



OFFICIAL REPORT  
AITHISG OIFIGEIL

# Social Justice and Social Security Committee

Thursday 19 May 2022

Session 6



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**Thursday 19 May 2022**

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**SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE**

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

**CONVENER**

\*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

**DEPUTY CONVENER**

\*Natalie Don (Renfrewshire North and West) (SNP)

**COMMITTEE MEMBERS**

\*Jeremy Balfour (Lothian) (Con)

\*Miles Briggs (Lothian) (Con)

\*Foyso! Choudhury (Lothian) (Lab)

\*Pam Duncan-Glancy (Glasgow) (Lab)

\*Paul McLennan (East Lothian) (SNP)

\*Emma Roddick (Highlands and Islands) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Martin Canavan (Aberlour)

Karen Carrick (Improvement Service)

Paul Ferguson (Institute of Revenues, Rating and Valuation, Scotland Association)

Gordon MacRae (Shelter Scotland)

Kirsty McKechnie (Child Poverty Action Group in Scotland)

Betty Stone (Edinburgh Tenants Federation)

**CLERK TO THE COMMITTEE**

Claire Menzies

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Social Justice and Social Security Committee

Thursday 19 May 2022

*[The Convener opened the meeting at 09:00]*

### Decision on Taking Business in Private

**The Convener (Elena Whitham):** Good morning and welcome to the 16th meeting in 2022 of the Social Justice and Social Security Committee. Our first item of business is to decide whether to take item 3 in private. Are we content to do so?

**Members** *indicated agreement.*

## Low Income and Debt Inquiry

09:00

**The Convener:** We now turn to our next item of business, which is an evidence session on our inquiry into low income and debt problems. So far, we have run sessions with our experts by experience panel, who have been sharing their lived experience of debt with the committee. We also held formal evidence sessions on 28 April and 12 May. Today, we will hear from a large panel of witnesses to discuss a range of arrears.

Online, we are joined by: Paul Ferguson, member and association executive of the Institute of Revenues, Rating and Valuation, and revenues and benefits manager at Falkirk Council; Gordon MacRae, assistant director of communications and advocacy at Shelter Scotland; and Kirsty McKechnie, early warning systems project manager at the Child Poverty Action Group in Scotland. In the room with us are: Betty Stone, convener of the Edinburgh Tenants Federation; Karen Carrick, evaluations manager at the Improvement Service; and Martin Canavan, head of policy and participation at Aberlour. Good morning, everyone, and thank you very much for making yourselves available.

I will highlight a few housekeeping points to kick us off. We have a large panel and the issues that will be raised will be cross cutting. Given your areas of expertise, you might not need to contribute to all points raised. We are here for two hours, and we will have a wee break in the middle—I think that we will need it. Do not feel compelled to speak to every point that we raise. You can always follow up in writing, if you think that there is something that we need to know.

If you are in the room, please indicate that you want to come in by raising your hand. If you are on BlueJeans, type R in the chat box. I will be keeping an eye on that, so that I can bring you in as well. I ask that you give our broadcasting colleagues a wee second to turn on your microphones before you start speaking. I will not forget the comfort break at 10 o'clock, because I think that we will all need one by then.

I turn to questions—we have a lot of them. I will ask members to speak in turn. The first question is from Paul McLennan, who is in the room. Paul will be followed by Jeremy Balfour.

**Paul McLennan (East Lothian) (SNP):** One of the things that we have seen in our evidence taking in the past few weeks is how the private and public sectors deal with debt. Do you think that the public sector is behind the private sector in dealing with debt? I put that to Martin Canavan.

I will then open the question to whoever wants to come in.

**Martin Canavan (Aberlour):** I thank the committee for inviting us along to give evidence this morning. There are probably others on the panel who can give real insight into the technical nature of the public sector versus private sector in that regard. At Aberlour, we are seeing a significant increase in families who are experiencing levels of public debt, with payments owed to local authorities, housing associations, the Department for Work and Pensions and others. We are seeing people in quite difficult and challenging circumstances as some of those debts are pursued and recovered by public bodies.

Our research was led by Professor Treanor at Herriot-Watt University—we shared it with you in our written evidence—and has highlighted a real disparity between the way in which public debts or public bodies' debts and private sector debts are pursued. The Financial Conduct Authority regulates the private sector and how private debts can be pursued. I do not think that the regulations apply to the public sector. At times, we are seeing a punitive approach, with an escalation in the speed at which debts can be recovered. We are working with many families who are in deep, deep financial difficulty, which is a challenging situation for them.

The vast majority of the debt that the families who we support have is to public bodies and there is often inconsistency around that debt recovery. I will maybe speak a little more in detail about the inconsistency in relation to things like school meal debt, which we have covered in our written evidence.

There is real inconsistency around how debt recovery is approached across the country, but it largely seems to be punitive and fundamentally quite difficult and challenging for families' wider wellbeing.

I am sure there are others on the panel that can speak in more detail about the public sector's versus the private sector's approach.

**Paul McLennan:** I was reading your written evidence, which says that level of debt in the United Kingdom is about £13.5 billion, of which Scotland's share would be about £1.5 billion to £2 billion.

I put the same question to Kirsty McKechnie.

**Kirsty McKechnie (Child Poverty Action Group in Scotland):** Thank you very much for having me along today. On public debt, we have found that—this is quite surprising—some of it could be avoided with better administration. On universal credit for example, there is no onus to

get decisions right in the first place because all overpayments are recoverable.

On council tax debt, some council tax arrears could be avoided if we had a more transparent council tax reduction system, more decision letters were issued and it was easier for claimants to access council tax reduction.

Like other organisations that you have spoken to previously—I agree with Martin Canavan about the free school meal debt as well—we are seeing more and more clients coming to us with public service debts that are for essentials rather than for what would be considered to be consumer credit.

**Paul McLennan:** From CPAG's point of view, is there a difference in how that affects family types? Are you seeing a distinct split between families with children and those without children? I remember that you gave us evidence previously in which you said that the first two or three years in a child's life are incredibly important. Are you seeing an impact beyond that? Do we need to look at younger children or maybe older kids and so on?

**Kirsty McKechnie:** All families are being affected at the moment. However, evidence from the Trussell Trust shows that, because more families are being affected by the two-child limit on benefits, an increasing number of families with younger children are using food banks, which is impacting on the early years of a child's life. We think that there might be a direct correlation between food bank use and the two-child limit.

Public sector debt can affect anybody. At the moment, one of the things that we are seeing is very aggressive collection of historical debt relating to tax credits and the social fund. That might affect people who claimed such benefits in the past and whose debts are now being recovered through universal credit. The debts are often so old that there is little way of anybody finding any evidence about whether there is in fact a debt in the first place. It is certainly the case that there are few ways in which people can challenge those debts after such a long time.

Families with younger children are very much affected because of their lower income, but families with older children might well find that deductions are being made from their benefits because of historical debt.

**The Convener:** Thank you very much for that, Kirsty McKechnie. I have seen cases in which tax credit debt, which is sometimes from years ago, is in the thousands of pounds. A family can never get out of that debt, particularly when they cannot find the historical information to try to defend their position or change the outcome.

**Jeremy Balfour (Lothian) (Con):** Good morning and thank you all very much for coming. I

will follow up Paul McLennan's questions. I am not sure who will want to jump in on my question. My understanding—I would be interested to know if this is your understanding—is that there is a legal duty on local authorities to pursue such debt under the powers that they have been granted. If they do not do so, they could possibly lose funding. Am I right? Can anyone give us an answer?

**The Convener:** We will go to Paul Ferguson for that and perhaps Karen Carrick from the Improvement Service as well.

**Paul Ferguson (Institute of Revenues, Rating and Valuation, Scotland Association):** I am not aware of any legal obligation that requires local authorities to do that, but they have a moral obligation to their communities to do so, because any debts that we pursue for the council fund the services that we provide. It is crucial that we do the right thing, and the right thing to do in this case is to achieve positive outcomes by recovering debt from those who can pay and by supporting those who cannot.

I will qualify one thing in relation to council debts. We must set a bad debt provision against our expected collection rate. If there are factors that limit that collection, that would mean our having to increase council tax for other households—if we cannot collect as much as we have historically, we would have to increase council tax further to fill the gap.

**Jeremy Balfour:** If somebody comes in with an issue to do with council tax or rent arrears, what is the policy? How would that be handled at a practical level by local authorities?

**Paul Ferguson:** It depends. I will give you some context. As well as having revenue responsibilities, I also have responsibilities for the advice services at Falkirk Council, so I have two roles in this regard. I work closely with Karen Carrick from the Improvement Service, who is on the panel, and with other advice agencies on the council's collaborative escalation policy, which was a very good piece of work that we did in late 2019. I think that the committee has been made aware of that before. We are hoping to relaunch that this month or early next month.

What does that look like? If somebody comes to us, our duty is to maximise their benefits and ensure that they get all the help that is available, whether that is council tax relief or reduction and/or other welfare benefits. We then look at what opportunities there are to pay the on-going charge and at what is left to pay the historical debts.

There is no one-size-fits-all or blanket approach; we are dealing with individuals. We have advice support hubs. For each case, we assess the individual's circumstances, maximise their income

and maximise their relief to minimise the charge. We then ensure that they can pay all on-going charges in a way that suits their income. After that, we deal with their historical debts. However, we want to ensure that we reach people as early as possible, to avoid their debt being too material.

**Jeremy Balfour:** Some of the evidence that we have taken in previous evidence sessions suggests that, once you are in the system and you are unable to pay, there is something almost mechanistic about it and you end up with legal action being taken against you. From a local authority perspective, is there any way of the process being adapted so that, if you cannot pay, you do not suddenly end up in the sheriff court, or do local authorities simply take that approach because those procedures are in place?

