.

Rather than our trying to second guess what better looks like in that context, we would urge consultation with people, particularly those who have mental health and substance misuse issues. Let us ask those people what better would look like for them with regard to making sure that they can still access the vital help that they need from local authorities. The evidence that we get from people highlights that we will continue to need a mix of approaches. Not everybody can access digital, so we need to look at what we can do on the telephone and how we can get the right capacity there, as well as exploring the possibility of some form of face-to-face assistance.

**Sarah Boyack:** Have you had discussions with local authorities about that? It is clearly an issue in my area, where people have short-term accommodation but cannot be inside all the time during the day. That raises issues about access to digital capacity, if they do not have the right kit. What are the solutions on the ground? We are moving into winter, when we have always had a challenge with homelessness. What different services will need to be delivered over the next few months?

**Alison Watson:** If there is a capacity issue, that points to a resourcing issue. We now need to recognise that what felt like a linear progression moving out of lockdown is now a trend that is moving in reverse. With rising cases, we are looking at another six months of restrictions, so it is time to take a fresh look at the resources that are required to ensure that people can access the vital help that they need in order to protect themselves. We also need to protect the wider community, and people need a roof over their

heads, particularly with the winter months coming, as you said.

**Sarah Boyack:** Thank you. I will ask George Eckton from Citizens Advice Scotland about digital access, because it is critical. We have just heard from Alison Watson about the challenge of getting support, whether from the Department for Work and Pensions or from the Scottish Government, for example, in relation to the new £500 grant that will be available for certain key workers. How do people access those resources? What has been the experience of Citizens Advice Scotland?

**George Eckton:** The experience has been that we try to differentiate how we provide our support. There needs to be a no-wrong-door policy, so that our people can access advice. We are clear that the digital first approach could exclude a number of people who do not have the skills, kit or—if they are trying to access a distributed call centre over the internet—the stability of connection to keep them in the call for long enough to get through to a call centre that is already over capacity. The no-wrong-door approach is needed: that is how we have tried to respond throughout the pandemic. We have set up an aggregated national helpline, and all bureaux seek to contribute in some way, shape or form to that national gateway, to enable people to have another form of access to bureaux.

Our unique selling point, and the main point of access to our bureau network, is face-to-face meetings, but their numbers dropped to 1 per cent or 2 per cent between February and August. We are therefore very aware that we need to get face-to-face meetings back, especially for the most vulnerable people, which is why we have had discussions on that with the Government. There has to be a clear matrix of options to enable people to access services.

**Alexander Stewart (Mid Scotland and Fife) (Con):** Good morning, panel. There has been a massive increase in some demographic numbers in parts of Scotland that has had a knock-on effect on the kind of services that can be provided and supported. That has meant that some councils have been under more pressure during the pandemic to support and sustain some services, and to deal with the quantity of people who engage with them. What effect is that demographic impact having on your organisations, and what are the pressures on councils because of it? Can Charlie McMillan answer first?

**Charlie McMillan:** In terms of the organisation—[Inaudible.] Hello. Can you hear me?

**Alexander Stewart:** Yes, we can hear you.

**Charlie McMillan:** In the experience of the partner organisations, it has been about how to change the model of delivery and pivot what we

do. We have discussed in depth the challenges of the digital world; this is about moving to the digital world. For example, some social connection work has been done through online club nights on Friday nights. One of our partner organisations regularly delivers those to up to 100 people at a time. We have done things in the past six months that we would never have envisaged us—[Temporary loss of sound.]

**The Convener:** We have lost him.

**Charlie McMillan:** —social media we can contact members who are desperate for connection, despite physical distancing. It is about how we build on those innovations—[Inaudible.]

To go back to some earlier points, I note that really basic things are involved, as well. We designed and delivered to people with learning disabilities 12,000 hard-copy resources—self-help books—in the first three months of the pandemic. We were overwhelmed with the response. Getting them to people meant working creatively with a printer and finding postage solutions, but it was possible—[Inaudible.]

The challenge for—[Inaudible.]—to open and respite services to reopen is how to do that safely in the world that we are living in. However, the need is being exacerbated—[Inaudible.] There is more need, not less need and—[Inaudible.]—to be considered.

However, by talking to individuals—the point was made earlier—about real co-production and co-creation, and speaking to the parents and carers of people with profound and multiple learning disabilities, we can see what would help them best. [Inaudible.]

**Alexander Stewart:** Thank you, Charlie. Does Alison Watson find that the demographics are having a massive impact on councils in relation to the pressures that they face?

**Alison Watson:** From what we are seeing, I suggest that the problem is more about volume than demographics. We know from the Scottish Housing Regulator's helpful monthly bulletin that more than 14,000 households are now in temporary accommodation. Local authorities are struggling to provide enough settled accommodation of the right quality to move people on to, and we are worried about that bottleneck going on and on.

We are also mindful of the fact that local authorities are under pressure from rising homelessness. Local authorities are projecting increases in homelessness of anything from 2 per cent to 10 per cent in the next few months.

We are also aware, as are others, of the worsening economic impact of the pandemic. People are already coming to us with significant

concerns about money and debt, and about keeping up with their housing costs. We also think that an exceptional level of rent arrears will come through towards the end of this calendar year and into next year—in particular, as the furlough scheme goes into a new phase. We have to anticipate quite significant job losses from that.

It is a matter of volume and how local authorities get support to put enough temporary accommodation in place so that the people who need it get that temporary accommodation. We should not, however, let people languish there; we should move people on to settled accommodation. I go back to my earlier point about how we have to make a decisive move towards increasing the supply of social homes.

**Alexander Stewart:** I have a question for George Eckton about momentum. Your organisation has had to deal with a vast array of enquiries throughout the pandemic. At the beginning of the pandemic, there was real momentum to get things done; the force of that was well documented. As we move forward, is that changing and is it having an effect on individuals who come to seek support from you?

**George Eckton:** There was certainly momentum in the early days and weeks of the pandemic. We pivoted our service delivery model from face-to-face meetings to provision of an emergency response helpline. That was done in four weeks. It was ready after Easter; we have received 22,000 calls since it started and have issued significantly more individual pieces of advice.

There is a clear and continuing desire to keep that form of access and gateway to our local networks and bureaux. We are a membership organisation, and our members are keen to do that, but they are also keen to get back to working face-to-face, as I said previously, because there is a clear feeling that that is necessary for the most vulnerable people. Using the money that the Scottish Government has given us for personal protective equipment, we are trying to open on a targeted basis, as is outlined by Government guidance. That will be very helpful to the most vulnerable people who are seeking advice.

Our network statistics are showing that we are getting more new clients—people who are not repeat clients, but are new to the network and have not come to us before. The new clients are more likely to be younger, owner occupiers, and in employment than our repeat clients are. That shows the massive demand that our network is trying to cope with, as a volunteer-led network doing the best that we can with the available resources.

We are trying to differentiate our messages through our online public advice site, the collective helpline approach, web chat, face-to-face meetings, emails within local bureaux and local telephony. The momentum still exists, and we are trying to keep the multiple channels of advice open and available in order that we give the widest possible offer and maintain a no-wrong-door approach to accessing the service.

**Alexander Stewart:** How sustainable is that in the current climate, in which financial packages are being reduced and councils and other organisations are saying that they have had to endure financial hardship that they did not anticipate during the pandemic? That has a knock-on effect on how organisations such as yours will be able to sustain supporting people into the future.

**George Eckton:** I realise that there is a challenging financial climate for everyone in delivery of public services. We gave out something like 83,000 pieces of advice in August. As others have said, given the economic forecast, the demand for advice is not likely to reduce during autumn and winter. That will have real implications for how much and how quickly we can deal with each enquiry.

Resource can only be spread among our members by individual councils, according to their budgets. However, if there is a reduction, clearly, although we are volunteer-led and have a potentially lower cost base, the massive amount of demand will create quite a wave over what we could have done. Therefore, there is concern that we will face a significant increase in demand, but with only stable capacity.

10:45

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** We just heard from Citizens Advice Scotland about how it has tried to adapt its services to be as responsive as it can in the new circumstances. I imagine that local authorities and others that provide such services have had many people off work self-isolating and people who have contracted Covid. Therefore, it is understandable that there has been pressure on services.

Given their experience during the pandemic, can the witnesses point to anything in how services have changed that might suggest a longer-term change? I am looking for examples of positive and innovative ways in which services have changed.

