

# **COMMUNITIES COMMITTEE**

Wednesday 8 October 2003  
*(Morning)*

Session 2

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## **COMMUNITIES COMMITTEE** **6<sup>th</sup> Meeting 2003, Session 2**

### **CONVENER**

\*Johann Lamont (Glasgow Pollok) (Lab)

### **DEPUTY CONVENER**

\*Donald Gorrie (Central Scotland) (LD)

### **COMMITTEE MEMBERS**

\*Scott Barrie (Dunfermline West) (Lab)  
\*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)  
\*Patrick Harvie (Glasgow) (Green)  
\*Campbell Martin (West of Scotland) (SNP)  
\*Mary Scanlon (Highlands and Islands) (Con)  
\*Elaine Smith (Coatbridge and Chryston) (Lab)  
\*Stewart Stevenson (Banff and Buchan) (SNP)

### **COMMITTEE SUBSTITUTES**

Shiona Baird (North East Scotland) (Green)  
Christine May (Central Fife) (Lab)  
Shona Robison (Dundee East) (SNP)  
Mike Rumbles (West Aberdeenshire and Kincardine) (LD)  
John Scott (Ayr) (Con)

\*attended

### **THE FOLLOWING GAVE EVIDENCE:**

Kay Barton (Scottish Executive Development Department)  
Ms Margaret Curran (Minister for Communities)  
Ian Mitchell (Communities Scotland)  
Mike Neilson (Scottish Executive Development Department)  
Ian Williamson (Communities Scotland)

### **CLERK TO THE COMMITTEE**

Jim Johnston

### **SENIOR ASSISTANT CLERK**

Gerald McInally

### **ASSISTANT CLERK**

Jenny Goldsmith

### **LOCATION**

The Chamber



## Scottish Parliament

### Communities Committee

Wednesday 8 October 2003

(Morning)

[THE CONVENER *opened the meeting at 10:30*]

### Interests

**The Convener (Johann Lamont):** I call the meeting to order and welcome everyone, particularly our new member, Scott Barrie, whom I ask to declare any relevant interests.

**Scott Barrie (Dunfermline West) (Lab):** I have nothing to declare other than that which is already in the register of interests, although I draw the committee's attention to the fact that I am a member of the public service union Unison, which has a constituency development agreement with my constituency party.

10:31

**The Convener:** The next item is our consideration of the budget process for 2004-05. I welcome Margaret Curran MSP, the Minister for Communities, and her officials, who are Mike Neilson, the head of the housing and urban regeneration group; Kay Barton, the head of the social inclusion division; Ian Williamson, the acting director of investment and performance at Communities Scotland; Ian Mitchell from Communities Scotland; David Goldie, from the Scottish Executive Finance and Central Services Department; and Douglas Hamilton, from housing division 1.

**The Minister for Communities (Ms Margaret Curran):** Thank you for the invitation to appear before the committee. This is the first formal session that we have had—I hope that we will have many more. I look forward to having constructive and robust discussions with the committee as our work continues. I appreciate the committee's interest in the budget and I know how significant it is to the committee's scrutiny of the Executive, as well as to its understanding of the communities portfolio. The committee will know that the overall aim of the portfolio, as set out in the partnership agreement, is to create a Scotland where everyone can enjoy a decent quality of life and share in the benefits of Scotland's economy.

The two significant themes of our work are building safe, strong communities, and tackling poverty. Those are the focus of our budget presentation. Essentially, improving the quantity and quality of affordable housing is a key opportunity and challenge for the portfolio, and one that we see developing very significantly. Yesterday, I announced an increase to the Communities Scotland development programme of £10 million over the next two years, for investment in affordable housing in Scotland's rural areas. I see that as a significant way in which we are developing our work. However, we also see ourselves developing a more strategic approach to understanding Scotland's housing needs and delivering on that understanding.

Our commitment to building safe, strong communities is of critical importance. That takes many shapes, not least of which is our commitments on antisocial behaviour—of which I am sure everybody on the committee is well aware—through community wardens and other such initiatives, and on tackling poverty. We have a twofold approach to tackling poverty, the first part of which is to tackle the living conditions of our most vulnerable citizens, and to help them to

create opportunities and overcome the barriers that they face. Secondly, though, there is the significant responsibility that we—and the Executive as a whole—have for closing the opportunity gap.

**Mary Scanlon (Highlands and Islands) (Con):** I hope that I, too, will be constructive in my comments. This is my first year of scrutinising the budget, which I have found difficult, and I seek clarification. I have three questions on the budget headings. I refer to the level 3 headings under “Regenerating our communities”. Five of the headings from last year have changed. The headings “Neighbourhood Wardens and other Anti Social Behaviour Initiatives”, “City Wide Partnerships”, “Coalfields Regeneration Trust”, “Empowering Communities Programme”, and “Youth Crime” have been replaced by the headings “Other area based initiatives”, “Community engagement”, “Social economy”, “Urban Land Fund”, “Scottish Homes Grant-in-Aid”, and the “Scottish Building Standards Agency”. I am finding it difficult to make comparisons between last year and this year, because five of the headings have changed and I am not sure what the new ones mean.

In last year’s budget, there was a whole chapter on tackling homelessness. This year the only reference to homelessness is in target 10, which is to

“reduce the number of households becoming homeless more than once in a year.”

I am finding it difficult to track the funding. Although I welcome the announcement that you made yesterday on the Glasgow hostels, it is difficult for us to scrutinise the annual budget when there are constant announcements throughout the year. It is difficult to decide whether the money is being used for its intended purpose.

In last year’s budget, the total under the spending plans for 2004-05 was £921 million, but in this year’s budget the figure is £880 million. The total for 2005-06 in last year’s budget was £945 million, but this year it is £904 million. I accept that there is an increase of 8 per cent and we will talk about that later, but there is a cut of £41 million a year between last year’s intentions and this year’s intentions. There might be a simple explanation that the money comes under a different subject heading, but I am trying to get to grips with the budget and that is not made easier by the three difficulties that I have outlined.

**Ms Curran:** I appreciate the tone that you are taking. Simplifying financial arrangements is not an easy task, so communicating the complexity of our budgets will always be a challenge. We are certainly not trying to confuse the committee or the public in the presentation of our finances. I want

the budget to be as clear as possible for my control of it. In principle, we seek to give the committee whatever information it requests in clarifying each figure as much as possible. It would take us some time to go through the detail, but I am happy to spend time with you comparing the figures in this year’s budget with those in last year’s budget. I will make a few general points and then ask Mike Neilson to talk about the detail.

The general answer to Mary Scanlon’s points is that there has been a shift in budget headings. That is partly a reflection of the fact that we are a new Government in a new session of Parliament. We have responded to committees asking us over the past four years to be clearer about the objectives that we are setting and where spend follows those objectives and we have attempted to reduce the number of our objectives and coalesce them much more effectively. Our spend follows our six key objectives.

There can be a shift in how we budget because of the implementation of a policy. The fact that the Glasgow housing stock transfer has happened means that there is a shift in resources and there could also be a shift in expenditure, because of the development of Communities Scotland and how it operates.

You would not expect us not to make announcements just so that we can have a clear budget or so that the budget is steady over the year. We will make announcements as we develop our policy. We can take you through the figures for the announcement on homelessness, because the money comes out of a number of previous budget headings, such as the hostel provision programme and the homelessness budget. Your question was detailed and, if we cannot give you the answer to every point that you raised, we will get back to you in writing. However, Mike Neilson can take you through some of the detail.

