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Pàrlamaid na h-Alba

Official Report

MEETING OF THE PARLIAMENT

Tuesday 16 December 2014

Session 4

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CONTENTS

	Col.
TIME FOR REFLECTION	1
BUSINESS MOTION	3
<i>Motion moved—[Joe FitzPatrick]—and agreed to.</i>	
TOPICAL QUESTION TIME	4
Voting (16 and 17-year-olds).....	4
Private Rented Sector (Average Monthly Rent)	7
WELFARE FUNDS (SCOTLAND) BILL: STAGE 1	10
<i>Motion moved—[Margaret Burgess].</i>	
The Minister for Housing and Welfare (Margaret Burgess).....	10
Michael McMahon (Uddingston and Bellshill) (Lab)	14
Jackie Baillie (Dumbarton) (Lab)	17
Alex Johnstone (North East Scotland) (Con)	22
Clare Adamson (Central Scotland) (SNP)	25
Alex Rowley (Cowdenbeath) (Lab).....	27
Kevin Stewart (Aberdeen Central) (SNP)	29
Willie Rennie (Mid Scotland and Fife) (LD)	31
Richard Lyle (Central Scotland) (SNP).....	34
Joan McAlpine (South Scotland) (SNP)	36
Rhoda Grant (Highlands and Islands) (Lab).....	38
Bob Doris (Glasgow) (SNP).....	40
Rob Gibson (Caithness, Sutherland and Ross) (SNP).....	42
Anne McTaggart (Glasgow) (Lab)	44
Nigel Don (Angus North and Mearns) (SNP)	46
Alex Johnstone	49
Ken Macintosh (Eastwood) (Lab)	52
Margaret Burgess	56
WELFARE FUNDS (SCOTLAND) BILL: FINANCIAL RESOLUTION	61
<i>Motion moved—[Margaret Burgess].</i>	
INFRASTRUCTURE BILL	62
<i>Motion moved—[Fergus Ewing].</i>	
The Minister for Business, Energy and Tourism (Fergus Ewing).....	62
DECISION TIME	65
BELLGROVE HOTEL	66
<i>Motion debated—[John Mason].</i>	
John Mason (Glasgow Shettleston) (SNP).....	66
Anne McTaggart (Glasgow) (Lab)	68
Sandra White (Glasgow Kelvin) (SNP).....	69
Alex Johnstone (North East Scotland) (Con)	71
The Minister for Housing and Welfare (Margaret Burgess).....	72

Scottish Parliament

Tuesday 16 December 2014

[The Presiding Officer opened the meeting at 14:00]

Time for Reflection

The Presiding Officer (Tricia Marwick): Good afternoon. The first item of business is time for reflection. Our time for reflection leader today is the Rev Andrew Dick, minister of St Michael's church, Inveresk, in Musselburgh.

The Rev Andrew Dick (St Michael's Church, Inveresk, Musselburgh): Presiding Officer, members of the Scottish Parliament, I thank you for giving me the opportunity to address you this afternoon.

In this season of Advent, Christian churches of many denominations are preparing to celebrate the birth of one who is described in the popular hymn as "the Servant King". Indeed, Mark's gospel tells us that Jesus said of his mission:

"the Son of Man did not come to be served, but to serve, and to give his life as a ransom for many."

I am a minister of the Church of Scotland; the Parliament has within it ministers of state. The idea of leaders being called ministers, I suggest, betrays our country's Christian heritage. The word "minister" means "servant", and Jesus once said:

"the one who rules"

should be

"like the one who serves."

I am a servant of God, and ministers of state are servants of the people, as the previous First Minister, Alex Salmond, and the former Prime Minister, Gordon Brown, have recently pointed out. It has been suggested that power corrupts, and it is surely worth the while of politicians and religious leaders to remember often that they are servants.

Some would question whether leadership and service are compatible. I believe that an important tool in the toolbox of leaders is example. If we are tolerant of people, if not always of their ideas—rather than, as is the tendency today, tolerant of ideas but not always people—and if we model a culture of service and mutual respect, perhaps, just perhaps, others will follow our example and the national renewal that many of us long for might begin. Let us never forget that, by definition, a leader is a person whom people follow.

I, like many Scots, was proud that mutual respect characterised much of the recent

referendum debate. I am proud that public service is still largely respected and honoured in our country. However, I am convinced that we must, as never before, be vigilant and look to the source of our values as a society in this age of such rapid change.

Business Motion

14:03

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-11906, in the name of Joe FitzPatrick, on behalf of the Parliamentary Bureau, setting out a revision to the business programme for this week.

