OFFICIAL REPORT
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Social Justice and Social Security Committee

Thursday 19 February 2026

Session 6

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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE
7th Meeting 2026, Session 6

CONVENER

*Collette Stevenson (East Kilbride) (SNP)

DEPUTY CONVENER

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

COMMITTEE MEMBERS

Claire Baker (Mid Scotland and Fife) (Lab)
*Jeremy Balfour (Lothian) (Ind)
*Marie McNair (Clydebank and Milngavie) (SNP)
*Carol Mochan (South Scotland) (Lab)
*Alexander Stewart (Mid Scotland and Fife) (Con)
*Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Gerry Boyle (Dignity Funeral Directors)
Jim Brodie (Brodies Funeral Services and National Association of Funeral Directors)
John Halliday (Caledonia Funeral Aid)
Andrew Purves (William Purves Funeral Directors)
Shirley-Anne Somerville (Cabinet Secretary for Social Justice)
Adam Stachura (Age Scotland)

CLERK TO THE COMMITTEE

Diane Barr

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 19 February 2026

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Collette Stevenson): Good morning and welcome to the 7th meeting in 2026 of the Social Justice and Social Security Committee. We have apologies from Claire Baker.

Our first item of business is to decide whether to take items 5 and 6 in private. Do members agree to do so?

Members *indicated agreement*.

Subordinate Legislation

Social Security Up-rating (Scotland) Order 2026 [Draft]

Social Security (Up-rating) (Miscellaneous Amendments) (Scotland) Regulations 2026 [Draft]

The Convener: Our next item is consideration of two draft Scottish statutory instruments. The instruments were laid under the affirmative procedure, which means that the Parliament must approve them before they come into force.

I welcome to the meeting Shirley-Anne Somerville, the Cabinet Secretary for Social Justice, and her officials from the Scottish Government. Kyle Murray is procedural and international policy team leader, social security policy, and Fiona Bowen is a lawyer. Thank you very much for joining us today.

Following the evidence session, the committee will be invited under item 3 to consider motions to recommend that both instruments be approved. I remind everyone that Scottish Government officials can speak under this item but not in the debate that follows.

I invite the cabinet secretary to make some opening remarks on the SSIs.

The Cabinet Secretary for Social Justice (Shirley-Anne Somerville): Thank you very much, convener, and good morning. I welcome the opportunity to speak to the draft uprating regulations and order.

The Scottish Government is clear about the importance of protecting the real value of social security assistance, particularly at a time when household costs remain under pressure. Uprating payments in line with inflation is essential to ensure that support continues to make a meaningful difference in people’s lives.

The instruments increase all social security payments by 3.8 per cent, in line with the 12 months to September 2025 consumer prices index rate, which is a leading measure of inflation. The exception is the industrial death benefit, which will increase by 4.8 per cent, which is in alignment with the Department for Work and Pensions and reflects growth in earnings.

I take the opportunity to confirm that, following its introduction during 2027-28, the new Scottish child payment premium rate for children under the age of one, which was announced as part of the Scottish budget, will be included in the regulations that we introduce annually to uprate benefits in line with inflation.

In addition to increasing the payment rates, the regulations make a number of other changes, such as increasing the earnings limit from £196 to £204 for both carer support payments and carers allowance. This will ensure that carers who are in paid work can continue to access support as wages rise.

Other minor changes are intended to update legislation so that it accurately reflects the policy intention or to correct drafting errors. These include amending the Carer's Assistance (Carer Support Payment) (Scotland) Regulations 2023 to clarify the effective date of the end of a carer support award when a client has died and addressing a typographical error in which the year 2026 was unintentionally omitted from a provision.

The regulations also amend the Winter Heating Assistance (Pension Age) (Scotland) Regulations 2024 to clarify that each member of a couple should be treated as though they were entitled to the qualifying benefit, to ensure that the original regulations operate as intended for couples.

The regulations contain saving and transitional provisions so that the previous values of assistance are still payable in certain circumstances. This includes provisions addressing an issue related to the transitional rate of adult disability in 2025-26, where it was not uprated in the legislation, although it is important to note that people were still paid the correct uprated amount.

Subject to parliamentary approval, the increased rates and additional changes will come into effect from April 2026.

The Convener: Thank you, cabinet secretary. We will now move to questions. Our questions on both instruments will be directed to you, but I reiterate that you are welcome to invite any officials to respond, should you wish to do so. I invite Jeremy Balfour to ask the first question.

Jeremy Balfour (Lothian) (Ind): Good morning. I think that we have had this discussion before, but will the Scottish Government change the legislative basis of the best start foods payment so that it is covered by the statutory duty to uprate for inflation?

Shirley-Anne Somerville: In 2025, we extended the legal obligation to uprate in line with inflation so that it applies to all the benefits that are delivered under the Social Security (Scotland) Act 2018. It is our intention that the best start foods payment will be brought under the 2018 act in the future, so that the statutory uprating duty will apply automatically. However, in the interim period, we have made the public commitment to continue to increase the best start foods payment by inflation, so that will happen in practice. In the future, we will look to change the footing of the best start foods payment to allow that to happen by statute.

Bob Doris (Glasgow Maryhill and Springburn) (SNP): When will the Government next review its options for uprating? The reason I ask is that, as I see from the briefing, the Scottish Commission on Social Security noted that analysis was last done on uprating options in 2024 and said that they should be reviewed again in due course. What do you take "in due course" to mean?

Shirley-Anne Somerville: I note what the Scottish Commission on Social Security said in its response, but I would say that the work that has been undertaken around that, which has been discussed extensively at committee previously, has been very thorough. We therefore believe that future analysis should be carried out if there have been substantive changes in the advice on inflationary measures, whether that advice comes from the Office for Statistics Regulation or the Office for National Statistics. Those are the types of substantive changes that would suggest that the Scottish Government should review its current policy. That is the approach that we intend to take in the future.

Bob Doris: So, rather than reviewing the uprating options at a set time in the future, the approach would be to review them when required, based on events and circumstances.

Shirley-Anne Somerville: Yes. We have looked at the issue more than once since we began the journey in relation to social security. I am certainly content with the position that we have at the moment, and it is important that we look to question the policy position if there is a substantive change of the sort that I have mentioned.

Alexander Stewart (Mid Scotland and Fife) (Con): Good morning. When considering medium-term financial planning, how does the Scottish Government take account of the possibility that inflation might differ from the forecasts and of the impact that that might have on social security spending?

Shirley-Anne Somerville: As the committee is aware, the Government uses the Scottish Fiscal Commission's independent forecasts for the budget and medium-term financial planning, which include the latest economic and inflation forecasts. Any increase in future years' inflation compared to the SFC's forecasts will be managed through future budget allocations. As the committee is aware, we need to take account of those things.

The Government has always produced a balanced budget, looking to fiscal sustainability and ensuring that we continue to prioritise social security as part of that. However, the forecasts that are provided by the Scottish Fiscal Commission

will allow us to ensure that we are looking at that in the medium-term financial planning window as well.

The Convener: Thank you. We now move to formal consideration of motions S6M-20533 and S6M-20602.

Motions moved,

That the Social Justice and Social Security Committee recommends that the Social Security Up-rating (Scotland) Order 2026 [draft] be approved.

That the Social Justice and Social Security Committee recommends that the Social Security (Up-rating) (Miscellaneous Amendments) (Scotland) Regulations 2026 [draft] be approved.—[*Shirley-Anne Somerville*]

Motions agreed to.

The Convener: The committee will report on the outcome for both instruments in due course, and I invite the committee to delegate authority to me as convener to approve drafts of the reports for publication. Do members agree to do so?

Members *indicated agreement*.

The Convener: I thank the cabinet secretary and her officials for providing evidence today.

I suspend the meeting to allow for a change of witnesses.

09:11

Meeting suspended.

09:12

On resuming—

Funeral Support Payment

The Convener: The next item of business is a round-table discussion on the funeral support payment. I welcome our witnesses to the meeting. With us, we have: Adam Stachura, director of policy, communications and external affairs, Age Scotland; John Halliday, chair, Caledonia Funeral Aid; Jim Brodie, managing director, Brodies Funeral Services, who is also attending on behalf of the National Association of Funeral Directors; Gerry Boyle, regional manager, Dignity Funeral Directors; and Andrew Purves, chief operating officer and director, William Purves Funeral Directors.

The meeting is in a round-table format, which we hope will enable a free-flowing conversation. The committee is very much in listening mode today—because I told members earlier that that is what will happen—so, if you wish to speak, please do so.

We intend to address four main themes, and we have about an hour and 15 minutes, give or take, in which to do so. I encourage members and witnesses to be as succinct as possible in their questions and answers.

