

# **SOCIAL JUSTICE COMMITTEE**

Wednesday 28 November 2001  
(*Morning*)

Session 1

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## SOCIAL JUSTICE COMMITTEE

### 27<sup>th</sup> Meeting 2001, Session 1

#### CONVENER

\*Johann Lamont (Glasgow Pollok) (Lab)

#### DEPUTY CONVENER

\*Mr Kenneth Gibson (Glasgow) (SNP)

#### COMMITTEE MEMBERS

\*Robert Brown (Glasgow) (LD)

\*Cathie Craigie (Cumbernauld and Kilsyth) (Lab)

\*Linda Fabiani (Central Scotland) (SNP)

\*Mrs Lyndsay McIntosh (Central Scotland) (Con)

\*Karen Whitefield (Airdrie and Shotts) (Lab)

\*attended

#### WITNESSES

Janette Cowan (Glasgow City Council)

Jon Harris (Convention of Scottish Local Authorities)

Councillor Corrie McChord (Convention of Scottish Local Authorities)

Peter Russell (Glasgow City Council)

#### CLERK TO THE COMMITTEE

Lee Bridges

#### SENIOR ASSISTANT CLERK

Mary Dinsdale

#### ASSISTANT CLERK

Craig Harper

#### LOCATION

Committee Room 3



# Scottish Parliament

## Social Justice Committee

Wednesday 28 November 2001

(Morning)

[THE CONVENER opened the meeting at 10:01]

### Item in Private

**The Convener (Johann Lamont):** I welcome everyone to this meeting of the Social Justice Committee. The first item on the agenda is to decide whether to take item 5 in private. Is it agreed to take item 5 in private?

**Members indicated agreement.**

**The Convener:** In that case, we now move into private session to consider agenda item 2.

10:02

*Meeting continued in private.*

10:06

*Meeting continued in public.*

### Voluntary Sector Inquiry

**The Convener:** We begin our consideration of agenda item 3, our inquiry into the voluntary sector, by taking evidence from the Convention of Scottish Local Authorities. I welcome the COSLA representatives. Jon Harris is the director of policy and legislation and Councillor Corrie McChord is the modern governance spokesperson and the leader of Stirling Council. I ask the witnesses to make a brief presentation of around five minutes. The committee will then ask questions. I thank the witnesses for attending and for providing a briefing in advance of their appearance.

**Councillor Corrie McChord (Convention of Scottish Local Authorities):** I will speak for one minute or less. We are happy to have the opportunity to discuss the future wider roles of the voluntary sector in partnership with local government. Jon Harris will go over some of the key issues that we want to raise about a partnership approach for the future and will mention some of the service provision challenges facing the voluntary sector. I reserve my comments for the questions.

**Jon Harris (Convention of Scottish Local Authorities):** I will go through my presentation briefly, because I am sure that members have looked through the slides. My first point is about why the voluntary sector is important to local government, within which there is an issue about the scale and scope of activities. The voluntary sector is of interest not only because it delivers services on behalf of councils, but because it delivers services directly and in its own right. Another area that is sometimes forgotten is the role of the voluntary sector in providing a mechanism for empowering clients and communities. That is one area that I will emphasise in my presentation.

Because of the importance of the voluntary sector to local government, we developed guidance in partnership with the Scottish Council for Voluntary Organisations and Volunteer Development Scotland. At the time of local government reorganisation, we published with the SCVO a document entitled "Positive Partnership: a statement of principles of co-operation between the voluntary sector and Scotland's new unitary councils", which set key guidelines on how we should develop our relationship with the voluntary sector—for example, recognising the voluntary sector's role in promoting community well-being and that its independence is critical to the delivery

of that role; recognising the diversity of the voluntary sector and its funding needs; and recognising that the voluntary sector is important not only because it provides services for local government. I will leave copies of our guidance notes with the clerks if members want to follow up that matter later.

As a service provider, the voluntary sector has a key role in working with councils to deliver best value in reviews of services that involve voluntary sector provision and in the more strategic cross-cutting reviews. Three councils, for example, have done a cross-cutting review of their funding for the voluntary sector in total.

Within best value there is an issue about whether the new duty of best value, which will be published later this month or early next month as part of the legislative agenda, will enable councils and others to recognise the added value that the voluntary sector brings in areas such as quality of service, closeness to the client and the value of volunteer input.

Another issue that the voluntary sector will need to address is that of the more innovative ideas—coming partly from best value and partly from community planning—about how to deliver services in the future. For example, there are issues around the pooling of budgets in community care, joint ventures, and e-governance and e-procurement. All that needs to take account of the continued public expenditure constraint. Issues include the use of mainstream resources to fund initiatives and the balance between statutory and discretionary services.

As I said, a key role of the voluntary sector is helping to empower communities. As a key partner in doing that, there are a number of cross-cutting policy areas in which we see the voluntary sector fulfilling a major role in the delivery of services and the empowerment of communities. I list some of those on my slides: social justice, equalities, health improvement, community safety, and so on.

Given the role of the voluntary sector in providing services and empowering communities, we feel that it should have a key partnership role in the community planning process. That situation happens in many community planning partnerships, but it is not universal by any means. In some areas there must be a better recognition by councils and their community planning partners of the broader role of the voluntary sector. However, the voluntary sector must also recognise that it must build up its capacity to engage in the community planning process, particularly at a strategic level. That is an area in which we have seen councils of voluntary service and volunteer bureaux in a facilitating role, linking the voluntary sector with that process.