I ask that because I am conscious that we are already in a situation in which “building back better” and “building back differently” will eventually become just place holders if we do not put some skin on the bones and say what those

things should look like. What innovations could be continued into the future to benefit people who are trying to access services?

**The Convener:** Is that question for anyone in particular, Keith?

**Keith Brown:** Will George Eckton answer it, first?

**George Eckton:** Speaking about building back better, quite a lot of service transformation has been undertaken across the public sector—certainly in councils. It is about whether there is an opportunity to build back better in the contexts of forthcoming work in the local governance review, and of how the voluntary and public sectors could collaborate.

Something that will continue is the wide and differentiated approach to channels of communication, whether through web chat—which might be more for out-of-hours provision—or collective telephony to triage and deal with very pressing cases, and manage demand.

It is also important in this digital-first era that, in rebuilding services, we do not forget that the network's unique selling point for the past 80 years for the most vulnerable people has been face-to-face provision by people in communities, for communities. It is absolutely vital that we continue that, if we are to build back better. The most vulnerable people, for whom we can get the most preventative spend through pressing public services, need to continue to be seen face to face in their communities by volunteers, if we are to continue with the wellbeing and client financial gain outcomes that our members at the 59 bureaux deliver.

**Alison Watson:** Keith Brown's question is pertinent. As I said, we have a fantastic opportunity to take forward the insight from the emergency housing protections that the Scottish Government put in place. One of those is the continuing ban on evictions. We understand that that is plainly vital, not only in ensuring that people can keep a roof over their head, but in giving us an opportunity to think about a more permanent change to how we deal with rent arrears.

An exceptional level of rent arrears is coming, so we need an exceptional response. A number of local authorities are looking very creatively at how they can offer breathing space to tenants. However, particularly given the progressive nature of the legislation, there is a strong argument that pursuing evictions for rent arrears in the social sector could be uneconomical. Evictions cost an awful lot of money for social housing providers, and are often done for relatively small amounts of rent arrears.

Another important lesson that we should not lose sight of is what local authorities have been doing to increase as far as possible the flow of accommodation to people who are coming through the homelessness system. Local authorities have dramatically increased the percentage of social lets that are being allocated to homeless households. In many areas, that has remained at well over 80 per cent during the pandemic.

Looking back to the recommendations of the homelessness and rough sleeping action group of a few years ago and the ambition on rapid rehousing, I note that it was recognised that increasing the percentage of social lets that are allocated to homeless households is essential if we are serious about rapid rehousing. How can we take that learning forward? How can we ensure that we sustain those fantastic increases in the percentage of social lets that are being allocated to homeless households?

**Keith Brown:** I will follow that point up with Alison Watson. You have rightly mentioned several times the need to increase the supply of housing. I will go back to the financial environment. One change has been the unilateral imposition by the UK Government of a 1 per cent increase in the Public Works Loan Board's interest rate. That will result in local authorities paying on average about £5 million more for a primary school, over the 25-year period of the loan. What impact has that increase had on local authorities' ability to build houses? Does it come into the equation? Has Shelter or anybody else made representations on that? That increase seems to be a direct tax on the building of infrastructure by local authorities.

**Alison Watson:** We do not have an evidence base on that, but I am happy to look at whether we can furnish the committee with that, at a later date.

We are aware that the affordable housing supply programme is probably one of the biggest success stories of the current Parliament. Obviously, the building programme was paused. We urge that the affordable housing programme be moved forward as soon as it is safe to do so.

However, we must not think that that is the job done; we must recognise that we are still making up for decades of underinvestment in social housing, and that we need a long-term commitment to social housing that transcends parliamentary cycles and party politics. That is the single thing that will make the biggest difference to the national ambition to end homelessness. You cannot end homelessness if you do not have enough homes to ensure that everyone who is in housing need gets the safe and affordable home that they need to make the difference to their lives.

**Keith Brown:** I have one last question, convener. On rent, I take Alison Watson's point about evictions being uneconomical. One could also argue that, in many cases, the rent system is completely uneconomical for both the people using it and local authorities. In government, we tend to shuffle rent moneys between different parts of estates at huge cost. Is it the case that, for some people, the idea of rent does not really work in the provision of safe, warm, modern accommodation—[Inaudible.]—more economical model to follow? Do you have a view on that?

**Alison Watson:** [Inaudible.]

**The Convener:** Alison, you are muted.

**Alison Watson:** Am I back on? Thank you. We are certainly seeing a worrying direction of travel, with social rents increasing. We are well aware that rent levels in the private rented sector not being affordable is a significant concern. For example, this morning, we have seen compelling research from the Edinburgh Poverty Commission highlighting that one in three families in the capital who live in poverty do so solely because of their housing costs. There is a need to consider why we are allowing housing costs to continue to be such a strong driver of poverty when, as a nation, we rightly have a high aspiration to end child poverty.

It is about unpacking how we set rents in the social rented sector in a way that is aligned to our national ambitions in relation to dialling down housing need and ending homelessness.

**The Convener:** Thank you, Keith. I like how you left the wee hand grenade until the very end.

**Andy Wightman:** I will follow up on Keith Brown's question about the experience over the past six months and ask about lessons learned and what has gone well—in a generic rather than a specific way—and could be sustained. In other words, what do you think are the key attributes that we need to pay attention to in creating a better relationship between local government and the voluntary sector to deal with the issues that all three of you deal with? For example, is it a question of flexibility, preventative spend or redesigning how services are delivered? What are the generic lessons that we should be learning?

**George Eckton:** In relation to what lessons we have learned, before the pandemic we hoped to submit our views on the local governance review to the Scottish Government that was on-going at that point, but which has now been postponed. We envisaged local government having a much different relationship with the voluntary sector, especially in the context of our role, which is an increasingly vital role, and the ability to utilise what are often viewed as core services, but which are ultimately discretionary in nature when it comes to funding through councils, in a much more central

and vital way to prevent the negative outcomes that we all know about. Homelessness is an example of an outcome that it costs more to fix later down the line than it does to fix at the start.

As the Christie commission suggested more than a decade ago, consideration should be given to what mechanisms need to be put in place to enable more preventative action to be taken to address that later failure demand. That will involve the voluntary sector being much more embedded in public service delivery, especially across community planning partnerships, so that councils can deliver more efficiently, especially in the context of an increase in demand for the types of services that our network of bureaux can deliver.

**Alison Watson:** In structural terms, the learning would have to be that the biggest thing that we can do to prevent homelessness is increase the supply of affordable and social homes.

In relation to other aspects of prevention, a learning point from the pandemic would be to recognise that health interventions can be an opportunity to engage people in a different way and address the underlying issues that might lead to homelessness in the future. I am thinking here of the comprehensive work that Dr Andrew Waugh has done on linking data in health services to data in homelessness services. His research highlights that people have multiple touch points with health services before their first instance of homelessness, so if people who go through our health services were asked a different set of questions, we would have a powerful opportunity to increase the effectiveness of prevention way before the point of crisis.

In the past, Shelter Scotland has done some work to look at how we can put housing advice services and debt prevention services in touch with primary care to pick up people who have low-level anxiety and so on, who are less likely to engage when a letter comes through the door that says that they are falling behind in their rent, so that they can get a different intervention before their situation reaches a crisis point.

We have also learned a great deal from work that we have done with the national health service in Fife and Fife housing services to look at people who have a health crisis and are homeless who come through the accident and emergency department in the Victoria hospital in Kirkcaldy. We have worked with clinical staff to make sure that people who have been flagged as being homeless do not become people who keep coming back through that same system.

There are significant opportunities to take that learning from primary care and acute healthcare interventions and to ask what can be done

differently to use those interventions to prevent homelessness.

**Andy Wightman:** That was very useful.

11:00

**Charlie McMillan:** We go back to aspirations and what we as a country hope for for the lives of people with disabilities. Do they want to spend their career receiving social care or—[*Inaudible.*]

For us, and as many of the responses from the different organisations show, the critical point is placing the person at the centre of the plan and using co-creation and co-production. We need to listen to what people are telling us about their hopes, dreams and ambitions and think about how, with limited resources, we might support them to realise those. Self-directed support went some way to achieving that in some areas more than in others, and we should build on that. We can learn from what a host of nations have done over the past six months. We should use digital where it is appropriate.

I go back to George Eckton's point. Face-to-face contact is fundamental for the society that we live in, and we need to find safe ways of building that in—[*Inaudible.*—those people with parents and carers. We are keen for there to be that shift in perspective.