**Mike Neilson (Scottish Executive Development Department):** I appreciate that the section that deals with regenerating communities has significant changes. That reflects three main points. One is the decision to deal with antisocial behaviour as a separate objective that covers previous headings such as those on neighbourhood wardens and youth crime. The second change relates to the decision to bring together the city-wide partnerships and the Coalfields Regeneration Trust, which were relatively small lines, under the heading “Other area based initiatives”. The third is the creation of the urban land fund, which is a partnership agreement commitment. That combination of factors is largely responsible for the changes. We could provide a table that would explain that in relation to the section on regenerating communities, if the committee felt that it would be useful to do so.

I think that the minister has answered the point about homelessness.

On the overall budget, as Mary Scanlon suggests, the £41 million reduction does not reflect any reduction since the publication of "Building a Better Scotland". It reflects two factors. One factor is that some of the spending—rough sleepers funding and some of the supporting people money—is delivered through the rate support grant. Therefore, that money—around £20 million—has been shifted to the rate support grant area but is still being used for the same things. The second factor is that, as a result of the Treasury's decision to take on the breakage costs in relation to stock transfer, some costs that we were expecting to carry in this budget in respect of future transfers will now not arise. A reduction of £20 million in each of the years has been made as a consequence.

**Mary Scanlon:** It would be helpful if, when you change the budget for next year, you could include footnotes to explain where the intended spending has gone and what the reasons for the changes are.

I am new to this committee, but I understood that the Executive's pledge was to eradicate homelessness. However, this year's draft budget says that the intention is to

"substantially reduce the number of households becoming homeless more than once in a year",

which is quite a different proposition. Has there been a change in emphasis?

**Ms Curran:** There has been no change in emphasis or policy. When we passed the two pieces of legislation that relate to homelessness—the Housing (Scotland) Act 2001 and the Homelessness etc (Scotland) Act 2003—we were clear about the fact that homelessness cannot be eradicated easily and certainly not in one budget round. What is needed is a policy that recognises the complexity of the challenge of homelessness and the spend has to reflect that.

I have had long discussions with Malcolm Chisholm about his contribution to tackling homelessness. The recent hostels announcement was important because it recognised that substantial investment is needed to tackle homelessness in the long term as it will not be easy to eradicate it. There are short, medium and long-term objectives.

**Cathie Craigie (Cumbernauld and Kilsyth) (Lab):** I am glad to see that you made it back from the islands, minister.

I am sure that you remember that last year's Social Justice Committee stage 2 report on the budget recommended that the Executive investigate ways in which to deliver a more joined-

up approach that would facilitate a greater understanding of the extent of the resources that are being allocated to the social justice agenda. We have heard this morning about the way in which the budget is allocated across the departments, but can you identify what measures the Executive has introduced to address the committee's recommendation?

**Ms Curran:** There are a number of ways of tackling that and we are making efforts in that regard. I would not pretend that we have solved that problem, as it is quite difficult to do so.

I am sure that I have the committee's support in saying that much health and education spending should be directed towards closing the opportunity gap and tackling poverty. However, disaggregating that spend is difficult. For example, which part of a teacher challenges poverty and which part provides the universal service? I am not trying to get off the hook and say that that can never be done, but we must be careful about the spending regime that we use. Otherwise, the committee could properly say that we might be double counting, because money that appeared under the mantle of closing the opportunity gap might be straightforward education or health service spending.

Nonetheless, to develop some of the issues that the committee is considering, we are trying to ensure that our budget has specific targets and that spend is directed to those targets. As I said to Mary Scanlon, that is partly a response to the issue. The Minister for Finance and Public Services has also told the Finance Committee that the Executive will consider ways to be clearer about how spend follows the objectives that are outlined.

10:45

**Cathie Craigie:** The committee has heard criticisms from organisations such as Shelter Scotland and the Chartered Institute of Housing in Scotland that even those professional housing organisations find it difficult to interpret the budget and to track the spend. In response to Mary Scanlon's question, Mike Neilson mentioned that giving a breakdown of costs might be possible. The committee wants to know what is being spent on housing and the voluntary sector in the communities budget. What steps can be taken to give the committee that information?

I am sure that all committee members acknowledge that in the past three or four years of operating the budget process, committees and organisations have suggested changes, which have made it difficult to draw year-on-year comparisons. The committee must be able to identify more easily spending under various

headings and that must link with other departments. I take your point about trying to break down individuals' salaries, but there must be a way for us to identify where resources are spent.

**Ms Curran:** I agree entirely with that. We have nothing to hide—on the contrary, we have a good story to tell about the resources that we are committing to ensure that the portfolio delivers what it says it will, although it is obvious that I would say that. I am more than happy for us to do whatever we can to make the situation clearer.

One factor is that finance is complicated. We all—including some financiers—need to learn to communicate effectively what we are doing. I am happy to promote that as best I can. I ensure that officials tell me clearly exactly what is being spent where. I will push for such information and return to the committee on that.

However, at times, policy decisions are changed, we reprioritise or the Parliament gives us a steer on its views. It is proper for budgets to follow that. The primary objective is implementing the policy. Clear financial systems should show that and be accountable to that policy direction, but we cannot abandon everything for the sake of simplicity. Perhaps we need to provide a narrative about the changes and the budget lines that relate to that narrative. I could talk to the convener about a way of communicating that effectively to the committee. A workshop might be more helpful than a formal meeting.

**Stewart Stevenson (Banff and Buchan) (SNP):** To develop the theme further, when we consider the budget, it is inevitable that we talk about spending, but actually we are not interested in spending at all; we are interested in what is delivered through spending. That is the committee's focus. I will start a little interchange of questions by asking whether the minister is prepared to link financial allocations to the achievement of specific targets. You have 17 targets under five objective headings. In future, would you be prepared to link such targets with financial allocations? Could you do that now?

**Ms Curran:** In a sense, we are trying to do that. You are absolutely right that the spending should follow the policy outcome that we are trying to achieve. That is why, led by Andy Kerr, we are attempting to take a more strategic and rational approach, although I appreciate that you might not think that we have achieved that yet. The approach will make the political priorities clearer and show that spending follows the priorities and that historic spending is not lost. We are trying to ensure that spending follows the policy objectives, which is the reason for the budget's layout.

**Stewart Stevenson:** I will develop my question by focusing on targets 2, 5, 9 and 12. I do not

have a detailed question about those specific targets, but I have a question about their character. Target 2 states:

“By 2006 reduce the number of houses with poor energy efficiency by 20%.”

The Executive provides money to deliver that target and takes it upon itself to deliver it. In other words, the target is an objective for the Executive, whereas other targets are shared objectives with local authorities and other bodies. I chose those four targets because the Executive has, properly, placed the responsibility for achieving them on its own shoulders. My question is very simple.

**Ms Curran:** Oh dear.

**Stewart Stevenson:** It is about how the Executive understands whether it is delivering. I think ministers, as well as Opposition politicians, get frustrated about that. Is there a named individual—I do not ask for the name, only whether there is such a person—who is not only responsible for spending the money that will address the issue, but whose career will be on the line if they do not deliver the reduction in the number of houses with poor energy efficiency by 20 per cent? Alternatively, is the responsibility diffuse and unclear?

**Ms Curran:** I did not realise that we were comrades-in-arms, Stewart. I think that my officials would agree that that is the kind of approach that I am likely to take. A big political debate surrounds the issue of setting targets that can and cannot be met. The Opposition will properly challenge us by saying, “You said that you would reduce the number by 20 per cent, but it has reduced by only 15 per cent, ergo you have failed,” but we will reply that the figure is as good as it could be.

