

SOCIAL INCLUSION, HOUSING AND VOLUNTARY SECTOR COMMITTEE

Wednesday 15 September 1999
(Morning)

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SOCIAL INCLUSION, HOUSING AND VOLUNTARY SECTOR COMMITTEE 3rd Meeting

CONVENER :

*Ms Margaret Curran (Glasgow Baillieston) (Lab)

COMMITTEE MEMBERS :

*Bill Aitken (Glasgow) (Con)
*Robert Brown (Glasgow) (LD)
*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)
*Fiona Hyslop (Lothians) (SNP)
*Mr John McAllion (Dundee East) (Lab)
*Alex Neil (Central Scotland) (SNP)
*Mr Lloyd Quinan (West of Scotland) (SNP)
*Mr Keith Raffan (Mid Scotland and Fife) (LD)
*Mike Watson (Glasgow Cathcart) (Lab)
*Karen Whitefield (Airdrie and Shotts) (Lab)

*attended

PRESENTATION :

The Minister for Communities (Ms Wendy Alexander)
The Deputy Minister for Communities (Jackie Baillie)
The Deputy Minister for Local Government (Mr Frank McAveety)

COMMITTEE CLERK :

Martin Verity

ASSISTANT CLERK :

Rodger Evans

Scottish Parliament

Social Inclusion, Housing and Voluntary Sector Committee

Wednesday 15 September 1999

(Morning)

[THE CONVENER opened the meeting at 10:40]

The Convener (Ms Margaret Curran): I apologise to the public for keeping them waiting. We have just had a private meeting that ran over. It has been agreed that, if the committee has private meetings in the future, they will be publicised in advance so that the public is not left hanging about outside for half an hour.

Welcome to everyone who joins us for the formal part of the meeting. I can formally tell those of you who have the happy task of reading the reports of this committee that we have decided that the committee will produce action plans. For future meetings, we will be reminded of our decisions and action plans will be drawn up after them. We have a substantial agenda today, and our plan is to run through items 2, 3 and 4. That will take us up to around 11:15. We will then have a short break before moving to the questioning of the ministers.

Drugs Misuse

The Convener: Let us begin with the preliminary consideration of the drugs inquiry, which has gained a wee bit of publicity. The purpose of this paper is to get us started on the issue; it is not meant to be a definitive statement or watertight, as it must be thought through a bit. The title will be "Drugs and Social Inclusion—The Impact on Communities".

I should formally welcome Keith Raffan: we wish him well and we are glad to have him back. I say that because Keith is particularly interested in this matter and has flagged up the issue of drugs in previous committee meetings, emphasising the need for care and rehabilitation rather than enforcement. That is what we have focused on in this paper.

The proposed remit is:

1. To examine the extent to which the realities of addiction lead to exclusion for individuals, families and communities.
2. To examine current responses to issues of addiction by key agencies and services.
3. To ascertain proposals from local communities who have attempted to respond to issues of exclusion caused by problems of addiction.

4. To produce a series of short recommendations that can be passed onto appropriate sources within the parliament and the Executive.

Members can see that that is a fairly tight, small-scale remit. We do not see ourselves coming up with the definitive answer on drugs and social exclusion. We are beginning to examine community responses to issues of addiction and beginning recommendations that may go on to other issues of the Parliament. Do members want to comment on that?

Mr Lloyd Quinan (West of Scotland) (SNP): After the previous meeting, it seems that we need a clear definition. Are we talking about addiction and social exclusion or about drugs and social exclusion? If we are talking about drugs and social exclusion, which drugs are we including and which are we excluding?

Mr Keith Raffan (Mid Scotland and Fife) (LD): I am worried about the title of the paper—a small thing, but it indicates where we are going. "Drugs and Social Exclusion" is fine, but "The Impact on Communities" is not. We know that drugs have a desperate impact on communities. There should be a more definite indication of what we are looking for—what ways there are of improving the situation.

I take on board what Lloyd has just said. We have a problem. Many people are examining cross-addiction, not just between different kinds of drugs, but including alcohol—which is a kind of drug. Alcohol often leads on to the use of soft and hard drugs. That is a controversial statement, but it is a view that is held by many.

Our point is that we do not want to get into a long, extended inquiry. A short, sharp report that produces short, sharp recommendations is the way to proceed. We must be aware of the connection between alcohol and drugs.

10:45

The Convener: Lloyd is right in a sense. The title is phrased deliberately. My understanding was that the committee took the clear decision that we would examine addiction with the emphasis on illegal drugs, but all the agencies tell us that there is a clear connection between alcohol misuse and drugs misuse. Therefore, part of the inquiry is to examine those problems.

We do not want to examine alcohol issues in too much depth—the alcohol agencies do that—but we must consider the connections. That is why drugs are mentioned in the title. In drafting the title, I was guided by the agencies who felt that it would help us to get into a short, sharp burst, but the issues could be raised by the inquiry.

Alex Neil (Central Scotland) (SNP): We

agreed that we must build on the report of the Scottish Affairs Select Committee rather than reinvent the wheel. We must build a number of recommendations from that committee's report into our remit.

The committee found that Scotland is in danger of becoming the drugs capital of Europe. The number of injectors—20,000—is three times the rate per head of population in Holland. We must discover why it is so high here. We must examine the significance of Holland being a relatively rich country that does not have the massive concentrations of deprivation and poverty that we have in Scotland.

Secondly, one of the main findings of the report was the lack of information on drug use and abuse in Scotland. We must establish what information is available. I want the proposed drugs enforcement agency to have an explicit remit to address the problem of drugs in deprived areas. It should not just take a legalistic approach; it must have a social remit and powers to examine the social aspects of this problem.

The select committee reported that further information about funding is required. It is not clear how much money is spent on this problem, whether the funding is properly co-ordinated and whether we get value for money. Part of the remit should be to examine funding for prevention, treatment and aftercare. We must ensure that funding is focused properly.

The final point arising from the select committee report, which must be included in the remit, is the definition of drug use and drug deaths. It recommended that the definition of drug deaths should be broadened to include related drownings, infections, murders and road traffic accidents. We confine drug deaths statistically to those that are the direct result of an overdose of heroin or other drugs. Many other deaths are an indirect result of drug use. All those points should be included in our remit.

The Convener: I have no difficulty with that. I was suggesting that detail would be mapped out as we go into the issue in greater depth, especially the funding issues, but those are exactly the kinds of issues that we will examine.

Mr Raffan: I do not want to widen the focus of the inquiry because it is important that it is focused, but we cannot ignore the fact that drugs are as prevalent in some prosperous areas of Scotland as in others. For example, oil-rich, cash-rich Aberdeen, Fraserburgh and the Broch are among the worst areas for heroin and cocaine abuse in Scotland.

There is a clear imbalance in Government spending at the moment. Three quarters of the £1.4 billion spent in the UK is spent on crime

prevention. Only a quarter of that figure is spent on treatment, education and rehabilitation. The Government's focus is on cutting supply. It should be on cutting demand.

Mr John McAllion (Dundee East) (Lab): Even this discussion on a short, sharp inquiry is turning into a long-winded affair. We must be careful. Already we are talking about following up the Westminster Scottish Affairs Select Committee report, which in itself would be a major task for this committee. We are also considering an examination of the remit of the drugs enforcement agency, which would be another major task. Now we are talking about considering prosperous areas as well as deprived areas, where the drug problems are different. An inquiry that took in all of those recommendations would take 18 months or two years.

The inquiry must be either short and sharp or detailed. The committee seems to be suggesting that it wants the inquiry to be detailed, which will take time. Later, I will argue for a big programme of work on housing, which the committee must also address along with the voluntary sector and a range of other poverty issues. We need to make up our minds. What are our priorities?

The Convener: We can cover some of the issues in a short, sharp inquiry, but perhaps not all of them. It may be difficult, for example, to consider the enforcement agency.

Mike Watson (Glasgow Cathcart) (Lab): First, I would like the clerk to get copies of the recommendations of the Scottish Affairs Select Committee report.

The Convener: They have already been circulated.

Mike Watson: I have not seen them. In any case, it is important that we build on some of those points. We should not overdo it. I agree with John that we need to narrow down our priorities.