**Andy Wightman:** That was very useful, too.

Do any of the witnesses have reflections on what we can learn in relation to supporting the most vulnerable people in society? For example, there was a mobilisation around supporting people who had to shield during the pandemic. In your experience, was that just an emergency response, or have any lessons been learned about how to deal with the most vulnerable people?

**Charlie McMillan:** The experience of shielding varied for people, depending on the connections that they had in their communities. Some people were able to get additional support. I have spent a significant amount of the pandemic linking people to the different voluntary schemes that have been set up, which involve volunteers delivering food and so on. [*Inaudible.*—money became a significant issue for some people with learning disabilities. Parents and carers had the sense that they were pretty much left alone to meet their caring responsibilities on a 24/7 basis, whereas support had previously been provided.

That said, that was not the experience for everybody. The lockdown period enabled some people to see what life could be like. Disabilities—[*Inaudible.*—elements of isolation and loss. For so many people with learning disabilities, that is part and parcel of their on-going life.

I know that we have to keep responding, but we should prioritise reflecting on the learning. What do we want to take with us and learn from, and what can be left as part of the crisis response?

**The Convener:** If anyone else wants to contribute, I ask them to be very brief.

**George Eckton:** As I said earlier, we were concerned about the number of people with ill health or with a temporary or permanent vulnerability whom we would normally see in the network but whom we did not see in the early weeks of the pandemic. That led to individual bureaux wanting Citizens Advice Scotland, as a membership organisation, to lobby Government for a return to face-to-face services.

**Alison Watson:** One particular challenge that the pandemic highlighted was about what happens when people who are vulnerable and homeless are placed in temporary accommodation that is not of a standard that enables them to self-isolate safely. We had people who were sharing kitchen or bathroom facilities, which does not enable people to self-isolate safely. That highlights the urgent need to make sure that temporary accommodation is of a suitable standard. Anyone who is in temporary accommodation should expect it to be of a suitable standard to enable them to self-isolate safely if they must do so.

**Gail Ross (Caithness, Sutherland and Ross) (SNP):** Good morning and thank you for joining us.

I come from the Highlands. Homelessness in remote rural areas can be slightly different from what it is in urban areas. We call it hidden homelessness. People are not out on the streets; they are staying on friends' couches or in parents' houses.

Alison, what different challenges do people who are homeless in rural areas face? I would like the other witnesses to talk more generally about the challenges in remote rural areas.

**Alison Watson:** As a girl from the Highlands, I completely understand where you are coming from. Shelter Scotland has paid a lot of attention to that over the years. We recognise the distinct challenges that people who experience homelessness in rural parts of Scotland face. It becomes a hidden problem. We have seen that in the Highlands and on the islands and in Argyll and Bute.

As an organisation, we have had to think carefully about how to ensure that the support that we offer is accessible and relevant. Our digital and telephone channels give us ways to say, "Wherever you live in Scotland, you can access our help and advice free of charge." That is important.

We must also reach relevant local partners so that we understand the local situation and so that we can help to build the capacity of those local partners if they do not have all the expertise or information that they would want to have on housing and homelessness. We can make sure that that is available.

It is clear to us that doing something about the supply of housing to relieve homelessness cannot simply be a numbers game. We need to have the right homes in the right places, and that involves recognising the ways in which people want to live and the opportunities that exist to think about design and energy efficiency, particularly in areas where people heat their houses by getting oil.

We must make sure that we do not take a blanket approach and say that everyone in Scotland should get the same kind of house. There must be a tailored approach that involves providing the right homes in the right places.

**George Eckton:** From a broader perspective, the issues in remote areas are about access to a bureau that is part of our network. You are probably aware that the likely travel distance to get face-to-face advice can be significant, even though we have quite a few bureaux in remote rural areas of Scotland.

We must balance having as much high-quality information as we can on our public advice site and our other communication channels with also still being able to have outreach locations. Those are additional locations where we can deliver advice, perhaps through co-location with other services. In outreach work, the bureau staff might be there for only two hours once a week. Making all those locations safe and secure is prohibitively costly when we consider the adaptations that will be needed. If you include our bureau offices and the annexes that are staffed for one or two days a week, we have more than 200 outreach sites. They must all be safe and secure if people in remote areas are to have the same level of access to face-to-face advice as people in more densely populated areas who are close to a bureau that has already undertaken a risk assessment and made any necessary changes to the physical environment.

There might also be a tendency in more rural areas for our bureaux to be smaller, which means that they will be unable to easily make structural changes to enable safe social distancing for our rural citizens, if that is not a contradiction in terms.

**Charlie McMillan:** That is a really good question. Again, there are two sides to the coin. In remote and rural areas, there are issues in relation to—[Inaudible.]—provide consistent support with the challenges of recruiting staff. In smaller communities, that might involve looking for

volunteers—communities of support—rather than formal paid support. I do not want to sound completely negative about the digital world, but where digital technology works, it is a positive boon in connecting—[Inaudible.] I recently chaired a webinar on employment, and my co-presenter was a young man with a learning disability who lives in Nairn. He had been in such a difficult situation—[Inaudible.]—travelling for four hours on multiple buses. All those things have now been blown out of the way, and he spoke to 63 people about his life experience. It was such a useful, important—[Inaudible.]—for everybody on that webinar. Therefore, there are opportunities, but I also recognise where the weaknesses come—[Inaudible.]—working with the communities that exist.

**Gail Ross:** I will move on. We have spoken a lot about the different issues that members of the public are facing. I want to speak about mental health support, because we are already seeing a stretched service and increased demand. When someone loses their job or their home, it is devastating to their mental health.

George Eckton, you said that you are dealing with extra calls, with numbers in the tens of thousands. How are you signposting people to mental health services? What extra funding, support and services are needed?

**George Eckton:** With regard to the helpline, we need resources in place for safeguarding and dealing with people who are vulnerable and are perhaps dealing with a mental health crisis, so that they can be referred and managed accordingly in that context. In general terms, where we can, we are trying to give more advice and to signpost people online, where they can access our public advice site, which has specific information on redundancy and terms and conditions of employment, to ensure that there is wider advice to help with people's mental wellbeing.

On how we evaluate outcomes from projects, we need to have quantitative key performance indicators for funded projects, but there also needs to be recognition in the national performance framework of the wider and almost intangible impact of coming for support and advice. We hear regularly from our various projects that the benefit lies not only in the client's financial gain, but in their having had their problem addressed and spoken about. That is unquantifiable financially, but people feel better as a result of that. They feel that their problem has been addressed when we have helped them with particular advice. The wider and more important offshoot of that interaction with one of our volunteer advisers is that the person feels better about themselves, and, with regard to their mental wellbeing, they do

not feel as low after an interaction with someone in one of our bureaux.

11:15

**Annie Wells (Glasgow) (Con):** Good morning. There has been a lot of partnership working during the past six months, since the start of the pandemic. Do the witnesses support the move towards more partnership working? Do they believe that third sector funding is sufficient to make the most of that approach? I ask Alison Watson to answer first.

**Alison Watson:** It is true that the pandemic has brought partnership working to the fore very quickly. Shelter Scotland is part of a collective of 29 organisations that have an interest in improving homelessness services. That collective, which came together quickly, is called Everyone Home. It involves sharing data, intelligence and ideas about how we can improve things. We have a commitment to take forward the learning about the emergency measures that have been put in place, as well as the learning about how we work as partners. We have also done a lot of work to reach out to other partners, including Citizens Advice Scotland, on issues that we have been talking about this morning, such as debt and people falling into rent arrears. By sharing data and intelligence and getting a better idea of the impact of the pandemic, we can plan together to take the right action.

With regard to the part of your question about funding, that is a significant challenge. Earlier, George Eckton mentioned the volume of people who are coming forward to look for advice and support. That volume exceeds the capacity of the advice sector to reach everyone. For example, we run a national telephone helpline; on a good day, we answer about 60 per cent of the calls that come to us. A vast number of people out there are looking for advice and support and cannot access it; given that that was the position before the pandemic, we are now concerned about more unmet demand in the system. We need an approach that recognises the extraordinary level of challenge that providers of advice and support face; ensuring that sufficient resource is there for us to rise to that challenge is an essential part of how we need to go forward together.

**Annie Wells:** Thank you, Alison. Does George Eckton want to come in?

**George Eckton:** I do, thank you. Alison Watson mentioned partnership working. We have been trying to do more on the distribution and articulation of our stats; we have regularly issued our stats pack to a range of stakeholders to share the intelligence that we get through our network. From an advocacy point of view, we are trying to

use that to influence positive change. In order to get more of our information into how decisions are made and funding is used, we have recently shared our stats with councils, Skills Development Scotland and the Scottish Government, through the partnership action for continuing employment service.