**Paul Ferguson:** There is an issue of scale. Council tax is an annual charge. Water charges account for about 27 per cent of the amount, which is proportionately more for those on low incomes. If possible, we want to ensure that we collect in full the charges for the current year, to avoid carrying those over into the following year. Therefore, we issue reminders quite sharply and we follow those up with further notices. We would then seek a summary warrant, which incurs costs of 10 per cent. Any engagement at any point in the earlier stages will stop that action.

However, the problem is: what triggers a household to ask for help? Our duty is to try to make sure that they ask for help earlier. Therefore, we have a duty to continually improve communication. We try to incentivise those who are struggling and cannot pay to ask for help because we want to build their trust in us and our partners.

The issue is that we do not have that yet. It is really clear from the evidence that people are not engaging with us early because they do not believe they will get a positive outcome. That is the problem that we have to turn round.

**Jeremy Balfour:** I have a final question on a slightly different theme. Do we know how much outstanding debt is historical—that is, more than 10 years old? How much of it would be from the past five years? Is it possible to get a breakdown?

**Paul Ferguson:** Yes, it is. The Scottish Government has figures on that through the council tax receipts and returns. For council tax, or whatever, Falkirk Council submits a CTR return, which includes the age of each debt and the year that that relates to. I can try to find a link to that, but the information is certainly in the public domain.

**Jeremy Balfour:** Thank you.

09:15

**Karen Carrick (Improvement Service):** Paul Ferguson comments on the collaborative council tax collection guide. That was a piece of work that StepChange Debt Charity Scotland funded us to do with a view to trying to resolve some of these issues at a local level before they actually reach the enforcement stage. A range of partners got together and identified principles that we thought could be rolled out in each local area to help councils work with third sector partners and others on a more sympathetic approach, if you like, to recovering council tax arrears.

As Paul Ferguson has said, a lot of that has already been set in legislation, and we identified that there was limited scope for flexibility. Unfortunately, the pandemic intervened, and we could not launch the guide. However, we are planning to launch it later this month, with the intention of following it up in six months' time just to see how effectively it is being used in each area.

I also want to say something about the public versus private sector with regard to how things operate. I would just point out that most councils have fairness and equality duties as well as anti-poverty committees; and there is an imperative on local authorities to try to protect the most vulnerable and make sure that they can access the services that they need. Key, then, to ensuring that you do not go down the enforcement process is, as Paul Ferguson has said, ensuring that people get access to advice at an early stage. That is critical and key to the process, as we have suggested not only in the wider research that we have done but in the guide that we have produced. If you can get people advice and get their incomes maximised, that will militate against these kinds of recovery processes.

**Jeremy Balfour:** I suppose that what we have been hearing over the past few weeks is that that is not working. We have a crisis at the moment with the fuel bills, food bills and all these other issues that people are facing, but the evidence that we have been hearing is that local authorities seem to be pursuing this process quite rigorously. What you have highlighted might be happening on paper but it does not seem to be happening in practice.

The question, therefore, is: what should local authorities be doing over the next six or seven months? I have to say that six months is quite a long time for a lot of people who are struggling with debt at the moment, but what advice should the Scottish Government, the Convention of Scottish Local Authorities and the Parliament be giving local authorities at this particular moment to deal with the current situation?

**Karen Carrick:** It is always a challenge to fund advice services, as other people have no doubt told you already. I would not necessarily accept the comment that the approach is not working everywhere. I cannot speak for all local authorities, but there are many examples of this kind of effective practice being put in place.

As an improvement organisation, we gather evidence and use it to suggest improvement actions that local authorities and their partners might take. For the past seven years, we have been collecting data on local authority investment in advice services such as welfare and money advice, so we have a dataset that we can use to look at trends and establish what is happening.

As you will know, there was a drop in requests for advice as a result of the pandemic. Interestingly, however, what we also identified in that period—which was, I should point out, before the energy crisis—was a rise in the number of people for whom energy debt was the primary reason for seeking advice. That is a flag for the future that we need to be aware of: this was happening during the pandemic, and it is going to take off in the future.

Local authorities do what they do best when they work in partnership, and a lot of that has happened, because of Covid. I am not saying that it is happening across the board, but there are examples that I can highlight. We are currently doing some work for the Scottish Government on accessible advice, which is about taking advice into areas where people are most likely to use it, such as schools and general practices. There are lots of examples of that approach being taken. At the moment, we are rolling out a programme that will ultimately result in advice workers being embedded in 150 general practices to ensure that there can be a straight, non-stigmatising referral from a general practitioner or health visitor to somebody else in the surgery. From research that we have done and also from research from the Glasgow Centre for Population Health, we know that such an approach works.

We are also doing some research on what happens in schools, and there are great examples that I can highlight of advice being provided in secondary schools throughout Glasgow. I should also mention South Lanarkshire, where the council is working with citizens advice bureaux to make sure that people get their £100 payment towards their council tax. In some ways, that is an incentive to access advice services.

We also know that digital access to advice is here to stay. From research that we have done, we know that, initially, 4 per cent of advice services funded by local authorities were delivered digitally. That figure has risen to close on 70 per



cent, which means that there has been a marked increase in that respect.

What I am saying is that access to advice services is key to all this, and they are best served by being delivered through a partnership approach. I think that local authorities want to offer people such a service, because they recognise its role in promoting equality and fairness.

**Jeremy Balfour:** Finally, we understand from evidence that we have taken in previous weeks that there is no statutory duty on local authorities to offer advice services. I know a lot of them fund such services, but it is not something that they have to do. Would it make any difference to make the provision of advice a statutory duty across all 32 local authorities? Would that not ensure that at least those working in that area would know that they had funding coming in future years?

**Karen Carrick:** It is tangentially a statutory duty. For instance, the Bankruptcy (Scotland) Act 2016 says that you have to make sure that people seek advice; however, it is not something that is laid down in law.

My concern would be that, if it were made a statutory duty, it would just be added to all the other ones, which would take away the ability in some senses to meet local needs and circumstances. It might be better to think about having, say, some minimum standards for the advice services that we offer to provide the kind of local flexibility and engagement that could be adapted for each area.

**Jeremy Balfour:** Thank you.

**The Convener:** Before I move to questions from my colleague Pam Duncan-Glancy, I see that Martin Canavan and Betty Stone would both like to come in. I must ask you to keep your comments brief at this point.

**Martin Canavan:** I will try to be as brief as possible, convener.

Coming back to the issue of public versus private debt, I agree with a lot of what Karen Carrick has said. There is a real need to look at standards and guidelines and how we ensure consistency and a rights-based approach, because that will allow us to respond to people with local understanding and in light of local circumstances.

As for where we are with council tax arrears and council tax debt, it is important to highlight that Scotland is behind other parts of the UK with regard to, for example, a statute of limitations on council tax arrears—in other words, that historical debt that we have already touched on this morning. If we reduced the statute of limitations to five years, that would make things more consistent with the rest of the UK and would go a long way

towards reducing the impact on people and the financial anxiety and insecurity that they are experiencing.

Steps are also being taken in England on legislation on Government debt management, which is certainly something that we should consider in Scotland, too. In fact, in our submission, we call on the Scottish Government to look at introducing a public debt management bill to ensure a consistent national approach and to allow us to respond appropriately to those who find themselves in real problem debt to public bodies.

We are also continuing to build on the work that Professor Treanor has already done. She has been looking specifically at council tax and at whether the time and effort that it takes local authorities to chase and pursue the debt that people are accumulating in relation to council tax represent the most efficient use of public resource and funding. Is there a different or better way of thinking about how we use resources—in, for example, the push towards recovery—and how we support and respond more appropriately to people who might find themselves in cycles of problem debt?

**The Convener:** Betty Stone would like to respond, and then we will hear briefly from Kirsty McKechnie.

**Betty Stone (Edinburgh Tenants Federation):** Thank you for having me this morning.

I have a big issue with how the council approaches people for these debts. For a start, it sends letters out to people. However, literacy is an issue for 33.3 per cent of people in Edinburgh alone, which means that a lot of people do not even know how to read these letters. That worries me, and I am pushing to get the housing officers back where they should be—on the ground, meeting people and addressing these issues with them. We can send people to the services that are out there, but there is a waiting list of about three months before they can be seen. That is horrendous. If you are talking about funding, I would say yes, services should definitely be funded to help these people.

**Kirsty McKechnie:** Going back to Mr Balfour's question about what the Scottish Government and local authorities can do, I would just point out that there is no onus on local authorities to provide letters on council tax reduction decisions. That means that it is not very transparent if somebody receives a reduction in council tax; in other words, if a change that decreased someone's council tax happened, say, mid-year, they would not be aware of the change in requirements with regard to paying their council tax. Because of that, we think that there should be an instruction to local

authorities to issue decision letters. It would be hugely helpful to claimants and the people who are trying to advise them, and it might avoid council tax arrears and ensure that people respond in a timely manner to any council tax reduction issues.

At the moment, council tax reduction is backdated for up to six months only, and you have two months to request a review of the decision. However, if the decision is not notified in the first place, those two months can quite often disappear without your knowing anything about it. Indeed, in one of the cases that we have highlighted in our submission, somebody would have been entitled to help with their council tax arrears but for the passage of time, because it stopped them being able to claim the council tax reduction that they would have been entitled to for that period. As a result, the person was left with council tax arrears for which they could, in fact, have had financial support. If that could be changed, it would improve the situation with council tax arrears and, in particular, incomes for those people who are on low incomes.

**The Convener:** Thank you for setting that out clearly for us.

**Pam Duncan-Glancy (Glasgow) (Lab):** Good morning to the panel. I thank the panellists for all the evidence that they have given so far this morning and for the evidence that they submitted in advance of the meeting, and I again put on record my thanks to the organisations that have supported people and their membership throughout a really tough couple of years for all that they have done.

I want to explore the council tax and the public debt mechanisms that we have spoken about and to understand a bit about the experience of families just now. I will start on the theme that we have just been discussing.