Alex mentioned a number of the crucial points. Funding for the various agencies and how statutory and voluntary agencies interact to ensure that there is no overlap are crucial issues. Rehabilitation centres are also crucial for treatment. I do not want to examine alcohol abuse. That is a problem, but we need to be clear what we are talking about. We are not talking about the problems associated with the use of social or recreational drugs, or problems in middle-class areas; we are talking about social exclusion and social inclusion. We need to be clear about our remit and consider the effects of social exclusion on communities.

We know which areas we are talking about. City centres are affected by drug abuse. A lot of the young people who die are found in city centres.

How does that affect those communities, which are not necessarily thought of as socially excluded? We need to be more precise in our aims, otherwise, as John said, we will get into an inquiry that will take 18 months or two years. We must keep it fairly focused and we can do that by deciding with which agencies we want to engage and from whom we want to take evidence.

Mr Raffan: May I make a suggestion? I agree with Mike and John that we must be focused, but we cannot ignore the connections. It may be useful to have written evidence on the connections between alcohol and drug abuse, for example, or between the situation in deprived areas, such as those in Aberdeen—which do exist—and in prosperous areas. We need to consider that connection, too: how drugs spread. With a problem as widespread as drugs, we cannot pigeonhole.

The Convener: We need to curtail this part of the meeting.

Bill Aitken (Glasgow) (Con): I want to underline Mike's point. I am concerned that we are losing our focus. We are here to focus on the effects of drugs on communities. If we start spreading into the effects of alcohol—although I appreciate that alcohol causes problems—we are likely to lose that focus. I am also concerned that bringing alcohol addiction into the debate is becoming a bit of a Trojan horse and that those who see alcohol as a soft drug may use that as a mechanism to press for the legalisation of cannabis. The argument is in danger of being hijacked.

I am also worried that we are being unnecessarily prescriptive. I do not want to lose sight of our focus, but a lot of people have an input into this debate. I would like us to change the wording of the third point on the paper on the remit of the proposed drugs inquiry to say that we will ascertain proposals from local communities and other interested bodies. That would enable organisations that do not meet the criteria outlined under item two on the inquiry's remit to have some input into the committee's deliberations.

Robert Brown (Glasgow) (LD): We are trying to achieve a greater understanding of where the problems come from, so that we can arrive at solutions. One of the angles that we should consider goes back to housing. Quite a lot of people who live on the streets are there because of drugs and family breakdown. We need to know a bit more about that and about how we can prevent the problem arising in the first place. Our main priority has to be the causes.

Fiona Hyslop (Lothians) (SNP): We need to remember where we came from in this debate. I argued unsuccessfully for a cross-committee

inquiry into drugs. If we had that, we would be able to consider the drugs enforcement agency and some of the health issues. We have made the decision that we do not want a cross-committee inquiry. The impact on communities—including funding—is an area where we can have a short, sharp look at the problem and that will lead us on to other areas.

Bill was completely wrong to ignore the wider view. It is important to look at the broader aspects of addiction. That might be the avenue—perhaps using written evidence, as Keith says—by which we can start to investigate with the Health and Community Care Committee and other committees. That is the point at which—as I understood we had agreed—the work that we do here will spin off into other areas.

Please do not narrow the issue down. Let us look at addiction generally, as part of this and perhaps in written form, but let us keep to the short, sharp look at the social impact of drugs. We must not lose sight of the fact that we should be looking for cross-party and cross-committee work on this.

The Convener: This issue will undoubtedly go to other parts of the Parliament—probably the committee structure—and we may be able to make recommendations to some ministers. My interpretation of our previous discussion is that this committee wants to get a sense of what it is really like to live in communities that pay the highest price for the drug problem and that that must determine our agenda. That is why I have recommended a preliminary phase. We must investigate—not necessarily formally—those communities, the people who have misused drugs and their families, who have suffered directly. A lot of evidence from those people has not found its way into the political system.

It is inevitable that we will end up looking at how projects, through-care and support strategies are funded. If we are pushed in the direction of looking at the legal system, we can recommend on. We are all well acquainted enough with the problem to know where it is likely to take us. I have no difficulty with adding other interested bodies to our inquiry. If someone has something to say to us, we must manage that sensibly. Let us see where the debate takes us before we become too prescriptive.

Alex Neil: Obviously, Margaret, you will consider the points that have been raised about planning and funding, the need for information and Mike's point about looking at the recommendations of the Scottish Affairs Select Committee. I suggest that you come back to the next meeting with a revised remit and a more detailed work programme under each of the phases.

The Convener: Perhaps I could have a word with Keith and Mike, as they have indicated a particular interest, and anyone else who wishes to be involved. The idea was that during the preliminary phase regular reports to the committee would keep us up to date. I have met a number of agencies to hear their views. I will continue to do that on behalf of the committee and to work out some programme for us.

Alex Neil: This is a good example of where the committee should go out and meet people who live in the real world, rather than sit here in Edinburgh and take evidence.

The Convener: Yes. We had a wee discussion about this prior to everyone else joining us. It is clearly the view of this committee—not only in relation to drugs but to all the issues that we deal with—that we cannot do our work sitting in this room. Some work will be done here, but not all of it. We have unanimously agreed to make the strongest representation to the Parliamentary Bureau and to the committee of conveners. The notion that we can have only one meeting outside Edinburgh is absurd. We cannot do our work that way. We can propose to the bureau many options for conducting our work at minimal cost. There is, however, no point in minimising costs to the point at which we cannot do our job, and we must travel.

Alex Neil: By definition we would be socially excluding people from the work of this committee if we sat only in Edinburgh.

The Convener: Yes. That is a clear view across the committee.

Cathie Craigie (Cumbernauld and Kilsyth) (Lab): I am keen that the committee gets out and about and engages people in dialogue so that we take evidence and gather information that will help us to make informed decisions. I do not think that we do much by inviting people along who then have to sit and watch the proceedings. We want to involve people in our work. I support what you say about objecting strongly to what today's press reports as the Parliamentary Bureau's ruling. That is not acceptable. We want to get out and meet people

Mike Watson: How do you propose to deal with part B, on the timescale and the gathering of evidence? How will we establish who we want to speak to?

The Convener: Is that on the drugs paper?

Mike Watson: Yes. You talked about establishing key sources and evidence from communities, from addicts themselves and from their families. I could suggest a number of agencies and I am sure that others could too. How are we going to establish who to talk to?

The Convener: After this decision has been

made, I would like to talk to committee members who have expertise. Keith, you and others have mentioned possibilities for consultation. We should talk to the agencies and establish a profile of key agencies and parties. We will want to consult key sources. They would be previous reports and some of the international material that has been published. There is also strong evidence that we should hear directly from people with experience of drugs in their families, as well as from knowledgeable agencies. The emphasis, again, would be on rehabilitation, care and treatment, rather than on enforcement issues.

11:00

Mr Raffan: When it comes to treatment and rehabilitation there are other parts of the country and, indeed, other parts of the world that are a long way ahead of us. Obviously, the Parliamentary Bureau would call a halt to our bringing people over from the United States, but as so many of the leading figures in treatment are down south, it would be worth considering getting written evidence from them and possibly calling them to the committee to give evidence.

Alex Neil: It would also be appropriate to call on representatives of the Department of Health because not all the relevant budgets are devolved. The national drugs helpline, for example, is still funded centrally from the Department of Health in London although it covers the whole UK. Funding for it has been reduced substantially in the past year or two. The helpline has been a major influence in preventing some problems as well as in assisting treatment.

The Convener: Perhaps we can produce more detailed reports on that as we gather evidence.

Housing

The Convener: I would like to move on to housing, which is a key part of our remit. John McAllion is our reporter.

Mr McAllion: I have circulated a brief progress report on our work to date. Members can see from it that I am in the process of meeting and consulting various groups. Fiona Hyslop and I have had a very good meeting about our ideas of what the work programme should be.

We also met the Chartered Institute for Housing and Ownership Options in Scotland, which is a voluntary organisation that promotes ownership for people with disabilities and learning difficulties.