I will introduce the first theme, which concerns the issue of whether the funeral support payment is made to the client or the funeral director. I want to specifically address the effects of giving clients a choice about whether the funeral support payment is made directly to them or to the funeral director. From the information that we have received, we know that around 60 per cent of payments are already issued directly to funeral directors. However, we have also heard concerns from some stakeholders about non-payment and potential financial risk. I am keen to explore the scale of the risk and the extent of the issue, whether the evidence supports any structural change and whether there are any proportionate alternatives that protect bereaved families and funeral providers. My first question is, are we talking about a small minority of cases, or is the issue more widespread? Jim Brodie, would you like to come in on that?

09:15

Jim Brodie (Brodies Funeral Services and National Association of Funeral Directors): Yes, it is a small minority of cases—it is not a huge number. The vast majority of people we serve are aware that a fee has to be paid to us, and we receive that money. However, if two, three, four or five cases do not pay, we not only lose the money that would have been paid on our account, but we also have to pay £2,500 or £3,000 in burial and

cremation fees. Therefore, when we do not get paid for a funeral, there is an unintended effect on everybody else. There are funeral directors out there who are half a dozen funerals away from being out of business—the market is very tough at the moment. People take on the work in partnership with the Scottish Government, in a sense, with the expectation that they will get paid after the money is diverted to the applicant. However, sometimes, they are left with a bill of £3,000, £4,000 or £5,000 that they have to pay, because they know that they are not going to recover it. That happens in only a small number of cases. I am not saying that it is a huge problem, but it can take 10 funerals to recover the cost of a funeral that someone has not paid for. That affects everybody else's funeral fees, because we have to recover it in some way. It is not a big amount, but it is a significant vector in terms of what happens to everybody else.

Gerry Boyle (Dignity Funeral Directors): The important thing to say is that most of the burial and cremation facilities are owned by local authorities. They do not have any bad debt, because they send all their accounts to funeral directors, and funeral directors pay them. If funeral directors do not pay those bills, they do not get access to the cemetery or the crematorium. If someone does not pay us, there is a double-dunt effect, as it were, because, as Jim Brodie touched on, not only do we not get paid, but we have to guarantee payment, irrespective of whether we get paid. It is important to bear that in mind.

John Halliday (Caledonia Funeral Aid): Caledonia Funeral Aid does some funeral arranging, but our perspective is different, in that we are a charity and social enterprise, and, a lot of the time, we work with and provide advice to people in funeral poverty. Therefore, we come at the issue from a slightly different angle and have less to gain by saying that the payment should go directly to funeral directors most of the time.

I broadly share the view that there is a problem in the system, in that, in a minority of cases—it is an important minority of cases—the payment goes to families who fail to pass it on to funeral directors. I understand that that problem is offset by the idea of taking a non-judgmental and empowering approach for people facing poverty, which is actually what I would normally advocate. However, I think that this situation is slightly different, and that the wider market effect of the problem means that there is a reason to act on the issue.

Because we work with people in funeral poverty, we do not expect any deposit to be paid, and we lose a lot of money because of that, frankly—there are no two ways about it. When they are approached by someone who is likely not to be able to pay in the longer term, private sector funeral directors generally require either the full amount to be paid up front or a significant deposit to be made. That makes it hard for people to start to have the first conversation around someone being brought into the care of the funeral director and we find that, because of the need for funeral directors to look after their profitability, people who are on benefits or will have to apply for a funeral support payment are sometimes turned away. Not all funeral directors do that, but it happens enough that it is a problem. We often end up dealing with people who have been turned away by two or three funeral directors because they cannot pay up front and the firm is worried because of the fact that it has no way of being sure that it will receive the funeral support payment.

The wider market impact of that issue is creating the biggest problem. The very small number of people who keep the money and do not pass it on is having a ripple effect whereby a much broader range of people on benefits are now being negatively affected as a result of that kind of natural correction by people who are worried about it.

The Convener: Thank you. Would anyone else like to comment?

Andrew Purves (William Purves Funeral Directors): The other thing to bear in mind is that the people who claim or are eligible for funeral support payment are often in financial poverty. When a huge chunk of money suddenly arrives in their bank account, they are faced with a choice between paying that to the funeral director and keeping it. That is a very difficult position to put some people in, and I think that it is unfair to put them in that position.

The Convener: Thank you—that is a good point.

I see that John Halliday wants to come back in.

John Halliday: In the event that it is decided that it would not be the right thing to do to make the funeral director the default recipient, there are a couple of small, proportionate changes that could be made.

One of those changes relates to the fact that Social Security Scotland does not notify a funeral director to say that an FSP application has been made in which that funeral director has been identified. A member of the public will contact Social Security Scotland and identify a funeral director, but that funeral director is not then made aware that that has happened. Even that small change—which I understand would have a data consequence—whereby a funeral director would be informed that they had been identified in an FSP claim could make a big difference in giving the funeral director a sense of security from knowing

that someone had progressed matters. It is against my business interests to say that, because we end up dealing with the consequences of such situations, but that would be one way of doing it.

The other change that could be made relates to the fact that, during the process, people can change the person to whom the funds will go. They might initially have named the funeral director as the person to whom the funds will go, but that can subsequently be changed without the funeral director being notified. We sometimes work with people and collaborate with them on filling in the form, only for them to be asked again, at a later point, "Do you want the money to go directly to you or do you want it to be used to pay off your debt?" If the process was corrected so that the funeral director was informed about what was happening in such circumstances, they would have a clearer idea about when to be more relaxed about working with people on benefits.

The Convener: Thank you for that information. Gerry, do you want to come back in?

Gerry Boyle: At the point at which families come to funeral directors, we have to make a commercial decision about whether to deal with them straight away, to ask them to come up with some money or to tell them that we will do the funeral once they have received the funeral support payment. Each funeral director has to make a commercial judgment about that. Even though someone might have said that the money is to go to the funeral director, as John Halliday mentioned, they are asked again, "Are you sure that's what you want? Do you not want the money to go to you?" As Andrew Purves said, that puts people in an unfair situation.

At the point at which the person gets the funeral support payment—sometimes, they will not get it—the funeral director might already have carried out the funeral. For any commercial service, a commercial assessment of someone's ability to pay for that service would be considered at the point at which the business took it on, but funerals are different—funeral directors do not do that. If a funeral director has taken on a funeral in those circumstances and, for whatever reason, the person takes the money and does not give it to the funeral director or they simply do not get the money, because of the economic band that such people are in, funeral directors are very limited in what they can do to recover the money from them, because they do not have any money to recover.

Alexander Stewart: Roughly, how many people fall into that category, whereby the funeral director does the funeral but, at the end of the day, the person does not have the financial resources to pay for it and the funeral director has to take that hit? Does that happen regularly or only on an ad hoc basis?

Gerry Boyle: We can give people advice about what the criteria are—we can offer the best advice that we are able to—but the decision as to whether somebody gets the funeral support payment is not down to the funeral director.

Funeral directors have to take a commercial decision about whether to deal with people when they come in and not ask them to wait until they get payment. We do not wait until we get payment; we deal with people when they come in. For the most part, that works out all right and we come to some arrangement with the families. Generally speaking, however, funeral directors should not be asked to gamble on whether they get paid.

Alexander Stewart: That also puts the family in a difficult position because they are relying on what might happen, as are you, but you will be the one who is worse off financially.

Gerry Boyle: Funeral directors serve their communities and they have done for generations, and they quite quickly get a reputation for being helpful or for not being helpful, but they are damned if they do and damned if they don't. You might be the best funeral director in the world but the poorest funeral director in the world because you do not get paid, or you stick to your guns and ask for some money and you are called all the bad gets in the world.

The Convener: We are triggering a lot of discussion, so thank you for that. Jeremy Balfour wants to come in, then we will go to John Halliday and Jim Brodie.

Jeremy Balfour: We will come on to this more fully later but, as we are discussing it now, I am interested to know how long it takes between someone making an application to Social Security Scotland and getting a decision. Perhaps John Halliday knows the answer to that.

Secondly, I have a concern about rural areas where there might be only one firm of undertakers. There is a multitude of choices in the cities, but what would happen in a rural area when a family has a bad reputation? From your experience, what would happen if a local undertaker in such a situation said no?

Jim Brodie: I will take the second question first. I can comment only on our own approach. We have never refused anyone, no matter what their reputation was. We have taken on a funeral when we knew that it meant a bad debt waiting to happen. That is how we support the community that we are part of. That is the financial risk that we take every time we accept a funeral.

On the point about rural areas, we have two parlours in places where we are the only funeral director in the village, for want of a better term—I do not want to quote "Little Britain" too much. We do not refuse anybody, but, unlike Gerry Boyle's firm Dignity, which is a big company, we had to make a decision between three and three and a half years ago that, if the money to pay for it was not in place, we would not conduct the funeral. We would bring the person into our care and they would be in our refrigerated facility, we would give the family as much support and advice as possible, but the day and time of the funeral would not be arranged until the money was paid. We had to do that.