I share Betty Stone's concerns about the way that local authorities are pursuing debt. To be honest, I feel that I have heard from people this morning that there seems to be quite a bit of onus on individuals. As Karen Carrick said, the statutory duty is about ensuring that people access advice rather than ensuring that the advice is provided or funded. That really puts the burden of responsibility on someone who is in debt, and someone who is in debt is, by definition, struggling.

Could Karen Carrick or Paul Ferguson suggest anything that could help to shift the burden of responsibility to local authorities to improve the system, rather than to individuals to seek support earlier? I am not suggesting that we want people to seek support at the last minute, but I think that the burden of responsibility needs to change.

**Karen Carrick:** The key is providing advice in a way in which people can access it. People will not access advice through a letter going to them. They need to know how they can get advice in a way that meets their needs, and they need to get that advice from someone whom they trust or can believe in. That can be somebody in the third sector or the public sector. It does not really matter who provides the advice, as long as they can engage with the person.

The onus should be on improving access to advice services. There is a connection there. Councils are starting to do that through revenues and benefit sections and advice. As Paul Ferguson said, he manages both, so he has a good overview of what is happening in Falkirk. That is probably the key.

09:30

**Paul Ferguson:** I think that the issue is covered by the pre-action requirements that apply in the rental sector and the social rented sector. We have to provide links to advice in advance of taking an action. We tell people how we could help, where to get help and how to do that. We do that for the council tax, and I think that we should all do a bit more of that.

Karen Carrick's point is valid. People need to trust somebody. My big concern is that people do not yet trust us. Having heard the evidence today, I can see why that is the case. People have had bad experiences with councils.

I am confident that the people who engage with my team will get a good outcome. The problem is that I need to motivate them to engage with my team, and so do others. I do not know quite how we can achieve that throughout Scotland, but it is about ensuring that we outline to people how they can get help, and giving them a choice of places that they can go, such as the citizens advice bureau, the council or another third sector organisation, so that they are not compelled to go to somebody they do not trust. That is what we are trying to do, and I hope that there will be good outcomes. We need to build relationships with partners to ensure that, when an individual goes to them, that person gets a good outcome through that third party.

I have no quick fixes, but there are opportunities for us to improve the approach.

**Pam Duncan-Glancy:** I have a further question about that before my last question on this theme. Is there any way to stop people needing advice services in the first place? Is there anything that can be done during the local authority revenue collection process that would prevent people from needing advice services and which would be a bit more preventative, such as telling people that they

have a council tax reduction? Can you think of any examples of ways to prevent the need for advice?

**Paul Ferguson:** Yes, there are quite a number of examples. Most councils have a debt collection policy or a fair collection policy that frames how they do things. It is all about minimising the charge and making sure that people are aware. The citizens advice bureaux are very good about that—they have a toolkit, as has Martin Lewis, to ensure that people can access the help to minimise the charges.

On top of ensuring that people are aware of opportunities to reduce those charges, in Falkirk we offer 142 ways to pay. People can pay weekly, fortnightly, monthly, four-weekly, over 12 months or over 10 months, whether or not they pay by direct debit. We need to ensure that people know what options are out there.

In Falkirk, we have found that around 80 per cent of our customers pay on an agreed plan outwith the normal instalments: they pay over a 12-monthly period by direct debit. That allows us to focus on the 20 per cent who need our help. We want to spend the time on them.

Most of Falkirk's council tax debt is owed by its social rented tenants—I think that Betty Stone mentioned that. We need to understand those debts better and what the tenants' needs are, whether those are literacy needs or beyond that. We have housing officers who go out and try to establish and address needs. We need to be proactive, especially for those in the social rented sector, to make sure that we can identify what extra support they need beyond standard letters, so that we can tailor our approach to meet those needs. That is easy to do if we have both sides involved; it is harder to do if we work independently.

We have to combine the debts. As has been said before, councils have a stream of debts to collect. The more those debts are brought together, the more effectively we can identify the needs of the individuals we deal with, and the easier we can make the journey for those debtors. They do not just owe rent; they owe housing benefit overpayments and sundry debts. They owe council tax. The more we can join things up and get one solution, the better the chance that we will find a remedy.

**Pam Duncan-Glancy:** Thank you. That is much appreciated.

Will Martin Canavan tell us a little about the experiences of the people who have accessed his fund recently? In particular, I was struck by your description of what you are seeing as not just relative poverty but absolute poverty. Will you tell us a little about that?

**Martin Canavan:** Certainly. I will give a little context.

Aberlour has operated a hardship fund, or an urgent assistance fund, for a number of years. Unsurprisingly—members will know this—the demand on that fund has increased by some degree over the past couple of years, since the start of the pandemic. The increased demand and the number of families' applications and awards that we have been able to provide have allowed us to identify some clear patterns in respect of the circumstances of families. Some really concerning issues have emerged as a result.

We have become acutely aware of the issue of debt—particularly public debt. I think that around one in seven families that apply to our fund applies specifically to access funding and support to pay off debt. The vast majority of the debt that families have—100 per cent in some cases—is to public bodies.

We hear a lot now about the cost of living crisis. It is everywhere we look—in the newspapers and on the television. We cannot get away from it. However, the cost of living crisis is not new for many people and is very serious for them. A lot of people on the lowest incomes have been experiencing a cost of living crisis for many years—from long before the pandemic and the current financial environment. We are seeing the impact of that through the urgent assistance fund. We are seeing that people who have been accumulating debt are in significant problem situations, because their incomes have simply not been enough to cover the costs of heating their homes, feeding their children, and providing the basics. Our concern is not just about the immediate financial needs of the families that we see; it is also about the long-term consequences and the impact of what that means for them. Families on the lowest incomes are trapped in on-going, long-term cycles of debt.

On the face of it, the uplift in universal credit—when that was available—and in the Scottish child payment might have increased the incomes of some families, but all that they have done for families that are in significant debt to public bodies has been to ensure that more money has come from one part of the public sector and gone back out the other way to service families' debts to public bodies. In many cases, therefore, families are not seeing the full benefit of the increases in social security that they are receiving on paper.

Beyond that and the financial circumstances, we know that the long-term implications and impacts of poverty on families, children's and young people's mental health, parents' mental health, wider family wellbeing and children's education, and the lifelong consequences for families and children as they grow up and grow older are

manifold. For us, it is crucial that we do everything that we can now. We know that there are calls on the United Kingdom Government to do a lot now to address the cost of living crisis for people. I think that I have said already that it is a cost of living catastrophe for many families that Aberlour works with.

The Scottish Government and others could be doing other things. I know that we will speak about the school meal debt specifically at some point this morning. However, the real concern for us—Pam Duncan-Glancy has already mentioned this—is the levels of poverty and deprivation that we are seeing. We would describe them as being closer to absolute poverty than to relative poverty. Families are sleeping on mattresses on floors and sharing covers at night to keep themselves warm. Families cannot provide the simplest and most basic items for themselves. Our urgent assistance fund is there to provide those, but the sheer rise in demand on the use of that fund over the past couple of years has been alarming and concerning. We are really worried about what the long-term implications are for the wellbeing of families and children who are growing up in poverty right now in Scotland.

**The Convener:** Thank you very much for that powerful evidence. I certainly recognise from having worked in the homelessness support industry for a long time that that issue has always existed and that it is not new at all.

Theme 2 is rent arrears. My colleague Natalie Don, who is joining us remotely, will ask the first questions. After that, my colleague Emma Roddick, who is also joining us remotely, will come in.

**Natalie Don (Renfrewshire North and West) (SNP):** Good morning. I thank the witnesses for their contributions so far. On the theme of rent arrears, the importance of early intervention has been highlighted throughout the inquiry. We have already discussed that this morning. How effective have the pre-action requirements that are in place to protect social and private tenants been in avoiding eviction action whenever possible?

**Gordon MacRae (Shelter Scotland):** Are they effective? Yes. Are they the whole answer? No. The pandemic powers were used to bring into force the pre-action requirements, which provide a framework for people to engage and ensure that there is a paper trail. The requirements also mean that the private rented sector and the social rented sector are more aligned. Through historical decisions, we decided that more low-income households could choose housing only in the private rented sector, so it is necessary that we have protections that match Government decision makers' expectations of a sector that is not set up for that type of social benefit. The requirements

are good, but they need to be improved and enforced.

There is a real lack of data when it comes to what are called section 11 notices—when a landlord or a creditor is supposed to inform the local authority that they are about to take possession of a property and make someone homeless. Quite simply, we do not know whether that system is working well enough. We could hazard a guess, but we do not have sight of enough data to say whether it is working well enough.

The data that we have shows that, when we are able to offer someone representation in court, the Shelter Scotland law service continues to be quite successful at preventing evictions as a result of rent arrears. That shows that local authorities and private landlords do not always do everything that they say. Given that eviction is the last resort, the court will find in tenants' favour if the protocols were not followed to the letter of the law or if there is evidence that the tenant would have engaged or was trying to engage by making a payment plan or coming up with a way of dealing with or mitigating the situation.

Pre-action requirements are a good innovation. We are pleased that they have been introduced. The discretionary elements of them should be made permanent. The rules around pre-action requirements and other things should not be triggers; we should make a judgment and have some understanding of individual circumstances. We should look at things case by case rather than saying, "You've hit the threshold. You are out on the street."

We know that evictions can cost money—a conservative estimate of the cost of putting a single person who does not require much support into temporary accommodation is about £24,000. That is not cost effective for the public sector. Let us keep pre-action requirements in place, but let us look at how to make them more effective and not fall into the trap of thinking that they alone are a silver bullet for the problem.

**Natalie Don:** In the evidence that you provided, you say that the average cost of an eviction of a family is £24,000 and that

"the total cost of social sector evictions in Scotland for the year 2019-20 was £27.8m."