Further meetings have been arranged. I am meeting the west of Scotland forum of housing associations after this meeting and will meet the Scottish Federation of Housing Associations. I will meet Robert Brown to discuss his member's bill

and how it might impact on the work of the committee.

Many other groups should be given the chance to have some input, such as Shelter, the Scottish Council for the Single Homeless and the Convention of Scottish Local Authorities.

You will see that a possible outline programme has resulted from the discussions I have had. It covers about a dozen important areas, such as housing investment, affordability, the role of Scottish Homes, the role of local authorities, the housing green paper, the Government's legislative programme, the social rented sector, tenants' rights, housing finance and access to housing.

We cannot deal with those all at the same time—we must prioritise, plan and timetable the areas on which we think the committee should concentrate. My final report to the committee will suggest possible time scales and priorities. I would like to do that in consultation with other members of the committee and with other bodies.

There is still the problem of what we do in the interim; we should not do nothing. That is why I have mentioned possible early action. We could—in the early stages—use those organisations for gathering evidence.

The Chartered Institute for Housing, for example, was keen to point out that very few people in Scotland understand the complex housing finance system. If this committee does not understand it, that will be a major handicap, so it may be worth being briefed on that. John Breslin has been mentioned and he is one of the few people who genuinely understands and can explain it. It might be beneficial to have a session with him.

We may want to discuss the responses to the consultation to the green paper or we may want to invite one of the outside organisations to give evidence. We may want to bring Scottish Homes in. Peter McKinlay is leaving that organisation and as yet no replacement has been appointed. Instead, the chairman has been asked to do a day's extra work per week. We could maybe bring in Peter McKinlay and John Ward to question them on how they see the future of Scottish Homes. That future seems uncertain at this stage. We must get on with the programme.

One issue that I wish to raise is that the meetings in here are inadequate. I did not realise that this was an all-ticket affair. Many people turned up this morning but could not get in because they did not know that it was ticketed. This is the best committee room we have. Meetings that deal with housing—for example the one with Scottish Homes—should be held in this room because they will be useful and of interest to the public. Some other meetings, for example

those at which we take evidence on housing finance, could take place in one of the smaller committee rooms.

The Convener: We will take some general comments on the paper and then move on to specific points.

Robert Brown: Stock transfer is an issue that we should home in on at an early stage because it is complex and there is a variety of views against the proposals. Decisions will be made on the matter in the near future, so it is important that we have an understanding of how the process operates, what are the advantages and risks and what are the criticisms that have been levied by a number of housing bodies. That might involve hearing from the Scottish Federation of Housing Associations and groups like it which have a view, as well as finding out what the councils who are putting in bids have to say.

Cathie Craigie: I agree with Robert. Stock transfer is receiving publicity as if it were the only important housing issue. In fact, as we know from John's list, much is happening. I would like the committee to address stock transfer at an early opportunity by taking evidence from all sources—for example from tenants and organisations who are well qualified to speak on the issue. We could then form an opinion about whether stock transfer is the best way forward for our housing stock.

Fiona Hyslop: I had a useful meeting with John at which we discussed many of the issues. I agree with him that we should take action sooner rather than later. We can make progress on inviting Scottish Homes to an early meeting. Looking back to the decisions that we made on the issue of stock transfer, we must be careful that we do not keep creating new agendas and that we pursue the decisions that we made. Stock transfer was the housing issue that we agreed we would examine. After meeting Scottish Homes, we should examine the financial implications and the community empowerment aspects of stock transfer.

John and I discussed how to make progress on those matters, not only with regard to urban areas but with regard to rural areas. Although there are great problems with and concerns about Glasgow, we have a responsibility to broaden our considerations—there are rural areas that are moving quickly on stock transfers. We should have meetings with councils and tenants. I hope that we can schedule those meetings soon because it will take time to get people to attend. I echo what John said about having an early meeting with Scottish Homes. After that we should meet tenants and councils.

Alex Neil: I agree with John and Fiona that the issue of stock transfer should be an early priority

for us, but I also want to flag up what John said about housing finance. He is right: it is a complex area. Two thirds of housing finance is expenditure on housing benefit. As we know, the UK Government is proposing changes to housing benefit. They were flagged up in an English housing green paper, even though the measures will cover the whole of the UK. I suggest that when the Government announces its initial proposals for the reform of housing benefit, this committee considers them seriously to ensure that measures are not dictated by the demands of England and ignore the needs of Scotland.

Bill Aitken: Convener, while it may be predictable that you and I consider that there is absolutely nothing that is more problematic with regard to Scottish housing than council housing in Glasgow, we must recognise that there is a rural dimension to the problem. We must underline the fact that housing investment impinges almost entirely on the so-called partnership agreements, or stock transfers.

Until such time as we are able to achieve consensus on that issue—if people disagree we should at least be out in the open—there is little hope of an increased level of housing investment, particularly in the peripheral schemes of our major cities, which is the main problem before us. That must be the priority and it underlines the decision that we took at our previous meeting.

Mr Raffan: I want to back up what Fiona said. It is important to consider the rural angle. Not only is the situation on some housing estates, such as Ferguson Park in Blairgowrie, desperate, but even towns that are relatively prosperous on the surface, such as Perth, have serious problems on certain housing estates. We must not ignore that and get drawn exclusively into dealing with the west of Scotland or the cities.

The Convener: John's paper provides us with a useful overview of the issues that we have to consider. I am hearing that we need training in housing finance, that we need to meet Scottish Homes, and that we need to spend a considerable amount of time looking at housing stock transfer. Obviously, the situation in Glasgow will form part of that discussion, but we will also take in the rural dimension.

Mr McAllion: I accept everything that has been said around the table. At the moment stock transfers are the big issue. As Fiona made clear, the problem is different in rural and urban areas. I envisage having two separate meetings on stock transfers and a third meeting with the Scottish Executive to discover what its intentions are. After all, stock transfers have to be funded.

The Chartered Institute of Housing stressed that the committee cannot focus on stock transfers to

the exclusion of everything else. West Lothian Council has set up a housing company that successfully runs and manages housing in the public sector. That is an alternative form of investment in public sector housing. In private finance initiative projects currently under way in England, private money is used to build new houses, but the houses are managed and controlled by local authorities in the normal way. That is another option that we must consider. Again, if the Treasury changed its definition of what constitutes public borrowing, some Scottish local authorities could invest massively in housing.

We should not focus on stock transfer exclusively, but look at the whole issue of housing investment—how we raise the money that needs to be put into housing. There are several different options on which this committee should be concentrating.

The housing benefit reforms that Alex mentioned are absolutely critical. We need to get up to speed on housing benefit. It has implications for affordability, because if people do not receive the requisite benefit, they cannot afford to stay in their houses. It also impacts on the Government's community ownership proposals.

The Convener: And its overall social inclusion agenda.

Mr McAllion: The Government will not be able to transfer stock if the private lenders are not guaranteed a rent flow through housing benefit. Only a limited amount of the Scottish Parliament block grant is available as housing benefit. We need to consider the implications of housing benefit changes introduced by the Westminster Parliament for how much we can spend in Scotland.

There are many issues that we need to consider. I would like to have a broad discussion and draw up with Fiona and anyone else who wants to a final proposal for a programme of work.

The Convener: A long-term plan?

Mr McAllion: In the meantime, I would argue very strongly for a public meeting with Scottish Homes and a less-than-public meeting on housing finance in one of the smaller committee rooms.

The Convener: People seem to be in agreement about the early meetings. I take Cathie's point that housing stock transfer is not the only issue, but it looks as if we might have to make early decisions on that. I am keen to hear submissions giving the case for and against. I know that the Scottish Tenants Organisation, the Glasgow Campaign against the Housing Stock Transfer and other organisations have strong views on the issue. It is incumbent on this committee to hear those views. We also have to

hear the housing associations, which have a different perspective on the issue, and to examine the Executive's proposals.

Mike Watson: At the moment seven local authorities are considering housing stock transfer. It might be advisable to take evidence from some of those—perhaps from one rural and one urban authority.