We now have no bad debt because of funeral support payments, because we will not do a funeral until money has been paid to us. That is for everybody's security, and we can say to every client that they are being treated exactly the same. It 100 per cent goes against the grain, but it is the only way that we can be fair and equal and can treat everybody with the same respect.

John Halliday: I will also go backwards in the order of questions. When we set up Caledonia Funeral Aid, we assumed that, because the majority of people facing poverty in Scotland are around the greater Glasgow area, that is where we would find most of the people who needed our support. However, because of the large amount of competition and the high number of funeral directors in that area, not the majority but a disproportionate number of the people who come to seek support from us are from rural areas. They might not have a second choice to go to, or they might not have any viable options available to them.

In Edinburgh and the surrounding areas, burials are more expensive, costs are higher and—this is no slight on any one funeral director—there seem to be more examples of people struggling to get started with funeral directors because there is a hesitancy about taking on people who are on benefits. We see a disproportionate amount of that happening in Edinburgh and areas around it. Again, it is not half of our work, but it does come up a lot.

On the point about what happens when people fall foul of the system, I will mention not a statistic but a single anecdote. We had a recent example of someone who earnestly entered into an agreement with a funeral director for a funeral while assuming that they would get funeral support payment. At first glance, everyone assumed that that would be the case. That particular person had experienced really deep poverty for a long time, but happened to be on contribution-based employment and support allowance rather than income-related ESA. As you might imagine, they were not quite conversant enough with their benefits to realise that they would not be eligible for the funeral support payment. Everyone had conversations about how they were definitely getting the payment and that it was absolutely sewn up. A private sector funeral director lost the entire sum, and it created a really hostile relationship when they followed up on the bad debt. Everyone—both the funeral director and that person—was significantly worse off for having had that interaction. It was based on people's natural misunderstanding of the benefits system, because there are cut-off points that are unclear. Having a period in which a funeral director has to take that gamble affects not just funeral directors and their profitability, but the lives of people who are in poverty.

09:30

The Convener: I invite Bob Doris to come in, and I think that Gerry Boyle wants to come back in. I am looking around the room to see who else has their hands up.

Bob Doris: I have a brief thought. I note that, in 2025-26, £12.1 million was paid out in funeral support payments. I want to talk about whether that is a sufficient amount to fund the value of the services. I am sure that we will look at that in a moment, but that is still a lot of money in the system. If only a small number of funeral directors are being hit by this issue—albeit disproportionately—could any sharing of risk be achieved in the system? Some funeral directors are doing okay out of the system, but others are not. If those who are willing to take on people on low incomes or on benefits accept a higher risk, a risk share arrangement between funeral directors might be a way in which some of the smaller providers could step forward as the only funeral service in their local area. They would know that, if they were let down for whatever reason, they would have the heft of the sector behind them. Have any discussions like that taken place?

Jim Brodie: In a word, no.

Bob Doris: Should they take place?

Jim Brodie: Yes and no. I see where you are coming from, but the funeral trade is a really fractious sector at the moment. The only thing that you will get five undertakers in one room to agree on is that the sixth who is not there is an idiot—literally. That is part of the problem that we have.

Bob Doris: They should get into politics. [*Laughter.*]

Jim Brodie: You do not want that.

The simple way to share risk would be for Social Security Scotland to pay the burial or cremation

fees directly. That is the form of risk sharing that would make most sense. Instead of paying the funeral director the whole amount, local authorities and the burial and cremation authorities would take part in the system. Most funeral directors reduce the cost of a funeral where a funeral support payment is involved. We take money off the cost of a burial or cremation in such cases, but councils and crematoriums do not. If a child under 18 dies, their family can apply to the Government for recompense for that burial or cremation. We cannot. What is the difference between the family of a child under 18 and someone who is in such a severe financial position that they cannot afford a respectful funeral?

My argument would be that the whole sector should be involved, not just funeral directors. Burial and cremation authorities are guaranteed to be paid, either by us or by the state, so they carry no risk at all. We in the funeral sector are taking it all on our own shoulders. As a stakeholder, I say that if there were no funeral directors there would be no funerals, and then you would have a real problem.

I am sorry—I tried to keep that short, but I cannot do short.

Gerry Boyle: I have a couple of things to say, and I will touch on Jim Brodie's last point about the burial and cremation fees. They are always paid in full. Even if the council wanted to double its burial fees next year those fees would still be paid, even though the amount that is paid to funeral directors is capped.

It is also worth pointing out that, whether we take on a funeral when the family first comes in to see us or we decide to wait until the funeral support payment comes through, there is an unintended consequence for public mortuaries and hospitals because of the resulting delay in throughput of the deceased. A funeral director might not want to go to a public mortuary and remove a deceased person into their care. It might take three or four weeks for the family to come up or for the funeral support payment to go through. We would be reluctant to bring somebody into our care too soon, in case the family changed their mind or there was a difficulty and they did not get the funding. Once we have the deceased in our premises, the hospital will not take them back again. That causes an on-going delay to public mortuaries and puts pressure on national health service mortuaries in particular.

Jim Brodie: In 2015, we had a fridge capacity of nine, but it is now 40. In the past 10 years, the length of time involved has stretched from two or three days to two or three weeks. If a funeral support payment is involved, it can easily take four or five weeks. There are pressures, but, as John Halliday said, that tiny wee ripple works its way out and affects the entire mechanism.

Gerry Boyle: The provision of mortuary and refrigeration equipment on the part of funeral directors is not cheap.

Jim Brodie: It is not cheap.

The Convener: Based on what I have heard, I will try to turn the question around. Given that the majority of awards of funeral support payment already go directly to funeral directors, would removing the claimant choice entirely be proportionate to the scale of the issue that you are describing?

Gerry Boyle: I would say yes. I cannot think of any other benefit where the benefits agency goes back to the claimant and asks them whether they want the money to be paid somewhere else.

Jim Brodie: This was discussed at a recent meeting right from the word go. There were 40 people there and three funeral directors, so we were kind of outnumbered. However, what we are seeing is that—

Actually, that point is for another time, so I will leave it there—apologies.

The Convener: That is okay.

Before we move on, I remind Jeremy Balfour that it he wants to come in he should first declare his interests.

Jeremy Balfour: I am the convener of the cross-party group on funerals and bereavement. I also put it on the record that I have many friends who work for William Purves Funeral Directors and I know the family who run that business.

John Halliday: Is it proportionate to remove the choice for the payment to go to the family? I think that others might feel that that is the correct, easy answer. I reluctantly agree that that is proportionate. I would not normally say that.

Giving choice and empowerment to people in poverty, when they cannot pay for the roof over their head or put food on their table, is more important than making sure that private sector businesses' bills are paid. However, the impact of this is causing a ripple effect that is going beyond just the few people who are not paying. It is impacting people who would have paid in the first place but do not have the choice in the market to go to any funeral director. It is meaning that people are stigmatised in going to a funeral director and saying, "I cannot pay up front, so you will just have to take a chance on me." That is creating a separate level of judgmentalism and disbenefit to those people, which undermines the good principle behind the policy. I am reluctant to say yes, but I think that it is proportionate now. If it

cannot be done, I think that more needs to be done around how we use data to give more assurance to funeral directors that that payment will be made to them, so that they can go ahead.

The Convener: Adam Stachura, would you like to come in?

Adam Stachura (Age Scotland): I agree with John Halliday. Your question is about the proportionality. We have heard that, in a few cases, the lack of payment brings a significant financial challenge to the operation of the funeral director.

When thinking about this inquiry, I was also thinking about the other systems that are put in place to allow people on low incomes to access essential services, and legal aid came to mind. Solicitors rarely engage in the legal aid system, because it does not meet their costs, and it is very difficult to navigate. My slight fear is that we might get to a position in which families who want to give their loved ones a respectful and dignified send-off are unable to engage because of, say, issues of rurality, lack of choice and so on. It is a significant concern.

I just wonder whether the answers to those challenges are different from the answers to the question whether families are given the choice about getting the money. Could there be some other scheme or form of financial assistance for funeral directors, through Social Security Scotland, the local authority and the Scottish Government, that would address the bad debt element?

There are a lot of principles in Social Security Scotland, and Scotland's social security system, that probably need to be upheld. This is probably not an outlier in a sense, but let us say that there were 6,000 funerals last year for which funeral support payment was granted, and 4,000 of those payments were made directly to funeral directors. How many of the remaining 2,000 are missing? The number is probably quite small, but, as we have heard, it will have a significant impact. Such a small number might seem disproportionate, but the proportionality relates to the big impact that it is having on the sector.