Finally, we have been discussing within the community planning task force the possibility of the community planning partnerships jointly making a local compact with the voluntary sector. That would ensure that all the resources supporting the voluntary sector are joined up at a local level, and that there is a commitment by all the partners to a coherent strategy. It would also make the national compact work at a local level. Such a joint approach could result in a better focus on what funding is for rather than on who provides the funding.

**The Convener:** I will kick off by asking for your view of how the voluntary sector's role in providing services on behalf of local authorities has changed over the past few years. The voluntary sector feels that things have changed, but I wonder what the local authorities' perspective of that change is.

**Councillor McChord:** Local authorities have changed, at least in terms of resources available. I would hate to think that the voluntary sector would be regarded as a cheap option for delivering services. That would not be fair for future partnerships and for equity, if you like. However, because of the necessary bureaucracy of local authorities, the voluntary sector can be much more efficient and effective sometimes if it is given the right funding and support.

A possible area of support is training and development, because that is not necessarily as available to the voluntary sector as it is to local government. One way forward is for local government to make its staff training courses available to voluntary sector staff. The voluntary sector has the challenge of keeping up to date with legislation and other matters.

The role of the voluntary sector is also changing because of active citizenship. The voluntary sector is a wide sector. As Jon Harris said, it is not just about service delivery. Its role is changing and, as mentioned, it will continue to change in the future. Examples of services include health improvement, well-being alliances and suchlike. If volunteers were given the capacity to run housing associations or co-operatives, that could change its role in housing. However, that depends on the way that the direction of housing in Scotland turns out. The voluntary sector is changing before our very eyes and it needs support.

**The Convener:** We have heard evidence that, since devolution, the Scottish Executive's engagement with the sector has improved considerably, but that that has not happened to the same extent with local authorities. Witnesses have reflected on the complexities of the relationship between the voluntary sector and local authorities. Is it fair to say that the problem is the relationship between local authorities and the voluntary sector? If not, how would you describe

the relationship and what are the key issues that need to be addressed?

10:15

**Jon Harris:** The voluntary sector is much more on the Scottish Executive's policy agenda. The voluntary sector is seen as a key partner in some of the cross-cutting issues that I have mentioned. That is true in relation to the Executive and local government. The immediate aftermath of reorganisation and the public expenditure constraints that followed created a level of difficulty. In one sense, the reason that we produced the positive partnership was so that we could say to councils that they should not forget the voluntary sector during reorganisation.

One of the reasons that we produced our guidance on funding was our recognition of the fact that public expenditure constraints were biting on the voluntary sector. That was all the more reason to apply best practice in an overview of the funding relationship with the voluntary sector. One part of the guidance, which was also linked to best value, was for councils to be clearer about their policy objectives. In some areas that led to quite significant shifts in funding between statutory and discretionary services and between mainstream funding and initiatives. In the first two or three years following reorganisation, there was a period when the relationship needed to be built up again.

**Councillor McChord:** If local authorities do not do that, they will need to be dragged along screaming and kicking. The social economy in continental Europe is developing faster than it is in the UK. The big European governance debate that is going on at present is important. It is vital that the voluntary sector and communities are involved in a debate that might lead to a people's Europe, which has been much talked about. Government organisations and establishments are running askew from what the people want. That will determine how the voluntary sector and the wider community sector in Scotland develop in future. The community planning process will not work if the voluntary sector is not included in a meaningful way. It is because of voluntary sector involvement that community learning is a success.

Those factors are on the Government's education and primary health care agenda. Local authorities have to be encouraged to treat the voluntary sector as an equal partner in certain sections of service delivery.

**Cathie Craigie (Cumbernauld and Kilsyth) (Lab):** The convener's first question was about the voluntary sector's role in providing services for local authorities. How does COSLA engage with the Executive when it discusses the future of the voluntary sector and volunteering?

**Jon Harris:** Since reorganisation and the devolution settlement, we have been involved actively with ministers, first Wendy Alexander and subsequently Jackie Baillie and Margaret Curran. We have been involved in social justice initiatives, including the active communities initiative. In each of those initiatives, we have worked closely with the SCVO and with VDS. We are represented on the policy board of the SCVO and on the board of VDS. As I said, we have tended to work in partnership. We created a joint task group with the SCVO and VDS and the Executive, which prepared all the guidance that I referred to. All the guidance was produced jointly.

**Cathie Craigie:** In your presentation, Jon Harris said that the independence of the voluntary sector is crucial in ensuring true partnership working. You will be aware that the committee has taken evidence from voluntary organisations from the Borders to the Highlands. In the three visits that I have undertaken, the message that has come back from the voluntary sector in most cases is that although the Scottish Executive recognises the independence of the sector, its independence and professionalism is not always recognised at local authority level. Is COSLA getting the same message? If so, how are you seeking to address that with your member authorities?

**Councillor McChord:** That is why I touched on training and development. Yes, the voluntary sector has independence and professionalism, but sometimes that professionalism is outdated because people have left professional life for a wee while before going into the voluntary sector. It is important that professional skills are updated. Stirling Council has been striving to build those partnerships, alongside partnerships in the regeneration areas, which I consider part of the job of the voluntary sector—the community sector—as well. That work must go on.