Cathie Craigie: We have to get the facts on the table. I take issue with John on whether we need input from the Scottish Executive at this stage. We as a committee should take responsibility for gathering the evidence and come to a decision on what we want. We do not need advice from the Scottish Executive.

The Convener: That is not what John McAllion is suggesting.

Cathie Craigie: Let us leave the grilling of the Scottish Executive until after we have heard all the evidence and formed an opinion on it.

11:15

The Convener: I cannot see John disagreeing with that.

Mike Watson: We can make the point when we have the ministers here that in future we intend to seek their views on housing stock transfer.

The Convener: I imagine that there will be questions today on that issue, so we will get some steer on it.

I am being bureaucratic rather than political, but we need to get some decisions made. Housing stock transfers, finance and Scottish Homes will be our pre-Christmas priorities. Can we leave John and the clerks to book rooms and come forward with a programme? We need to ensure that the organisations that have a stake in the issue get access to the committee to give us their perspective. We are also willing to take written evidence. We must not make it too daunting for people if they want to give a formal presentation.

Mr McAllion: Is it agreed that I should try to arrange with the clerks an early meeting with Scottish Homes? That is our first priority.

The Convener: Yes. I would be keen to tackle the finance issue too.

Mr McAllion: That would have to be at another meeting.

The Convener: Yes, but it would not take too long for some organisations to provide us with a briefing, given their expertise. That does not require much organisation.

The big issue will be housing stock transfer. Cathie is absolutely right to say that we need to

brief ourselves—let us hear the facts and figures and get the housing association movement, the people who have decided that they are against transfers and the people who favour them, to speak to us. Is that agreed? That is agreed. We are agreeing far too much, folks. This is absurd.

Fiona Hyslop: It is the new politics, Margaret.

The Convener: I know. It will not last long.

Bill Aitken: Another 10 minutes.

The Convener: Fifteen.

Thanks for your work, John. That was very helpful.

Forward Plan

The Convener: We have dealt with some of this already. I had a word with Martin Verity prior to this meeting, because we need to project our work forward. That does not mean to say that our programme will be written on tablets of stone—obviously, events will overtake us. However, I would like some sense of the direction that we want to take over the next six months. The decisions that we have made will probably provide us with work until Christmas.

The Executive may decide to legislate on warrant sales and other issues, and we will need to leave some space for that. With the committee's permission, I will ask Martin to keep looking through our decisions, to ensure that nothing falls off the agenda.

Karen Whitefield (Airdrie and Shotts) (Lab): What about forward planning on the anti-poverty strategy? At our previous meeting we agreed that that would be one of our priorities, along with stock transfers. I am reluctant to allow it to slide off our agenda. We set up a working group on the issue to report back to the committee, and we need to decide when it will meet. The issue needs to be given priority in our forward plan.

The Convener: Absolutely.

I have a number of papers to circulate. I have met staff from the information centre, which is collating information and analysis on international models, poverty proofing and the other matters that we identified. That should get us started.

Yesterday I chaired a conference on social inclusion. Various people, including some Irish people, were there, and some interesting information came out of the meeting. I have copies of the papers, which I will circulate to the whole committee. However, the small group that we have set up should pay particular attention to them.

The best idea would be to set aside a business hour—even if we are meeting Scottish Homes or tackling the finance issue—for regular reports

back on our work on the anti-poverty and drugs issues, and on any other matters. Would that be acceptable?

Alex Neil: Absolutely. Just to move the anti-poverty issue along a wee bit, it would be helpful if at our next meeting in a fortnight's time we could have a similar paper to the ones we had on drugs and housing, mapping out our anti-poverty work programme from the small group that was set up. That would be extremely helpful. At this stage we should agree formally that, as of 29 September, we will establish a pattern of weekly meetings, with the meeting in the last week in October being on a Monday or a Friday outside Edinburgh.

The Convener: Have we agreed that from 29 September we will meet weekly on Wednesday mornings, with the last meeting of the month being outwith Edinburgh, or more flexible? That would be helpful, as a number of issues will come up under the anti-poverty strategy. We have to look at the work of the action teams for the social inclusion network and receive independent evidence about what they are doing. The social inclusion partnership strategy needs to be raised, as there are huge issues to do with that. There are the two aspects of the anti-poverty strategy: we need to scrutinise what is currently under way and to think about our own proposals, which might involve taking a fresh look at research and evidence. The wee group will meet and produce a paper on that for the next meeting.

Is there anything from our private discussions that I have forgotten to raise about forward planning?

Alex Neil: It would be useful to circulate the copy of the report from the Scottish poverty information unit, showing that, according to *The Scotsman*, millions of Scots face life below the poverty line.

The Convener: A number of reports are being issued. Given our connections, I am sure that we all pick up reports; it would be useful if we were to circulate that material to each other.

Mr McAllion: As an MSP, that report was circulated to me, so I assume that everybody has it.

The Convener: I think that we will all be receiving it.

Martin has just reminded me—I should have raised this myself—that the Scottish Council of Voluntary Organisations has agreed to do a seminar for us, possibly on 27 October. Given that we have agreed to a weekly schedule, we could manage that. I have met the SCVO and it seems to have a substantial amount of information, recommendations and ideas for us. If that is agreed, we can pencil it in. The point is that we

need to plan our diaries to get in as much as possible early on.

11:22

Meeting suspended.

11:32

On resuming—

Briefing

The Convener: I formally welcome the ministers to the meeting and say that we look forward to a constructive and challenging relationship with them. I will start on that note: the committee was disappointed that it had not been informed of the Executive's announcement this morning on the rough sleepers initiative. We will ask the Parliament and the Executive that committees be given prior warning of announcements that are relevant to their work. Given that we are meeting with ministers this morning, it would have been useful to have been aware of the announcement.

After the minister has spoken for five minutes, we will ask questions. As we have a substantial programme to get through, the questions will be categorised so that we do not meander. We will start with housing, move on to social inclusion, which will probably include the issues of drugs and warrant sales, and then deal with the voluntary sector.

The Minister for Communities (Ms Wendy Alexander): I realise that my paper is rather long, so I will keep my introduction short. The ministerial team looks forward to working closely with the committee during the next year. We all have a challenging task because social inclusion has not featured strongly in Scottish policy making in the past 20 years. We are in the process of growing a new function in the Scottish Executive and I look forward to working with the committee and to growing a new commitment to social inclusion within the work of the Parliament.

I look to the committee to play a leadership role on forming policy, and I want to highlight several issues. We are keen to facilitate joint working between the committee and the Law Society of Scotland on repossession legislation in order to get that legislation right, which will be a first for the Executive. In Westminster, 10-minute rule bills come and go and make no impact on legislation. For the first time, the Executive wants to encourage the committee to work with the Law Society and to become a major player in developing the legislation.

The paper highlights my main areas of responsibility, and I will not touch on them as, no doubt, we will deal with them later. I want to

address briefly the issue of homelessness.

As members know, in the programme for government document, each cabinet minister had to choose what they thought was the most important pledge in their field and we chose an end to rough sleeping as the most important. During the summer, as we reflected on what we needed to do on homelessness, it became apparent to us that, in order to meet that commitment, we needed to find extra resources within the budget. This pledge is based on outcome—not on input, or even on output. I am very proud of that, as it is another first for the Executive.

As I said, while we took that decision during the summer, when we saw the evidence that the £30 million that we had put into rough sleeping initiatives was not enough and that an increase of 40 per cent was required, the announcement was made today. Coincidentally, today is my programme for government day. As members are aware, the First Minister has invited cabinet ministers to roll out their pledges and I have asked for a debate on homelessness, which will take place tomorrow.

I want to talk about annexe D, which is the last page of my paper. I have tried to scope out for the committee the work programme that ministerial colleagues and I will be engaged on over the four months until Christmas—I do not know how many other ministers have provided similar information—when I expect that the committee will want to invite me back.

Cathie Craigie: Can I stop you for a minute, Wendy? Which page are you referring to?

Ms Alexander: Annexe D—the work programme of ministers' plans.

The Convener: I think members' copies have been circulated in a different order.

Alex Neil: We do not have it.

The Convener: I am sorry, but I do not think that we have this paper. We are a bit concerned that we received the papers late, and I will write to you about that.