I have to wonder whether the fix is not so much about removing individuals' rights and dignity. After all, funerals cost a lot more than the funeral support payment provides; at best, it will probably cover only half of the real cost. Perhaps we need to think a bit more about that safety net, whether it be for funeral directors or not. You might ask the person, first of all, whether they want the payment to go directly to the funeral director, and then you might ask again whether they are sure; there might be an element of check-in in that respect. To what extent does Social Security Scotland check that the money has actually been paid out, and how does it deal with the system itself?

An important part of the conundrum is understanding the number of people involved and what the financial cost is, and you need to do that before you can start to determine whether it is proportionate for that number of people. I am sure that, as part of this round table, you will want to talk about the other complications arising from paying for funerals that are at least respectful, if not necessarily too jazzy.

I am just sounding a note of caution. We do need to understand the financial challenges, and they will be significant, but are we trying to crack the wrong nut here? Can we do this by providing a safety net of financial security that allows funeral directors to operate in a proper way and ensures that families on low incomes do not end up in the position of having no choice at all? For example, the cheapest option for a family might be a direct cremation, but that might not fit with their beliefs. There might well be financial alignment here, but we also have to respect people's choices and understand the scale of the problem, and I do not think that we have that number yet.

The Convener: That was interesting.

I have to move on to the next theme, but we might be able to come back at the end of the evidence session and discuss this issue—that is, whether reforming the administration aspect might reduce the risk, or whether there is some middle ground to be found there. I will just leave that question with all of you, and we can return to it after we have heard evidence on the other themes under discussion.

I invite Elena Whitham to ask about our next theme, which is funeral poverty.

Elena Whitham (Carrick, Cumnock and Doon Valley) (SNP): Before I get into that, it is probably worth mentioning that, under the DWP's universal credit system, claimants are usually given all their housing costs by default. That is another instance of people having that choice—in that case, to make payments directly to their landlord. Obviously, they can choose to do that, but that is not the default position.

That brings me back to John Halliday's comments on the principle of giving people the ability to make these decisions. I am not saying that people do not get themselves into extreme difficulties through non-payment of rent, and whatever might follow from that, but it is another part of the system where the same approach is taken.

My actual question is on the effectiveness of the funeral support payment in addressing funeral poverty. I do not know whether eligibility for it

should be expanded, or whether the flat rate needs to be increased, but I would be keen to hear from our witnesses on that aspect.

09:45

The Convener: I think that John Halliday wants to come in, and then I will bring in Jim Brodie.

John Halliday: The funeral expenses payment in England, or the funeral support payment as it is in Scotland, has had an enormously positive impact on preventing funeral poverty. When I was setting up Caledonia Funeral Aid, that term was becoming important, but my actual focus is on persistent poverty—that is, the poverty that people experience. Funerals are one of those few tipping points for people. We spend a lot of time talking about the transition out of school and the fact that, if you cannot get your first job, your whole life could be spent in poverty; we also know that, when people retire, the whole dynamic of their life and income changes. Moreover, when someone loses their job, the country has a whole insurance-based system that seeks to prevent them from falling into persistent poverty for the rest of their lives.

Funerals are an unspoken tipping point in people's lives—they affect everyone. They are not things that uniquely affect certain people in certain circumstances; everyone is affected by them, and for far too many people, bereavement becomes a tipping point. They might have been just about coping before, but, afterwards, their life will never recover to where it was. Sometimes the impact is extreme, if the person who dies is the main earner in the household—say, the parent or something along those lines.

For everyone in general, bereavement is overwhelming and such an emotional time, and we often see people falling into poverty. We should think about the funeral support payment partly as a preventative measure to prevent persistent poverty. Funeral poverty is a great hook for me, as someone who runs this kind of social enterprise and charity, to talk about, but our interest is in preventing long-term poverty and its entrenchment in the lives of people who, often, might not have thought that they would experience that sort of thing.

Therefore, it is fantastic that such payments exist, and in the Scottish system, there is a lot of flexibility around who can claim, how things are done, how the payment is processed, and so on. I am not saying that people do not have small complaints, but it is making a disproportionate and enormous difference in preventing poverty. Could more be done? Absolutely, and I will say more about that after other people have had the floor, but we need to spend some time acknowledging the key role that such payments play as a preventative measure in saving a lot of people from long-term poverty.

Please do not think of it as a benefit for those in poverty who experience bereavement. It is, in fact, the opposite—it is a preventative measure.

Jim Brodie: You might find this hard to believe, and it is most unusual, but I agree with John Halliday. I know that we are keen to get into the nuts and bolts of this, but it needs to be said that the FSP in Scotland is a million times better than what the rest of the country has, and I am delighted that we have it. All it needs is a few wee tweaks to make it much fairer and more honest.

That was basically all that I wanted to say. John stole my thunder there—simple as that.

The Convener: Does anyone else want to come in on that question?

Adam Stachura: The question of the level at which a claim for funeral support payment will be accepted is a very good one. The committee might have heard me say at various times that, when it comes to, say, pension credit, the line is probably too low for most people. Half of pensioners in Scotland have incomes that are lower than the income tax threshold, but only 15 per cent of them, at most, are entitled to pension credit; that means that there are a huge number of people who live on very low incomes who probably have no other financial provision for funerals, a funeral plan or whatever.

Our latest research—our third big survey, which will be published in the next month or so—shows that about a third of older people, or even those over 50, have a financial arrangement for their funeral. That might, or might not, be a big amount. Those on incomes of less than £15,000 seem more likely to have a funeral plan than those on higher incomes. At the same time, compared with those on higher incomes, many more people on the lowest incomes—under £15,000—say that they do not have one as they cannot afford one. That, then, plays into the challenge of being able to afford something modest and dignified, whether that means taking on debt, or not being able to afford it at all and being unable to pay the bill in the first place.

There is a challenge in that respect, but the funeral support payment was not necessarily set up to address that, initially; it was just part of the transition of the United Kingdom scheme to Scotland, and there are strong arguments for looking at how it might be expanded. It is not, in the grand scheme of things, a huge amount of money that is spent on it every single year. It is a lot—about £10 million to £12 million a year—but it is not a huge amount. However, the challenge that we face in Scotland, including in the Government,

is that we do not have too many mechanisms to determine whether somebody is worthy of the payment. With the pension-age winter heating payment, we found that moving to an income tax-based element was the most logical approach to take. My point is that, without such support, many people will really struggle, as the line is very low when it comes to people's ability to access important social security elements.

Elena Whitham: With regard to eligibility, I am also concerned about people at the other end of the age spectrum. I am thinking about young people who might find themselves in a situation in which they have to take responsibility for a funeral of a parent or somebody who had been looking after them. For example, they might be a student and might not be eligible for the FSP. As John Halliday pointed out, there are people on contributions-based benefits who are on the low-income end of the spectrum who are tipped into poverty after a funeral. Has a call been made for the system to be changed to deal with that?

John Halliday: It is as though you read out the points that I had written down on my page. The example of students often comes up, along with people under 18. In some situations, students at university can be eligible for universal credit during the summer. Therefore—we have had far too many tragic examples of this—people in that position can wait a long time after the funeral and then claim the benefit just in time, because there is a narrow window in which, technically, they are not in further education. That almost feels like gaming the system. It seems perverse that there are situations in which we have to find loopholes for people. That is kind of bonkers. Someone could leave their student job, claim universal credit for a week and become eligible for funeral support payment.

There are frustrations about a number of situations. Pension credits were another issue on my list. We often deal with people who are obviously facing poverty—people for whom social security was designed, whom the whole system should support—but they do not fit the criteria.

I think that there is a need to think about just a few people who are excluded, such as students who are not on universal credit and who are not eligible for it, some pensioners where there is no money in the estate and people on contribution-based ESA or jobseekers allowance. Those ought to be situations in which we expect people to go through more claim loopholes. They must prove that there is no money and that they are the correct person to arrange the funeral, as opposed to it being the case that they are pretending to be the person who is responsible when, in fact, a different, closer family member should be arranging the funeral. In those circumstances, we would expect a higher threshold of evidence to be provided.

However, such cases break our hearts. We see them all the time. Those are the ones that filter through and end up coming to us. One thing that we do that helps to protect the system is that we sometimes end up paying for people's funerals ourselves on the basis that some kind people pay for a second person's funeral when they use our services. They let us use our judgment to decide which is the poor family that needs that money and how we can make sure that they get through the system.

The final group of people is those with no recourse to public funds. The benefits system will struggle hugely to give benefits to people with no recourse to public funds, but members of those people's families die, and they are responsible for the funerals. At the moment, we end up saying, "Although you have no recourse to public funds, we will pay for the funeral through public health funerals." Public health funerals are a form of recourse to public funds, if you see what I mean. There is an extent to which we go through the motions of saying that someone could not possibly be eligible for a benefit, but we pay for their funeral in a different way.