Given the financial cost to local authorities and the emotional stress that an eviction can cause a person or a family, eviction does not seem the best way to deal with rent arrears, especially given that somebody will go back into homeless accommodation and will then have to get rehoused—it is a horrible cycle.

What other options do councils have to deal with rent arrears? You have touched on this, but could any further improvements be made to the processes and procedures around the collection of rent arrears in general?

**Gordon MacRae:** Access to advice and support has already been mentioned, but representation is a crucial element, too. Making information available is not the same as making a referral. There is still a leaky pipe in relation to people being told where they can go. Someone experiencing multiple debts, not just rent arrears, needs resilience to navigate to the right person and share all their information again. Once the adviser has the evidence that they have the authority to act on that person's behalf, they have to get in touch with the creditor and get their side of the story. The process is good when it works—it makes a massive difference—but it is not easy, it is time consuming and it is not well resourced. Shelter Scotland and other organisations are still very reliant on charitable donations to mitigate failures by landlords in the social and private sectors. It is difficult.

09:45

It makes a big difference when engagement takes place early and when you can show that the offer of support, advice and representation is coming from someone who can be trusted. Paul Ferguson mentioned that a couple of times. For some time, we have run a pilot in Dundee that has been incredibly effective at getting people talking. In most cases, the first step is when people get letters through the door that they do not want to open because they know what is inside. They need human contact.

We need the courts and the tribunals to take a holistic view and to understand that we should not take a narrow view of debt recovery or arrears recovery. We should consider what happens to the household and how that will impact them and the people around them. There is an impact on our schools and on health. We know that the social impact of eviction—especially on children—is lifelong. Rent arrears are usually a result of family breakdown, someone losing a job or someone becoming ill. Those are everyday human experiences; they are not exceptions.

The situation has been exacerbated by the pandemic. It has been exacerbated by advice services not being open and face-to-face advice not being available during the pandemic. The more we focus on getting people to an adviser or a service, rather than just providing a web link or a telephone number, the more difference we will see in the longer term.

**Betty Stone:** The worst thing that was ever done was the introduction of universal credit and handing the money to people in their hands. I have found that rent arrears have gone through the roof since universal credit was introduced. The difference is that, previously, rent was taken off the payment, which ensured that it was paid.

We were not able to do roadshows during the pandemic, but we have started setting them up again. They involve taking with us a housing officer and an officer who deals with repairs, but we insist that the housing officer and the other council worker dress down and have no labels on them to say who they are. It is surprising how often members of the public come out and talk to them when they do not realise who they are. Once people realise that they can get help, that makes a huge difference to them. Those roadshows have worked in the past, so we are setting them up again, and we will go all over Edinburgh to areas where people have difficulties in paying their rent.

Rents in the private sector are horrendous. I do not think that councils are checking that all the landlords are registered; landlords can get a huge fine for not being registered. Councils used to check up on that, but I have not heard of them doing so lately. I used to sit on a committee in relation to that, but that has all gone. Those checks need to be done, and there should be a cap on private sector rents.

**The Convener:** Thanks very much for that. It is important to remind us about the change to universal credit and about people being given their housing payments in their hands. We have Scottish choices, so people can choose to pay their rent directly to their landlord, but people need to have knowledge of that process. That goes back to the point about people being armed with all the information to make the right decisions that work for them.

**Karen Carrick:** I echo what Betty Stone has said. Including the voices of people with experience is critical in the process. All too often, advice service reviews have been conducted without those voices, which are an integral part of the process. If there is a process in place, it would be better to make it work more effectively, rather than inventing a new one, and to highlight why it is not working in some areas.

I will give another example in Dundee. Each week, Brooksbank Centre & Services meets other advice agencies and Dundee City Council to see who has capacity to take referrals. By doing so, they are trying to ensure that people get access to advice quicker, which will ensure that they follow their advice journey through.

**Paul Ferguson:** I will make two very quick points. I echo what Gordon MacRae said about

giving people a point of contact; it is good to go and see the person and assess their needs and make a warm handover to whoever will support them through the process.

I will give some context to Betty Stone's point about universal credit. Yesterday, I was involved in an eviction panel that was dealing with a case in which the failures in how the universal credit system had worked were undoubtedly a factor in why that person had arrived at that stage. We did not decide to go ahead with eviction. Instead, we will re-engage with the person and offer them support.

Yesterday, I also had a phone call from my leaving care team about someone leaving care who was on universal credit and had taken responsibility by asking that their first rent payment be paid directly to their landlord. That did not happen. The person thought that the extra money in their bank account was because they were now living in their own house—they did not think that it was a housing cost—so they spent it. They now have rent arrears from the first two months of their tenancy despite their attempts to do the right thing.

Universal credit is not as effective as housing benefit was at protecting the most vulnerable. We need to work hard to resolve issues for people via education and support.

**Martin Canavan:** I want to say a little bit about the work that we have under way in Tayside. It speaks to how we can think differently—in a better, more co-ordinated and holistic way—about how we support families that have rent arrears and, often, a combination of other debts.

For a number of months, we have been running a pilot, which has been funded by the Robertson Trust, that provides financial assistance to vulnerable families across three local authorities in Tayside. All the families have rent arrears, among other debts, which is causing them deep anxiety. Alongside the provision of welfare rights officers, as part of our family support approach, we provide direct help for whole families, including children, to support them with other issues that financial concerns and anxiety can exacerbate and make even more challenging.

We are already beginning to see some positive outcomes as a result of that approach. About 40 families have been referred to us, and the turnaround time from accessing the service to being, in effect, on an even keel has been about six weeks in some cases. We are beginning to see some really positive impacts when families have the opportunity to get consistent advice and support, a direct point of contact and the additional holistic family support that goes alongside that to address other issues that families experience.

One of the parents we have supported said:

“the amount of stress that has been relieved now is unreal and now I feel I am able to maintain and budget my current income to support my girls in the future as my debt has been paid off. I am able to get support for housing and hopefully move to a bigger house with more bedrooms.”

We are beginning to see the direct impact of that approach. It is a different approach, which combines welfare advice, information and help with the holistic, whole-family support that we are able to provide. That is a useful way in which we can support families in different parts of the country.

**The Convener:** We move to questions from Emma Roddick. I remind everybody that broadcasting will operate your microphone, so you do not have to worry about that.

**Emma Roddick (Highlands and Islands) (SNP):** I want to ask Gordon MacRae specifically about direct deductions, as well as rent being paid directly to landlords. The role of social security is not just to increase income to some magic number whereby everything is fine; it also plays a part in addressing what can often be extreme cash-flow issues. A common such issue is that rent can total more than half of someone's income and, if we add repayments to that, it could be more than 70 per cent.

Are there concerns about social security being used to underwrite rents that are often unfairly high, which could even be increased as a reaction to the existence of those measures, without looking at the fact that the rent is higher than it should be and higher than it is possible to pay?

**Gordon MacRae:** Yes, there are a couple of issues to bear in mind when we talk about rent rises now. One of them is that social sector rent rises are baked into the Scottish Government's model of funding new housing, so it is expected that more and more of the share of the cost of new development will come from existing rents. We are seeing that pushing up rents. That is a Scottish choice that has been made in Scotland. We could take the view that general taxpayers should pay more, rather than putting the cost of that on existing social tenants. Suppressing or broadening the base from which we fund new investment in housing is one area through which we could have an impact.

However, the biggest issue is that we have a scarce commodity—at the moment, homes are a commodity. Increasingly, the private rented sector is the preferred choice for decision makers for low-income households to go into. Rents are set at the local area market level, so the housing tribunal, when it is asked to consider whether a rent rise is too high, is not looking at whether the landlord has a mortgage of 90 per cent or no mortgage at all; it is looking at what is being charged for the next-door property. We have a skewed way of working

out a fair rent. Rather than having a conversation about high rents and low rents, we should have one about rents that are fair to the landlord and to the tenant.

The issue then becomes the ability to take money out immediately through debt recovery, which means that we put people in a spiral that they cannot get themselves out of. When we add to that the fuel poverty costs and the correlation between people in low-income households and the higher-cost fuel charges that come with prepayment meters and so on, we see that we are not making it easier for them. The harder someone's life, the harder we make it. We are now getting to a place where no amount of advice and information can change the fundamentals. People have too little coming in and too much going out. That is often the case even when there is no pre-existing debt. When we talk about the cost of living, that is what we mean. There is sometimes a risk that we look at one lever and try to pull on that without looking at the whole picture.

There is more that we could do in saying that it is a whole-society responsibility to ensure that low-income households have access to genuinely affordable and genuinely secure housing and that, when people fall on hard times, we do not take money out of their accounts in such a way that we condemn them to a cycle of debt, which only ends up back at the homelessness service further down the line, with local authorities having to pick up that bill.

There does not seem to be an incentive within local authorities, or between different agencies, to think about the whole cost to the public sector. One team's job is to cover arrears, one team's job is to recover council tax and one team's job is to sustain tenancies. Making people work together and involving third sector partners in that process makes a difference. Today, we have heard much evidence from different organisations about the fact that, when that approach works, it works really well.

**The Convener:** I will take two final questions before we stop for a wee pause, from Paul McLennan and then Foyso Choudhury.

**Paul McLennan:** This is for Gordon MacRae. Some of the evidence that we have received is around advice, in relation to both the public and the private sectors. There are figures that show how public sector rent arrears have increased, but that is not so much the case for the private sector. Can we get such evidence? You have seen that increase. Anecdotal evidence has shown that there has been such an increase.

How difficult is it to get to the private rented sector when it is so diverse? What can we do about that? I noticed that the key cost for an

eviction is about £24,000. How can we be pre-emptive in the advice that we give? Can we be more pre-emptive in getting advice to people before they get into trouble and they arrive on the doorstep?