Alex Neil: We do not have annexes C or D.

Mike Watson: The papers are not in the same order.

Ms Alexander: Goodness. I will talk to officials about that. I will keep my comments brief—

Mr Quinan: If we had received this paper some days earlier, we would have been able to contact you to point out that we had not received annexes C or D. As we received it yesterday, that was rather difficult.

Ms Alexander: I understood from the committee clerk that that was when the committee wanted the paper. If, on future occasions, members request a paper earlier—and I understand why you might want that, Lloyd—we will meet that request.

The Convener: I will raise that later, as there has obviously been a misunderstanding.

Ms Alexander: Let me return to the substantive point. What I did for the committee was very much a gesture of good will that I do not think has been replicated everywhere. I have provided a list of more than 25 areas where I expect to make announcements over the coming months. I did that in order to give the committee advance warning of 25 areas where I expect to have something to say. We would particularly value the committee's input on 13 of those 25 areas, including the responses to the housing green paper—

Mr Quinan: Margaret, we cannot discuss something that we do not have in front of us. Can we have copies now, please?

Mr Raffan: Can we request an adjournment so that the papers can be made available? We cannot possibly carry on a question session with a minister when we do not have the relevant papers.

The Convener: We will suspend the meeting in order to get the papers.

11:38

Meeting suspended.

11:43

On resuming—

The Convener: Apparently members have copies of annexe C, but it is the wrong order. Annexe D is being circulated as we speak. Once annexe D has been circulated, we shall reconvene and the minister can take us through it.

Mr Raffan: This is a bit of a predicament. It is not a question of us asking for the papers earlier; it is a matter of the minister letting us have them in reasonable time, so that members of the committee can study them and make the meeting worth while.

Ms Alexander: All the papers, including annexes C and D, were delivered to the clerks 24 hours in advance. Members should take up the issue with the committee clerks. I suggest that we leave the matter there, and allow the committee to discuss it in closed session.

The Convener: Yes. We shall pursue that matter appropriately. Now, let us return to annexe D.

Ms Alexander: Annexe D attempts to give

members a flavour of the work programme that the Executive intends to pursue. I wanted the committee to have a full insight into how the ministerial team sees our programme of activity. As we all know, politics is full of “events, dear boy, events”, but for the moment this is our best effort to explain what is ahead of us. In the paper, I have starred the areas on which we would particularly welcome the insight and perspective of the committee. I hope that you will consider which are of most interest to you and think about holding hearings on them.

I draw attention to the programme for October. Members will be aware that the Scottish social inclusion network has been meeting for the past two years. Its membership includes experts on social inclusion and anti-poverty work who have been working very hard on five action team reports. The reports were due to be finished by the end of September; the deadline is slipping slightly but I think that the chairs of the action groups would be happy to testify to the committee. That work will form one of the foundations of the social inclusion strategy that we are committed to preparing.

Also due in October is the publication of the final 15-month evaluation of the New Life for Urban Scotland projects—in Whitfield, Ferguslie Park, and so on—that the Tories began. I am told that it is probably the most in-depth piece of work for some time on tackling issues of urban deprivation in Scotland. The committee might want to take a look at it.

The Convener: That is very helpful; the programme will inform our forward plan. We are short of time so I will move swiftly on to the main areas of questioning, beginning with housing.

Alex Neil: There is no mention of housing benefit reform in the work programme in annexe D. Housing benefit accounts for two thirds of housing expenditure in Scotland. Moreover, the UK Government is about to reform housing benefit, as it announced in an English green paper. Given the importance of housing benefit, the committee will want to ensure that a Scottish perspective on the proposed reform is not lost. Will the minister tell us what role she is playing in ensuring that, although housing benefit is a reserved matter, there will be proper input from Scotland at Government level?

Ms Alexander: As Alex says, housing benefit is a reserved matter, so when the proposals are published they will be for the UK as a whole, not just for England. Housing benefit is intimately linked to tax and benefit reform and welfare reform as a whole so it would be inappropriate to suggest that the reform of housing benefit can be looked at in a Scottish-only context. Housing organisations in Scotland are aware of that. However, you can

rest assured that the Secretary of State for Scotland and I will be kept in touch with developments as the UK Government thinks through what is appropriate in a reserved matter.

Alex Neil: Given that the elimination of poverty is one of your key objectives, surely you have a view on the way in which housing benefit and, indeed, other tax changes should take place? Rather than wait to receive a diktat from London, should you not be making an input into the development of the policy in terms of what you would like housing benefit reform to achieve in eliminating poverty?

Ms Alexander: Alex, you are bringing a prejudice to bear when you talk about a diktat from London. We should not use this meeting to point-score. The elimination of poverty is an objective shared between the United Kingdom Government and the Scottish Executive. At no stage will I suggest that I alone am capable of delivering the elimination of poverty. One of the most interesting challenges for this committee and the Executive is how to defeat poverty across the United Kingdom, in terms of what can be achieved on a UK level through tax and benefit reform, and on a Scottish level through enhancing opportunities and tackling the causes of poverty.

The Convener: I see that Alex wants to comment, but I need to let other people in as well.

Karen Whitefield: The housing green paper makes reference to allowing people, particularly elderly people, to remain in their homes as they become more frail. What plans does the Scottish Executive have for making that possible, so that old and frail people can live independently as long as they wish?

Ms Alexander: One of our key measures is the care and repair scheme. Karen raises a more fundamental and interesting issue, on which I would be interested to hear the committee's view—whether we should create a single housing budget for local authorities. As the committee is aware, we currently have improvement grant, care and repair and rough sleeping moneys and housing regeneration area allocations. One of the questions that is floated in the green paper—and with which I will be struggling over the months ahead—is whether to get the priorities right at a local authority level, so that we can prioritise independent living for the increasing number of elderly people, or, instead of having those pockets of spend on housing, to create a unified housing budget as part of the legislation.

Mr McAllion: On housing benefit reform, I take the minister's point that tackling poverty is an objective that is shared between Westminster and Holyrood, but housing policy is devolved, and stock transfers and the attracting of private

investment in public sector housing are central to the minister's housing green paper. No private sector investor will sink money into public sector housing if they are not assured of the rent flows that will come from that housing. Housing benefit is absolutely central to the policy of stock transfer. What input is the Scottish Executive making to the housing benefit discussions at Westminster in terms of the impact on housing in Scotland?

Ms Alexander: John raises an important point about the impact on lenders of changes in housing benefit. In the discussions that I had with lenders as recently as this week, I found that they were aware that changes to housing benefit are anticipated. Their concern is about what the total sum of money from housing benefit coming to Scotland is likely to be—that is the guarantee of rental income that they are looking for. I think that they are confident of accommodating changes in the distribution of housing benefit that may flow from reform. As long as the aggregate flow of housing benefit is predictable, they are confident that their ability to be involved in stock transfers will not be impeded.

Mr McAllion: I am concerned about the way in which the minister expressed her answer. The total sum of money may stay the same and that might keep the lenders happy, but it may not stay the same for the individuals in the houses. Some people might be told that they cannot stay in a house any longer because they are no longer getting housing benefit; they will need to move out of the new housing that is benefiting from the new investment. Is that what the minister is saying? If so, it is something that the Parliament should be debating now.

Ms Alexander: Can you clarify your question, Mr McAllion?

Mr McAllion: One suggestion is for the introduction of a flat-rate allowance as part of the housing benefit reforms. That may have implications for individual tenants who are told that the house that they are living in is too big and they have to move to a smaller house. The big house may be transferred and receive a lot of investment and the tenants may be told that, as they are not getting benefit and are no longer staying in the house, they have to move out. In those circumstances, talk about community ownership and new investment in housing is not much use to the people involved, as they are getting put back into the old, rotten housing stock, which increases social exclusion. That is an important argument for the Scottish Executive and the Scottish Parliament. It is also an argument for Westminster—in the sense that we may have to argue with it.

Ms Alexander: John is right that there are three major policy issues surrounding the reform of

housing benefits: one deals with reserved matters, one has an impact on devolved policy areas and the other is of common concern to both Parliaments.