We are just beginning to consider the way in which COSLA co-ordinates that. It is a new COSLA situation, we know. It is a slimmed-down COSLA. We have many fewer resources at central COSLA, and it will be the support of local government—individual local authorities—that will build on the principles that we are attempting to achieve with the voluntary sector. We will take our first stab at that in early January.

**Jon Harris:** There is sometimes a tension when a council is contracting or asking a voluntary sector body to provide a service on behalf of the council. In our guidance, we tell councils that they need to be clear about their objectives. That is bound to be regarded as, in some respects, challenging the independence of the sector. I was involved with ministers in looking at changing the funding regime for CVSs—placing a set of targets and requirements on CVSs to facilitate community

planning, for example. Some CVSs felt that that challenged their independence. That tension is bound to exist.

At one level, the voluntary sector is a key player in policy priorities such as social justice and equalities. Organisations will question whether they are working to government's agenda—whether local government or central Government—or to their own. In many respects, that is an issue of presentation. The Executive should recognise that, in a policy area such as social justice, where others have been working for some time, the way of working should be regarded as and presented as a partnership, so that people in the voluntary sector will not say, "You're dictating our agenda and you're challenging our independence." As the relationship matures, that should become a bit clearer.

**Councillor McChord:** That is only at the service provision end. The voluntary sector being much wider than that, we need a forum to focus on it—possibly a tripartite forum, involving the voluntary sector, local government and central Government. Perhaps organisations such as the Scottish Civic Assembly could handle that sort of debate rather than just the service delivering part of the voluntary sector.

**Robert Brown (Glasgow) (LD):** It is clear from what you say that there is an understanding of those issues in COSLA, but I want to press you a little further on the understanding of independence at individual council level. It might be tactless to put it this way, but Glasgow City Council's submission mentions an emphasis on

"ensuring that the work of the sector is undertaken within the framework of the Council's own objectives."

That echoes what you just said. How is achievement of councils' objectives compatible in practice with the flexibility of approach that is the voluntary sector's big strength? How can councils say that they agree that they should tackle drugs or whatever, but that they want to do it one way rather than another? Are councils signed up to the idea of allowing such diversity to flourish?

**Councillor McChord:** I will let Glasgow City Council answer for itself, but I acknowledge that there is a problem with local government understanding what the voluntary sector can achieve. Jon Harris mentioned presentation, but it is also a matter of negotiation. There is tension, but such tension can be creative. We might say what we want done, but the voluntary sector might say that it will not do part of it. It is then a matter of talking about the matter and coming to terms with that. That is why I think that there could be a focal point or forum at which we would be able to discuss such things, probably at Scottish level. That would influence local authorities and their

way of thinking. The voluntary sector might also be influenced about what it does and does not do, and about where we might be able to obtain services.

**Robert Brown:** You mentioned the best-value duty and in one of your slides you asked:

"Will the new duty allow councils to recognise the added value of voluntary action"?

I am not clear about what you mean by that. I am concerned that there might be an obstacle in the way of that recognition.

**Jon Harris:** The best-value duty in England focuses on continuous improvement in effectiveness, efficiency and economy. We were concerned that the existence of a similar duty in Scotland might not give adequate weight to quality. In many ways, if such a duty were to be carried out without adequate weight being given to quality, it would be difficult to measure value that was added through voluntary action. That is the point that I was trying to make in the slide to which Robert Brown referred. I expect that in Scotland the best-value duty will reflect quality and fair employment. That is our understanding of how the best-value duty has been drafted.

**Karen Whitefield (Airdrie and Shotts) (Lab):** As the committee has gone round the country, we have heard evidence of the lack of transparency in the financial decisions that local authorities take, and which impact on the voluntary sector. Does the Convention of Scottish Local Authorities share those concerns, and are you doing anything to engage better with local authorities to ensure that their decision making is more transparent?

**Jon Harris:** The need for a transparent framework for decision making is included in our guidance, which was drawn from councils' best practice and from consultation with the voluntary sector; no single council had all the elements of that best practice. Since we produced our guidance, our focus has been more on implementation. I agree with Karen Whitefield, but I think that it is a shared issue—the need to promote better practice exists throughout local government and the voluntary sector.

One way to facilitate that is for councils to view their relationship with the voluntary sector as corporate, so as to avoid a situation in which the partnership arrangements between their departments and voluntary bodies can greatly differ. Councils should view that relationship more as a corporate relationship and they should share good practice so that voluntary bodies need not shop around. If the voluntary sector, as a provider of council services and as a service provider in its own right—which contributes greatly to the empowerment of communities—is recognised under that corporate approach, the better the



chances are of improving the relationship between councils and the voluntary sector.

**Councillor McChord:** Local civic assemblies and scrutiny groups in which the public and the voluntary sector are involved help that process and its transparency. I know that such groups are developing in some local authority areas, where transparency measures are in place to ensure that people know what is happening, where funding goes and why it is going there.

**Mr Kenneth Gibson (Glasgow) (SNP):** You mentioned guidance in your opening presentation and again in response to Karen Whitefield's question. To what extent has COSLA's guidance on councils' funding of voluntary organisations been implemented?