In the voluntary sector, there is a tendency for organisations that have a network that is led by volunteers—who are seen as additional capacity—not to get the same level of resource, especially when additional funding is made available. We are efficient, and we can deliver the outcomes that are required and collaborate in the delivery of public services, which is within the ethos and vision of the national performance framework. The pandemic has demonstrated not only how the public and voluntary sectors can work together but that we will need to take a different approach to the funding of that work. It is unhelpful for councils with regard to their best value duties that they have to concentrate on statutory functions first. Although the councils see a lot of the voluntary sector's functions as core services, they are not statutory and, when it comes to their audit processes, they need to look at their statutory services first. That raises the issue of whether we need greater statutory recognition for the great work that the whole voluntary sector does in contributing to those national outcomes.

**Annie Wells:** I have a slightly different question for Charlie McMillan, although it is on the same theme. SCLD suggested that this could be a once-in-a-lifetime opportunity to bring about change in the voluntary sector. Will you talk about what you meant, and what the sector might look like in future?

**Charlie McMillan:** Absolutely. *[Inaudible.]* Partnership is everything. The past six months have shown us that the ability of the voluntary and community sectors, which are slightly different things—*[Inaudible.]* Partnership is based on values and aspirations. I am talking about everything from partnership with individuals, such as the young man in Nairn whom I mentioned, to partnership with the Scottish Government, and everything in between. Partnership is absolutely the way in which we can have the biggest impact on people's lives.

Sustainable funding for the sector is critical, not necessarily to deliver the sector's values and aspirations but to ensure the consistent continuation of the work. There are real challenges there.

Over the past six months, we have been able to demonstrate the sector's flexibility and adaptability—that takes us back to a point that I made earlier—and its willingness to put people at



the heart of everything that it does. That gives us such a strong foundation on which to build.

**Annie Wells:** Thank you.

**The Convener:** That concludes the session with our first panel. I thank everyone who took part.

11:22

*Meeting suspended.*

11:26

*On resuming—*

**The Convener:** I am pleased to welcome our second panel of witnesses, who are attending remotely. Johanna Baxter is head of local government bargaining at Unison; Callum Chomczuk is a national director at the Chartered Institute of Housing; and Kirsten Hogg is head of policy at the Scottish Council for Voluntary Organisations. I am grateful to you all for taking time to answer our questions.

We have allocated about an hour for this part of the meeting. As I said to the previous panel, there is no need for all the witnesses to give full answers if your views are generally in line with the views that other witnesses have expressed. That will enable us to cover more themes.

Members will ask questions in a pre-arranged order, and supplementaries will be taken at the end of the session, if time allows. It would help broadcasting staff if members indicate to whom they are addressing their questions. Please give staff a second to operate your microphone before you speak.

Will the witnesses highlight the areas of service provision that were under the most pressure before the pandemic? I am happy for Kirsten Hogg to respond first.

**Kirsten Hogg (Scottish Council for Voluntary Organisations):** As the previous panel said, the pandemic has exacerbated and shone a light on issues that already existed, particularly issues to do with the sustainability of voluntary sector funding. Those issues have been highlighted in many reports over the years and most recently by the Equalities and Human Rights Committee in its pre-budget scrutiny last year.

During the crisis, those issues have come to a head in a very public way, albeit that they are no great surprise to anyone in the sector. It is really important to learn from that that the emergency funding to the sector, albeit that it has been incredibly helpful and useful, should be seen almost as a sticking plaster to deal with the immediate crisis. We must always go back to the

issues that were present before the crisis if we want to think about sustainability.

Lessons absolutely can be learned from how things have panned out during the crisis, but we cannot forget the situation before it.

**Johanna Baxter (Unison):** It is important to say that we cannot really evaluate the impact of the pandemic without understanding the position that local government was in before the pandemic struck. Over the past 10 years, the sector has had £2 billion of efficiencies taken out of the system. When I say “efficiencies”, I am talking about real jobs of Unison members, who were contributing to the local economy. In this financial year, there has been a £205 million real-terms cut to local government revenue funding. In addition, there has been an increase in ring fencing of local government finance such that, in this financial year, 61 per cent of local government funding is ring fenced for Scottish Government priorities.

That means that cuts have disproportionately fallen on services in the areas of discretionary spend that local government can control. Pre-pandemic, there was pressure on our social care staff, our education support staff, our cleaners and our environmental health officers—exactly the people who have been required to keep our country going throughout the pandemic. Those people are under massive pressure right now and, with Brexit around the corner, the pressure on environmental health officers will only increase.

Local government’s ability to control its own budgets is fundamental to ensuring that it can invest in the service areas that need that most.

11:30

**The Convener:** I am sure that ring fencing will come up later, because there are disputes about how much flexibility local government has.

Would Callum Chomczuk like to come in?

**Callum Chomczuk (Chartered Institute of Housing):** Thanks, convener. As members have heard from the previous panel and other witnesses, local authority housing and homelessness services have been at the forefront throughout the pandemic. Helpfully, the Scottish Housing Regulator can map the performance of social landlords, so we have clear data about the pressure on services. Back in April, we had a little under 2,300 applications for homelessness services. In the most recent data set, from August, the figure is a little under 3,000, so there are about 700 more applications per month.

We also know that there is a huge downward pressure on homelessness applications due to the eviction protections and the furlough scheme. It is worth saying that the figure is artificially low. Back

in 2018-19, we saw 138 homes recovered from the social sector per month. In the past three months, the total has been 30, so members can see that policies are keeping applications down. However, as the furlough scheme ends and eviction protections come to an end at some point in the future—no absolute date for that has been given—we are likely to see a big impact on services.

The impact on temporary accommodation is very much linked to that. The previous panel talked about partnership working. There has been a huge effort to get people off the streets and into as-safe-as-possible accommodation as a consequence of the pandemic. For the most part, that meant putting people in temporary accommodation. The extra steps that took place to ensure that properties were lettable were onerous, and we put more and more people in temporary accommodation. That was right at the time, but we now have more than 14,000 households in temporary accommodation. The big challenge for local authorities is how to move people into permanent settled accommodation. To echo what Alison Watson said, that means investing in more affordable social homes in Scotland.

**The Convener:** Have staff working in particular areas of services been more heavily impacted than others during the pandemic?

**Johanna Baxter:** Our members in social care have been on the front line of the response to the pandemic under very difficult circumstances, and our cleaners in education establishments have been under incredible pressure during the preparation for education recovery. There are simply not enough of them, and we are seeing local authorities having to recruit cleaners in all areas of the country. That is a service area that has been hit over previous years of austerity, and those people are vital to ensuring that education establishments are Covid-safe.

Our education support staff do not just support teachers; they help with the education of children in their role. In particular, they look after children with additional support needs.

Child protection officers and social workers have been looking after the most vulnerable in our community during the period of Covid in very difficult circumstances.

Those are some of the key areas in which we have seen additional pressure. Obviously, we have members in all local authority service areas who have been stretched to capacity during the pandemic, whether they have been on the front line or working from home.

**The Convener:** I have a question that I will put to Johanna Baxter first; I will then put it to the other two witnesses. Have staff been effectively

supported in performing their jobs in a new way—for example, in working from home or with personal protective equipment?

**Johanna Baxter:** At the beginning of the pandemic, there were a huge number of issues with regard to PPE. Some of those issues have eased, but some remain. At the start of the pandemic, some members of Unison were told that they did not need certain PPE provisions, and they had to challenge their employers to make sure that they were given the equipment that they needed in order to be safe.

We have recruited a huge number of health and safety representatives to assist our members in ensuring that their workplaces are Covid-safe. There has been good joint working with many authorities on risk assessments of working establishments, but those assessments have not always been consistent. I think that that is because of the nature of the way that local government is organised.

We have worked closely with the Convention of Scottish Local Authorities to ensure that guidance is issued to local authorities on how staff should be supported during the period of the pandemic, whether that is on the provision of equipment for those who are home working or for those on the front line. We did a recent piece of work with COSLA on ensuring that people who might be suffering from mental health issues as a result of the pandemic are reassured that they can access support.

As I have said, the ways in which measures are applied at the local level vary considerably across the piece. There have been excellent examples in some authorities; for example, in Inverclyde, vouchers are being provided for employees to get flu vaccinations, which will be important as winter approaches. In other areas, authorities have been resistant to forms of support.