We must be careful about targeting, but it is useful because it drives the organisation towards achieving its aims. If there are targets, people cannot opt out and say, “I'm sorry. I can't deliver because someone persuaded me that it was not the right thing to do.” Institutional resistance to policy objectives sometimes exists. I am sure that Mike Neilson agrees that I try strongly to reduce such institutional resistance. I will take Stewart Stevenson's phrase about careers being on the line back to the department.

We need to set targets to ensure that we implement what is required. I have a caveat, which relates to one big challenge of my job. I wish that the matter was as easy as saying that one named civil servant is responsible for each target. However, because we often spend through other organisations, we are dependent on them to deliver. We are getting much better at such spending and much more transparent about the discussions involved.



**Stewart Stevenson:** I suspect that we agree vigorously, minister. I suggest that there should be a named individual whose career is on the line precisely because the matter is not easy. I recognise, and invite the minister to agree with me, that the responsibility for achieving targets is diffuse because the Executive delivers many targets through organisations in the voluntary sector and local government. The individual who spends the money and says that they have achieved their objective because the money has gone out should also be accountable for delivering the benefit that is to be derived from the expenditure of that money. If, say, one out of the 32 councils is not making the same progress that the other 31 are making, the person would engage with that council because their career would be on the line.

I chose the four targets because, as expressed, they are unambiguously Scottish Executive targets, whereas others are shared targets or have been created for another organisation. Would someone's career suffer if a target is not achieved? I am not talking about just a tongue-lashing from the minister.

**Ms Curran:** I have to say that I think that my career would suffer more than anyone else's. I am sympathetic to the idea of accountability. We are obviously dependent on organisations around us delivering. There should be open accountability on why something has or has not been delivered. Properly, the responsibility would lie with me rather than with a named individual.

**Stewart Stevenson:** That is clearly correct at a policy level, but at an operational level there will be no accountability unless there is a named person. You accept that.

**Ms Curran:** Yes.

**Stewart Stevenson:** Do you agree that we will really understand the relationship between expenditure and Executive targets—which on homelessness, for example, cross not just your responsibilities, but those of other ministers—only if we report in a way that is focused on the initiatives and which runs at right angles to the financial budgeting process that we are going through? Of course, the time lines of initiatives might not fit in with the years that are used for the budgeting process. We will understand how the expenditure is split up only if we report separately the same total of money in a different way. Should we be making progress towards doing that?

**Ms Curran:** That is interesting—there has been some movement in that direction. For example, on antisocial behaviour, Cathy Jamieson, Peter Peacock and I have a shared financial, as well as a policy, interest. I know that the First Minister is much less interested in different departmental

lines than he is in the policies; the policies should be the drivers and we should work corporately behind them. There is much more interest in that.

That said, we would have to balance that with proper scrutiny, because we are held to account through mechanisms such as the budget process and the publication of the expenditure plans. That relates to the point that Cathie Craigie and Mary Scanlon made about clarity. If we are clearer and accept that we need to be clearer, it should be possible to get much more out of the process. Stewart Stevenson is right; some of the policy objectives cannot be met by one portfolio alone.

**Mary Scanlon:** I have a supplementary on that point. Stewart Stevenson mentioned measurable targets, but I am struggling with targets that are more difficult to measure—for example, how do we measure social inclusion and whether the policy on it has been a success? How do we measure whether “Closing the Opportunity Gap: Scottish Budget for 2003-2006” has been a success? In the past four years, has the money been effective in trying to attain the outcomes or has it been shuffled around because it has been ineffective? I ask that constructively. Can you measure whether the situation on social inclusion and the opportunity gap is better than it was four years ago? I would be interested in such a measurement.

**Ms Curran:** There is a lot in that question. To some extent, terms such as inclusion and equality are relative and value based—my definition of social inclusion might be different from yours. Those terms are not precise and it will never be possible to be absolutely scientific about them. Obviously, there is a challenge in trying to measure progress in such areas, but that is not an excuse for people who never attempt to measure progress. A lot of effort has gone into measuring the distance that has been travelled—the idea that the progress that someone has made can be measured, even if it is not possible to use absolute indicators to do so. As Stewart Stevenson said, there are absolutes that can be measured. That was at the heart of his question.

I have made it clear that our spend needs to follow that model. Organisations must be accountable in relation to measurement of progress, especially when we give funding through, or to, them. One of the examples that Mary Scanlon used was social inclusion. It is often the case that an indicator suggests that social inclusion has improved, but that could be against a background of other factors that affect the situation. It is possible to measure inclusion. How do we determine a healthy community? There are some indicators that will say what a healthy community is, such as employment rates and level-of-participation rates; a variety of indicators

can be used. That is how one would measure progress.

For example, we could examine what a social inclusion partnership has funded. It might have funded child care places, but funding child care places in one area might be more effective than in another, so we need another layer of indicators that show that. Communities Scotland has done a lot of work on that. I am therefore confident that, although we can never measure progress absolutely and will never be perfect at measuring it, we are moving in the right direction. We must not be defeated by the complexity of the matter, nor can we run away from the fact that we can indicate some progress. Our attempt to change budget headings was not an attempt to get away from the fact that measurement is challenging.

11:00

**The Convener:** The communities budget is forecast to rise by 8.5 per cent between 2003-04 and 2005-06, while the Executive budget as a whole will increase by 12.3 per cent. Given that social inclusion is a priority for the Executive, why is the funding for that area growing at a slower rate than the budget as a whole?

**Ms Curran:** Part of the answer to that is what Mike Neilson said earlier—if I can remember what he said—about the fact that some items have, in effect, been moved out of our budget. They have been sent elsewhere. I ask him to clarify.

**Mike Neilson:** There are two points to be made on that. The first is that numbers have changed since “Building a Better Scotland”; they have changed because certain priorities have been moved out of the budget, but that is still happening. The second point concerns the percentage increases. It is difficult to make comparisons such as the one that the convener made. The committee has identified a number of changes in the communities budget that make the figures look slightly odd, but a number of budgets have similar changes because of the move to resource budgeting, which can change the comparisons.

Broadly speaking, if we add in the money that is available next year and the following year—£15 million per year and extra spending on antisocial behaviour—the increase comes up to something like 5 per cent over that period. The increase for the rest of the budget, excluding the health budget, which is the really big spender, is about 5 per cent as well. We caution against setting too much store by such comparisons because of the need to unpack the figures, about which we talked. However, at the global level, it is fair to say that the communities budget is by no means low on the priorities list.

**The Convener:** We could say that it was not low in spending terms, but it is low as a share of the budget as a whole. If those things are happening in this budget, they must be happening elsewhere in the overall budget. As a general point, it looks as if the general budget is growing by X amount, but the communities budget is growing more slowly which, with all the caveats, implies either that there is a problem with the share of the budget or that we are involved in a budget process that reveals less than we thought that it did, because it is not possible to make that kind of comparison.

We should be able to identify by looking at the figures whether the communities share of the overall budget is getting bigger or smaller. If the figures do not allow us to do that, do you have any suggestions as to how we could reorganise them so that we can make that comparison, which is significant for reflecting the policy commitments about which you are talking?

**Ms Curran:** The general point is that the health budget has, as Mike Neilson said, grown more than other budgets, but we are in tune with the general level of spend apart from that, and adding the antisocial behaviour moneys takes us to the sort of level that we should be at. I am sure that we can make that clear to you.

**The Convener:** The committee has also received evidence, in particular last week, that the communities budget is overly focused on physical assistance for regeneration at the expense of funding for people-focused or community regeneration. The suggestion is that the Executive builds houses but does not consider how to support people in communities. The view was expressed that the balance was wrong. That view was not shared by the housing organisations that gave evidence, but I think that they thought that everybody should have more money as long as they got their bigger share of whatever was available. What is your view on that issue? Could you take that serious position on board in your budgeting?