**Gordon MacRae:** There are a couple of touch points where we could gather better data, one of which is on landlord registration. Are we using that as a compliance mechanism or are we trying to understand whether, for example, we have a point of contact for the landlord and the letting agent? The two are not the same. Are local authorities able to properly identify the level of rent?

There are also the secure deposit schemes, where deposits are required to be placed when a tenancy starts. That is an obvious opportunity to gather what the level of rent is. In any upcoming housing bill, we would like consideration to be given to using those touch points to gather more data—annual information on what the rents are and on who the responsible person is to get in touch.

10:00

Just before the pandemic, we did some research and analysis on the first-tier tribunal system and the private rented sector, as part of which we looked at the disparity in representation. The number of cases in which landlords had legal representation and the case was found in their favour was in the region of 98 per cent. That went down to only 88 per cent when the landlord did not have representation. Equally, tenants had representation only 6 per cent of the time but, when they did, the likelihood of them succeeding doubled. There is a disparity of arms in the tribunal system.

There are lots of reasons for that. It might be that the cases that tenants choose to defend are cases that are more contested or are not straightforward cases of rent arrears—for example, maybe there has been an abandonment of the property. However, we have an incredibly diverse private rented sector. Is it reasonable to expect a small local authority licensing team to keep in touch with that whole sector?

A consultation is under way on how to improve the fair renting system. That represents an opportunity to explore the difference between a landlord regulator and an ombudsman or someone who can act on behalf of tenants on a case-by-case basis. We must accept that this is the housing system that we have. We are offering low-income households tenancies only in the private rented sector, and we need to acknowledge that it costs the public sector money when those tenancies fail.

Let us use those touch points, gather the data and make the new powers discretionary so that courts can make judgments based on the individual cases, not on arbitrary thresholds. We can then use the upcoming legislative opportunities to strengthen the protections for tenants.

**Paul McLennan:** Thank you.

Martin, could you address the question about pre-emptive action? There will always be budgetary and resource pressures, and people who arrive at the door saying, "I need help." This is maybe a question about cost-effectiveness. Can we do more before people get into that situation? You mentioned the importance of family support and family advice. Do you want to expand on that? I am talking about investing to ensure that fewer people get in such situations further down the line.

**Martin Canavan:** That is exactly right. We always advocate for intervention and preventative approaches to be undertaken as early as possible to prevent people from getting into financial difficulty.

In our experience, because of the nature of the support that we provide through our urgent assistance fund—which, by definition, is a crisis fund—or the pilot work in Tayside that I described, which is for referred families who are in deep financial difficulty and require a combination of financial welfare advice and support and the holistic family support that helps with the other challenges that families experience, we respond to people when they are at a point of crisis.

As we go through the current period of real financial uncertainty and insecurity and anxiety for people, all that means is that people who are already in financial crisis are in even deeper poverty. For many of the families that we work with, the earlier we can do anything, the better. That includes the provision of help and support around welfare advice and around simple things such as budgeting and money management. A trope that is often rolled out is the perception that people on the lowest incomes or people who are living in poverty are not very good at managing money. I would counter that. The families that we work with are probably among the most prudent money managers you will ever come across. They know where every penny goes and they can account for every part of their income. The problem is that the income is simply not enough to cover the costs. Increasingly, that is becoming the reality.

We would always call for and advocate prevention and early intervention in whatever way we can provide it. That is as true with welfare advice and money support services as it is with anything else.

**The Convener:** Foysol, before we stop for a wee break, it is your turn.

**Foysol Choudhury (Lothian) (Lab):** Good morning. I have a small question. We know that sheriffs are making up for lost time because of the pandemic. When will the tidal wave of evictions hit? Do we have any estimate of how many families will be affected by that?

**Martin Canavan:** I will defer to Gordon, if that is okay, because that is not necessarily my area of expertise.

**Gordon MacRae:** I cannot give a number, but it is clear that the courts are cranking up. Some people are now choosing to engage, including the landlords. While the effective—not actual—eviction ban was in place, there was not the growth in homelessness that we might otherwise have anticipated, but people are now ending up in court. More cases are being fought. There is now a steady rise in eviction again.

The reason that it will not be a tidal wave in one go is that there is a limit on the courts' capacity—there are only so many courts and so much court time. More complex cases take a little bit longer. Some people are choosing to abandon tenancies or are finding other ways out of the situation. However, we think that there will be a higher number of regular cases than there was in the pre-pandemic situation. There will not be a short, sustained spike in one quarter, but there will be a higher number of cases over a consistent period of time.

**The Convener:** Do you want to come in on that, Betty?

**Betty Stone:** The last that I heard—we have meetings with the council at which we discuss such matters—was that there were 38 such cases in Edinburgh, but I believe that the number of cases has gone through the roof since the last time we had a meeting. I do not think that evictions help anybody, because the people who are evicted have to be rehoused anyway. The council has not engaged in early intervention.

The council sends out letters, but people do not always read those letters; in some cases, they cannot read them. I get a lot of people coming to me with their letters and asking me to read them for them. They think that the council owes them money, because they can read numbers but they cannot read the letter. I have to tell them, "No—you owe the council money," and it is difficult. As somebody said, when they got universal credit in their hand, a lot of people thought that their rents and so on had been taken off that, so it landed them in debt immediately. The arrears in Edinburgh are sky high now. We have to do something to avoid people getting into that position.



I am hearing horrendous stories from people who cannot manage the situation. How do they pay rent? How do they feed their kids? I have grown men who are working and not on benefits who come and sit and cry because they have to go to food banks. They feel degraded as a result of having to go to food banks because they are not earning enough money to keep their families.

**The Convener:** That is an important point as well. We always need to remember that people in work are among the people who are experiencing severe hardship at the moment. More people who are in work will perhaps find themselves in that position further down the line.

**Foyso Choudhury:** How much does it cost local authorities to evict someone and put them into the homelessness system?

**Gordon MacRae:** Research that we did last year showed that, for a single male who has what we call low support needs—in other words, not someone who is in need of in-depth support for multiple, complex challenges—who is likely to be in temporary accommodation for a long time because the move-on accommodation is not necessarily available, we are looking at a conservative estimate of about £24,000 per eviction. It is a significant cost, which includes direct and indirect costs.

That shows us that there is not a business case—there is certainly not a moral case—for using eviction and the threat of eviction as a rent arrears collection tool. It does not work. It costs more money. Therefore, let us invest in the early intervention services and the advice and the representation that we know works. We can draw on the evidence from the Improvement Service and others about how that works, but we have to actually do it.

We must recognise the context, which is that local authorities are under enormous financial pressure, and many are seeking to revert solely to their statutory duties. Early intervention, advice and so on are extra services that make sense because we know that they work, but local authorities do not have a duty to provide all of them. I am not advocating that we place more duties on local authorities, especially not duties that are not fully funded by central Government, but it is important that we understand the context in which such failures are occurring.

**The Convener:** That is the perfect spot to stop and take a break. I will suspend the meeting for five minutes, if that is okay for everybody. If you need to dip away—we have asked our witnesses to be here for two hours—please let the clerks know if you are not able to stay for the whole of the next session.

10:11

*Meeting suspended.*

10:16

*On resuming—*

**The Convener:** Welcome back and thank you, everybody, for making sure that you were back on time and thanks to those online for being back at your keyboards. Theme three is on council tax arrears but we have already touched on that a lot, so members' questions may have changed.

**Miles Briggs (Lothian) (Con):** Good morning. I know that we have covered a lot in relation to council tax but I have a couple of questions. I will start specifically with what the committee has heard about legislation in England. The Local Government Finance Act 1992 gives local authorities in England the discretion to accept reduced payments or to write off debt. Have we seen that applied in any way in Scotland? How could that be replicated to develop a new model to address those two issues?

**Paul Ferguson:** The short answer is yes, but probably only to a certain extent. I referred to the fair collection policy—Fife has a good example of that. It is about looking at the circumstance of that individual, dealing with the on-going liability and then looking at whether mitigation of the historical debt will allow that on-going payment to be better sustained. That needs to be done in cognisance of the fact that this is public money and it is the council tax payers' money, so it cannot be done liberally. It is tested—[*Inaudible.*—]—throughout a few stages. The answer, therefore, is that it is done in Scotland but it needs to be bespoke for the circumstances.

We cannot incentivise people to accrue arrears with the intention of hoping to get those relieved at a future date. We need to be careful to understand why that person did not go through the bankruptcy process and whether the council tax is the only debt they owe and whether it is material in terms of the bankruptcy requirements. We need to understand all those things but, yes, that is applied in Scotland. In Falkirk, we write off debt of that nature, but do so only very rarely if there is some on-going liability, because we believe that, generally, on-going liability means that debt is collectable—if someone is not bankrupt.

**Miles Briggs:** Turning that argument on its head, in terms of different models, Betty Stone outlined that the main way that people are contacted around this debt and also how it is pursued is through letters. To what extent can we shift towards a preventative model so that such a letter triggers a process such as a financial health check?

We know that council tax is often the last debt that people will pay; it is the one that people feel they can start with not paying instead of not paying rent and so on. Is there a different model to follow? Does anyone have any examples of where different countries are doing things differently and where literacy is one of the key parts of that?

**Betty Stone:** If the issue is picked up soon enough by the local housing officers, they can visit that person as soon as they start to get into arrears. As you say, council tax is definitely the last thing that a person will pay if they are struggling with money. I have seen that umpteen times. They do not see the need to pay council tax; they do not think that they can be evicted for not paying council tax.

We need more officers out on the ground to visit these people. Housing officers come and visit them but I am getting stories that officers are quite aggressive with people. I have asked for housing officers to be retrained in how to deal with people because there are so many mental health problems out there. People, once they are talked down to, will not go back and talk to the council.

Housing officers have to learn how to talk to these people in a manner that helps them to understand that they are in arrears and how to pay those arrears rather than saying to them, as they have been doing, "You need to pay that off right away". If officers work out a plan with them on how to address those arrears, that helps.