One example of that is home working allowances. Employers are sometimes slow to meet the expenses that our members have had to incur in purchasing equipment and not helpful in explaining the £6 a week that staff can claim from Her Majesty's Revenue and Customs or in paying that directly to staff. The difficulty with that allowance is that, if individuals claim it directly from HMRC, they enter into a period of self-assessment, which many low-income and vulnerable workers are not confident about accessing. That is a real concern, because it means that many of our members are not claiming the allowance, so they are not getting what they are entitled to from the Government, and their employer is refusing to pay it to them directly, although that possibility is provided for within the rules.

**The Convener:** Thank you for that. Would Kirsten Hogg or Callum Chomczuk like to add to that?

**Kirsten Hogg:** The voluntary sector in Scotland employs more than 100,000 people and mobilises 1.4 million volunteers, so that is a significant issue for us. Because of the breadth of supports, services and ways of working in the voluntary sector, there have been two extremes in the ways that people who are employed by the sector have been impacted.

Large numbers of people have been on furlough, and volunteers have been unable to do the volunteering that they previously did. That has mental health and financial implications for everyone involved. At the other extreme, in a large number of organisations, staff on the front line, because of their relationships with the people whom they work with and because they are in those jobs in order to help people, have flexed their organisations to do what was immediately needed during the crisis. However, with that flex comes stretch, which is not sustainable over the long term. It was great that organisations were able to adapt what they did—for example, organisations that were not traditionally involved in food distribution became involved in it—and it is super to step in and fill a gap. People did that because they wanted to and it needed to be done. However, that is not a sustainable way of working over the long term. We need to look at what is needed going forward and what we can learn from that.

We are picking up on the particular issue of mental health through the published research that is coming out of the sector. Our most recent summary of the research that came out between June and August highlighted the mental health of people who are supported by voluntary organisations and staff as a key concern for voluntary organisations.

The support that has been available to people during the crisis has been wide ranging. At a practical level, SCVO has been concentrating on digital support for people and organisations. Some of my colleagues who work in the social care sector would say that issues of access to PPE were writ even larger for voluntary organisations, which felt that they came down the pecking order in respect of the immediate provision of PPE.

It is important that we all look at what we must do to support staff now. The crisis does not feel immediate, but people are being asked to work differently. That has an impact on them, on their day-to-day lives, on how they work, and on the people whom they work with.

As we move from a health crisis into an economic crisis, with people being asked to work

with others who are in increasingly difficult situations, we must remain mindful of the impact of that on the people whom we employ as well as on those whom we support.

**The Convener:** Callum Chomczuk, we have to move on. I hope that you will get the chance to answer that question later.

**Sarah Boyack:** I want to pick up on the funding position for councils and their capacity to provide services. There were two points about the impact of reduced income.

Johanna Baxter, you talked about the backdrop of local government funding. Local authorities are having to provide funding to keep arm's-length external organisations going because they are important to the health and wellbeing of our constituents and because they provide jobs. Can you comment on the issues for culture and sport ALEOs?

**Johanna Baxter:** The situation for ALEOs is concerning. Although some local authorities have furloughed directly employed staff, the vast majority of ALEO staff have been furloughed during the pandemic because their services could not operate. Culture and leisure facilities were restricted and some have only just come back into action. Many of those staff have been furloughed for a long time. To protect those workers, we tried to negotiate with ALEOs to ensure that wages were topped up to their usual amount rather than being at the statutory level of furlough compensation.

Most of that funding has come from local authorities. There have been costs attached to that and we have also seen the income from ALEOs fall through the floor during the pandemic because their services have been closed. That is a concern for us. Although ALEOs are arm's-length organisations, local authorities still have relationships with them. They are the ALEOs' biggest funders and in many areas are also associated employers. The buck stops with the local authority when it comes to employment law liabilities and equal pay.

The estimated total cost to ALEOs is around £121 million. That figure comes from the UK culture and leisure trust. It may be more than that, as not all of those services are back on board yet and it will take time for that to happen while restrictions remain in place.

The staff in ALEOs are extremely vulnerable. When the furlough scheme got under way, we said that furlough should not be a waiting room for redundancy. That statement remains true today. We have seen those workers who have been furloughed volunteer to help local authorities in their communities in other ways. The financial exposure of ALEOs is acute. We cannot look at

local government finance as a whole without looking at the situation of arm's-length organisations.

11:45

**Sarah Boyack:** That is very useful. I want to develop the point about reduced income with Callum Chomczuk. I want to explore the impact of rent arrears on rental income and homelessness, which was mentioned by several people in the last discussion. Do you have any comments on the impact of provision of services and the viability of housing services to tenants? The other issue is the capital side. I raised the issue of a potential real-terms cut of 30 per cent in the social housing programme. Given the vulnerability of finances, can you comment on both those issues?

**Callum Chomczuk:** As I mentioned at the outset, the eviction protection scheme has helped to maintain a cap on homelessness, which is welcome—it was the right thing to do. However, the impact has been increased rent arrears. We have seen rent arrears in the local authority sector increase by £12 million over the past four or five months, which is significant. Local authorities are now managing £100 million of rent arrears. Every pound that we do not raise in rent is a pound that we cannot use to keep rents low, to improve services or to build new homes. That lack of £100 million will have a significant impact on local authority services and they will have to manage that.

When we consider the long-term sustainability of eviction protections and how the sector comes out of that, one concern is about a culture of non-payment among those who can pay but choose not to pay. I am not saying that that is common, but there are examples of that from several landlords.

The point that Sarah Boyack made about capital spend is incredibly important. We know that local authorities have accrued a significant degree of housing debt in the past few years; there is about £3.8 billion-worth of housing debt among local authorities, which is up by £225 million from the last year for which we have data. That debt has increased because we have been building 50,000 affordable homes. It is appropriate for local authorities to take on that debt. The draft infrastructure investment plan suggests that there will be a significant cut to the social and affordable housing budget. We are spending about £3.5 billion or £3.6 billion this session on social and affordable housing and the draft budget indicates that the next spend will be £2.8 billion. As you mentioned in the Parliament yesterday, that is about a 30 per cent real-terms cut. From our calculations, based on grant rates remaining the same, it would be a 20 per cent cut, so, instead of

50,000 affordable homes, we would be looking at 40,000 affordable homes. Given everything that we have heard already about the rising pressure on homes and a rise in temporary accommodation, there are concerns about whether the budget will meet the challenge that local authorities are facing and will continue to face over the next few years in response to the pandemic.

**Sarah Boyack:** So there is an issue both for existing homes and services and for building new homes. Are you arguing that more investment needs to go into both sides? We had a very difficult discussion last week about unsuitable accommodation. Alison Watson from Shelter mentioned the issue of rationing in terms of the lack of affordable housing and the 10 per cent rise in homelessness in the statistics that we heard today.

**Callum Chomczuk:** We have also seen more and more obligations placed on local authorities. Come January, we will see a narrowing of what accommodation can be used to house people in temporary accommodation. That is right: we do not want to see anybody in inappropriate and unsuitable accommodation. The housing sector agrees with the premise of that change, but we cannot simply eradicate homelessness by changing the policies—we need to see the appropriate investment.

We will be looking at the lessons to come out of the pandemic. We need to fund the policies that we believe in. Quite rightly, we all took an approach to protect people at the height of the pandemic by getting them off the street and into temporary accommodation. That was the right thing to do. We need to think about the next step and look at the capital budget. From our perspective, the draft budget does not meet the challenge that we face over the next four years in Scotland in addressing the housing and homelessness crisis.

**Annie Wells:** Good morning to the witnesses. I want to touch on partnership working. Will you talk about your experiences of partnership and community working with councils during the pandemic?

**Kirsten Hogg:** It is important to highlight that the examples in our written submission of good practice and partnership working, which I will go on to talk about, are not universal experiences. They absolutely do not mean that everything worked smoothly when it came to partnership working, but there are nonetheless some good examples, and a range of different things that we can learn from.

At national level, we achieved significant things in partnership. It is important to recognise that

some of those partnerships involved local government, the Scottish Government, the voluntary sector, the private sector and a whole range of people in pulling together to achieve things which would otherwise never have seemed possible.

We have heard a lot about the remaining crisis in housing, and that is absolutely right. However, we eradicated rough sleeping for 14 days, which we would never have thought possible. That, in itself, is not enough; we know that. However, there must be things that we can learn from the art of the possible, which appeared during the crisis.