**Ms Curran:** That is not a proper conclusion to draw from the budget analysis. There is an evenly balanced approach to physical and social regeneration, which I would call community or person-centred regeneration. We should try to achieve a proper balance between physical, social and economic regeneration and to get processes to work effectively together. Perhaps there is a challenge in that they do not work together as effectively as they should do.

Most people appreciate that a challenge in Scotland has been that housing can be done up, and that if one does not get other issues around that right, investment that has been made in housing can be undermined. We and many

housing agencies broadly understand that now; that is why we put such emphasis on tackling antisocial behaviour, which undermines huge amounts of housing investment. Such investment is largely physical investment in fabric. Through the social inclusion programmes, through work that has been undertaken by Communities Scotland and through work in the voluntary sector, it can be said emphatically that there has been much person-centred emphasis, particularly through social regeneration. I am not talking about only work through our portfolio, but across the Executive. I accept that perhaps we need to consider the balance, but I do not think that we have got things wrong in principle.

**Elaine Smith (Coatbridge and Chryston) (Lab):** I want to ask about affordable housing. However before I do, I want to pick up briefly on Johann Lamont's question and on evidence that we took last week. In their joint submission, the Chartered Institute of Housing in Scotland and Shelter Scotland talked about the perceived slower rate of growth in the communities budget and stated:

"This is of particular concern following the Finance Committee's recent report into Children in Poverty which shows that the total planned increase for core services which impact on children in poverty, including housing, is well below the Scottish average increase in programme expenditure for the next three years."

Have you considered the Finance Committee's report? What will be the impact of the slower growth? Has money been moved elsewhere to help to tackle the matter?

**Ms Curran:** I do not accept that there is slower growth. We can show what has been done when we go into the detail of housing. Just yesterday, I announced an increase in the Communities Scotland development programme. I do not accept the premise behind what Elaine Smith said. Nonetheless, we have thought about the Finance Committee's report and obviously we give great and continuing thought to the challenge of poverty in trying to deliver on the challenges that we face in Scotland.

Perhaps I will ask Kay Barton to say something about the matter. However, I want to make two points. The first point is similar to a point that I made earlier. We should not get lost in focusing on disaggregating money and saying what is contributing to policy—that is essentially Stewart Stevenson's point. The outcomes that one is trying to achieve should be considered. One should try to measure those and then decide which strand of the Executive is perhaps not working towards achieving them. That is more the focus that we are determined to take, which is more challenging, because we must say to those who are responsible for the education and health budgets, "You must spend on closing the opportunity gap

objectives." We have gone some way on that through the statement on closing the opportunity gap, which was debated in the Parliament last year, I think. We have specific targets relating to reducing disease and increasing transport opportunities—I will go through them if the committee wants me to. That is part of the answer.

The other point relates to what is actually spent on tackling poverty in Scotland and where it can be said that it makes a contribution. That partly concerns my budget, although I have never accepted that only our budget should be spent on tackling poverty—other budgets must also be spent on doing that. I think that £360 million is spent across the Executive on the voluntary sector. We should maximise returns on that.

I invite Kay Barton to say something about the matter. I will say more if I did not answer all Elaine Smith's questions.

**Kay Barton (Scottish Executive Development Department):** I would like to talk about the Finance Committee's exchange with the Executive. The Finance Committee said about child poverty programmes that it did not seem to be right that core spending on local government and housing was growing below the average rate when we said that we were giving priority to addressing child poverty. We had a detailed exchange with the Finance Committee about the local government and housing figures and I think that it has accepted that some of its year-on-year comparisons do not work in the way that they appeared to do at first sight.

Some of the reasons for variations in budgets have already been discussed this morning. There can sometimes be problems with trying to make such comparisons for big programmes that do a lot to tackle poverty. The figures for local government did not reflect the funding for local authorities that came out of other departmental budgets. For example, funding for local authorities that came out of the communities budget rose more than local government spending as a whole. Examination of the entire local government and housing budgets did not reveal the amounts that were being spent on certain issues. We have already discussed the difficulty of carving such figures out.

That covers the exchanges with the Finance Committee. I think that the Executive was able to set the minds of members of that committee at rest about the comparisons about which it was concerned and the growth of the main big programmes.

**Elaine Smith:** That is helpful. I thought that it was worth asking about the matter, given that it was raised in evidence last week.

I move on to affordable housing, which was also discussed last week. One of the specific measurable targets is:

“By 2006, increase the supply and quality of Scotland’s housing stock by approving 18,000 new and improved homes for social rent and low-cost home ownership.”

There is also the target of 5,350 units to be approved for 2004-05. What was the basis for arriving at those targets? Do they meet the real need for affordable housing throughout Scotland?

**Ms Curran:** Since I took over responsibility for housing, I have been keen to provide a much more strategic analysis of need in Scotland and to understand the diversity that exists in Scotland. As Cathie Craigie mentioned, I attended the convention of the Highlands and Islands yesterday. Some fascinating evidence was presented about certain small communities where there are absolute shortages of housing. We have to ensure that housing policy takes into account general need in Scotland, but that it is also flexible enough to address challenges in a variety of rural and urban areas where, increasingly, there are challenging areas of shortage.

We need to be much more strategic about housing and, in order to achieve that, a much more strategic approach to local housing need and local housing markets has been adopted under the Housing (Scotland) Act 2001. That will produce much more substantial evidence that will help to determine how we should base housing policy and the finance that should support that. One of the pilot projects, which I visited the other day, is in East Lothian. A sophisticated document has been produced for the pilot, and it will give us, the local authority and the key housing stakeholders the information that is required.

**Elaine Smith:** So does that mean, given that you—

**Ms Curran:** I am going to come back to your point.

**Elaine Smith:** I wanted to ask about—

**Ms Curran:** How we got to that figure.

**Elaine Smith:** Yes, the figure of

“18,000 new and improved homes for social rent and low-cost home ownership.”

**Ms Curran:** I will come back to that; I just want to cover the direction that we will be going in.

**Elaine Smith:** On that direction, I welcome the announcement of £10 million for affordable housing in rural areas over two years as—I am sure—would other committee members. Is that new money? Is that funding over and above the targets that already existed?

**Ms Curran:** Yes, that is new money. It is added to the Communities Scotland development

programme, so it is new money in that sense—bear with me, Elaine, and I will attempt to answer your question.

In November, we will get the results of the Scottish house condition survey, which will give us real insight into the condition of, and need in, Scottish housing. There is a variety of other things that we are doing that I could mention. There is the Scottish social housing standard, for example, which will allow a much more strategic and evidence-based approach to be adopted in tackling Scotland’s housing problems. That is the stage that we are about to reach. As Elaine Smith implies, we are not quite there yet.

Two particular pieces of work have been undertaken. A significant piece of research has recently been undertaken on housing, focusing on current supply and need. It has produced some figures that I will be happy to discuss with the committee. The figure of 18,000 houses in the draft budget was based on projections from Communities Scotland, following examination of what was required. We accept the need to be more robust, and it is proper that we continue to work on that.

**Elaine Smith:** That is really helpful, minister.

At last week’s meeting, in answer to a question that I asked, the Chartered Institute of Housing in Scotland suggested that 18,000 new and improved homes would not be enough. It gave various reasons for that, which I will not go into. Shelter went on to say that, five years ago, the Scottish Office commissioned a national housing needs assessment, which was never published. Shelter felt that that was a great pity. [*Interruption.*] I am sorry—I cannot hear very well without the earphones, but the problem is that if I have them on and anybody else is speaking through a microphone, that comes through as well. That throws me off what I am trying to do and hinders me when I am trying to listen.