**Jon Harris:** That guidance was issued two years ago and we have a voluntary sector officer network to monitor it. The Scottish Council for Voluntary Organisations uses the guidance as a benchmark if difficulties arise. Three examples of such difficulties have been referred to me in the past two years. I would not suggest, however, that that means that the guidance has been implemented consistently everywhere. We are trying to encourage its implementation.

**Mr Gibson:** I am surprised by that. I have been round Scotland visiting various groups and have heard a number of them express concerns that funding is sometimes not delivered to voluntary sector organisations unless they meet specific objectives that are set out by the local authority, even when the voluntary sector organisations believe from experience that services should not be delivered in ways that the council wants. The independence of the voluntary sector is an issue. Some groups feel that if they shout too loudly, the local authority will look on them in a less than positive light with regard to future funding decisions. That concerns me.

10:30

**Jon Harris:** There are always issues about who gets funding. Our guidance says that councils should link funding to their policy objectives, which should include using the voluntary sector in a wider role. In some respects, best value will require demonstration that spending is delivering on those objectives. Because of the way in which councils have been funded since reorganisation, there have been significant shifts in funding. Some voluntary organisations will have benefited from that and some will not.

I suggest that the partnership needs to work at a higher level. Local authorities need, with their community planning partners, to talk to the voluntary sector as a whole about what is strategically most important for that sector. We

need to go beyond the bilateral dialogue that involves only a council and an individual voluntary organisation, which might feel at risk from or threatened by such an approach. We need an approach that is much more strategic and comprehensive.

**Mr Gibson:** Do not local authorities sometimes complain that that is what the Executive does? The Executive sets its agenda, which local authorities are expected to go along with. In many ways, the local authorities are doing the same with the voluntary sector. Perhaps voluntary sector organisations feel that they are not meeting local authorities as equals. Perhaps the balance in the relationship should be adjusted.

**Councillor McChord:** I agree with that. The same is true for community councils, which are not voluntary sector organisations. However, many people on community councils work in the voluntary sector and wear two or three different hats. In the past, local government has not given such people the esteem that they deserve, although that is my personal view. We must work with those people; sometimes they can be annoying, but sometimes they are right. When they are annoying and right, that is even worse. We need to build on those relationships.

There is a flip-side to what you are saying. The danger for local government is that voluntary sector funding becomes ring-fenced or top-sliced, which would mean that we do not have local debate or dialogue about which services are needed locally. The voluntary sector would keep its independence, but local government would not be able to provide for its services, which would be pretty bad. We must get into a meaningful debate with the voluntary sector.

**Jon Harris:** One of the strengths of the voluntary sector is its diversity. Any policy must deal both with the voluntary sector organisation that has a multimillion pound turnover and—at the other end of the scale—the community group that might be looking for a small grant of perhaps £100 or £200 a year.

In our guidance, we highlight the problem that during the 1980s and early 1990s a contract culture was sometimes promoted in which the focus was on purchasing and in which small community groups and groups that did not want such a relationship were forgotten. Our funding guidance recommends—the recommendation came from councils—that there should be a balance. What is right in one circumstance is not necessarily right in another.

**Linda Fabiani (Central Scotland) (SNP):** I have two quick points, the first of which is for Corrie—which is a great name that I have never come across before.

**Councillor McChord:** It is short for Cormack.

**Linda Fabiani:** Right.

You emphasised the need for training in the voluntary sector so that professionalism kicks in. Do you accept that the voluntary sector might say to us that many council officers and elected members need training so that they can understand the voluntary sector and can give voluntary sector organisations the respect that is their due for the work that they carry out? What is COSLA's view on that?

My other question leads on from Kenneth Gibson's point about the independence of the sector. What would COSLA's view be if the Scottish Executive said that it knew that not all councils were following the guidance that their umbrella body had published and that it would make the voluntary sector independent in terms of funding, while still expecting it and the councils to speak at partnership level about what is required in their areas?

**Councillor McChord:** That would set the relationship back quite a bit and it could take years to get over it.

I agree with Linda Fabiani's first point about capacity building; we found that through the regeneration processes and we are finding it now through the access processes. Local government will work in different ways in future. We need capacity building, training and development as much as the voluntary sector or community groups need it. Perhaps we need it more, in order to ensure that there are appropriate levels of understanding. We must get to grips with the matter. Local government is changing—access is going to be a big issue and people in local government will have new roles. It is all about getting nearer to people, to the community and to voluntary groups. Development of understanding will be a big exercise and I hope that we can manage it quickly, because the agenda is upon us.

**Jon Harris:** COSLA has sought to promote joint training. We have promoted it in health improvement and community planning. I chair the stakeholder group for the "working together, learning together" training initiative, which provides joint training for social inclusion partnerships and work for communities pathfinders. That is the future—it is not only about bringing people together for training, but about local councils getting a better understanding of what the voluntary sector is about and vice versa. The problem is not only about councils and the community and voluntary sector; it also involves the health sector and the local enterprise companies. We need to develop such working throughout the public sector.