This is an area in which a minority of people slip through the net. We might not be able to fix the FSP to address that. We might be able to expand the provision in the Scottish welfare fund, for example, in recognition of the fact that a very small amount of money needs to be spent each year on supporting people who are what I would describe as the heartbreak cases. When you speak to them and you hear about their experience, you understand that no one would question the fact that we should be supporting them. They simply fall down on technicalities. We are talking about tiny numbers, but those are the ones that stick with us for years.

Elena Whitham: I was the political lead who helped to set up East Ayrshire's respectful funeral service, but, since then, we have had the Burial and Cremation (Scotland) Act 2016, which enabled local authorities to set their fees at what they see as a reasonable level.

Jim Brodie has brought that point into the conversation and I want to unpick it a bit and understand what driver of poverty that creates when it comes to funeral costs, especially as those payments will definitely be covered under the funeral support payment. Does work need to be done to understand what that looks like across the country, how quickly those fees are increasing and whether it is reasonable that they are increasing in the way that they are?

Jim Brodie: Burial fees are the main focus because burials are expensive. If you speak to any councillor, they will tell you, "The land costs this, the staff cost that". West Lothian, which is our main area, was very reasonable on burial fees for a long time then, three years ago, they started to go up. It was £800 to purchase a lair and, although we do not have the figures for this year yet, it is already £1,180. That is a fair hike in a short period of time.

As a rural funeral director, we do about 35 to 45 per cent burials, which is unusual in Scotland because the cremation rate is almost 78 per cent. We do a lot of burials, but since there was an extra hike last year, we have noticed that the burials rate has dropped significantly because people cannot afford £2,500 to buy a lair, so they have a cremation. We buy ashes lairs. They have a cremation for £1,200 and they buy an ashes lair for £200 and an ashes interment for £200. They can have a cremation and bury the ashes in a local cemetery that is special to the family, and it will cost them less than it would to purchase and open the ground. That is how we have tried to work it.

We also factor in having a service in our funeral homes and an unattended cremation at the crematorium, which saves the family well over £1,000. We are doing everything that we can to fit in with what the public wants and needs and also with what they can afford.

On what the drivers are, burial fees have gone up dramatically. What is it in Edinburgh?

Andrew Purves: It is just over £3,000.

Jim Brodie: North Lanarkshire has been very expensive for a number of years, because the make-up of the population means that there is very much a burial culture. Most of the people in the Motherwell area are Roman Catholic. They prefer a burial, and they are prepared to pay for it. However, we now have a lot of masses that then go to the crematorium because burial is too expensive.

Is it justified? I do not have the figures. I remember speaking to someone at Glasgow City Council years ago and they told me that the crematorium loses a fortune, but that is because the council puts the budget into sports and recreation. The crematorium makes money but the areas into which the council puts the budget lose money.

Burial is expensive, cremation is getting far more expensive and I am finding it hard to justify the cremation fees. Our new fees will come in on 1 April and it will be £1,300 for the hire of the room for 45 minutes, the use of a television screen and music system, and the cremation, whereas an unattended cremation is advertised at £500. That means that it is more than £700 just for the hire of the room and the use of the TV and music system. How do we justify that? I cannot, but fees are guaranteed and there is no bad debt. The councils can charge what they want because it is a captive market.

It is a very complicated situation and it is difficult to answer your question. There are many factors, some of which are justified and some of which are, I would say, less so.

Elena Whitham: There are calls for a payment of around the £2,184 mark, which would cover the lower-end costs of a simple attended funeral. However, when we are looking at a situation in which a lair and interment fees, if there is not already a lair there, would be more than £2,000, as it is in the local authority area where I stay, I am trying to figure out how the costs to the funeral directors and the person can be managed within the envelope of a funeral support payment and whether there is any movement in the system that means that it is not entirely on the funeral directors to reduce those costs.

10:00

Jim Brodie: As I said earlier, we take money off for respectful funerals and funeral support payment funerals. However, the councils and the crematoriums do not. There is no feedback from them. They say that everybody is treated equally. Yes, they are, but it is members of their community who are paying their council tax and who are not getting any help when they are in financial hardship. However, if you go to a councillor and say, "I want you to make less money", they will tell you where to go, because they have no money. That is a different argument, but that is where we are, in reality.

Gerry Boyle: Most local authorities do not have many avenues to increase revenue. They cannot generate revenue easily, but they can through cemeteries and crematoria. As we said earlier, there is no check on by how much they can increase the revenue, because the costs will be met by the funeral support payment anyway, because that is the way that it has been set up. They are almost like stealth increases.

They say that people get a funeral to deal with once every seven years on average. Let us say that someone in your family died this year and it cost you £1,000 to bury them. Unless you were unlucky enough to have another death next year, and it then cost you £1,500 to bury the person, you would not know that there had been a £500 increase. Most people would not know about that, because there is a longer time between funerals for them. It is a way for councils to increase revenues, because they cannot increase them anywhere else.

The Competition and Markets Authority makes funeral directors publish a list of all their prices. They have to be available on the website and on funeral directors' premises and, at the minute, the average cost is about £2,000. However, if there were some way to peg the average cost, we could set a limit that would represent the average amount that would meet the normal cost of a funeral across the piece.

The Convener: I am interested in what Gerry Boyle said about councils maximising their income, because, when Elena Whitham and I were sharing stories of our time as councillors—I was on South Lanarkshire Council—we discussed the fact that Highland Council had created a pet cemetery in order to raise revenue. Elena might remember that.

Gerry Boyle: It was perhaps 10 or 15 years ago that councils introduced resident and non-resident fees. If you were resident in the council area, you would get charged a lesser amount. However, if you were from outwith the council area, you would get charged more. Quite a lot of councils did away with that distinction, but they kept the non-resident fee when they did so, which was another stealthy way of increasing their revenues.

Jim Brodie: As Highland Council has been mentioned, I note that, if a person buys a lair in Highland, the council bills the lair holder direct; it does not send the bill to the funeral director. As far as I know, it is the only council that does that. That shows that that approach works.

Elena Whitham: I have a question on that. My understanding is that the traditional role of the funeral director is to shoulder that burden and take it away from the family at a time when it is difficult for them to have to try and pay lots of people all over the place. How does the respectful part fit into the approach that you have outlined? I understand that it would take the pressure off the funeral director and would mean that they would not be left with that debt. Of course, if Social Security Scotland were to give the money directly to the interment authority, that would also remove that risk. However, would that change the traditional role of the funeral director, which is currently the trusted organisation in that regard?

Gerry Boyle: I have no problem with us taking on that burden—that is what we have done since I was 12. The burden exists, and we are quite happy to take it on. To be honest, from a commercial point of view, the last thing that we want is for crematoriums and councils to start billing clients, because the next step would be for councils to say, "Why do we not just have our own funeral director?" There is nothing wrong with that—they can do it, and a couple of councils in England have such an arrangement, although I do not know how successful they have been. However, my point is that the council is the council and a funeral director is different. We specialise in doing one thing: looking after the dead and the bereaved. These days, funeral directors are not like the old-school arrangers who simply arranged a day and a time for the funeral; what we now do is more like what wedding planners do in relation to weddings, because funerals have become so elaborate and the ceremonies do not feature anywhere near as much religious content. A lot more is involved in a funeral than just picking someone up, looking after them, selling a coffin and taking them to the crematorium. The vast majority of funerals are not like that anymore.

John Halliday: I think that, later in the meeting, we will discuss the funeral support payment's flat rate, and whether it should increase, so it would be correct to join these two bits together. If we are talking about introducing a higher rate of funeral support payment, it is important that it does not end up being eaten up by costs at the other end, with councils or crematoriums seeing extra wiggle room to raise cremation fees or other costs.

I very much support local authorities trying to generate income, whether that is by operating a pet cemetery or through other means. We are a social enterprise, so I encourage local authorities to set up something that is not necessarily part of the local authority, but that draws on a range of social enterprise models that can generate income and compete in such a market—that makes sense.

The limiting factor is that only a small number of crematoria in which a celebration of life or memorial service can take place are available in each area. Forget about local authority boundaries, the point is that, for each person in the country, only a small number of crematoria could reasonably host such a service. Burial capacity is a clear worry in some parts of the country. In Edinburgh, we do not have enough capacity, even a few years ahead. Funerals are a fixed market, so such issues drive up costs. That means that local authorities then have to provide planning permission for new crematoria to open and can accidentally end up with a vested interest.

We have probably been saved by the fact that, over the years, lots of councillors have made decisions that are not necessarily in their local authority's best economic interests but are in the interests of people who want to have a place to go to remember someone. More crematoria have been built, but that has often been a case of turkeys voting for Christmas when it comes to council income, because it provides people with an alternative place to go.