John flagged up the fact that one of the fundamental issues at the heart of housing benefit reform is a desire to reform the housing market. Everybody who is involved with housing says that the portable subsidy that housing benefit represents presents us with a difficulty because it is totally unrelated to the quality of the individual house. Long-term reform has to address that issue.

Another important point on the housing market, which touches on reserved matters—I mentioned it in my response to Alex—is that work must pay. It should be easier for people to move into employment and not be penalised. Therefore, the reform of housing benefit also has to meet objectives that are associated with welfare, tax and benefit reform.

The priority that we share with Westminster is in dealing with fraud in housing benefit. The beneficiaries of most fraud are not tenants but landlords, particularly in parts of the UK outwith Scotland, where private landlords own a greater share of the housing market. Estimates suggest that housing benefit fraud costs around £600 million annually.

Fiona Hyslop: I am glad that you agree that housing benefit is a major issue, Wendy, and that it will be added to annexe D of your paper.

You talked about the possibility of a unified housing budget for councils. In a city such as Glasgow, a situation might arise where there was a unified housing budget but the council had no houses on which to use the budget. You have obviously taken an active role in Glasgow. On August 13, the *Evening Times* said that you intended to go ahead with a single wholesale stock transfer to a single landlord. Is that so?

Ms Alexander: When we came to power in May, we inherited the first proposals for that. In June, we stepped into a raging debate in Glasgow on what the way forward should be. There was a consensus among housing interests that there should be one transfer and one ballot, but there was dispute about whether it was correct to have one landlord.

I spent time during the summer exploring that issue. Before this Administration came to office, Calum Macdonald had tried to develop a code of conduct between housing associations and the city council, but that seemed to me to be an inappropriate way of moving forward, given the existence of the new Parliament. In the old world, it might have been acceptable for the Scottish Office to send out missives telling two parties to

develop a contract, but that would not engage with the magnitude of the issue. I have spent time informally talking to the parties, trying to find out their views. There are a variety of interests in Glasgow, beyond the council, the most obvious of which are the housing associations. We need to decide soon about the way ahead in Glasgow and we should recognise that a variety of parties have an interest in the stock transfer proposal.

12:00

Fiona Hyslop: I would still like to know your intention. The Executive holds the purse-strings and you can have an influence. There is no way that the transfer of 75,000 houses is about community empowerment—a group of 75,000 households is too large to be one community.

I believe that the £13 million that was awarded by the national housing project has yet to be paid, although it was due in April. What are the sticking points on that? Do you agree that, if there is to be genuine community ownership, large-scale stock transfers—as proposed in Glasgow—should not happen? When a local housing company is the sole landlord, unless it is governed by industrial and provident society rules, it can be bought by a private company if it all goes belly up—we know that there have been problems in Glasgow housing before. That would be privatisation.

Ms Alexander: Like Fiona, I have to be convinced that any proposals coming forward represent genuine community ownership and that whatever is taken to the tenants represents genuine community empowerment. As to Fiona's other point—and we must all be clear on this—talk of privatisation is dishonest and totally misplaced. There is a lot of scaremongering, but I have made clear at every stage that, as an outcome of this, all houses will be with either the tenants themselves or a non-profit distributing landlord. It is depressing to hear the misinformation surrounding the issue. However, discussions are going on and no announcement or decisions have been made. Parliament will be the first to know when we feel that there is a way forward.

Robert Brown: Housing stock transfers raise major concerns. You indicated that Parliament will be the first to know of your plans, but is there any intention to consult this committee about the criteria, details and the way forward, especially as the key issue is not so much privatisation as community empowerment and localisation? Will you be asking Glasgow to consider the matter again or to change its proposal to meet any new arrangements? Where do we stand on this at the moment?

Ms Alexander: As I said, we have been involved in extensive discussions. I want to be

convinced that the vision of community ownership is realised. We are guaranteed that there will be no change unless the tenants in Glasgow vote for it. I take comfort from that, as we all should, because community empowerment and ownership is about tenants deciding their own future.

Robert Brown: It is also about community involvement in the decision making thereafter.

I want to know more about the homelessness strategy. I am glad to see that the homelessness task force papers have been circulated to the committee—I hope that that will be done with future papers. The papers talk about the importance of local authority strategies, about which I have some questions. First, have you formed a view about the time scale and the method of developing those strategies? Secondly, have you and the homelessness task force reached consensus about the format of a single social tenancy? How does that fit in with the business of housing stock transfers?

Ms Alexander: I will answer those questions in reverse order. First, in the context of stock transfer, any council that is transferring houses has to have access to the acquiring landlord's stock to ensure that the landlord's statutory obligations on homelessness are met. I share Robert's concern about that. As he may know, the Convention of Scottish Local Authorities and the SFHA are working together to produce a framework model contract that would allow that commitment to be met. The Scottish Executive provided finance to facilitate that to ensure that the commitments to the homeless are met.

Robert also asked where we were on the homelessness strategy in general. I will say a word on that, although any further points you wish to make would be answered more appropriately by Jackie, who convenes the homelessness working party. As people know, and as I said to Parliament in June, we consulted on whether we needed to have a new legislative framework for homelessness. The unanimous response was that that was necessary, because, after 20 years, the homelessness legislation framework was out of date. We set up the homelessness task force—it is having its second meeting next week. As I said, Jackie is convening the group, which comprises a variety of people. I invite individuals in the committee who have a particular interest to attend. I have already invited Robert to talk to Jackie about how the homelessness working party can make representations to this committee.

We have given the working party the deadline of very early in the new year to report to us. That will enable its proposals for legislative change to be incorporated into the housing bill that we are committed to publishing in the first half of next year. Realistically, the bill is likely to be published

towards the end of the first half of next year. It will come to this committee for pre-legislative scrutiny.

Robert Brown: What progress is being made on the single social tenancy? Do you have a clear view on it at this stage, or is the matter still being examined?

Ms Alexander: It is still being examined. The responses to the housing green paper suggest strongly that people want a single social tenancy. It is felt that for 20 years the Tories tried—on ideological grounds—to make council tenants the poor relations, and that they were interested in having two kinds of tenancy in the social rented sector. I think that the committee shares our desire for a single social tenancy.

The responses reflected the whole spectrum of views. Some people said that the single social tenancy should have the characteristics of an assured tenancy, but others responded that its essential characteristics should be those of a secure tenancy. We have not decided where on the spectrum the new single social tenancy should lie. Again, that may be something that the committee will want to investigate.

The Convener: I will take a couple more questions on housing, and then I will move on.

Cathie Craigie: I intended to raise the same point about homelessness as Robert raised. Will the minister comment on measures to tackle the problem of homelessness? The empty homes initiative has been under way for a couple of years, but does the minister have figures for how many houses it has brought back into use?

Ms Alexander: If I had not looked at the paper, I would have said 937, which was the figure until fairly recently. However, I am told that, with the money that will be available this year, the figure is expected to rise to 1,500 properties across Scotland. That is encouraging news.

Mr Quinan: I have two or three questions. The first is fairly obvious. From your memorandum, minister, it seems as though your policy on housing is entirely predicated on stock transfer. What is your back-up plan if tenants reject stock transfer in a ballot?

Ms Alexander: I want to take this opportunity to refute totally the notion that our housing policy is exclusively about stock transfers. One of my Cabinet colleagues pointed out to me that the green paper on housing, to which we have just had responses, represented the most radical piece of housing legislation in Scotland for at least two decades, and probably more. It is characterised by a single social tenancy—which means that council tenants will no longer be poor relations—a single budget, a single housing plan and radical institutional reform. I have no doubt that, in four

years time, it will be seen as a landmark piece of housing legislation. I would like to pay tribute to the people in the previous Administration who were involved in drawing up the green paper.

Mr Quinan: Instead of making a statement and saying thanks very much to the Tories, who have provided Labour with its current ideological basis, will the minister answer my question? If the result of the ballot is negative, what is plan B?

Ms Alexander: This is my first opportunity to appear before the committee, and I want to put on record the fact that the overwhelmingly positive response to the green paper from housing organisations in Scotland validates my claim that this will be the most radical piece of housing legislation for at least two decades.