**Councillor McChord:** I will elaborate on that. In

the community planning process and the community initiative legislation that we will have—which I hope will involve a duty rather than a power—it is important that the relationship is not only between local authorities and the voluntary sector. Local enterprise companies and the health service must also be involved. There seems to be less onus placed on those organisations to work with the voluntary sector than there is on local government. That must be addressed.

**The Convener:** Are you aware of the problems that voluntary organisations face in having to fulfil several different regulatory requirements that are laid down by local authorities, health boards and other funders? Has that issue been raised with you?

**Councillor McChord:** That matter arose yesterday when I gave evidence at the Justice 1 Committee. How many more organisations will come under the Freedom of Information (Scotland) Bill? When a voluntary sector organisation is contracting, it could be subject to the same rules on freedom of information as local and central government. In addition to its training and development role there are big issues for the voluntary sector in the move towards e-government and data protection legislation, which it must comprehend and come to grips with in future. I do not know how that can be adequately managed. We continue to bleat that local government is not well resourced, but how can we pay additional levies to the voluntary sector if we are not adequately resourced? The perception is that outside contributions are always the first to be hit. There is a difficulty and the voluntary sector and local government must be funded for carrying out their new roles.

**Jon Harris:** One of the potential benefits of bringing a local compact together through a community planning partnership is that the funding streams and the bureaucracy are joined up. In our guidance on funding, we suggest that councils should try to achieve a common approach across their departments and with their colleagues on matters such as European funding. Perhaps that should be pushed harder.

**The Convener:** Thank you for attending; we found your evidence useful. Thank you also for your presentation. If you want to develop other points with the committee, we will be more than happy to hear from you.

We will now take evidence from representatives of Glasgow City Council. Peter Russell is a principal officer in social policy and Janette Cowan is a senior officer with social work services. I ask the witnesses to make a brief presentation, after which members will take the opportunity to ask questions. I thank the witnesses for their attendance and for the papers that they have

provided. We hope to have a constructive session.

**Peter Russell (Glasgow City Council):** Thank you for the invitation to speak to the committee.

I am from the development and regeneration service and my colleague, Janette Cowan, is from social work services. Our intention is to give evidence and to answer questions between us. I will go through the issues that were raised in the invitation that came from the clerk and that are set out in the written summary that we sent in last week.

The first issue is infrastructure. Glasgow City Council and its predecessors have been long-term supporters of the voluntary sector and have a substantial commitment to its development in Glasgow. Infrastructure is a key part of that. We currently support the infrastructure in Glasgow by grants to the following organisations: Glasgow Council for the Voluntary Sector received £83,340; Glasgow Volunteer Centre received £119,415, which is the core costs for that organisation; and the Poverty Alliance received £40,685.

In promoting the infrastructure in Glasgow, the council has also taken steps to establish a working agreement with the voluntary sector. The council is reviewing the best way to support that agreement, especially in the context of best-value processes. Senior officers are considering how to promote that agreement.

The second issue is about regulation. In our written submission, we have set out three guiding principles that are applied in Glasgow. The first refers to acknowledgement of the independence of each voluntary organisation and their responsibilities as legal and financial managers and as employers.

The second principle refers to the need to protect public funding, particularly through audit requirements. The third principle refers to the need to protect the public when dealing with, for example, children's services and services for vulnerable elderly people. It is important that there is clarity about the relationship between those principles.

Glasgow City Council spends a large proportion of its voluntary-sector related budgets on purchased services. Janette Cowan will talk about that.

**Janette Cowan (Glasgow City Council):** I confirm that Glasgow City Council is committed to equitable distribution between the public and independent sectors. All social care services that are provided by voluntary and private agencies—other than through grant funding—are subject to legally binding contracts. The primary focus of contract management is on unregistered services because those services have been subject to less

scrutiny in the past than those that are currently subject to registration and inspection.

The introduction of national care standards will have an impact on a number of areas of social care commissioning, including the extent to which accreditation of independent providers will be required and, in particular, the role of the new commission in quality assurance in the independent sector. Contract standards will have to reflect care standards. However, only part of the council's relationship with the voluntary sector is in contracting.

I was interested to hear what my colleague from COSLA said about losing sight of small, locally based organisations. That is not the case in Glasgow. We continue to fund a vast number of small community organisations.

**Peter Russell:** On funding, which was also raised, I point out that the key figure approaches £90 million—Glasgow City Council budgets over £88 million per annum for the voluntary sector. The largest single part of that is in supplementation, which Janette Cowan will explain.

10:45

**Janette Cowan:** In the past financial year, the council allocated through social work services a supplement of £35.6 million to the voluntary sector, which helped to make up the difference between what residents or the Department of Social Security contributed and the charge that was made by voluntary homes. Those homes provide mainly residential services, a significant amount of which consist of child care and care for the elderly. Examples of those to whom large payments go are the Archdiocese of Glasgow, the Church of Scotland, Barnardos, and NCH Scotland. I am happy to take questions on that, if there are any.

**Peter Russell:** A further large slice of the £88 million—more than £10 million—is spent on the council's own social inclusion budget, which is made up of continuation of former urban programme projects, which are now budgeted for according to the council's objectives. The size of the figure demonstrates two things. One is the degree of upkeep that is required for such projects in a city that has such a level of local need and deprivation as Glasgow. The second thing that it demonstrates is the need for continuation strategies for projects that are on time-limited funding, which we feel is important. Although that is dealt with in our written submission, I want to emphasise it because there is a potential difficulty about the future of social inclusion partnership fund projects, projects that are funded through the national lottery and projects that are part-funded through the European social fund. Those projects

will eventually need to be funded by mainstream agencies and experience shows that the council might be organisations' first port of call. That will require a solution in the medium term.