Particularly if we are talking about increasing the funeral support payment or otherwise regulating

the funeral market, it is incumbent on local authorities to forward plan in a way that ensures that there is sufficient capacity in burials, that prices do not spike because of a lack of capacity and that people have sufficient choice when it comes to the number of places in which a cremation can take place. The issue is not so much cremation fees but the fact that a 30-minute or 40-minute celebration of life can be held in so few places that the market can charge almost whatever it likes, and it is only goodwill among councillors that has held down costs.

Elena Whitham: Thanks.

Marie McNair (Clydebank and Milngavie) (SNP): Take-up levels of the funeral support payment among those who are eligible sit at about 61 per cent, and there is a wider range of options in Scotland for when you can claim than there is with the DWP, the counterpart in the rest of the UK. The Scottish Government and other stakeholders have carried out a host of engagement measures on the funeral support payment, but how much awareness is there of it among the people you support?

Adam Stachura: That is a good question. There is not a huge amount of awareness of it, and it perhaps boils down to the fact that, as with the need for social care, the point at which people have to deal with a death is a moment of crisis, and people might not plan for or think about that. You must also consider the relatively low awareness and uptake of income-related social security anyway, as that factor is part of the picture. A lot more can be done by social security agencies—in Scotland and the UK—and local authorities to make people aware of the other routes of support in general, not just when it comes to the crisis point.

Over the years since the funeral support payment was introduced we have distributed thousands of free information guides about it, and they are quite popular. It sometimes turns out, however, that, after people find out about it, they discover that they are not eligible. People who are thinking about it may not be in the category of eligibility: they might be a little bit over. I have talked about a gap of hundreds of thousands of people in relation to eligibility for the payment, getting pension credit and paying income tax at all.

Social Security Scotland has done a fairly good job in this regard. At the beginning of the year it issued some publicity about the funeral support payment, and it would be good if such things continued. It may be that funeral directors are alerting people to it, too—I am sure that that happens, and it is an important thing to do, despite the financial challenges that might come with that.

There are big challenges with getting information to people about what they are eligible for. Thinking about age profiles, we note that—as you may have heard me say before—a lot of information is wholly online. Free paper guides, phone calls to helpline advisers and so on are important, so people can be talked through things and do not have to dig around online to find out what support they are eligible for. There are different connection points in our social security system that could do a better job than they are doing.

Marie McNair: John Halliday, are you aware of any obvious barriers to folk being able to claim?

John Halliday: There is low awareness of funeral support payment. I do not necessarily see that as such a problem, however, for the reasons that Adam Stachura has set out. It is in funeral directors' interest to mention it when people come forward. People in that crisis situation need to find out about it.

I slightly worry about people thinking that there is probably some benefit for them, whereas the vast majority of people are not eligible for it. At face value, funeral support payment might sound a bit like a universal benefit, not that people are generally conversant in things like universal benefit. People might think that, because the NHS gives people a free birth, perhaps the Government covers funerals, too.

We do not do nearly enough to raise awareness around bereavement and its consequences for people—about how hard it is to plan a funeral and about the need to have conversations about it. There is an education job to do about death, dying and bereavement. We cannot do enough, as a society, to get people to talk about it. We know that, when people have explained their wishes to one another, money can be saved. We know that, when people realise how extraordinarily expensive funerals are, their opinions about what they want for themselves are changed—that is a good thing, because they can articulate that and can think about how they are going to provide for it.

We want to encourage people to have money not just for funerals but for a rainy day. We should raise awareness of that issue. Let us help people to accommodate unexpected large costs and go through a thinking process about that. At the minute, only about 10 per cent of people have fully articulated their funeral wishes to their loved one who will be arranging it. That number is far too low. If we can address that, it would be part of a more important education task than just simply raising awareness about the funeral support payment—although it would be for a weird reason, if that makes sense.

Marie McNair: It is one of those conversations that everybody puts off.

Do you have any suggestions about changes that could be made to the qualifying criteria for the funeral support payment?

John Halliday: Either people who have no savings and are on an extremely low income should be able to claim it, even if they do not receive a qualifying benefit—there may be a robust way of working out those people's circumstances, using a more involved system—or it needs to be more clearly articulated that it is the job of a different benefit to address some of those situations. That concerns students, for instance. There are many people who do not claim pension credit but, if they were of working age, would be claiming universal credit. On the other hand, pensioners are generally not the group with the lowest provision for their funeral. When people under pension age die, they tend to have less money available.

Turning to contribution-based benefits, I do not really understand why we are excluding contribution-based ESA, specifically. We would rarely say that that applies to someone who has sufficient income, if you see what I mean. There is a sort of quirk in the system there.

If we could accommodate those cases, either through the FSP changing or through awareness of the role of other benefits in picking up well-assessed pieces, that would make a big difference.

10:15

Marie McNair: I wanted to ask Adam Stachura and John Halliday about that, but I will open it up to the funeral directors. Do they have any comments to make?

Jim Brodie: I have long felt that the council debt advice service could be a wonderful help here, believe it or not. It says in the committee's papers that FSP takes 15 days to process. I will not hold my breath.

We are talking about a crisis point in people's lives. Payments could be tied to the Scottish welfare fund or the crisis loan, which come under the same organisation. Someone experiencing a crisis could go for the loans, so they would at least have some amount of money as a deposit, which could be offset against what they get from the FSP.

Councils know the vast majority of people who are in financial difficulties, because they are helping them with lots of things, including school meals for their kids or whatever. As the former councillors here will know, the council is very much aware of the families in their community who need help, but there is no connection between that and the FSP.

In a situation where someone comes to us and says "I have no money," it is in our interest to take them—indeed, every client—through what we think they are entitled to, and to point them to other experts or advice groups who can help them. I often sit with families and do FSP applications on our computer in our office with the family present. It is in my interest to do that, and it assists the client greatly.

If there could be a coming together of the debt advice centres and the services local councils provide, with a marrying up of information, they could contact the FSP team about a family, mentioning the data indicating that they need that team's help. Although I am an undertaker, not an administrator, I would say that that could fast track things.

Gerry Boyle: I do not know how you would arrange the mechanics of the process. As funeral directors, we often know the people in our communities who need help, and they often get the help as they are getting the benefits. The people we see who are in the most difficulty are those who are sometimes categorised as the working poor: those who are just over the threshold and do not get any benefits. We talked about tipping points earlier, and, for many such families, it only takes one funeral to tip them over the edge. It would be good to find some way to support those individuals through the eligibility criteria. Those who are already in receipt of benefits will get some form of help from the funeral support payment but, if someone is just over the threshold, they are stuffed.

Andrew Purves: Similarly to what Gerry Boyle has just said, there is sometimes a misperception that, if the deceased person was on some kind of benefits, the family is therefore eligible for FSP. We end up having to explain that it is not to do with whether that person was on benefits; it is about the family's eligibility. Those people are often those who Gerry has just spoken about: they are just managing, they are working and they are keeping their family going. They can live day to day okay, but they have no savings, and, suddenly, they end up with a bill of many thousands of pounds.

I want to make one other point really clear: there are cheaper options. People can go for a direct cremation, for example. You might think that that would be a good solution for people in the category that we have discussed, but the direct cremation is not necessarily the right thing for everybody in that scenario, sometimes due to cultural beliefs, and that type of funeral is not an easy thing to catch on to.

Adam Stachura: I will go back to your earlier question about the numbers of people and why there are people who are eligible for the payment but are not claiming it.

In December, we undertook our third big survey on funeral provision, which was of 4,400 people over 50. It was the biggest survey that we have ever done and it was the single biggest survey of older people in Scotland on the issue—I talked about it earlier. This goes to John Halliday's point about ages. Of the under-60s, 15 per cent of respondents said that they have a funeral plan that either needs updated or needs a bit of a tweak, compared with 51 per cent of people in their 80s who have a funeral plan.

On income levels, of those who have an income that is less than the pension credit threshold, 30 per cent said that they have a funeral plan that states their current wishes; another 6 per cent at that income level said that they have one but that it needs updated. Therefore, about a third of those on low incomes have a funeral plan. Depending on the scale of that, they might be eligible for nothing or barely anything under the funeral support payment, because they have already made financial provision.

There are quite a lot of people who have thought about their funeral plan throughout their whole life and have made some provision. I do not know how that works in reality for funeral directors and for families on low incomes, but there is a substantial number of people who have funeral plans, although probably nowhere near enough. As I have said before, quite a lot of people who are on the lowest incomes have a funeral plan, but they are also the most likely not to have one because they say that they cannot afford it.

Those numbers are hot off the press in the sense that they have not been published anywhere else. I can submit them to the committee for further reference.

Marie McNair: That would be helpful.

Jim Brodie: You will probably have noticed that the funeral trade is going head over heels in promoting funeral plans—like you would not believe. It is another way in which we are trying to ensure that, in later life, people have a funeral plan.