**Karen Carrick:** One council—I do not want to name it because it is only considering this approach—is looking at incentivising people to seek advice by making a payment to them to help them to reduce their debt if they seek advice services. However, that is at the early development stages and it is quite a radical approach so it is still under consideration.

**Miles Briggs:** You could perhaps provide further information on that, for us to investigate it and look at it separately. Martin, you mentioned evidence around what you would like to see in a public debt bill. Is there more that we as a committee should consider looking at in relation to that? With the problems that we have discussed this morning, do we almost need a new version of the 1992 act?

**Martin Canavan:** The intention behind such a bill would be to bring Scotland in line with what progress has already been made across other parts of the UK on regulation and what private lenders and credit agencies need to do in terms of their response when they pursue or look to recover debt.

Within that, there are particular considerations that any legislation or strategy around it would need to cover. In relation to the families that we

support who have multiple public debts, we are aware that often those multiple debts are debts to the same local authority, but to different departments within that local authority. Often, those departments are not necessarily speaking to each other and recognising that, so they are not able to understand and map out where families might well be struggling, which should be evident from the fact that they owe money to different council departments.

It is about making sure that council departments are speaking to each other internally and that whatever processes are employed around recovery for multiple debts, including council tax, are responsive, compassionate, and acknowledge families' circumstances. We know that many families who are struggling financially are often also experiencing a range of other challenges and issues in their lives. We need to be sensitive and compassionate about that and make sure that the response in the first instance is to try to understand families' circumstances and what can be put in place. That is preferable to sending out an automatically generated letter in relation to council tax arrears that, four weeks later, can result in that debt being passed to sheriffs' officers or external debt agencies.

It is about thinking differently, thinking more compassionately and thinking about how we can make better use of the resource that might at the minute be channelled into debt recovery. Is there a way in which we can think differently about how to do that more holistically, in a way that is more responsive to families' actual circumstances?

**The Convener:** That reminds me of the fact that councils hold a lot of data and information. There is a need for them to passport where a family is eligible to receive another payment, whether it is school meals or other things. We need to make sure that councils do that as well, because they hold that data.

**Pam Duncan-Glancy:** Some of the evidence that we have suggests that data collection on council tax arrears and other public debt arrears could be improved. Can someone comment on that? It occurred to me that it would be good to know more about that.

I also have a specific question for Paul Ferguson on public debt in relation to social care charging. What debt you are seeing in relation to that revenue stream?

**Paul Ferguson:** I do not have an active role in the setting of the local social care charges but I am certainly aware of the issue. We take a light-touch approach to recovering that debt for several reasons, as guided by the integration joint boards within the local setting. We have significant debt in that area because we have a policy of charging a

low charge across a large case load, rather than a large charge on a smaller cohort. We therefore have 3,000 or 4,000 people who pay a monthly fee of some sort for their care. That can involve a maximum of £100 a month, give or take, but that means that we have a lot of debtors. We do not withdraw that service. People do not pay that money but we have never yet passed any of those debts to sheriffs' officers. It is one of the things that, in Falkirk, we have a difficulty with but it is about what the correct approach is. We try to support those people individually to address those debts and to understand the cause of their non-payment, but as yet we have not yet taken any real diligence against those debtors because we understand that their need for that care and support is greater than the need to recover that money.

**Pam Duncan-Glancy:** Thank you for that. Sorry—in relation to the numbers that you mentioned, were you talking about the number of people who are in debt for that reason or were you talking about the number of people you are charging?

**Paul Ferguson:** Sorry—we are charging 3,000 or 4,000 people. The number who have multiple invoices outstanding probably amounts to about 300 or 400 individuals, which is about 10 per cent of the total number. Those range from being debts covering a few months to six or seven years' worth of debts since the charging policy came into place. It is quite significant for some, but most people pay only the mobile emergency care service charges for care at home. That is the smallest of the charges. Around 10 per cent of the people we are charging have a material debt for social care charges to Falkirk Council.

**Karen Carrick:** On the question about data, we collect data for the local government benchmarking framework. One of the measures is the percentage of income due from council tax received by the end of the year, so we can give you a top-level figure of how much we have. We know how much we do not have or has not been collected but, breaking it down, I am not sure of the granularity of that data. I can check that out and see whether we have that information for you.

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

We will move on to our fourth theme, which is about the role that the social security system plays in relation to debt. I will bring in my colleague Emma Roddick, who is online.

**Emma Roddick:** This question is for Kirsty McKechnie. One thing that I find particularly difficult in relation to the wait for universal credit, for example, is that the debt gets bigger fast. Those five or six weeks can cause as much to be added to the debt as the person is about to get in

social security. What should the Scottish Government do about that and what should it ask the UK Government to do?

**Kirsty McKechnie:** You are absolutely right that the five-week wait causes a huge amount of debt for people. We know that in November 2021, 47 per cent of universal credit claimants in Scotland had a deduction and, for 45 per cent of those claimants, it was due to having to pay back the advance that they had received during the five-week wait.

It is quite a tricky issue. Ideally, we would like the advance to become non-repayable. That would be an issue for the Westminster Government. We know that universal credit is a basic amount of money to live on and, right from the off, that amount of money is being reduced month on month, so there is an issue there.

In terms of what the Scottish Government could do, we would like to see further investment in the Scottish welfare fund to help people during that period and we would like the guidance on being able to make payments to people who are struggling during that period to be strengthened.

Part of the complexity around the response to the five-week wait is that it is difficult to anticipate how much universal credit somebody will receive. That is why it is difficult to make a specific call on the Scottish Government about its response, other than something such as the Scottish welfare fund. However, in terms of what we can ask the UK Government, we would say that the grant should be non-repayable.

10:30

**Pam Duncan-Glancy:** We have received some written evidence from Close the Gap, and other committees that I sit on have taken evidence from it in person, on the specific experiences of women who are experiencing significant debt for all the reasons that I know many of us understand. In particular, Close the Gap has highlighted the significant debt that is experienced by disabled women, black and minority ethnic women and, in particular, lone parent families. Will CPAG and Aberlour comment on what we could do in Scotland with the powers that we have to try to target resources to those groups?

**Martin Canavan:** You are right. Women's poverty and child poverty are intrinsically linked. There is no getting away from that. We see the evidence of it, particularly through our urgent assistance fund. The vast majority of applications that come through that fund are from single parents, and the vast majority of them are women. Even when two-parent households apply, it is most often the mum who makes the application to our fund.

We have also seen disproportionate increases in the numbers of black and minority ethnic people and families with no recourse to public funds who have been making applications to our urgent assistance fund over the period of the pandemic. In the case of families with no recourse to public funds, that is not a surprise, given that there are very few other avenues for them to seek financial support.

In the previous session of Parliament, we gave evidence to the Social Security Committee on the role of the Scottish welfare fund and some of the challenges that we had encountered in that regard. During the pandemic, about 10 per cent of applications to our fund were from families whose applications to the Scottish welfare fund had been unsuccessful for one reason or another, or who had been unable to access support through that fund. There are still challenges there and, along with others who are sitting on the panel, we have called on the Scottish Government to do more.

One thing that we are calling on the Scottish Government to do right now is to expedite the review of the role, the management and the delivery of the Scottish welfare fund. We know what lots of the issues and challenges are and, with others, we have highlighted that using our own evidence. I note the time that the review has taken thus far and how long it is likely to be before we can start to implement some improvements. We believe that it should not be taking as long as it is.

We can do more in relation to families with no recourse to public funds. We have called on the Scottish Government to do more and to think better and differently about the actions that it could take, working alongside local authorities. There are opportunities to use existing local government powers to create delivery mechanisms and support families with crisis payments. Section 20 and section 22 payments under the local government legislation would allow that, despite the prohibitions that are put on other public funds by the UK Government and the Home Office. Alongside that, we can offer a much more coherent and consistent approach to how we practically support families with no recourse to public funds.

We can certainly do much more. We are doing what we can, and other organisations including children's charities are similarly supporting families, particularly the most vulnerable and those that have the least access to help and support. However, we reiterate the calls that we and others on the panel have made. The Scottish welfare fund can certainly be improved and things can be done much more quickly. We know what the challenges are and they should be addressed right

now. We can also do much more for families with no recourse to public funds, as I said.

**Kirsty McKechnie:** I agree with everything that Martin Canavan has said. In addition, I note that the benefits system has lots of different eligibility criteria for different benefits, including the family benefits. It would simplify things greatly if some of the eligibility criteria were made the same. An example is free school meals. We should either accelerate universal free school meals or, at the very least, remove the income threshold. At the moment, free school meals are not available to everybody who is in receipt of universal credit. They are available to people who are in receipt of universal credit and have income below a certain level. The fact that there are different criteria for all the different benefits makes it difficult to automate all the payments. It would be better if someone could apply for one payment and automatically be entitled to the other payments. Improving the eligibility criteria would make that much easier.

It is important to remember that social security is not the only lever. We also need to look at improving childcare and reducing costs for families, such as the cost of the school day. There are other things that can be done to contribute to families receiving money.

On the point that was made about advice and assistance, if somebody is in debt, that should be seen as an opportunity to pick up on all the issues that the family may be facing. We should not deal only with the debt that they present with at the time.

**The Convener:** On the point about people with no recourse to public funds, it will probably benefit the committee if we can get an update on the anti-destitution strategy that is being worked on between COSLA and others.

We move on with some questions from Miles Briggs.

**Miles Briggs:** Where could Social Security Scotland play a role in this? We have looked at some of the prevention of homelessness duties, for example, and that preventative model being put in. With regard to debt, when people are in contact with organisations such as Social Security Scotland, how can it help? It can at least point towards some of the advice services that are available, but is there a different model? Could it take an early intervention approach to help people?

I do not know whether anyone wants to comment on that.