For voluntary organisations, we saw a few things. There was a greater degree of flexibility in those partnerships. In particular, funding partners encouraged us just to do what needed to be done to meet the immediate need. At this point, we see from independent funders a real period of reflection about how we can continue that, what we can learn from it, and how we can continue to incorporate that flexibility into our funding. On the other hand, anecdotal evidence suggests that statutory funders are retreating into a more command-and-control, traditional relationship with the organisations that they fund. I think that some considerable learning is to be had, on that.

It is important also to remember that those partnership examples that worked well had a focus on outcomes. The letter that the cabinet secretary wrote to the committee about the provision of emergency funding was very interesting. It was structured in two ways. First, it set out the money that the Government had given to various organisations—to local government and to the voluntary sector. However, it also highlighted two areas—food distribution and digital exclusion—for which there was a focus on what we needed to achieve. It is no surprise to me that those are a couple of the areas in which I can highlight strong partnership working, in which we were all focused on pulling together on what we needed to achieve, rather than worrying about who was doing it.

The last thing to say from a voluntary sector point of view is that partnership does not always have to mean, “You need to give us money.” Some of the examples that we have highlighted in our written submission involved the voluntary sector bringing to the table financial resource that it was able to access in different ways.

By working in partnership with local government and other partners, we were able, for example, to identify people who were most in need, or who had just missed the threshold for a statutory intervention. By working in partnership, the voluntary sector was able to come in and pick that up. Partnership does not always have to mean that we come asking for money.

**Callum Chomczuk:** In the housing and homelessness sector, our rapid rehousing transition plans are a strong vehicle for partnership working to address homelessness. That has worked well, with local authorities working with housing associations to mobilise the entire sector to address homelessness.

Over the course of the pandemic, as we were dealing with the crisis of how to get people off the street, we found that housing associations were working with local authorities and giving them their properties to use for temporary accommodation. We heard Alison Watson say earlier that 80 per cent of social lets were allocated in that way; that was a good example of the sector working together to recognise and discuss that topic, and to see that there was a problem and address it head on.

In the housing and homelessness sector, the relationships are certainly there. However, I go back to my earlier point that to ensure that they are sustainable in the long term requires funding and more social and affordable homes.

**Annie Wells:** I have a broader question. Do you see the way in which councils operate, particularly in how they support communities, changing in the long term as a result of the pandemic, and how could the Scottish Government support that?

**Johanna Baxter:** The pandemic has thrown up a number of issues for how councils operate. There has to be greater joint working with health and social care partners, which is subject to other discussions. We need to ensure that councils are at the forefront of the economic recovery; they are an anchor employer in many areas, so it makes sense that they are empowered and at the forefront of that recovery through developing new income streams—for example, by establishing municipally owned bus companies and community investment banks and enabling the transition to green energy. There are a number of things that can be done, but they do not replace the fundamental need for more funding and more authority and discretion over the funding that councils get from the Scottish Government.

The financial crisis that local government is now in is of a scale that we have never seen before. Taking into account the financial gap before the pandemic hit—£205 million at the start of the financial year—COSLA estimated the cost of the pandemic in June at £739 million and the cost of the pandemic to our ALEOs of £121 million. We are looking at around a £1 billion budget gap in Scottish local government—that will require long-term financial stability from the Scottish Government and longer-term planning and greater discretion for local authorities in relation to their areas of spend. There will also need to be some flexibility for local government to create those new

income streams, but they need investment to do that.

One thing that has come through very strongly during the pandemic is that the roles that are some of the lowest paid in local government have demonstrated themselves to be the most essential ones that we rely on to keep our country running—those cleaners, social care workers and education support workers are the hidden heroes of the pandemic. Financial investment that recognises their massive contribution to keeping our country going has to be at the heart of the economic recovery.

**Gail Ross:** I will start by asking Johanna Baxter about the ring fencing for local authorities. I had a wee look and obviously things such as Gaelic, pupil equity funding and early learning and childcare are ring fenced because the Government sees them as a priority. Johanna, do you have any other examples of what exactly is ring fenced—you referenced the 61 per cent figure that COSLA put forward in your written submission—and of the ring-fenced funding, what would you like to see opened up so that local authorities could use it for other purposes?

**Johanna Baxter:** The amount of funding that has become ring fenced has increased over time. Things such as education, health and social care are currently ring fenced and benefit from increased Scottish Government protection. Nobody would dispute that those are priorities, but local authorities may have different ideas about how those can be delivered better.

12:00

The areas that are not ring fenced such as roads and transport, human resources, finance, information technology, which will be vital for any post-pandemic expansion of digital services, culture and leisure, economic development planning and regulatory services have been hit hardest by the cuts that took place in the past decade. Those areas need future investment.

Some pressures will come in winter, as the pandemic continues. Our roads maintenance workers and gritters will need further investment. There will be continued pressure on school cleaning, which already requires additional investment. When Brexit arrives, that will put pressure on environmental health officers, who are not currently under ring-fenced protection. They will need greater investment and we will have to recruit more of them. Those are a few examples.

**The Convener:** Johanna, could you please cut your answers down? We have a lot to get through. Thank you.

**Gail Ross:** Johanna, I will come back to you for a quick question and answer. You mentioned environmental services. Would you like to see some of the funding that is ring fenced not being ring fenced, and would you like to see other funding that is not currently ring fenced being ring fenced?

**Johanna Baxter:** I will try to keep my answer short. This is not only about how we slice up the pie; it is about the size of the pie. We need a bigger pie—we need a bigger pot of money. This is not about taking money from one area and giving it to another. It is about the Scottish Government making a greater financial investment in local authorities.

**Gail Ross:** Kirsten Hogg mentioned support for mental health. As you rightly said, that is not only about service users but about staff and volunteers who need support. Is there adequate support for mental health issues affecting staff and volunteers?

**Kirsten Hogg:** I may not be best placed to answer that. The issue has been identified. Organisations in the voluntary sector have highlighted concerns, which suggests either that support is not available or that people do not know how to access it. The SCVO has not looked into that yet as it only became apparent from research that was done in the most recent quarter. That is a new finding for us.

**Gail Ross:** Johanna, have you heard about that from Unison members?

**Johanna Baxter:** I struggled to hear what the speaker was saying there.

**Gail Ross:** I am asking about mental health support. This is a difficult time, not only for service users but for staff who are providing services.

**Johanna Baxter:** It is a massive issue for our members. They have been under huge pressure since the start of the pandemic. That is why we did a recent joint piece of work with COSLA called “Don’t stay on mute”. Support is available. We are seeing pressure on staff every day, and that cannot continue in the long term.

**Gail Ross:** I will ask Callum Chomczuk the same question that I asked the first panel, which was about housing and homelessness in rural areas. Do you have any points to make about that?

**Callum Chomczuk:** The CIH has been working on the issue of domestic abuse for the past few years. That picks up on what you said to Alison Watson about the scale of hidden homelessness. We know that victims of domestic abuse who have not yet left the home of the perpetrator, and are unwilling or unable to access services, are particularly prevalent among the hidden homeless.

We also know that, in the Highlands, as well as in Glasgow and Edinburgh, access to refuge provision is incredibly difficult. Across the country, only one in six homelessness applicants gets access to a refuge. Once they are in a refuge in Glasgow, Edinburgh or the Highlands, they are often there for up to 18 months. There are huge challenges around the scale of hidden homelessness and, once victims of domestic abuse are able to access the appropriate services, there are challenges in getting them into a refuge and then out of it. Refuges are incredibly important, but they are not supposed to be there for long-term support.

It comes back to what I was saying about the need to be able to transition people into permanent settled accommodation in a place where they want to live, as Alison Watson said, so that they can feel a connection with their family and friends, and feel supported. That is a huge challenge, particularly in the Highlands. It is a large area, and the supply will not be as concentrated, which limits the options. Local authorities, the Scottish Government and registered social landlords need to work collectively to understand where people want to live and provide that accommodation for them.

**Andy Wightman:** I will start by asking the same question that I asked the first panel. Beyond the emergency responses, what generic lessons can we learn from the pandemic about delivering better services that are more responsive to users and more cost effective? In particular, have we learned any lessons about how to deliver preventative spending in any of the areas in which you are involved?

**Kirsten Hogg:** For us, it is about how we combine what we have learned from the pandemic with what we knew before. During the pandemic, we experienced greater flexibility, particularly around funding and what money could be spent on, and in pulling together to focus on outcomes and get the job done, which was accompanied by a lack of bureaucracy. Often, voluntary organisations are required to jump through many hoops to get funding. During the pandemic, it felt as though some art-of-the-possible stuff appeared, and we all pulled together to get the job done. It would be great if we could unpick some of that, and consider why it felt possible in a crisis situation, and why it feels less possible with some public sector funders at this point.