Shelter said that if the information exists, it could be brought together at national level; I asked whether Communities Scotland could try to do that. From what you have said this morning, it seems that that is what you seek to do. You said that you wanted to take a strategic approach to understanding Scotland’s housing needs. Does that mean that the figure of 18,000 homes might be open to change depending on what you see as the actual housing need?

11:15

**Ms Curran:** I have had many discussions with the Chartered Institute of Housing in Scotland, Shelter and the Scottish Federation of Housing Associations about the figures that they have produced, which do not strike me as being

particularly robust. We want to know the detail of how they came to their conclusions because we do not believe that they are based on particularly robust evidence. It is incumbent on us all to ensure that we have a much more informed discussion of housing in Scotland.

We think that the figure of 18,000 homes is robust and deliverable. However, it must be used appropriately to reflect the diversity of Scotland and the diversity of needs, including special needs housing and women's refuges. In our evidence-based approach, we do not see the figure as being a crude measurement of supply in which housing is just about a number of units. Obviously that is important as the key fulcrum, but to understand housing markets it is necessary to understand the other investments that are going into housing. We need to examine the relationship between the planning system and the housing system.

At the convention of the Highlands and Islands yesterday, I spent as much time talking about land supply as I did talking about housing units and water infrastructure. We have many challenges, so we need to get ourselves off the hook of saying that it is all about units and that, if we reach the magic figure, somehow we will have solved Scotland's housing problem. I wish that it were as simple as that, but it is not. We must get a much more in-depth grip of the issues that we face.

**Elaine Smith:** I would like to come back to you on a couple of those points. You talk about things being deliverable, but have you been successful to date in meeting the targets that have been set? If not, will that affect the budget process over the next two years?

**Ms Curran:** I think that we have been successful in meeting our targets to date, but I will ask Ian Williamson to confirm that.

Your question takes us back to a point that Mary Scanlon made earlier. If I thought that our spending was not delivering what we have targeted, I would have to examine how that spend was being used. The process should be open and accountable. When there is evidence of a housing shortage in rural communities and there are major challenges such as communities struggling because they cannot get jobs into the area, if we can use current available resources to deal with that we will do so. Mary Scanlon's point was that we need to be very clear about how we are doing that and where the spend is coming from. I accept that.

I invite Ian Williamson, from Communities Scotland, to say something about targets.

**Ian Williamson (Communities Scotland):** Over the years, both as Communities Scotland and as Scottish Homes, we have consistently achieved the output targets that we have been set by

ministers. The minister referred to the forthcoming improved evidence, which will help us to make judgments about housing need and how it can be addressed.

The committee might be aware that we have provided housing market context statements to local authorities to assist them in development of their local housing strategies. Our programme at the moment is application on the ground. It is very much a joint exercise that involves local authorities' assessing local needs and seeking to address them.

We do not run a command economy, directing from on high how money should be spent and where. We must be cautious. Although we will receive improved evidence on national need, we must be alert to the existence of local hot spots. The only way of dealing with them is to have local input.

**Elaine Smith:** Clearly, the new £10 million will be part of that.

**Ian Williamson:** Yes.

**Elaine Smith:** That is welcome.

The minister mentioned specialised provision such as women's refuges. Bearing in mind last week's evidence, does the overall target of 18,000 homes include specialised housing? Has the affordable housing element of the budget been gender proofed? Women earn less and are less likely to be able to access mortgages, most single-parent households are headed by women, and most child care responsibilities are taken by women. You will remember my intervention on you last week in the debate in the chamber. This is an issue in which we can examine how gender proofing is working in the budget.

**Ms Curran:** Ian Williamson will go into the details in answering the first question, because he is more familiar with the issues.

Specialised provision—including women's refuges—is part of the target of 18,000 homes. As you will know, there have been developments in refuges. People no longer want one big building; they want scattered flats and such like. The development programme lends itself to such approaches, because it offers diversity of accommodation that is appropriate for women in those circumstances. The situation is similar with disability housing but, again, I will let Ian Williamson talk about that.

Elaine Smith makes an interesting point about gender proofing. In theory, yes, we can gender proof—Communities Scotland's corporate plan, which is about to be launched, makes a clear statement about equality. However, if I am honest, more work could be done. We will have to consider the issue further and I will perhaps take it back to Communities Scotland.

**Elaine Smith:** I appreciate that, minister. Thank you.

**Ian Williamson:** I can confirm that about 24 per cent of the overall development programme goes into housing for people who have particular needs. That includes people who are subject to domestic abuse or who are fleeing from the prospect of it. In the mainstream programme, we have delivered some 85 units of refuge or safe accommodation. That is on top of the other targeted programme of refuge accommodation, which is sponsored by the Scottish Executive Justice Department.

**Elaine Smith:** I presume that refuge accommodation is short term. Would you tie the provision in with a plan for longer-term accommodation?

**Ian Williamson:** Yes. We recognise that refuge accommodation is normally short-stay accommodation, but that clients require a long-term housing solution.

**Cathie Craigie:** I want to move on to discuss provisions for the private sector in the budget. On page 128 of the draft budget, the statement of priorities says that you will take forward a range of the housing improvement task force's recommendations. I understand that the task force made 115 recommendations. Which will be priorities for funding over the next two financial years?

**Ms Curran:** The housing improvement task force made hundreds of recommendations, which I think are just coming in now. They are out for consultation. As ever, part of the answer is that an announcement will be made soon.

I know that Cathie Craigie has a great interest in the housing improvement task force. The primary emphasis has been that private owners have responsibility for improvement and repairs. We need to change the culture in Scotland. Emphasis has also been placed on the need to modernise the arrangements for repairs to private housing stock. I am not sure whether we have yet published where resources will be spent. I will ask Mike Neilson to answer that.

**Mike Neilson:** It is difficult to answer that question definitively before the response to the recommendations is made. However, it is clear that some areas, such as below-tolerable-standard housing, are likely to be priorities. Spending is channelled through local authorities, which take primary responsibility for establishing local priorities. We are also considering whether we can stretch the money further through different types of financial instrument.

**Cathie Craigie:** In their evidence, Shelter and the Chartered Institute of Housing in Scotland pointed out that although there has been a modest increase in the budget, it will still peak at £85 million in 2005-06. The organisations said that that compares very poorly with the £157 million that was invested in 1990. Do you agree with those figures? How can you say that you are looking to invest money if investment is nowhere near the level that it was 10 or 15 years ago?

**Ms Curran:** As I understand it, the spending in those years was targeted at extraordinarily poor stock. Many of those problems have been tackled. We have had many debates in the chamber about what happened when grants went to local authorities and spending decreased. I would have thought that people would welcome the increase in expenditure for private housing, as indicated in the budget. Indeed, the level of investment is appropriate in that regard.

I re-emphasise that we needed to make an overall assessment of private sector stock. After all, this is not just about giving grants to people who could perhaps afford to pay for some repairs themselves, which is partly what happened with expenditure in the 1990s. Indeed, some of our current housing problems in Scotland have been caused because that money was not properly targeted at the people who needed it most.

As a result, it is appropriate for us to target the money much more carefully and to reform the framework for investment in the private housing sector. That is what the housing improvement task force will deliver when we respond to its recommendations. Of course, we will respond comprehensively to those recommendations and will speak to the committee when we do so. Increasing the budget is not the only answer to housing issues. Important though resources are, we have to examine the legislative framework and try to get homeowners to be more responsible with regard to the day-to-day investment that modernisation, repairs and improvement demand. We also need to consider issues such as energy efficiency. As a result, I think that we have given the matter the focus that it needs.