**The Convener:** I will pick on somebody. Paul Ferguson has put an R in the chat function. I think that that was for the previous question, but I ask him to comment.

**Paul Ferguson:** Like most local authorities, Social Security Scotland is present in our advice and support hubs and it is delivering face-to-face services from there. We have about half a dozen staff based in one of those offices. We want to have a warm handover. Social Security Scotland engages with the client who is in need of support. It has developed appropriate contacts in each local authority, and there are area managers who will deal with that to allow that warm handover to happen. It is not just a referral or a pointing out of where to get help. It is an introduction and a handover. We can then take over and keep both parties informed.

It has not really worked as well during the pandemic because face-to-face presentation has been limited, but I am hopeful that, as we go forward, that will bear fruit for our most vulnerable clients. Those who are currently engaged with Social Security Scotland or will engage with it this year through the adult disability payment are among our most vulnerable households, and it is critical that we offer them that extra level of support. I am hopeful that that will bear fruit, not just in Falkirk but across the nation. That warm handover, which is being attempted across the whole of Scotland, is crucial to the customer journey.

**Miles Briggs:** We have heard quite a lot this morning about people having debts with different departments in the same council, but those departments not communicating with one another. Does that happen purely because there are different teams? Why, in this day and age, do systems in the same organisation not manage to communicate to flag up debts, enable the creation of a manageable plan for the individual and trigger a referral to support? Are councils developing that, specifically around council tax and rent?

**Paul Ferguson:** If we look back to 1996 and council reform, there were some councils that kept their rents separate, but that has become less prevalent. Some councils have kept debts discrete while others have adopted corporate debt policies with a system that combines debts.

I do not recognise that segregation, because in Falkirk we have always had both debts collected together. My staff have always dealt with the council tax and rents of individual customers. In the past 25 years, there has been a movement towards that being universal. We are not quite there yet, but there are very few authorities that do not combine their knowledge of the tenant and the rent debt with their knowledge of the council tax payer and the council tax debt. That is the exception rather than the rule in Scotland, as far as I am concerned.

**Betty Stone:** The communication between the different sections in the council is horrendous at

the moment. I had a case yesterday that involved communication with two different sections, and the person has been landed with £1,500 of rent arrears, not on her behalf but on the council's behalf. She is in a terrible state over it.

We have what we call business meetings with the council, and we started to ask for all the different sections to come to the meeting, so we have them in the same room and they communicate with one other. It has been a huge difficulty to get them to talk to one other, especially over the past two years, because people have been working from home and they did not communicate. Bringing them back to talking to one other again is a huge job.

**Kirsty McKechnie:** On the question about Social Security Scotland and the support that it can provide, I note that we are now in a position where people can claim benefits from the DWP, Social Security Scotland, local authorities and Her Majesty's Revenue and Customs. It is important not only that staff can do the warm handovers for people, but that they are equipped with enough knowledge about where to make those warm handovers now that the benefits system is so interlinked.

The disability benefits that will be available in Scotland may lead to additional amounts being payable in benefits that are delivered by the DWP, and awards of things such as universal credit may lead to benefits being payable by Social Security Scotland. It is really important that the staff have enough knowledge to make links with the other benefits that people may be entitled to. The onus needs to be less on the claimant to know what to claim and who to claim it from and much more on the benefits system to help to make those links for them.

**The Convener:** Pam Duncan-Glancy has a supplementary question.

**Pam Duncan-Glancy:** Thank you for allowing me to ask this, convener. It has just occurred to me that what has been described feels like people being project managers in their own lives. I note Betty Stone's point about having to hold a business meeting to get things sorted. Is there anyone in either the local authority or a third sector organisation that could fulfil that role? I get the point about the warm handover. We absolutely have to do that, and I take Kirsty McKechnie's point about all the different agencies, but is there anyone in the statutory services that you think could help by fulfilling that co-ordinating role?

**Betty Stone:** I think that there is. We have spotted somebody in the council. It is a huge job to get people in all the different sections together, but we are working with them now. The person has made a huge difference. It is good that we can

have a private, face-to-face meeting with no agenda so that we can make sure that we are singing from the same hymn sheet before we hold the day's meetings.

**The Convener:** There is some evidence of good practice across the country, with some housing officers becoming neighbourhood coaches—that coaching model is a different way of operating. Also universal credit teams are being set up that are proactively going out into communities and in some areas, as Karen Carrick said before, financial inclusion officers are based within school clusters. That is making a massive difference. A lot of good work is being done that needs to be passported across the country, and we need to think about the role that this committee could play in that.

**Paul McLennan:** You have just touched on the point that I was going to address, convener. Previous stakeholders have talked about how solutions for people in debt are not just about reforming the debt processes and how we deal with that, but are also about how we increase incomes via the social security system. Does anybody want to expand on the point the convener touched on about universal credit teams? Is there more that can be done about that?

Kirsty McKechnie, you touched on simplification of the process in terms of criteria. Also, you talked about the complications within the local authorities and who deals with what. Can more be done about that?

This morning, I saw that Audit Scotland had published a report about the roll-out of the benefits system so far in Scotland. It seems to have been successful, but challenges remain. We have 20 per cent devolved benefits at the moment and, by 2025, it will be 70 per cent. Can we learn any lessons between now and 2025 about how we roll out those other benefits to make them as effective as possible?

Kirsty, I will come to you first on the points that you mentioned about criteria and equity and access to the system.

10:45

**Kirsty McKechnie:** As I said earlier, there are different eligibility criteria for different benefits, but that includes benefits that can be paid to low-income families. Even within those benefits, there are different criteria. That makes it difficult for people to know what they might be entitled to. It also makes it difficult to passport from one benefit to another automatically. It can be done for people on the lowest incomes but, unless there is parity between all those low-income benefits that are available to families, it will make automation

difficult. Until you have that automation, you will always have lower than 100 per cent take-up.

Anything that be done to improve take-up will improve families' incomes. Improving or aligning the eligibility criteria will take pressure off the administration of the different parts as well, so that will simplify things at the back end, too. That is probably one of the key things that we are hoping to see in future that would make a big difference to families.

**The Convener:** Paul Ferguson has indicated that he wants to come in.

**Paul Ferguson:** My request related to the previous question. My apologies; it was just a matter of timing.

**The Convener:** That is all right; do not worry about it. Paul McLennan, do you have further questions?

**Paul McLennan:** One point concerned equity but another point involves making people aware of the benefits. That comes back to the point that Martin Canavan mentioned before, about trying to get that advice out there so that we can pre-empt some of the issues—Betty Stone made the same points. We need to increase the benefits but we also need to do more about the accessibility. Does anyone want to add anything to that?

**Betty Stone:** My main concern is that a lot of people do not know about these extra benefits. They are never advertised, they are never put on the social media. A lot of people are not on social media but the council has its own newspaper, the *Tenants Courier*, which is sent out to every tenant. The benefits could be advertised in that.

People do not know about these other benefits and they are never told about them. I would be surprised if housing officers knew about them. Maybe there should be some education within the system itself so that people can be told that other benefits are available.

**Martin Canavan:** I might pre-empt what I will say in the next section, but Kirsty McKechnie has already touched on the issue, so I might just echo what she said.

One straightforward and simple way that the Scottish Government could help and support low-income working families who are not currently eligible for free school meals would be to increase the income thresholds for free school meals. That would not require an increase in other benefits, necessarily, but it would catch lots of families who are otherwise struggling. A lot of the work that we have been doing around school meal debt has highlighted the real struggles for families who are above that threshold currently but are on low incomes and are struggling to feed their children. By increasing the thresholds—which have not, by

the way, been increased in line with inflation under successive UK Governments since 2010—and perhaps also council tax thresholds, you would provide welcome breathing space and much more reassurance for many families who, as we have heard this morning, are struggling with public authority debts. You would alleviate that and you would also give them the reassurance that they would be entitled to something that would be helpful at this current point of the cost of living catastrophe, as I have mentioned a couple of times before.

**The Convener:** That segues nicely on to questions about school meal debts. To kick us off, we will take a question from Foyso Choudhury.

**Foyso Choudhury:** Given that the cost of living is rising every day, do you have any estimate of how many families are in danger of falling into school meal debt?

**Martin Canavan:** Our analysis and the work that we have done in our research so far indicates that at the moment there are about 25,000 children around Scotland whose families are in some level of school meal debt.

It is probably important to understand that, as we said in our submission, because it is difficult for secondary school pupils to accrue school meal debt, that data only includes the children in primary schools who are not currently or have not until recently been eligible for free school meals. We are talking about a relatively narrow cohort of children and their families who, on the information that we have, we can see are experiencing an accumulation of debt for school meals. The vast majority of the children we are talking about are in primary schools.

We are concerned about the fact that there is a real issue around hidden school hunger, particularly for children in secondary school—the research points to that and we have some powerful anecdotal evidence on it as well. With the automated cashless payment systems that most high schools now operate as the mechanism by which children and their parents pay for and order their school meals, when accounts sit at zero a lot of authorities do not offer the capacity to access a meal or to build up or accrue any level of debt. We know and are beginning to see that the likelihood is that there is a significant number of children—we are not even aware what the scale might be—who are simply going without.

The explicit school meal debt policy in some authorities is that, if a child in secondary school does not have any credit on their account, they cannot get access to a meal. That is quite shocking and very concerning for us. To illustrate that point, Aberlour has engaged with some children and young people with whom we work

and has explored the issue with them. I will give you a couple of insights from some of the young people we have spoken to. One young person said:

“I know a good few people who don’t actually get lunch because they feel like they’re using the money their parents could be using for something better. They feel responsible, so they don’t buy lunch so they can give the money back to their parents.”

Another young person said:

“In my friendship group, I’d say about half of them can’t eat food when we go out, so you see people buying food for their friends. They come to lunch with me even though they’ve got no money for anything. We go to Greggs because I’ve got £3 to spend. I’ll get two yum yums and a sausage roll and I’ll give them the yum yums because I know otherwise they’re not going to have anything to eat.”