Another point of great importance on funding is the knock-on effect of budget cuts such as those that are referred to in COSLA's evidence, for example the effects that cuts have had on morale in the voluntary sector. Glasgow City Council warned of that damage at the time of the cuts and described it as a "voluntary sector Ravenscraig" because of the loss of employment and capacity that the voluntary sector suffered. Since the cuts and the predicted loss of employment and capacity, there has been a further loss, in that individuals might be less likely to take on management roles in voluntary and community organisations because considerable personal legal and financial liability could be attached to taking such roles.

The next issue concerns volunteering. Janette Cowan will cover that.

**Janette Cowan:** Glasgow City Council is keen to encourage volunteering in the city and does so by funding a number of initiatives. For example, through a section 10 grant under the Social Work (Scotland) Act 1968, social work services currently funds a neighbourhood volunteer recruitment project that is based in four peripheral areas of the city. The project encourages volunteers and organisations that wish to use volunteers. It allows individuals to make a positive contribution to community action and social inclusion and gives them learning opportunities that they can use in the jobs market.

I will give another example. In the previous financial year, Glasgow City Council contributed about £590,000 to the Glasgow Volunteer Centre, which represented 54 per cent of the centre's funding for that year. I hope that that shows the city's level of commitment to volunteering.

**Peter Russell:** Elements of direct service provision are not covered by the supplementation that Janette Cowan has explained. Our written submission shows an important sum of £13.6 million for funding direct service provision. The submission also demonstrates the split of that money, of which the bulk goes to social work services. In general, the use of voluntary organisations is commissioned in cases in which they bring particular expertise and valuable non-professional community input.

**Janette Cowan:** In the past financial year, nearly £10 million has been channelled through social work services. Around £6.4 million of that money was paid directly to voluntary organisations and £3.5 million was provided in grant-aided services through section 10 grants. Approximately

£800,000 went towards children and family services, more than £2 million went towards community care and £300,000 went towards social strategy projects. Much of the money went to small community and voluntary organisations through grants.

**Peter Russell:** On the independence of the sector, it is clear from the figures that we have set out and from the funding structure that our contribution is overwhelmingly aligned with our strategic aims. Within that picture, there are a number of areas in which joint development is being undertaken. An example is our work with citizens advice bureaux—the council has contributed a major part of a partnership programme with Citizens Advice Scotland. That work, which is described in our written evidence, is in an area in which the council is acting to support organisations that require, as part of their operational remit, to be independent. A further example is the council's work to develop community credit unions; we are investing £120,000 over the next two years with the intention of opening three new premises a year in Glasgow.

**The Convener:** Thank you for that helpful presentation.

Earlier this morning, we discussed the fact that the voluntary sector has changed a great deal over time. In your report, you refer to some of the difficulties that the sector has faced. How have the council and the voluntary sector changed in the past few years? Will the relationship between the council and the voluntary sector, and the work that you undertake together, need to change further?

**Peter Russell:** The biggest single factor in the relationship between Glasgow City Council and the voluntary sector has been the impact of financial cuts, which has a continuing knock-on effect that has spread throughout the relationship. In the medium and longer term, it is likely that a different relationship will develop, and that people will not be able to assume that the council will be able to continue to support all the voluntary organisations that it wishes to support.

Our relationship with the voluntary sector suffered a serious fracture. Voluntary organisations were evaluated and were seen to be performing well in every way. However, the council needed to align its expenditure with its own set of priorities, and had to say, "Sorry, but ...". For example, expiring projects from the old urban programme, which were well run and were meeting their objectives, would have been mainlined and continued by the council. However, our relationship with them changed—the relationship is now far more aligned with the council's priorities.

**Janette Cowan:** I want to emphasise the position of urban programme projects. For example, Castlemilk SIP will be going through a run-down in funding over the next three or four years. We do not have the resources to fund around £500,000-worth of voluntary sector projects that are supported by social work services. We are going through a process of trying to identify funds, but it is clear that the council cannot continue to pick up the funding for those projects. The majority—or all—of those projects offer an excellent service.

**The Convener:** Is there a mechanism that allows the council and the voluntary sector to meet and discuss issues? I am thinking not of questions such as, "Why have you not given us as much money as last time?" but of the broader issues that can bring the council and the sector into conflict, even when they are working in partnership.

**Peter Russell:** The council has a working agreement with the voluntary sector, which contains several mechanisms for the two sides to meet, including a joint working party. The working party comprises councillors and officers, as well as representatives of the voluntary sector in Glasgow who are elected through a mechanism that is run by the Glasgow Council for the Voluntary Sector. The council is examining the best way of supporting that agreement. I cannot say that the joint working party has met recently.

**The Convener:** So the working agreement is an equivalent of the local compacts that we heard about.

**Peter Russell:** That is right.

**Mrs Lyndsay McIntosh (Central Scotland) (Con):** Does the provision of services by voluntary organisations add anything over and above the direct delivery of services by the local authority or the private sector? Is there a special, added ingredient?