The new FCA funeral plans are all insured after one year, which means that you can have a low-cost plan for a traditional funeral that is insured to be paid for at the time that you need it. There is not enough take-up of that, I would suggest. Everybody is talking about the adverts that they see on television—I will not mention them, but we see them all the time. Instead of going down that route, people could have a chat with us, we could arrange their funeral as they wish it to be, we could work out an insurance-based price and, if something were to happen after one year, it would be fully paid for. That avenue has not been explored by anybody for a long time, and it is ignored.

Jeremy Balfour: I want to go back to Andrew Purves's point. If the bereavement charities were here, I think that they would say that we cannot go down the issue of direct funerals. They have done a lot of work since Covid on what happened when people could not meet and we could not have funerals.

It would be a retrospective step if we suddenly said that, because someone does not have the money, they have to have a certain type of funeral. We definitely want to make it clear that, first, however the payment is made, it is up to the family to decide which funeral director they go to. They should not have to go to this one or that one; it is about how the money is paid. Secondly, they must get the opportunity to be able to say their farewell to their loved one, however they want to do it, and that should not be restrained by finances. We are seeing a lot of the stale legacy of Covid funerals that did not happen. If we were to suddenly say that, because people do not have money, they cannot have what everybody else has, it would be quite a regressive step in society.

John Halliday: I will quickly rattle through several things that I agree with. Gerry Boyle's point about working poor people who are above the universal credit threshold is extremely important. I was about to agree strongly with something that Andrew Purves said, but I have completely forgotten what it was.

Separately, Andrew talked about direct cremation. We provide a lot of impartial advice for people facing funeral poverty or who are facing difficulty during bereavement. We also arrange funerals for people across Scotland. The only cremations that we provide are direct cremations, so I wanted to make you aware that we have a role in that. In part, we do direct cremations because there needs to be someone providing a bit of a backstop for people who would otherwise have no choice other than to fall back on a public health funeral, and who would feel stigmatised by that. We are filling that gap.

Separately from that, we cross-subsidise as a business model for our social enterprise. There is a growing market of people who want a direct cremation for themselves. Often, people are very well meaning and they want to work with a charity or someone like us because they know that we cross-subsidise cases where we have to take a risk and we lose money because people do not pay, so that we can help people in poverty.

I want to be clear that there are lots of people that direct cremation is not for. Please do not think that, just because we are in that market in our social enterprise, we would argue otherwise. I would love it if there were funeral directors that were social enterprises across the country that could fill the gap for people who want burials, attended cremations or any combination of the above. However, I can tell you from my 10 years' experience that it is really hard to get into working in this area and to sustain it. The gap that we have is partly caused by the fact that funeral support payment is so low. It is absolutely better than nothing, but it is so low that it does kind of drive that behaviour.

I disagree with the idea that people have direct cremations and do not have memorial services. The vast majority of the people who we work with have a celebration of life or a memorial of some sort, after having had a direct cremation. It is just that they are not locked into a situation where there are only two crematoria and it is going to cost them £1,000 for half an hour and they cannot afford it. At the pub, they could have a free bar for the whole afternoon for that amount. People are using their money more wisely by saving on the costs they cannot control.

Direct cremation is absolutely not for everyone. We definitely should not propose that it is, and it certainly should not become the thing that poorer people have. That would be stigmatising. In fact, most people who have a direct cremation are perfectly able to pay. It is the flexibility that informs the choice.

However, I do not you want to fall into the trap of thinking that direct cremation normally means that people do not have a celebration of life. Typically, they do. The recent SunLife report said that 83 per cent of people have a celebration of life afterwards. I could not agree more that, without that, people often cannot move through their bereavement process, because their grief is too great. People need the ritualistic elements. It is part of being human and having that connection.

I am sorry—I talked across a few different topics there.

Gerry Boyle: I think that you would find it hard to find evidence that people were being driven to taking direct funerals because they cannot afford other funerals. Speaking as a funeral director with 38 or 39 years' experience, I think that it is fair to say that what poorer families or people who are lower on the economic scale want varies conversely with their ability to pay. The people who are buying direct cremations can well afford any of the options and they are making the choice not to go to the crematorium, whereas for the poorer families, the funeral is a ritual. It is something that takes place in their community and it is a show. They want to do the best for their mum or whoever it is. We tend to find that what they want and expect from a funeral is at the other end of the scale from a direct cremation.

It would be wrong to draw the assumption that people are being forced to take direct cremations. That is not the case.

Jim Brodie: I think that it is a postcode thing. We have funeral parlours in five locations and we can have services. We can offer the same as the crematorium in the funeral parlour and then have an unwitnessed cremation thereafter. We rarely hear of anybody having a direct cremation and then a party, because of the way that we can do it. I do not know how many people Caledonia Funeral Aid helps, but I imagine that it is a postcode lottery as regards what people can and cannot have.

Marie McNair: I note that it is also about dignity. Before I became an MSP, I was a councillor in West Dunbartonshire, and we made sure that there was dignity. We added in a celebrant when there was a public health funeral. It is good to hear that that has happened in other local authorities as well.

The Convener: That brings us to our final theme. I invite Alexander Stewart to facilitate that.

Alexander Stewart: You have already covered some aspects of this, but it would be good to get a flavour of what improvements are needed to the administration of funeral support payment. You have all mentioned the difficulties and complexities in that regard and you will all have had experiences, good and bad, to do with the timescales and other aspects of the process. Given the discussion that we have had this morning, I imagine that you will have a good idea of what needs to change. It would be good to hear which areas of the administration of the payment require changes.

We want to see improvements, and you are very much at the coalface of it all, and so it is important that we have that dialogue. Data is also vitally important, as is how it is managed and processed. That is the area that I want to discuss. I do not mind who wants to jump in first so that we can continue the discussion.

10:30

Jim Brodie: The system works well. However, it needs to be tweaked, in particular in relation to communication.

All that the FSP team is concerned about is the dialogue with the applicant. However, we are partners, and if it does not talk to us, we do not know what is happening. It is about it simply even

giving us a phone call or an email to say that an application looks like it will be okay. I do not care whether the money is in my bank account at that point; I simply need to know that it is coming. Better communication with us would be wonderful.

I will also make a further very small point, which is to ask that, when it pays us, the team tells us the name of the person who it is paying for. If we get in a few payments of the same amount, we do not know which clients they are for. Until the client gets a letter to tell them that the payment has been awarded, we do not know whose money it is. That is a small point. We need better communication.

I am not in favour of taking away the option to deflect the payment. There are occasions when the family will have already paid me, and then make an application, and I am quite happy with that. However, the team needs to tell us that that is what the client has requested and then we can say, for example, "Well, that funeral has not been paid for yet." Otherwise, there will be a conflict there straight away. At the moment, because the FSP team does not talk to us, we are in the dark. Moneys are being deflected fraudulently, for want of a better word, and we know nothing about it.

My main point is about communication. I am also in favour of the option to deflect the money as long as the funeral director is informed before it is sent. I simply ask that the team talks to us. Some of us are ogres, and some of us are not, but we are partners in getting it over the line. The system is brilliant. It simply needs that sort of small administrative change and, obviously, more money right at the start.

Gerry Boyle: I agree with everything that Jim Brodie said.

The only other thing that I would say is that, in circumstances in which the money is diverted to somebody other than the funeral director, there should be some way whereby whether we get paid is relayed back to the FSP team. If there is a great email that says, "This person is going to get it," but then, in the fullness of time, we do not get it, either directly from the FSP team or from the family, there should be some mechanism whereby the funeral director can go back and say, "You have given that person the money for us, but we are now telling you that, actually, we did not get it."

The Convener: Quite a few folk have their hands up: Gerry Boyle, John Halliday, Elena Whitham and Adam Stachura. I will bring John in first.

John Halliday: We have covered the main points, so I will use my time to celebrate what the team is doing. There is a real difference between the DWP and the Social Security Scotland team in the sense of how human and flexible the latter is, and the communications being better. That probably represents that there is more staffing involved.

However, we should celebrate the team in a way that acknowledges what happens to public services when something is new and there is a lot of investment in how it is delivered, and everyone has had to learn it and there is a new team that is invested in it. When that happens, there is plenty of capacity and things tend to work really well and be slick. However, if we think forward 20 years, I can imagine it becoming a team in which people are getting a bit fed up and for whom it feels very administrative and there is no joy in it. That is a funny thing to say, but the service is life changing for people, and there should be a sort of joy in how a Government service does these things.

We should celebrate that it is surprisingly good for a benefits administration service, on an international scale.

The staff team is new and well supported, and we should make sure that it is well supported for as long as possible. It is no one in the DWP's fault that the funeral expenses payment in England is a much worse administrative process; that is the case because it has been going for ages and it is underresourced—the investment in the benefit is not, but the investment in the team is.

Let us not forget what we have got. We must keep investing in the team, because there are surprising human relational elements. I say to Jim Brodie that there might be issues with communications, but, for the kind of team that it is, it is surprisingly good at communicating. We should pass on credit where it is due.