That is the experience of children and young people we have spoken to. We know that this issue is a real concern. The data that we have is very limited and gives us only a very small snapshot of what we think is a much bigger and concerning issue around the likelihood of children across Scotland, particularly in high school, going hungry.

**Foyso Choudhury:** Do you know the percentage of students bringing debt from primary school to high school?

**Martin Canavan:** We do not have a percentage but I can tell you that we have broken down the number of local authorities who apply a policy whereby that debt will transfer. Eleven local authorities out of 32 said that they would write off the debt at the point at which a child transfers from primary school into secondary school or at the point at which a child moves on from school entirely. I think that there were a couple of local authorities that did not respond to our information request, but that is less than half. We can say, then, that the majority of schools operate a policy where the debt that is accrued in primary school will follow children and their families as they move into high school.

I think that 17 local authorities said that any debt that is not repaid within a certain period is referred to their debt collection agencies internally. Sometimes, it will even be referred to sheriff’s officers. There is a real concern about the practice and the policies at an individual level at schools and across local authorities. The most concerning thing is that the approach is highly inconsistent. There is a postcode lottery in relation to how individual schools and local authorities will respond.

The other really concerning bit is about families who, for any number of reasons, might register late for free school meals during the school year and families who may become eligible or whose eligibility might be confirmed at some point later on

in the school year, and who will have accrued a level of school meal debt up to that point. Some councils will continue to pursue that debt. They do not write it off; they will continue even though the families have become eligible for free school meals. There is a real concern for us about the practice and policies that are in place.

We are calling on COSLA and local authorities to work together so that they can develop a much more consistent, rights-based single policy to enable them to respond effectively, compassionately and in a supportive way to the families who find themselves accruing school meal debt.

We are clear that the reason why families are accruing debt is not because they do not want to pay for their children's meals; it is because they cannot do so. That is a symptom of the current circumstances in which we find ourselves. I think that the important point to remember is that we are talking about families who are working—they are low-income working families. These are families who are above the thresholds for free school meals and are currently struggling.

One of the perhaps surprising things that we have gleaned from the evidence that we have pulled together is that this is a much greater issue in some of the local authorities that we consider to be wealthier or better-off, which have historically below-average child poverty rates and, therefore, fewer families eligible for free school meals. The current circumstances—the cost of living crisis and the issues that are going on now—are manifesting in many more families, proportionally, in those local authorities struggling to feed their children at school.

**The Convener:** Thank you for that compelling evidence—it is important for us to hear the testimony from those young people. Young people always know when there are issues with poverty and debt in the family, and they carry that huge responsibility on their shoulders.

Emma Roddick wants to come in with a question on data.

**Emma Roddick:** My question is for Martin Canavan. I know from the Aberlour report on the issue, which was helpful, that councils report their data very differently. I am thinking about your points on hidden hunger. Is there data on who is not eating at all or perhaps not eating enough? Is that information available from any council, or do you plan to look into that?

**Martin Canavan:** We certainly want to know more about that and try to gather information on it, but the reality is that the information does not really exist. That speaks to the way in which a lot of the automated cashless systems are implemented in high schools. They are applied

inconsistently. Sometimes, individual schools have a level of management in how the systems are set up and sometimes it is done much more consistently across each authority.

Nonetheless, in many cases, the systems are set up specifically to prevent people from accruing any debt. We know from some of the policies that we have been provided with on how local authorities manage the issue that, when an account is at zero, the only option for a child to access a meal at school is for them to identify themselves—usually to a member of staff at the school office—and to go through a process where they are given some kind of voucher or token. They then take that into the dining hall, in front of their peers, and are visibly identified as somebody who does not have any money for a school meal.

Some pupils probably will go through that process, but we surmise and can make an educated guess that the vast majority of children in those circumstances will avoid the shame and stigma and will not want to be identified as having no money or the inability to pay for their school meal. Therefore, it is likely that children are going hungry as a result. That data is not captured, because local authorities or individual schools are not able to capture it. As far as they are concerned, it appears that there is no issue, because children are simply not identifying themselves.

11:00

The other real concern for us is that, in some cases explicitly in individual school or local authority policies, in responding to school meal debt or children who do not have any money for a school meal and who are not eligible for free school meals, the provision of a meal is identified as discretionary. That is really alarming to us, because it tells us that, in effect, decisions are being made at local level in an individual and subjective way by personnel in individual schools about whether children can access a meal.

That is a fundamental breach of children's rights. Children have a human right to access food and to eat, and if decisions are being made for whatever reason by a school or member of school personnel on any given day, at their discretion, that a child is not entitled to access a meal, despite the fact that they have no money in their account, that is a fundamental breach of children's rights. In this day and age, and at a point when we are looking towards the incorporation of the United Nations Convention on the Rights of the Child, it is shocking to have to illustrate that.

There are a number of concerns that we hope to explore in much more detail, but the issue of data



on hidden school hunger is problematic. That is why it is hidden.

**Emma Roddick:** It is interesting that you raise the issue of stigma around free school meals. When I was in primary school, free school meal tickets were a different colour from those purchased by other kids. Should there be guidance or maybe even rules on how schools deal with free meals and protect that characteristic or folks' identity?

**Martin Canavan:** Absolutely. I would say that we should look, at a national level, at having a single consistent school meal policy. There is a responsibility on all local authorities, and perhaps COSLA, to lead on that so that there is a consistent response and approach across the country.

In some cases, the automated systems are good and work well. One thing that is good about them is that those who are eligible for free school meals access the automated system and choose their meals in the same way as their peers whose parents are paying for their meals. There is no identifiable difference in accessing school meals through the automated payment system for young people who access free school meals and for those who do not. That is positive in addressing stigma. The problem is for young people who are not eligible for free school meals and who have to go through that stigmatising, visible and convoluted process of saying to a member of school personnel, "I don't have any money for a school meal." That process could be much better.

**Paul McLennan:** To come back to the point about the cost of recovery, you estimate that the debt is £1 million but it is probably more. Do you have any figures on the cost of recovery and the resources involved in that? It seems counterproductive to me—that is staring us right in the face. Do you have any other figures on that?

**Martin Canavan:** We do not have any further figures on that; we just know that there is incomplete data, because we have not had a full suite of responses from all local authorities. However, we can say that it is a conservative figure. In terms of national Scottish Government budgets, £1 million is not a lot of money. Depending on which local authority we are talking about and the proportion, it could be a reasonable amount of money for a local authority or a school. However, the debt that is accruing for families is certainly a lot of money in their circumstances. At a national level, we suggest that it would be very simple and easy for the Scottish Government to work alongside local authorities to work out the best way in which to just write off the debt.

We do not see any reason why families should be burdened with that, and it certainly should not

transfer or move with families, potentially for years, as children move from primary school to secondary school. We know that the debt is a symptom of the wider financial circumstances that everybody is experiencing right now. The way that the issue could be prevented from happening again is, as I mentioned, by simply increasing the income thresholds for free school meals. That would remove or reduce the likelihood of the issue happening again.

**Jeremy Balfour:** Your last sentence almost answered one of my questions, but I seek clarification on the issue. I think that, from August, every child in primary school will get free school meals. Is that right?

**Martin Canavan:** Children up to primary 5 get free school meals now, and then primary 6 and 7—

**Jeremy Balfour:** It is primary 7 from August.

**Martin Canavan:** Or certainly later on in this session of Parliament. I do not know the exact details.

**Jeremy Balfour:** I think that it is August, but we can check that.

I have a question about secondary school. You talked about people who are in work and whose children are not entitled to free school meals at secondary school. How do you identify those individuals? If we had free school meals across the board from S1 to S6, the danger is that we would stigmatise people, because those who have money would go to get their lunch outside and those who do not would have to stay in the building. How do we identify those who need help, and how do you suggest schools go about doing that?

**Martin Canavan:** I would reflect on my previous answer about increasing the income thresholds. Many families who are on low incomes but working will still be in receipt of some benefits at times. Kirsty McKechnie spoke about the inconsistency and the different scales of benefits and where they passport on to other benefits, including things such as free school meals. If we simply raised the income thresholds, we would capture many more families, including the majority of families who are struggling but currently sit above the thresholds.

I do not think that that would be any more stigmatising than the system as applied now. We have the automated payment systems where children who are eligible for free school meals access them in the same way as their peers who are paying for them. At a very visible level, that reduces any identifiable stigma.

I probably do not have a straightforward answer, other than to say that the first and most immediate

step would certainly be to raise the thresholds. Then you would be simply capturing many more families and children who would benefit and giving those families the reassurance that their children are going to school and being fed. That would give those families a bit more breathing space.

**Paul Ferguson:** I have a quick point about those thresholds. Until there is a universal uplift in the thresholds, to mitigate the issue, Falkirk Council has chosen to apply a concessionary scheme for households that are not below the threshold but that are in receipt of council tax reduction. We can identify that they are on a low income, and we award the family free school meals as well. That comes at a cost to Falkirk Council rather than the Scottish Government, but it means that, as best we can, we identify people who we know are on low incomes and would benefit from that help.

The problem is that, until there is a universal uplift in the threshold, the approach will be slightly piecemeal. What Falkirk does might not be done by our neighbours, but we recognise that there are people who are not eligible for free school meals but who need that support on a day to day basis.

**The Convener:** Thank you. That was a great way to end, because there is good practice across local authorities, but that involves them choosing where they use their budgets locally, and it cannot be applied across the board. That is a good point for the committee to reflect on.

I thank everybody for their evidence. It was a marathon session and it is evidence that we needed to hear. If you have anything that you want to follow up with us, please feel free to do that in writing, as we are moving towards the conclusion of the inquiry. I hope that you enjoy the rest of your day.

11:09

*Meeting continued in private until 11:31.*

This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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