**Cathie Craigie:** I fully accept that private homeowners must take responsibility for repairing and maintaining their properties. I welcome the improved repair and improvement grants scheme that was introduced at the beginning of this month. I hope that that will encourage poorer people who are unable to maintain their properties to get involved in schemes that have been set up by housing associations or local authorities. Are you confident that there is enough money in Executive or local authority budgets to meet the demand that will undoubtedly be generated by this new and much improved grants scheme?

**Ms Curran:** I am just checking with my officials, but I think that the answer is "Yes, absolutely." However, I would always advise people never to make such global responses.

**Mike Neilson:** I go back to the principle that owners should where possible pay for maintenance themselves. In a number of cases, repairs can greatly improve the value of the property. People should be able to make that money go further by securing equity loans, which are based on the value of the property and are repaid only when the house is sold. The money is recycled and can be used again. That is another factor that should help to push up capacity.

I come back to the house condition survey that is coming out in November and which will give us more information about the state of private sector stock and the extent to which the improvements that have been made in the past five years have improved the overall picture.

**Cathie Craigie:** We will watch that space.

**The Convener:** I assume that there will be some sympathy for and recognition of owner occupiers who struggle to maintain their properties—there would be no great improvement if their houses went on the market. There is evidence that such owner occupiers do not have the normal benefits of owning their properties because their houses are not really assets that can be sold on. Such houses are a particular issue in some areas.

**Ms Curran:** Absolutely; that is recognised.

**Donald Gorrie (Central Scotland) (LD):** The community ownership budget appears to be decreasing during the next two years. Why is that?

**Ms Curran:** I was rehearsing my answer while you were talking; you were very succinct.

The community ownership budget is decreasing because of the Glasgow stock transfer. I believe that the breakage costs came out of that budget because the Treasury picked them up, although we had planned for them. A number of initiatives for Glasgow, such as central heating, were in the community ownership budget, but are no longer part of that budget. I believe that the money that was allocated to that budget is now going into Communities Scotland. Mike Neilson might confirm that.

**Mike Neilson:** Yes.

11.30

**Donald Gorrie:** The committee would be happier if the £20 million from the Treasury stayed to assist the housing budget. Our impression is that it will go back into the big black hole of the Executive budget. Is my understanding correct?

**Ms Curran:** Yes. I would always be grateful for extra resources for the housing budget and would welcome your support on that. However, in fairness, the Executive supported the Glasgow stock transfer and was prepared to put considerable resources into it. It is quite proper that, as the Minister for Finance and Public Services said, the Executive should share the benefit. I suppose that he would say that we get the money back in other ways.

**Donald Gorrie:** That is an interesting political issue.

A few moments ago, you mentioned the Scottish house condition survey, which I know has not yet taken place. Following the survey, you will set targets. Does the budget contain money for the next two years to spend on reaching targets that are not yet set?

**Ms Curran:** Are you referring to the Scottish social housing standard?

**Donald Gorrie:** Yes, the Scottish house condition survey will set the standard.

**Ms Curran:** Yes. Everything seems to come back to Mary Scanlon's original point about setting targets. We have to make sure that we meet them, which refers back to Stewart Stevenson's point.

Some of the developments that have been made over the past few years allow us to make resources available for meeting that standard, and an announcement will be made about that. There are two means by which that standard will be met. The first is the introduction of the prudential regime, which several local authorities asked to be applied to housing because it releases them from some of what they believe are undue constraints on the steps that they can take to generate income to invest in housing. That is a significant step forward in generating resources to meet the standard. The second is the community ownership policy, where we can lever in extra resources for investing in Scottish housing.

Those steps will give us the resources that we need to meet the standard. We will talk to the committee in greater detail when we announce the terms of the standard and consider the dates by when it should be met. I appreciate that the detail of the standard is significant to the committee.

**Scott Barrie:** Mary Scanlon touched on homelessness in her introductory points. It appears that the budget lines that relate to homelessness are projected to remain the same for the next three years. That will mean a real-terms reduction against the background of an increase in the number of homeless applications. Are you convinced that the draft budget will be sufficient to ensure that the homelessness task force's recommendations are met?

**Ms Curran:** I can only give you the same answer that I gave Mary Scanlon. The budget lines are about implementing the task force's recommendations but there are other ways of making sure that we address the wider issue of homelessness, particularly through the reprovisioning of Glasgow's hostels, which will receive a significant increase. Another such measure is the prudential regime for local authorities, which will mean that they have greater resources at their disposal to meet their commitments.

**Scott Barrie:** You are saying that we should not regard that bold figure as representing all the spending on homelessness. I take your point that, across all the subject headings, it is tempting simply to assume that the bold figure that is attached to a heading is all the money that is relevant in that regard. You are saying that we should look behind those figures.

**Ms Curran:** Yes, you should also consider other headings.

**Mike Neilson:** If you consider a longer period—perhaps the past two or three years—you will see that this budget has grown to what it is now from quite a modest level. That increase was largely to cover spending on temporary accommodation. However, as we move forward, a lot of the people who required temporary accommodation have been fed through the system, which means that money will be available for support elsewhere.

It is also fair to point out that spending on homelessness in Scotland is substantially more than it is elsewhere in the UK.

The other issue is housing supply, which leads back to the affordable housing discussion.

**Scott Barrie:** My next point relates to the way in which information is contained in the draft budget rather than to a particular issue.

Table 7.06 on page 130 of the document has two separate headings for supporting people; one says simply "Supporting People" and one says "Supporting People Grant". However, those two headings apply only in the first year. For the subsequent two years, only the "Supporting People" heading applies. Why is the figure for each of those two years less than the sum of the figures under the two headings in the first year?

**Ms Curran:** I will ask Mike Neilson to answer that point. When I saw the document, I asked exactly the same question.

**Mike Neilson:** I will begin with the bad news: this is one of the areas of the budget in which we will have to bring in big changes. At the moment, the supporting people budget is not much more than a marker for the programme that has begun this year and which will deal with the substantive

funding of supporting people activities in local authorities.

**Ms Curran:** We will flag up that change to the committee.

**Mike Neilson:** The first heading, "Supporting People" is to do with administration and the "Supporting People Grant" heading will be where the funding for the support services will come from.

A footnote to the main table in the chapter says that while, in 2002-03, there has already been a transfer of £145 million for supporting people, the transfers for later years have not been introduced. I am afraid that the situation is developing at the moment, so the budget cannot show a definitive picture.

**Campbell Martin (West of Scotland) (SNP):** I have a couple of easy questions to ask you, minister.

**Ms Curran:** Oh no.

**Campbell Martin:** One of the level 3 headings in the document is "Promoting social inclusion" and another is "Community engagement". If we asked people in the street what was meant by those headings, we would get some varied answers. What do you take them to mean? What specifics are you going to deliver under those headings?

**Ms Curran:** Point taken—not only do we have to realign how we present our figures, but we have to realign how we describe them to make sure they are meaningful.

The "Promoting social inclusion" heading, which I think is Kay Barton's responsibility, is where we deal with our contribution to the integrated children's services fund and the free fruit initiative. It is also where we deal with moneys that we have committed to child-care support in order to allow lone parents to go back to higher and further education. Furthermore, it includes a grant to the Poverty Alliance.