It is also important to recognise the things that we knew before, and combine them with the learning from the pandemic. Arguably, things worked so well during the pandemic partly because the power dynamics somewhat disappeared—it was more about focusing on what we needed to do than thinking about who holds

the purse strings. That relationship-based and outcomes-based commissioning is something that we should look to carry forward, as it ties into what we already knew.

For example, the advisory group on economic recovery, in picking up things post-crisis, has talked about longer-term funding for the voluntary sector, strategic commissioning and the involvement of the private sector in those partnerships. Those are important lessons, which were flagged by the Equalities and Human Rights Committee in its pre-budget report in 2019. The committee noted that it had already flagged the issues in 2016.

It is about what we learned about what is possible during the crisis, as well as starting to answer some of the questions that have been around for a long time about how, structurally, the voluntary sector is funded. If we are to play our key role as we move into the economic crisis—and hopefully, at some stage, out of the health-based crisis—it will be important to take both aspects into account.

**Johanna Baxter:** There are a number of lessons that we can learn. With regard to the flexibility of the local government workforce, it has demonstrated that it is extremely flexible. Some people might want to work from home to maintain their work-life balance in the future, while other people may not wish to do that, but we now know that it is possible.

There is value in giving workers an effective voice. Trade unions have been key in the discussions on ensuring that people can return to workplaces safely. Our health and safety reps have worked with employers across the country, and both sides have valued their expertise and the co-operation between local authorities on service provision and filling gaps. For example, the co-operation between local authorities on the establishment of temporary mortuaries, which were staffed by workers pulled from different local authority areas, was stark.

**Andy Wightman:** Do you have any observations about the housing sector, Callum?

**Callum Chomczuk:** My comments are similar to those of the other contributors. The partnership working, the setting aside of egos and the focusing on outcomes has been really inspiring. That has worked effectively in ensuring that people are getting off the street, and institutional barriers have been addressed. How do we structurally embed that into the future?

Reflecting on the earlier comments on embedding our approach to prevention—noting that we are almost at the 10-year anniversary of the Christie commission report—one of the recommendations from the homelessness and

rough sleeping action group was to place a duty on public bodies to prevent homelessness. That might be an institutional way to ensure that local authorities and health and other services that people engage with have a responsibility to prevent homelessness. If we could address homelessness before it starts and before it is exacerbated, that would be better financially.

For me, the biggest lesson is about the need to fund services that we believe in. We can put in place policies and legislative frameworks, but if they are not matched by the money that is required, we will ultimately fall short. We have been working in a crisis situation during the past six months, and all the public sector and public services have rallied round to do whatever they could, but there is a point at which it will all fall apart without the appropriate money coming through from the Government and local government.

**Andy Wightman:** Kirsten Hogg made some important points, focusing on outcomes and greater flexibility, and Johanna Baxter spoke about flexible working, workers' voices and so on. I encourage you all to ensure that those lessons are well articulated because, as you will be well aware, there is a risk that we continue to focus on the short term and lose sight of some of the more fundamental reforms that we might need.

I return to Kirsten Hogg and the voluntary sector. You mentioned the report by the advisory group on economic recovery and the report by the Equalities and Human Rights Committee in November 2019. In your written evidence, you say:

"The recommendations of this recent inquiry into voluntary sector funding should be acknowledged and responded to by the Scottish Government in full."

I think that that committee inquiry was part of pre-budget scrutiny. In a sense, the response that came back from the Government, which I looked at briefly, was a bit cursory. What, in particular, are you looking for? Are there any signs that the Scottish Government will respond more fully to the committee's recommendations?

**Kirsten Hogg:** I am not aware of whether the Scottish Government is intending to make a full response to the committee's specific recommendations. However, the Government's response to the advisory group on economic recovery mentioned

"the Scottish Government's commitment ... to strengthen collaboration with the voluntary sector and local authorities".

We are in the early stages of unpicking, with the Government, what that might mean, but I hope that it will address some of the recommendations from the reports that I have mentioned, with the

Government starting to consider longer-term funding for the sector. In its programme for government, the Scottish Government restated its commitment to longer-term funding, but we do not see a huge amount of evidence of that on the ground. We hope that we will be able to unpick some of that and to include conversations on strategic commissioning, what the procurement of services should look like and not having competition by default under a partnership approach.

Importantly, the Covid crisis has shown us that we also need to have a conversation about core funding for the sector. Many organisations are not always able to secure core funding and are instead given short-term funding for projects, and as a result, when a crisis hits, they are not in a financial position to weather the storm without outside support.

12:15

Those are big issues. In a lot of cases, there are systems change issues, which takes me back to the conversations that I mentioned in a previous answer, about the power dynamics between all three of the actors: the Scottish Government, local government and the voluntary sector. If we do not start to have those conversations now, in the face of understanding not only the incredibly important role that the sector is playing in the crisis but the really difficult situation in which it finds itself, we may never have them.

The previous panel talked about how there is a once-in-a-lifetime opportunity to have those conversations. There is, but it has been 15 years in the making. We have known these things for a long time, and now is the time to act on them.

**The Convener:** Andy Wightman will have to finish his questions there. I call Keith Brown.

**Keith Brown:** First, I thank the panel members for coming along, and I thank the local government employees in particular for the work that they have done. In my area, there have been some extraordinary efforts by people in Stirling and Clackmannanshire councils, and I thank them for that—[Inaudible.]

**The Convener:** Keith Brown seems to have fallen off the connection. Perhaps, in the interim—

I see that he is back again.

**Keith Brown:** [Inaudible.]—is probably the weight of the rain that is falling just now.

I was really surprised by the figure of 61 per cent that Unison gave for ring-fenced funding. Is it possible for Johanna Baxter to sketch an overview of what comprises the 61 per cent of all local government funding that is now ring fenced?



**Johanna Baxter:** [*Inaudible.*—our members who have been working so hard.

With regard to the ring-fenced funding, most of it is for education, social work services and health and social care. The areas of funding that are not ring fenced are buses, paths, roads, planning, community learning, events, sport and leisure, libraries, tourism, business support, environmental health and trading standards. Those are COSLA's own figures. Our understanding from previous documentation is that the figure for protected funding has increased year on year over the past decade, and it is currently 61 per cent.

**The Convener:** As Keith Brown seems to have gone again, I will bring in Callum Chomczuk.

**Callum Chomczuk:** It is also important to note that the housing revenue account for the construction of social housing is also ring fenced. The money that comes into local authorities to enable them to manage the building of the homes, the collection of rent and the housing debt that is accrued is separate from the general spend, which will be put on—[*Inaudible.*]

**The Convener:** Is Keith Brown back online?

He is not. I will ask a question on ring fencing.

I see that he is back now—on you go, Keith.

**Keith Brown:** I am sorry, convener—I did not get any of the answer, but I will check the *Official Report* of the meeting.

My second question is also for Unison and Callum Chomczuk. Unison's submission talks about building the infrastructure, and Callum Chomczuk talked about the burden of arrears on local authorities. However, the Public Works Loan Board, as the supplier of finance for infrastructure and housing in local government—[*Inaudible.*—has increased by 1 per cent. That is a massive tax on new infrastructure building by local authorities, which relates to housing.

Have Unison or the Chartered Institute of Housing made any representations, or do they have any views, on the impact of that 1 per cent increase in the interest rate that is paid? Can they understand why that has come about during a time of extremely low interest rates?

**Callum Chomczuk:** Unfortunately, there have been no representations on the scale of that increase and its impact on social and affordable home building, but I take your point. Anything that undermines or makes more challenging the building of the affordable homes that we need is not helpful, given the current housing crisis. We already have a number of challenges, such as the level of arrears, the level of housing debt and the increased demand for homelessness and housing

services that have been exacerbated but not created by the pandemic.

I do not have details on—[*Inaudible.*—why the Public Works Loan Board—[*Inaudible.*—had an impact on this, but I share the concerns about any increase in the costs of delivery not being helpful for local authorities.

**Johanna Baxter:** I agree that any increase in the cost of delivery is significant, particularly given local government's financial crisis. The impact of the Public Works Loan Board's interest rate increase will vary according to the local authority, so it will have a greater impact in some areas than others. I am not sure what the reasoning behind that increase was, so I cannot give you any further information on it, unfortunately.