Mr Quinan: Can I have an answer to the question?

Ms Alexander: The choice will be made by tenants. Seven stock transfer ballots are due to be held. One of the tragedies of the way in which some of our opponents discuss the new housing partnerships is that they ignore the fact that there are three types of partnerships—

Mr Quinan: Convener, can I have an answer to my question? It is very straightforward—if tenants vote no in the ballot, what is plan B?

The Convener: I will not spend much longer on this, as there are other issues on the agenda for us to discuss.

Mr Quinan: Yes, but my question has not been answered.

Ms Alexander: We have made a sum of money available for three different types of new housing partnerships. One of those involves stock transfers, should the tenants want them. If tenants decide that stock transfer is not the right option for them, the money will remain in the pot and can be used for the other kinds of new housing partnerships that are on offer and which are currently being taken up by authorities all over Scotland.

The Convener: We have a huge amount on the agenda and I am very concerned that we should move on to issues other than housing. I have made that very clear. Keith and Bill, are your questions on housing?

Mr Raffan: I will ask a question later.

Bill Aitken: I have a point on housing.

The Convener: Please make it quick, Bill.

Bill Aitken: I will confine myself to one question about stock transfers. I would be interested in having some idea of the discussions that have taken place with the chief secretary of the

Treasury about the funding. In the case of Glasgow, the minister is on record as saying that, if the ballot goes in the direction that some of us hope, the Executive will take care of Glasgow's housing debt by servicing that debt.

A massive amount of investment is required to bring Glasgow's council housing up to an acceptable standard. It follows, therefore, that those who invested would need to be assured that the rents that they would be allowed to charge would be economic—some might say excessive. That being the case, the issue of housing benefit comes into play. It may be that, at the end of the day, the Exchequer—by way of housing benefit—is servicing that debt. Have the amounts been quantified and what was the chief secretary's reaction?

Ms Alexander: The Government's position on what it is prepared to do about debt was made clear by my predecessor, Calum Macdonald, in letters to Glasgow City Council. In that sense, the position has not changed from the undertakings that were given last October and December.

I want to say one thing about Bill's point on rents. One of the most interesting things about Glasgow—I have taken the opportunity to consider this—is that, over the past 20 years, rents have increased by 5.2 per cent each year. Clearly, that has been very difficult for tenants, although housing benefit has picked up most of the tab.

Bill Aitken: Not during election years.

Ms Alexander: That is 5.2 per cent on average over the past 20 years. The need to give tenants some security about future rent levels is very important. It is a problem that has been around for the past 20 years under existing arrangements, not one that will be created by stock transfer.

The Convener: I want to move on to the anti-poverty strategy and the social inclusion strategy in general. I will try not to dominate the discussion, but I think it is only fair that I have the chance to ask one question.

There has been considerable debate in the committee about the need to set targets and measurements to indicate that we are making significant achievements in tackling poverty and social exclusion. Can the minister tell us how she will measure her effectiveness in tackling those problems in Scotland?

Ms Alexander: As the committee knows, the partnership made a commitment to produce a social inclusion strategy, and I agree that there is need to set targets for the future. In my opening remarks, I said that one of the things of which I was most proud about the target on rough sleeping is that it is not an input target or an output target, but an outcome target. That is one of the

challenges for the Government.

The social inclusion strategy will include targets, but we must ensure that those targets are aspirational—about what we want to achieve—rather than simply measuring the failures of the past.

The Convener: Thank you. Does anyone else want to come in on that?

12:15

Mike Watson: I want to ask the minister about the social inclusion partnerships. You have just answered in terms of the micro as opposed to the macro. The social inclusion partnerships have begun to bite and are getting off the ground. How will they be monitored to ensure that the initial priorities remain as priorities? If they do not remain as priorities, how will you allocate resources accordingly during the lifetime of the social inclusion partnerships?

How will the social exclusion unit, which has been set up within the Cabinet Office, interact with the social inclusion network, which is made up of civil servants and various expert advisers? How will they take account of the work that this committee is undertaking?

Looking backwards rather than forwards, the new life partnerships that existed between 1989 and this year have obviously had a considerable effect in the four areas, but some concern has been expressed as to what will happen to ensure that there is no slippage and that the investment in those areas is not lost.

Ms Alexander: Those are three very fair questions. The first item on the list that I gave you is about evaluation frameworks. In December, we suggested that we would be publishing the monitoring and evaluation framework for social inclusion partnerships. It will be four months before the framework is published, and the committee may want to talk to Jackie Baillie before that. I know that Alex Neil has asked me questions on the same matter.

To be candid with you, this is a difficult area. We have to have probity in the use of public money. On the other hand, if the Scottish Parliament is about genuine empowerment, we do not want to shoehorn local communities into priorities set by the Government—be they priorities in child care or anything else. There is a tough balance to strike. There are now 47 SIPs, they are very different from the past, and some of them are thematic. Please talk, either individually or collectively, to Jackie and her officials about how you think we can get the balance right. I am aware that many of you are close to SIP boards or, indeed, on them.

The Scottish social inclusion network was set up

before the Scottish Parliament existed. We obviously want to continue to use expert input; but equally, the arrival of Scottish democracy in the form of a Parliament means that a different sort of relationship is required. The network is in the midst of drawing together its conclusions for the five action areas, and we have asked the network to let us give them the time to come up with what they believe to be the right way forward. Then, in December or early in the new year, we will sit down and decide what relationship we both feel to be appropriate. I felt that letting the network complete its programme of work was the most important thing, and I hope that it will come and testify to the committee on that basis.

On new life for urban partnerships, I agree completely that there is a difficulty about how we manage the running down of cash to the four areas that were singled out to the exclusion of everywhere else, and do so in a way that does not damage community capacity building in those areas. One of the failures of previous policy was that it concentrated on physical infrastructure rather than on people. In those areas, we are considering whether there are opportunities to shift the available capital resources into revenue funding, to allow the continuation of support for projects, without money being spent on the, perhaps, lower priority infrastructure projects.

Karen Whitefield: People who are excluded, or who live in poverty generally, have great difficulty finding employment. In the social inclusion document, "Opening the door to a better Scotland", there is a commitment to attracting business into deprived communities and to encouraging people to take up educational opportunities. How will we achieve that? I represent an area that has rural deprivation. It is very difficult to attract new businesses to such areas. That problem is not unique to Lanarkshire, but exists throughout Scotland. How will the Scottish Executive make that commitment more than words? How will you introduce policies to do something about the problem?

Ms Alexander: Let me say three quick things. We are working closely with Scottish Enterprise to ensure that Scottish business is made aware of the opportunities in areas that suffer from social exclusion. Donald Dewar spoke on that at a major conference at Hampden park in the past month, and there is an on-going programme of work in that area with Scottish Enterprise. I am committed to appearing at a number of business events to encourage businesses to relocate.

Brian Wilson introduced the property employment support scheme, which is essentially regional selective assistance top-ups for businesses that are prepared to locate in a number of pilot areas, some of which are SIP

areas. We are considering whether that scheme is working and whether it is the best way to get businesses into those areas.

The tailoring of the new deal—in Scotland only—through the new futures fund allows us to access some of the people who would otherwise be missed by the new deal, and to get them into employment. This year, 100 new futures programmes will be up and running. They will be targeted predominantly on SIP areas.

Alex Neil: You probably saw the report from the Scottish poverty information unit on Monday. The headline in *The Scotsman* was "Millions of Scots face life below the poverty line". The Scottish equivalent of the targets that were set by Alistair Darling at the Department of Social Security two weeks ago is to take 125,000 people out of poverty during the lifetime of the UK Parliament. According to Scottish Executive figures, there are 1.25 million people living on or near the poverty line in Scotland. Even if Alistair Darling achieves his targets, well over a million people in Scotland will be left in poverty.

How can you eliminate, or significantly reduce, that level of poverty, given that, according to a parliamentary answer that I was given on 29 June, in the third year of the three-year period, expenditure on social inclusion partnership areas—new ones and ones that were inherited from the old programmes—will go down?

Ms Alexander: It is not true to say that.