**Janette Cowan:** Yes—particularly in respect of social care services. For example, Glasgow still has quite a vibrant community work staffing resource. We work in local areas to develop community capacity building in order to help the voluntary sector to take on responsibilities and deliver services. It has always been our view that the voluntary sector provides expertise and independence while continuing to deliver the quality services for clients that are our primary concern. It is worth continuing to develop that resource.

**Peter Russell:** I will reiterate a point that Janette Cowan touched on earlier. The capacity building value of voluntary organisations is appreciated by the council. If people participate in their communities as members of a management committee, or as the treasurer or chair of an

organisation, they add to their skills and quality of life. Their participation may even help them to gain employment. As one community activist put it to me, "It gets me out of the house." A range of social and employment-related issues stems directly from the participation of volunteers in community activity.

**Mrs McIntosh:** So the sum is greater than all the individual parts.

**Peter Russell:** Yes.

**Mr Gibson:** The committee heard evidence from Dr Fyfe and Dr Milligan, who conducted a study of the voluntary sector in Glasgow. I do not know whether you are aware of that study, but its findings showed that, with the exception of criminal justice voluntary organisations, voluntary sector organisations took the view that they were unable to influence council policy effectively. Do you agree with that view? If not, can you give specific examples of how you seek to involve the voluntary sector in policy decisions?

**Peter Russell:** It depends on the extent to which policy is affected by voluntary organisations, and I do not agree that voluntary organisations have no opportunity to influence policy. Voluntary organisations are involved as stakeholders and are consulted in the best-value process. I can give you a couple of good examples of that involvement.

We involved a major disability organisation that works in Glasgow on special needs transport. We deliberately involved that organisation because it was known to be—I will use the term that was used by the COSLA witnesses—annoying. However, it turned out to be annoying and right. The organisation's views were taken on board and it was pleased with the outcome of the best-value review. I can give another example, if you wish.

**Mr Gibson:** You mentioned consultation, but went on to talk about participation. Are you saying that voluntary organisations are involved from the bottom up in policy creation, or do you put together the policy and consult the voluntary sector on how to implement it?

**Peter Russell:** That depends on the policy, the department and the development process. However, on many occasions the voluntary sector is used. Voluntary organisations are included as stakeholders in the core corporate development strategy of best-value reviews.

**Mr Gibson:** It might be an idea to speak to the academics about their study. If their findings indicate one thing but your experience is different, there is clearly a problem that needs to be addressed.

**Peter Russell:** You are right.

11:00

**Janette Cowan:** The voluntary sector is involved in the development of children's and family services. The joint planning structure provides the voluntary sector with a forum that we have helped to develop over the past few years. The sector is involved in all planning processes and we have funded a development worker post to assist it to engage further in policy and the development of the joint planning structure. That is one area in which we are actively encouraging voluntary sector involvement.

**The Convener:** As the independent chair of the parallel transport liaison group, I can confirm that in Glasgow there is an interesting tension between the providers of transport services and voluntary and carers groups. The group provides a good example of joint working.

**Karen Whitefield:** Do you think that the current voluntary sector infrastructure in Glasgow is effective enough, or could you do things to strengthen it?

**Peter Russell:** The voluntary sector infrastructure in Glasgow is effective enough. However, one of the objectives of the joint working agreement is to strengthen the infrastructure and to consider ways in which the council can contribute to it, not just by funding infrastructure organisation but by participating in complementary ways. One way of doing that is to arrange joint conferences with voluntary organisations. Conferences were held recently on the Glasgow housing plan and on money advice services. The council and the voluntary sector have complementary roles. We are not complacent about the voluntary sector infrastructure in Glasgow and do not assume that it will always be adequate or will not need development. We are in a changing situation. The infrastructure is adequate at the moment, but we are prepared to entertain development of it in the future.

**Mrs McIntosh:** You have heard that we have been almost everywhere in Scotland and that every region will be covered by our inquiry. The committee has heard evidence, during its travels up and down the country, that many complaints about local authority funding of the voluntary sector relate to lack of transparency and knowledge about the financial decision-making process. Are those complaints well founded? How do you respond to them?

**Janette Cowan:** Social work services do not believe that those complaints are well founded. When the council commissions and purchases new services, it uses a transparent and legally defined tendering process. I am heavily involved in the council's grant-making process. From the start, all organisations that apply for grants are made

aware of the criteria for, and likely levels of, funding. Awards are subject to independent assessment, followed by further review. Voluntary sector organisations have an opportunity to put their views as part of the process, which is subject to audit regulations. The council is transparent in its dealings with the voluntary sector, certainly in social work services.

**Peter Russell:** The voluntary sector in Glasgow is also involved in the council's corporate decision making. GCVS is consulted during the council's budget working group processes; it is aware of how decisions are made and is informed of those decisions. One difficulty in Glasgow is that different departments have different processes, and there may be a lack of clarity about how those processes complement one another. Two things may be going on at the same time and it may be difficult to keep track of them.

**Mrs McIntosh:** That answers my question about the financial decision-making process and indicates that it can be confusing for organisations.

**Peter Russell:** I accept that.

**Mrs McIntosh:** It is a morass.

**Robert Brown:** How many funding arrangements for three years or more do you have with voluntary sector groups? You mentioned arrangements with citizens advice bureaux and credit unions. Are there any others?