The "Community engagement" heading relates to Communities Scotland. That budget is slightly different from, although essentially connected to, the SIP budget. I place a strong emphasis on local communities' independence in their involvement with SIPs, although I do not think that they can ever be completely independent. However, they should certainly feel that they are not dependent on local authority staff or SIP staff to present their own agenda. Community partners felt that they did not have the same preparation support as did officials, who often had papers summarised for them, for example.

Local SIPs have used the community engagement money in a variety of ways. That



money also helps national voluntary organisations work through their proposals for community planning and helps the consideration of community involvement in the forthcoming community planning exercise. Perhaps I would need to translate my explanation of all that for the ordinary person on the street.

**Campbell Martin:** That would be good, minister.

You said that SIPs are an important part of where the money goes. The budget shows an annual budget of £68.7 million for SIPs between 2003 and 2006. However, that is a static budget, which suggests that there will be a real-terms budget cut for SIPs. Although we could argue about whether SIPs are the best means of providing services for communities, can you assure us that SIPs will have enough money to provide the services that you hope they will provide? What is the mechanism for measuring the utility of SIP provision? How do we know that we are getting best value for the money that is allocated for service provision by SIPs?

**Ms Curran:** There are two points. The first is that the community engagement money, which is separate from the SIP budget, has been substantially increased. It could be argued that community engagement is a core task for SIPs. SIPs would say that ensuring that community representatives are involved and that there is sophisticated community engagement, which takes different forms in different places, is a core task. We have just budgeted for that task differently, mainly because I did not want the community engagement budget to be eaten up by being in the general SIP budget. I wanted to ensure that community engagement was funded separately so that it could happen. Providing a separate budget for community engagement was my way of making that happen. That approach is directly my fault and my responsibility because I wanted community engagement to happen. Therefore, I would argue that there is an increase in the SIP budget for that core task.

Secondly, I acknowledge that we need a more comprehensive framework and a more joined-up approach for community involvement, linking it to regeneration, which is essentially what much of the SIPs' task is about. The fact that we are taking community involvement into the community planning framework is a recognition of the need for a joined-up approach. One of the frustrations of the SIP budget is that SIPs cannot be left on their own to regenerate communities and tackle the improvement of local services in communities. The SIPs are a vital lever in the process, but they cannot be the only ones doing that work. Even if we put £10 million into the SIP budget year on year, that would not eat into the challenges that we face. The other big partners who are at the

community planning table now should also be contributing to the process.

On your final point about how we measure, there are robust systems of accountability for the management of SIP moneys and for what SIPs achieve, which they are now required to list. We are just about to go through that process again; I think that that is called the transition framework, which is another user-friendly term. A SIP must make specific measurements and follow certain directions, but then they must respond in terms of specific outcomes. Ian Mitchell can perhaps add to what I have said.

**Ian Mitchell (Communities Scotland):** At present, SIPs work to a set of core compulsory indicators to ascertain how SIP areas compare with non-SIP areas. For example, one such indicator is the total number of claimants in receipt of unemployment benefits; another may be the number of households with domestic access to the internet. In turn, those indicators are linked back to the social justice milestone. Therefore, we can track annually the indicators within SIP areas and how those areas perform compared with non-SIP areas. However, as the minister said, we need to get better at doing that. Part of the integration process with community planning is to get other budgets working for regeneration and towards meeting the sort of indicators to which I referred. The means of doing that is to have what is known as a regeneration outcome agreement which, as we have talked about already, compares the inputs—the spend—with what we get out of the sausage machine at the other end, if I can put it that way.

The big challenge for us is that many other agencies and budgets are working towards similar ends as SIPs—tackling poverty and closing the gap on some of the key indicators. There is a challenge ahead for us, but regeneration outcome agreements are the right way forward if we are to tackle it.

**Donald Gorrie:** One of your priorities is the futurebuilders fund. How much money is in the budget for that, and how exactly will it work to support the delivery of public services by voluntary organisations?

11:45

**Ms Curran:** We are looking at the detail of that at the moment, and are about to make an announcement, so I cannot give you figures on the fund. However, we will happily give them to the committee when the announcement, which is imminent, is made.

**Donald Gorrie:** Will it work only with what one might call pure voluntary organisations, or will it help voluntary organisations and others to work

commercially in the community on small profit-making but not profit-distributing ventures?

**Ms Curran:** Without indicating what the announcement might be, I can say that that is certainly being considered.

**The Convener:** I call Scott Barrie.

**Ms Curran:** Scott Barrie has come round again—I was beginning to relax.

**The Convener:** Sorry. Did you think that we all got only one shot?

**Scott Barrie:** I am sorry if I strike such fear and trepidation in you, minister.

The final paragraph on page 125, under “New resources”, indicates that there is

“£65m of new funding across the Executive to support the implementation of the anti-social behaviour strategy.”

There is also a clear indication where £30 million of that funding comes from. The paragraph continues:

“Further details of the remaining £35m of funding will be provided later.”

Are you in a position to indicate where that £35 million will be drawn from and what it will be used for?

**Ms Curran:** I refer back to Stewart Stevenson’s contribution—I keep doing so with his and Mary Scanlon’s contributions. As I said, this is the great joined-up Executive. The £35 million is in Cathy Jamieson’s budget, under her responsibilities for antisocial behaviour. Mike Neilson has some details on that.

**Mike Neilson:** The £35 million will go into Cathy Jamieson’s budget. It is currently in the reserve—£15 million in 2004-05 and £20 million in 2005-06—and will be transferred out. It will be used across prevention, support and hearings, as part of the antisocial behaviour strategy in the Minister for Justice’s portfolio.

**Scott Barrie:** That is helpful. I know that the justice committees questioned Cathy Jamieson on that point last week.

**Donald Gorrie:** Antisocial behaviour is such a wide subject. Recent research shows that most persistent offenders who came before children’s panels had previously been before the panel because they were in need of care and protection. That means that we have to help families at a much earlier stage. Can you get hold of money to increase expenditure in the relevant budgets to help the overall situation? It is not just about banging up difficult teenagers.

**Ms Curran:** Through my recent work on antisocial behaviour and through talking to a lot of people who work in the hearings system, one of

the most striking conclusions that I reached was about the number of young people who present for welfare reasons, particularly when they are younger, but whose disposal is not properly followed through, for whatever reason—I am sure there is a variety of explanations.

Some of the resources that we talked about perhaps relate more to Cathy Jamieson’s budget than to mine. However, we have to tackle the situation with disposals. We hope to do specific things to make disposals work, because we know that a variety of measures work in communities, if we get in early and work with people when they present for welfare reasons. We know that providing communities with resources, be they from the SIP or the local authority, works. The issue is having that framework.

I argue that some activities under SIP budgets contribute to creating a healthy community that can meet some of the young people’s needs, whether those are leisure needs or more intense needs, for which a community must make provision. Part of the budget is intended to do that. Disaggregating that is difficult, but some targeted expenditure must relate to hearings.

**Stewart Stevenson:** I will talk about the most exciting topic of the day—end-year flexibility. The communities budget shows that £24.8 million was carried forward. From what projects did that money arise? I suggest that part of the money might be contingencies in spending on projects and in the budget allocation for meeting targets. If the Executive does not include contingency, I do not know how it can manage projects. Is that £24.8 million simply unspent contingency in your projects, or is it the result of changes in timetables and of delays? What is the character of that money and what are the activities that have not spent money?

**Ms Curran:** Mike Neilson will provide some of the detail. Broadly speaking, I understand that the cause is slippage more than anything else. We are tied to the hands of other people for the spending from some of our budgets, particularly on community ownership. For example, a local authority might decide not to ballot tenants within the time frame that we thought was possible. I suppose that calling that money a contingency is one way of describing it. However, a programme might slip for whatever reason, and some programmes have slipped. We are trying to do a lot to prevent that, so we are sharper about when decisions are made, to avoid a slippage routine. Some programmes have an underspend, but those big chunky issues are the main cause.