Alex Neil: It is in a parliamentary answer.

Ms Alexander: You are pointing to the three-year indicative allocations that SIP areas have already been given. The total programme as published in the departmental report indicates a rising line of resources.

Your more substantive point was on how we make the greatest impact on poverty in Scotland. The biggest contributor to rising poverty recently has been worklessness. The problem is twofold: first, people are not in work; secondly, the children of those people are more at risk of poverty than are children in other households.

The critical issue, which goes far beyond what Alistair Darling was talking about in welfare reform, is unemployment—I know that it is close to your heart. We are delighted that claimant count unemployment in Scotland is at its lowest since 1976. It is certainly the case that the new deal has led to a reduction of 55 per cent in the number of 24-year-olds who have been unemployed for more than six months. Macroeconomic policy is delivering on worklessness and getting people into work.

The second issue is that the point at which families fall into poverty is very often when they

have children. That is why we emphasise the rise in child benefit, the working families tax credit, the child care tax credit, and a children's tax credit in the future.

Alex Neil: What are you doing about poor pensioners?

Ms Alexander: We are committing a programme of more than £1 billion in the UK. We are raising the winter fuel payment from £20 to £100. We have given a minimum income guarantee, which is linked to earnings and not prices—there has been a desire for that for more than 20 years. We have also given a minimum tax guarantee to those pensioners who have worked hard all their lives and who have a small occupational pension; we have raised personal allowances by more for them than for the rest of the population. The intention is that the average pensioner household will be £240 better off as a result of the changes in the budget.

The Convener: I know that it is frustrating. We will need to get you back, Wendy.

Mr McAllion: Some of the worst poverty indicators in Scotland are in Glasgow, Dundee and West Dunbartonshire. It is no coincidence that those are three of the councils that suffer most from the acute problems of local government funding, in particular the failure of the system to distribute central Government funds to local authorities, which takes minimal account of deprivation factors. The Minister for Communities is responsible for local government and for social inclusion: what are you doing to change the distribution formula to ensure that those areas get some justice and that poor people living in those areas get the money that they need?

Ms Alexander: One of the ways to achieve that is to increase the total size of the cake. This year, we are raising the grant-supported expenditure to local government by 4.8 per cent, which is the best settlement for seven years, and which will increase above the rate of inflation for the next two years. Having a rising cake is certainly a start.

As John says, there is an on-going issue surrounding deprivation indicators. As everyone who is close to the COSLA issue will know, post-reorganisation there was a sense that the indicators that had been used for some time were inadequate to the task. There is an on-going programme of review with COSLA. The details about the way in which the deprivation review is carried out is a matter for my colleague Jack McConnell, who is responsible for local government finance. However, I have been kept in touch with COSLA. When I met council leaders on Friday, a variety of different views were expressed about the conduct of the deprivation review.

Mr McAllion: Of course there were. They

should still be pursuing for the poor. Not all council leaders are poor, they do not all represent poor areas or want to give money to poor areas. The point of the committee and the Minister for Communities is to take those people on and to ensure that the poor are represented and get their fair share. It is important that we do not let council leaders argue from the narrow perspective of their own councils.

Ms Alexander: The committee may want to talk to their colleagues in local government about that, because, in the near future, they will be considering the issues surrounding finance. I am sure that they would welcome representations from the committee on that matter.

The Convener: I am now going to jump to the subject of drug misuse.

Mr Raffan: Minister, in the memorandum, you say that there is a strong link between social exclusion and drug misuse. You go on to say that the particular role of your department is to address the economic and social problems of those areas that are particularly affected by drug misuse. Can you elaborate on that and on the way in which you see your department contributing to the ministerial task force?

Ms Alexander: I will say one more thing before, with the committee's indulgence, inviting Jackie Baillie, the minister who sits on the ministerial drugs task force, to say a few words.

There is tremendous good will from both SIPs and local government in getting to grips with the issue. As the convener has said, there is a general sense that the part of the drug problem that needs the most focus is prevention, which falls within the ambit of the committee.

We met the COSLA social affairs forum on Monday, ostensibly to discuss housing. I asked Angus MacKay to come with me to talk to COSLA about his plans to take forward the ministerial task force on drugs and to ensure that it was not just about enforcement. There was a very productive exchange with the COSLA leadership about what was being done in local communities and what part COSLA should play.

Perhaps Jackie could say something about the work of the ministerial task force and its link to the SIPs.

The Convener: Keith Raffan may ask a supplementary before we hear from Jackie Baillie.

Mr Raffan: I accept all that the minister is saying, but there is some concern about what is seen by many people to be an imbalance in Government expenditure. In the UK, £1.4 billion is spent on the war on drugs: three quarters of that is spent on crime prevention and a quarter is spent on treatment and rehabilitation. We only have 120

in-patient treatment beds in Scotland. That is a major issue. Obviously it relates more to the health department, but do you lobby or pressurise that department in any way?

The Deputy Minister for Communities (Jackie Baillie): Yes. We want to ensure the right balance in terms of prevention, rehabilitation and tackling the drug dealers. We are keen to do that in the context of setting up the drug enforcement agency and servicing drugs action teams at a local level. There is a clear link between social exclusion and drug misuse. We play a significant role in terms of prevention and rehabilitation—it is not a single departmental issue, but something that the task force will consider collectively. I encourage the committee to invite Angus MacKay, who leads the task force, to come and discuss that.

Mr Raffan: Are you worried by the difference in quality of the drug action teams? In some areas they are much better than in others. I know that some aspects depend on the health authorities, but it is very uneven.

Jackie Baillie: We have acknowledged that, as has Angus. We have a commitment to ensuring that the drug action teams operate to the same high standard.

The Convener: I am going to move on. I know that our time is about to run out, but does anyone wish to ask any questions on the voluntary sector?

Cathie Craigie: The voluntary sector in Scotland is a major employer of something like 100,000 people, not to mention all the volunteers that are involved. Minister, can you tell us how the Executive intends to gather the opinions and expertise of the people who work within that sector, so that they can influence and assist the Executive during the drafting of policy?

Ms Alexander: That is an area that has been too long neglected. We regard the voluntary sector as becoming a partner in the new Scotland, equal to the Confederation of British Industry and the Scottish Trades Union Congress. We must say that loud and often, and that view is being reflected in our own structures. Jackie is the minister with explicit responsibility for the voluntary sector, a post that has not existed before. We have established a voluntary issues unit that is not buried somewhere down in social work, but is at the centre of the Executive and reflects the fact that it intervenes in all areas. We have made a commitment to try to sort out the infrastructure funding for the Scottish Council of Voluntary Organisations and the other people who are fundamental to pulling together the views of the voluntary sector. The Scottish compact, which enshrines a new relationship of partnership between Government and the voluntary sector, will come before the Parliament in the autumn. The

compact will also hasten a more sophisticated relationship around three-year core grant funding and more stability in funding regimes, for which the voluntary sector has been crying out for many years.

Mr Raffan: I welcome the Scottish Executive's commitment to three-year funding and increased stability of funding, but that is not a matter for only the Scottish Executive. What steps are you taking to get local government to do the same?

Robert Brown: That is exactly my point.

Jackie Baillie: We have already considered that and have worked hard with COSLA to develop guidance for local authorities to encourage them to provide that same stability of three-year funding.

The Convener: On a technical point, is the question of warrant sales going to be referred to the committee?

Alex Neil: That is more than a technical question. Will you give a commitment to support the private member's bill?

Ms Alexander: We have said that we will look positively at reform of the law of diligence. Part of that is the question of warrant sales, which we regard as inefficient and expensive. There is a question as to whether you try to tackle one aspect of debt management in isolation from others. My plea to this committee would be to examine the question of debt and debt management, including warrant sales, as part of a piece that provides people with the money, advice services and credit union support that prevents them from getting into difficulties. I urge you to talk to your justice colleagues about how that might work.

The Convener: That is on our agenda. I realise that the shortage of time is very frustrating. Ministers, thank you very much. The desperation to ask more questions that is evident around the table indicates that we will probably ask you back soon. Thank you again.

Ms Alexander: Thank you.

Meeting closed at 12:34.

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