**Peter Russell:** I cannot tell the committee the exact number. However, there is an objective in the management of the council's social inclusion budget to give organisations three-year funding, when appropriate, or one-year or two-year funding with indicative funding after that, because it may be difficult to see further into the future. When possible in the budget, the council intends to adopt a longer-term framework, to allow planning processes to continue.

It was interesting that the citizens advice bureaux agreement was a joint agreement with Citizens Advice Scotland. Funds were levered in from the Department of Trade and Industry. Using external funding in that way is a productive means of building partnerships, and the council is pleased to assist in that.

**Robert Brown:** Could Glasgow City Council come back to us with more details about the extent to which the council has made progress on that? It would be interesting to get a flavour of that.

On the point that you made about the CABx, several issues have arisen about how you keep the council's strategic control and balance its position as a democratically elected body with the voluntary sector's independence and ability to participate as an equal. Could the DTI arrangement that allows funding through the CABx

be taken up by the Executive in some other way to provide partnership or leverage funding directly to the voluntary sector, or certain voluntary sector organisations?

**Peter Russell:** That would be welcome. The point is not to create too much difficulty for voluntary sector organisations. It is clear that the advice sector is independent and therefore a servant of no masters. When it comes to other service delivery, there may be a difficulty for organisations that feel that they are the servants of two or more masters. The vertical relationships would need to be clear in the policies that were being pursued.

**Robert Brown:** Kenny Gibson mentioned the Fyfe and Milligan report, which suggested that funding for voluntary groups that served functional groups, such as the elderly and the disabled, was disadvantaged compared with funding that was targeted to geographical areas. I have come across examples of that with some of the SIPs in Glasgow. Is that a particular problem in Glasgow? Have you had representations about that problem or come across it before?

**Peter Russell:** Janette Cowan's department does most of the commissioning.

**Janette Cowan:** I would not say that issues had arisen about that in the past. I am probably not best placed to answer that question; I will come back to the committee on it.

**Robert Brown:** You mentioned the council's diminishing ability to deal with core funding and the provision of permanent services as projects become mainlined or do not become mainlined. Have you other thoughts and ideas, against the background of the financial pressures that you have mentioned, about how that can be managed so that we get good value permanent services with more core funding?

**Peter Russell:** I am aware that there are a number of models. Some models are based on the idea of incorporation into council services through specific or top-sliced grant, or through increases in general grant. There are also independent models, such as community development trusts. That can be covered in a much wider discussion, which needs to take place elsewhere. The dominant need is to preserve the three principles that we have set out, which include accountability for the use of public funds. Local authorities have systems for doing that already, so I would say, without prejudice, that my view tends in the direction of having local authority funding.

**Linda Fabiani:** I want to ask your opinion on something. In relation to the independence of the sector, in terms of both representation and management, it has often been said to me over the past few months—I stress that this is

anecdotal—that the membership of many umbrella groups that run the voluntary sector, including SIPs and management boards, includes council-placed people. I think that that is the term that was used. I have heard that such groups are often representative more of the council than of the community. Have you come across that perception in Glasgow, or can you refute that from your experience?

**Peter Russell:** Responsibility for the SIPs in Glasgow lies with the Glasgow Alliance, of which the council is a partner. The situation that you describe is less likely to be a difficulty in Glasgow than elsewhere. I have not heard of such a difficulty, but I have heard of the difficulty whereby the requirements that are placed on community representatives mean that the available pool of people is relatively small. Those people may also figure in council-related forums. There can be a relatively small pool of community activists who feel that they have the time and that they are equipped and able to take up such posts.

The possibilities and weaknesses of the community's capacity have been outlined today. I have not heard explicitly that there is a problem with people being considered council stooges on SIP boards, for example. The management arrangement for SIPs in Glasgow is a stage removed, which makes that less likely.

**Linda Fabiani:** My worry is that even a perception that that problem exists could create great disillusion and apathy about membership of such groups.

**Peter Russell:** I can see that it could do that.

**The Convener:** I thank the representatives of Glasgow City Council for their attendance and evidence, which was very helpful. A number of points were highlighted on which we have asked the witnesses to get back to us, and if they wish to develop some points further, we would be more than happy to hear from them.

## Subordinate Legislation

### **Housing (Scotland) Act 2001 (Transfer of Scottish Homes Property etc) Order 2001 (SSI 2001/396)**

**The Convener:** Under agenda item 4, we have an item of subordinate legislation to consider under the negative procedure. The Housing (Scotland) Act 2001 (Transfer of Scottish Homes Property etc) Order 2001 (SSI 2001/396) was sent to members on 1 November and no comments have been received. No motions to annul have been lodged, and no other action can be taken on the instrument. The instrument has been considered by the Subordinate Legislation Committee and an extract of that committee's report on the instrument is included in members' papers. I am assuming that no one has any comments on the instrument.

The question is, that the Social Justice Committee has no recommendation to make on the Housing (Scotland) Act 2001 (Transfer of Scottish Homes Property etc) Order 2001 (SSI 2001/396). Are we agreed?

**Members** *indicated agreement.*

11:14

*Meeting continued in private until 11:38.*



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