Elena Whitham: As a former welfare benefits adviser, I will pose a question about something that I would probably not have wanted any of my clients to have been dealing with. Something that Gerry Boyle said made me think about this: is there not a mechanism just now whereby Social Security Scotland knows when a claimant has received a payment and has not used it for its intended purposes? Is there not such a way to look at that at the moment? In any other situation, you would know—well, I suppose that if a crisis loan were not used for its intended purpose, there would be no comeback on that either.

Is there no look back to see whether something has been used? Are any statistics collected on such incidents, or do we not really have a full understanding of how many there are? I would imagine that, if there is not such a mechanism, there is no ability to ask for the money back when there has been an overpayment by Social Security Scotland.

Andrew Purves: You are right. There are often times when a family says that it is going to apply and we say, "Great, that's super," and then we do not hear anything more from them. We do not know whether that application has been successful. If it has been successful, it might be that the money has gone to the family and we are left with the debt.

On Jim Brodie's point, we are a partner in that situation, so it would be great for us to be able to know that a payment has been awarded. It would be even better for the payment to come to us, because that pays that person's debt. That is what that money should be for—it is not to go into that person's bank account; it is to pay their debt. At the moment, we do not know whether that claim has even been awarded. We hope that the money is going to come. We try to get in contact with the client, but they can decide to turn off the phone and not answer our calls.

Elena Whitham: In the same way as when housing payments are paid directly to a claimant and they are not used to pay the rent, the system cannot claw back the payment in retrospect. However, in the case of housing payments, there is a consequence, in that eviction proceedings could be started. I am trying to figure out a potential way to minimise that situation happening, because we do not want that to happen.

John Halliday: Those are quite different situations. With a crisis loan—I am wearing my other hat from a different charity—we quite often help people when they need a washing machine, for instance. If they get that loan and do not spend it on the washing machine, they still do not have a washing machine. In context of housing, they are at risk of losing their health. In this situation, there is nothing for people to lose.

Most people are paying us. We can trust people with money 99 per cent of the time. The 1 per cent would not be a worry, but there is a ripple effect on those outside that 1 per cent who are using it incorrectly. I am sure that there are no statistics on that.

Gerry Boyle: If someone does not pay their rent, they lose their house. If they do not pay the funeral director, what happens? We will have done the funeral but there might be economic circumstances that mean that, even if we were to take the person to court or to debt collection, the chances of recovery would be almost zero. We will have done the funeral and we will have incurred the debt—and we will have not only incurred that debt, we paid the cemetery or the crematorium.

Jim Brodie: The only thing that we ever get from the FSP team is a phone call to confirm that the applicant on the account, and the amount. That is it. We get a phone call—that is it. When we get that phone call, we are 99 per cent sure that the money is coming, but that is normally a day or two before the money is actually sent. That is the only contact that we ever get from the FSP team. We do the initial contact with the client on the computer, then the team phones us up and asks for the date of the funeral, which, in our case, has to be fictitious because we have not arranged it yet, because we are waiting on the money coming in.

The other thing that I should mention—and I apologise for not saying this sooner; I had it written down in my notes, but I forgot all about it—is that when we issue an invoice of, say, £1,600 for a direct cremation, that is what should be paid. However, we are paid £2,500, which we then have to give back to the client. To me, that is a kind of social engineering; it pushes people to say, "If I do not have a funeral, and have a direct cremation instead, I am going to get £800 or £900 in my pocket." For those who are financially constrained, that is a lot of money. That was just the other thing that I forgot to mention.

Adam Stachura: Just to mirror John Halliday's optimism and positivity about the system, I should say that the application process is pretty good. The form might be 30 pages long, but there is not much on each page; it is not like some of the other challenging social security forms that people have to get through. There are lots of simple tick boxes, and it works okay online. Moreover, the support from Social Security Scotland is really good, and I think that the process has been thought out well.

Colleagues at Age Scotland who support people with filling in forms, and our information services, are very positive about it, too, and that is something to be applauded. Indeed, it is consistent with a lot of the work that Social Security Scotland does.

John Halliday: I agree that it is a good system. There are a small number of cases in which people are not eligible, but if they went to, say, a welfare rights adviser, that adviser might tell them, "Hang on—it is because you're not claiming pension credit when you should be," "You could be claiming universal credit in your circumstances but you haven't been," or, "You could just change the way you're doing this." Recently, we heard from a man who did not want to claim benefits, because he felt stigmatised by them, and the advice would have been, "If you just claim benefits for a short period, it could really make a big difference to your life."

I think that there is something about the feedback being given to those who are being rejected. Instead of the onus being put on the third sector to do this, people could be told, "You might just want to check whether you're eligible for pension credit or universal credit—and here's how

to do it." The form is so simple, but the team will not have all of the facts to hand, and it takes just a few minutes to say, "Wait a second—you are in working poverty, and you have two kids. You might be able to make a universal credit claim." That sort of quick check could be done to see whether people were likely to be eligible for one of the qualifying benefits. That might just help and would be of benefit, but, generally speaking, the public sector pushes that sort of thing on to the third sector, and it would be a kind and generous move if it were built, slightly, into the process.

The Convener: Does anyone else have any other questions or comments?

John Halliday: Can we go back and talk about the flat rate issue? I am conscious that we have gone through the four topics in our conversation.

The Convener: Absolutely.

John Halliday: The elephant in the room is that although the funeral support payment is an excellent benefit, and is, in some ways, more generous than it has been, I would just note that, in the grand scheme of things, CPI has risen by 99 per cent in the past 20 years. That means that prices have roughly doubled and funerals have gone up by 146 per cent.

When funeral directors talk about that sort of thing, there is no element of it that is greed, and it is not about a lack of burial spaces or whatever. It is a nuanced point. The fact is that a lot of the costs in the sector have gone up; things are complicated, and we cannot pin the blame just on the rise in employer national insurance contributions and so on. It is a long-term issue, and it involves people's preferences changing over time, too.

Nevertheless, funeral costs have gone up. Twenty years ago, the gap between the cost of a typical, attended, simple funeral and the amount that you could claim in benefits, if you were obviously someone for whom such a safety net was intended—that is, because you were in poverty—was relatively small and manageable. The gap is now too big; it can be hundreds of pounds, but more commonly, the gap between the average FSP payment for someone who is eligible and the average cost of an attended funeral in Scotland, where funerals are a bit cheaper than elsewhere, is just under £2,000. I should remind you that my social enterprise business bit does not talk about attended funerals, so other funeral directors might think that what I am about to say is in their own commercial interests. However—and you can trust me on this, because I have no commercial interest in this happening—I think that the flat rate payment must be higher to reflect that.

Having worked with the Poverty Alliance and the down to earth project on funeral poverty, which is related to Quaker Social Action in England, we have concluded that the best way of pegging this to something that is a real trackable cost is to look at the Competition and Markets Authority rate for funeral director fees, which is £2,484. That is the latest figure that the CMA has produced, but it produces it on a regular basis. If we take that sort of approach, we are not saying that CPI inflation is relevant to funerals, because it is not. Funerals are not products on a shelf—elements go up and down in different ways.

Therefore, it would make sense for the benefit to be generous enough so that a median person having a very simple funeral with no orders of service, no flowers, no big limos and so on did not have to go into debt as a result. I am suggesting this not because we should be more generous to people in bereavement—although we should—but because it is an investment in avoiding people falling into poverty later.

We are talking about saddling an average person with £1,800 of debt in such situations, and if they are already eligible for the funeral support payment, they will be amongst the poorest in our society, and they are not going to get themselves out of that debt spiral in the next few years. As a result, their bereavement turns into a lifetime of debt and problems, and it has a much bigger long-term impact on poverty. If we were more generous, and pegged the flat rate to a figure that genuinely reflected funeral costs to a greater degree, it would be an investment in preventing poverty in the long run.

Moreover, we should not fall for the idea that we should compare what we get this year to what we got last year. We need to be thinking how, over the course of a decade, funerals have become more of a tipping point into poverty, and how we can rectify that for what, as Adam Stachura pointed out, is a really surprisingly low cost compared with any other poverty intervention that would be about picking up the pieces instead of ensuring prevention up front.

The Convener: Thank you very much, John. I am just conscious of the time, so I will try to wrap things up.

I thank everyone for their evidence today—I could sit here listening to you for longer, and could ask you lots of questions. However, from what we have heard, I think that what lies at the heart of this is people and ensuring that they can have a dignified celebration of their life.

We will now have a chat about what we have discussed, but if you have any other points that you did not have a chance to put forward, you are welcome to follow them up in writing.

I know you are all very busy, so I conclude the committee's public business and move the meeting into private session.

10:47

Meeting continued in private until 11:22.

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