**Keith Brown:** It is a huge issue—[*Inaudible.*—from a number of local authorities. The reason given for it was speculative expenditure in some English local authorities. Unison and housing providers want to be—[*Inaudible.*—in this case, which represents a huge tax.

Do the panellists have any views on the impact that the absence of a UK budget will have on the ability of their organisations and local councils to set budgets?

**Johanna Baxter:** We have been in this situation before, and the Scottish Government was able to set budgets on an indicative basis. I would urge it to do so in this instance. COSLA has asked for a number of fiscal flexibilities to enable it to assist local authorities to get through the period of the crisis. I understand that at least three of those four flexibilities are in the gift of the Scottish Parliament, so the delay to the UK budget would not prevent those from being put in place.

However, those fiscal flexibilities are a short-term measure only; the fundamental issue is how local government in Scotland is funded. Local authority budgets have decreased year on year in the past decade; since 2013-14, they have gone down by 7 per cent. The Scottish Government needs to take a decision to invest in local authorities and local service provision in a way that it has not done in the past decade, because the workers on whom we rely to keep our country running right now are those on the front line in local authorities: they are the hidden heroes of this crisis and—

**The Convener:** You have already—[*Inaudible.*—but we are getting—[*Inaudible.*—

**Johanna Baxter:** They need to be rewarded.

**Callum Chomczuk:** Regarding budgets, when we are building new social and affordable homes, we do not stop at the end of a financial year. Local authorities need to have consistency across the piece, so we need to go from March to the next

April seamlessly. Without that confidence, we will find developments slowing down, if not stopping. Anything that undermines confidence in what money is coming forward could cause a slowdown. We often see that in the space between big capital budgets or election cycles. As I said, anything that undermines that confidence will be problematic.

I believe that the Cabinet Secretary for Finance talked in Parliament yesterday about the potential scope for increased money from the UK Government that would help to support more social and affordable housing. I would be concerned if there was a chance to have more investment in that housing but it was not being addressed because of the slowdown at UK level. Fundamentally, we want to see more money going into social and affordable housing.

**Kirsten Hogg:** As Callum Chomczuk says, any delays or uncertainty around budgeting will also have an impact on voluntary organisations. We are quite far down the chain of that funding and we often take the brunt of any cuts that are required. The real issue with delays for the voluntary sector is that, if we have to put our staff on a notice period because the financial sustainability of the voluntary organisation is such that there are no reserves or slack to take up the delay or uncertainty around funding, it can have disastrous impacts for the projects that we run and on the people we support who rely on their relationships with the staff. We do not want that uncertainty to filter down and have those impacts on our people and communities.

**The Convener:** Johanna, you have talked about 61 per cent of funding being ring fenced, which has shocked everyone. You said that education is part of that ring fencing. Are you suggesting that there is no flexibility for local authorities in how they spend any of their education budget?

**Johanna Baxter:** I am not saying that there is no flexibility.

**The Convener:** You said that it is ring fenced. There are budgets for education and so on.

**Johanna Baxter:** A lot of the money is passed straight to schools and headteachers, so local authorities do not have discretion over how they spend that money.

**The Convener:** Are you suggesting that local authorities might want to take money out of education to spend elsewhere?

**Johanna Baxter:** No, I have not said that; I said that the total funding pot for local government needs to be increased. It is not about taking from one service and giving to another; it is about increasing the totality of funding for local authorities.

**The Convener:** You have put that argument and I accept that, but on more than one occasion today you have talked about 61 per cent being ring fenced.

**Johanna Baxter:** Yes. That is a COSLA figure.

**The Convener:** It may well be, but it does not seem to ring true in relation to the education budget.

I need to move on to our last questioner.

**Alexander Stewart:** We have talked about resources. The United Kingdom Government has provided funding to Scotland in the Barnett consequential and from that, the Scottish Government has disseminated money to local authorities. I want to ask about that funding. There was some dubiety about the length of time that it took for councils to receive the funding. Much of the money has been targeted by local authorities to support homelessness, health and social care, education and housing. What are your views on how effective and efficient councils have been in spending and using that money to manage the crises that we face?

**Kirsten Hogg:** For us, the joined issues are how much money is available and how it is distributed. Many of the issues for the voluntary sector are, of course, about how much money flows into the sector, but they are also about how that money is provided, which speaks to the procurement and commissioning of services in particular. That highlights issues such as the short-term nature of funding that flows from local government to the voluntary sector; the element of competition, which can sometimes exclude the participation of smaller voluntary organisations; the lack of a partnership approach; and the lack of core funding that I mentioned. All those things suggest that there are more efficient and effective ways to distribute funding when it comes to working with the third sector.

The crisis has shown us that we can get a bigger bang for our buck when we all work together in partnership, with an outcomes focus, rather than having a tight focus on the mechanics of how the money should be given out.

12:30

**Alexander Stewart:** Johanna Baxter talked about councils being about £1 billion adrift. How effective have councils been in spending the money from the UK Government, which is trickled down to them from the Scottish Government?

**Johanna Baxter:** They certainly have been effective in spending that money. The difficulties have been with the delay in that money filtering down. Some of those pots of money have been drip fed throughout the pandemic, which has led to

local authorities not being able to plan for the funding that they are getting or not knowing when it might arrive. Local authorities have reassessed their existing budgets midway through the financial year and some have taken longer-term financial decisions that may or may not benefit service provision in the middle of a financial crisis. That is not to the benefit of anyone.

**Callum Chomczuk:** I echo much of what Johanna Baxter said. Local authorities, rooted in their communities and working with the third sector and other partners, are well placed to understand and deliver services. As a number of the other witnesses have said, the issue is about access to the appropriate resources at the appropriate time, as we are dealing with a landscape that is changing incredibly. As we went into lockdown and moved out of it, the local authorities' needs changed and resources failed to respond to that. To me, that is the bigger challenge, rather than councils' decision-making processes.

**Alexander Stewart:** Councils have started to change the way that they plan and operate in the long term, particularly in how they support communities. As a result of the pandemic, do you see the future long-term processes being supported? How might the Scottish Government change its support to ensure that communities feel that they are supported going forward?

**Johanna Baxter:** There will be fundamental changes to how authorities deliver some of their services as a result of the pandemic. A number of our members' roles have changed fundamentally during the pandemic. For example, there have been changes in the way in which social care has been delivered and in child protection work. There have been changes to social workers' roles, and those will need to be job evaluated, which is an internal issue.

With service delivery in the community, there will have to be much more localised decision making, development of new income streams and a move away from income streams that are dependent on the physical delivery of services that we might not be able to deliver in the longer term because of the continued restrictions.

**Alexander Stewart:** Kirsten, your written submission gives specific examples of special and good partnership working. Do you see that relationship continuing to improve, or will there be friction in how the process is managed when councils look at long-term issues?

**Kirsten Hogg:** Our anecdotal evidence suggests that some of the partnership working is continuing and some is not, so it is perhaps early days to say.

When we talk about councils changing how they plan, we need to recognise the complexity of the

situation that we find ourselves in and the huge inequalities that we are seeking to tackle. That requires us to plan for the longer term, but it also requires many people to be round the table, including those from the voluntary sector. Another recommendation from last year's Equalities and Human Rights Committee report that has not yet been picked up is on how the sector can be better involved in planning as well as delivery.

It is important to recognise that folk with lived experience who are using services and support also need to be round the table. The voluntary sector can help with that, but we need to come back to the Scottish approach to service design and say, "We can only tackle this issue if we are all involved, not only in delivery but in design and planning."

**Alexander Stewart:** Callum, how do you see your sector coping with the long-term challenges and the long-term changes in communities in future?

**Callum Chomczuk:** It is evident from today's discussion that we all have a new appreciation of what "home" means to us, which includes where we want to live, what home looks like, where it should be located and the services that matter to us. That will lead to change for local authorities, housing associations and developers. We are all going to have to rethink what the communities of the future will look like. That will move us on by an incredible amount. I am hopeful that the Government's housing to 2040 strategy, which I believe will come out later this year, will set the tone for what housing will look like in the future.

We undoubtedly face a challenge, but it is up to the housing sector to respond to that and to build the homes that people want, where they want them. We cannot continue just to build homes of a small size in areas that are not viable. We must ensure that we build the right homes in the right places.

**The Convener:** That completes our questions and concludes the evidence session. I thank everybody who has taken part in the meeting for helping us to identify some key issues for the rest of the inquiry, as part of which we will take further evidence next week. It has been an extremely useful session.

That concludes the public part of the meeting.

12:36

*Meeting continued in private until 13:02.*



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