**Mike Neilson:** That is right. The underspend is not just a contingency that is rolling over, but includes slippage by some projects. The minister mentioned community ownership. Some slippage

has occurred on temporary accommodation for homeless people. The mortgage-to-rent scheme was introduced later than planned, so that slipped too. If that is added to some of the programmes that Communities Scotland manages, that shows where the funding is. Most of the money that was unspent in 2002-03 will be spent on programmes that had been planned; it will just be spent a year later.

**Stewart Stevenson:** That is a rational and understandable reason for a delay in expenditure that is still intended and therefore accounts to an extent for what that money will be spent on this year. However, as someone is accountable for the projects concerned, are you satisfied that you are alerted early enough to such slippage? I presume that the financial resources that are not being spent are associated with other resources, such as human resources, that are not being deployed on activities that are crucial to your political and policy agendas. Does that create the opportunity for you to redeploy on other initiatives resources that are not required because of slippage in targets, or does the system not work in a way that allows you to do that? If that were possible, we would not have the kind of end-year flexibility that we have seen. We would have the opportunity to accelerate other initiatives and spend the money during the current year.

**Ms Curran:** That question is interesting and I am sure that we will return to that theme. The answer is that both options apply. If a programme is not expected to spend for a variety of reasons, spend might be redirected more appropriately to where it will work. However, we are governed by some of the broader rules, so that we are properly accountable for expenditure. I cannot spend the budget on a whim; spending takes place within a framework. We can redirect spend if we think that things are not working. Broadly speaking, we have been reasonably effective in that. I will ask Ian Williamson to comment, because we have done some of that with Communities Scotland.

**Ian Williamson:** Generally the underspends are slippage, as the minister has explained. The fact that a contract is not spending as fast as was intended does not necessarily mean that a lot of people are sitting around twiddling their thumbs waiting for the contractor to lay another brick or do whatever he is doing. Although in principle it sounds as if there should be flexibility, the reality is that there is comparatively little flexibility to redeploy individuals associated with the programmes because the programmes are underspending.

Mike Neilson mentioned the mortgage-to-rent scheme. Given that the scheme started later than we had hoped, we took the opportunity to transfer the unallocated resources within its budget to the

development programme and they have been applied to housing programmes. I assure the committee that the staff who are involved in the scheme are still employed fully in processing applications and so on. There was not an opportunity to redeploy the staff purely because the budget was running behind schedule.

**Stewart Stevenson:** One of the rules in management theory is that if one gets four months' notice of a month's delay, one can do something about it. I get the impression from your answers that you are finding out about the delays once they have occurred rather than in advance. If you had more notice, that would give you the opportunity to propose to the appropriate decision makers that things be changed. Is that a fair comment?

**Mike Neilson:** Throughout the Executive a big effort has been made to reduce annual underspends through much closer in-year monitoring, particularly mid year when there is still time to adjust priorities. There has been a substantial decrease in underspend in the Executive between two years ago and last year because of tighter overall management.

**Stewart Stevenson:** I am afraid that achievement is more important than effort.

**Ian Williamson:** As part of the management process, the budget for Communities Scotland is now in excess of £500 million. Every month we undertake an assessment of expenditure against budget and of what the forecast outturn will be. That is fed into the minister's portfolio and considered. On the basis of the returns, judgments are made about whether it is appropriate to switch resources.

**Stewart Stevenson:** Given that most of the £24.8 million will be spent later, will any of it be spent on things that we have not heard about? Does the situation create opportunities for you and, if so, what are they?

**Ms Curran:** It can create opportunities, but I cannot inform the committee of anything as yet.

**Donald Gorrie:** You have an excellent target to provide free debt advice by 2006 for all those who need it. Is there money in the budget for that?

**Ms Curran:** Yes. I am sure that if we have outlined that target, there must be money in the budget for it. As I understand it, our contribution to that—it is a shared Executive objective—would be in the promoting social inclusion budget. Is that right, Kay?

**Kay Barton:** The communities portfolio's share is in the promoting social inclusion budget. Our share of the £3 million that you are aware of, which has gone into front-line money advice, is £1.1 million, which has been in that budget line

already. We will add new resources next year and the year after that and the minister will make an announcement when we are ready to say how we will use the resources.

**Donald Gorrie:** I hope that more of it can go to the non-statutory advice givers and less to the local authorities, which have nicked rather more than they should have done this time.

**Ms Curran:** That has been a matter of some discussion, but current expenditure, as far as we have assessed it, is split half and half between the sectors. Rather than starting an argument, I shall leave it at that.

**The Convener:** You might create an argument inside the committee, but historically we all have differing views on the roles of the different sectors in providing debt advice.

I thank the minister and her officials for attending today's meeting. I hope that it has provided a useful dialogue as well as the opportunity to answer questions. You said that there were a number of points that you would clarify, and it would be helpful if you could write to the committee with that information. There may be other ways in which we can come together to discuss those points.

## Subordinate Legislation

### Compulsory Purchase of Land (Scotland) Regulations 2003 (SSI 2003/446)

12:00

**The Convener:** The committee will now consider, under the negative procedure, the Compulsory Purchase of Land (Scotland) Regulations 2003. The instrument is subject to annulment under rule 10.4 of the standing orders. No motions to annul the instrument have been lodged with the chamber desk. The committee has been sent copies of the instrument and the accompanying documentation. Are there any comments?

**Stewart Stevenson:** It is clear from the Executive note that the changes that are being made under the Scottish statutory instrument derive from the passage of the Title Conditions (Scotland) Act 2003. I do not seek to oppose the progress of this SSI, but it raises one or two questions that I suggest the committee writes to the appropriate minister to get answers on. Specifically, the compulsory purchase of land will interact with two acts that the Parliament passed in 2003. Part 2 of the Land Reform (Scotland) Act 2003 creates a community right to buy and part 3 of the same act creates the crofting counties right to buy. The Agricultural Holdings (Scotland) Act 2003 creates a right to buy for tenant farmers under certain circumstances.

The triggers for the right to buy on those two acts are basically the same—at least, the part 2 right to buy and the agricultural holdings right to buy are the same—in that it is when the owner of the land is selling it that the opportunity to buy arises. I wonder how the Compulsory Purchase of Land (Scotland) Regulations 2003 interact with those acts. Do they pre-empt the right of a farmer to buy land under the Agricultural Holdings (Scotland) Act 2003? Do they pre-empt the right of a community to buy land under part 2 of the Land Reform (Scotland) Act 2003 or the right of a crofting community to buy land under part 3 of that act? The area is complex and it is important that we understand the interactions of the various rights that exist. Otherwise, the good work that has been done on those two acts could be undone.

I recognise that the SSI that is before us today is not making changes in that area, but I think that it gives us a useful opportunity to ask those questions. It might be useful if the committee were to write to the Minister for Communities about that.

**The Convener:** I put to the committee Stewart Stevenson's suggestion that we ask those

questions of the appropriate minister. Do members agree that we should write in those terms?

**Members** *indicated agreement.*

**The Convener:** As there are no other comments, is the committee content with the SSI?

**Members** *indicated agreement.*

**The Convener:** In that case, we conclude that the committee does not wish to make any recommendation in its report to the Parliament. Do members agree that we report to the Parliament with our decision on the instrument?

**Members** *indicated agreement.*

*Meeting closed at 12:03.*



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