Motion moved,

That the Parliament agrees to the following revisions to the programme of business for—

(a) Wednesday 17 December 2014

after

followed by Portfolio Questions
Finance, Constitution and Economy

insert

followed by Ministerial Statement: Historic Child Abuse

(b) Thursday 18 December 2014

after

2.30 pm Parliamentary Bureau Motions

insert

followed by First Minister's Appointment of Junior Scottish Minister—[*Joe FitzPatrick.*]

Motion agreed to.

Topical Question Time

14:04

Voting (16 and 17-year-olds)

1. Clare Adamson (Central Scotland) (SNP): To ask the Scottish Government what discussions it has had with the United Kingdom Government on devolving the power to allow 16 and 17-year-olds to vote in Scottish parliamentary elections. (S4T-00877)

The Deputy First Minister and Cabinet Secretary for Finance, Constitution and Economy (John Swinney): That issue was discussed when the Prime Minister and the First Minister met yesterday. The Prime Minister gave a commitment that the necessary transfer of powers will be undertaken in time to allow the Scottish Parliament to extend the franchise to 16 and 17-year-olds for the 2016 elections. Both Governments are now working to develop a section 30 order that will require to be agreed by the UK Parliament by March 2015 in order to fulfil that commitment and deliver that power as swiftly as possible.

Clare Adamson: I thank the Deputy First Minister for his answer, which I am sure will be welcomed by members on all sides of the chamber.

The 2014 referendum was exceptional in terms of public engagement and interest. Young people were at the core of that civic engagement, culminating in the fantastic event at the Hydro, which my own son attended. What measures will the Scottish Government take to ensure that young people are as informed and engaged in the 2016 election as they were in the referendum campaign?

John Swinney: The events to which Clare Adamson refers—the debate in the Hydro that involved many thousands of 16 and 17-year-old voters, which was viewed objectively to have been one of the best and most effective debates of the entire referendum campaign, and the enormous participation by 16 and 17-year-olds in voting in the referendum—give us great confidence in the future of Scotland and in the democratic participation of young people in our country.

As a consequence of the consultation exercise on encouraging civic participation in the run-up to the referendum, the Government took steps to support increased political literacy among young people through the education system and to explore ways in which young people can participate in our wider democratic politics. In the programme for government that we published in November, we set out our commitment to learn

lessons from the referendum to inform our future planning for the election campaign, and that is exactly what the Government will do. We want to ensure that, once we have the necessary legislation in place, young people will be able to participate in the 2016 election. That will happen only if we have sufficient time to legislate accordingly, and for that to happen we need a section 30 order agreed by March next year.

Clare Adamson: That is a welcome step forward, and it now seems to be agreed that it is right for 16 and 17-year-olds to have the vote. It is now incumbent on Westminster to move towards votes for 16 and 17-year-olds in European and Westminster elections.

John Swinney: There is no reason why that should not be the case. Many young people who participated in the referendum in September will be somewhat disappointed that they cannot participate in the Westminster election that will take place in May. The case for extending the voting franchise to 16 and 17-year-olds to all elections is unanswerable, and I encourage the UK Government to accede to that suggestion.

Jackie Baillie (Dumbarton) (Lab): I welcome the UK Government's commitment and the Deputy First Minister's comments. Can he tell us what planning the electoral registration officers could do now, in advance of the section 30 order, to ensure that we maximise the registration of 16 and 17-year-olds? I am conscious that that takes quite a bit of time.

John Swinney: I extend a warm welcome to Jackie Baillie in her role of shadowing me in the Parliament in the period ahead. I look forward to working with her as co-operatively as I have always worked with my counterparts in other parties, and I look forward to her contribution.

The question is timely, given that the Electoral Commission has today published its assessment of the operation of the Scottish referendum. The headline of the Electoral Commission's news release announcing its report is "Scottish referendum well run and provides lessons for future referendums in the UK". We can take a lot of confidence from the arrangements that were put in place for the operation of the referendum. Ninety-seven per cent of the adult population who were registered to vote did so, and in many circumstances—as we all know around the country—the Electoral Commission had to go the extra mile to ensure that the demand among those who wanted to register could be satisfied, right up to the last moments of the registration window.

We will work closely with electoral registration officers around the country in taking forward the legislation to ensure that we have all the resources and steps in place to enable everyone who wants

to register for the 2016 elections—particularly 16 and 17-year-olds—to do so. The key point for us is the necessity to have adequate time to legislate to do that properly, and for that to happen the issue needs to clear the UK Parliament by March 2015. We will work with the UK Government to enable that to happen.

Annabel Goldie (West Scotland) (Con): The agreement by all five parties on the Smith commission to give 16 and 17-year-olds the vote in Scottish Parliament elections was a very welcome and constructive development, and I am glad that the First Minister found her recent meeting with the Prime Minister in that respect positive and constructive. How does the Scottish Government propose to maintain and grow that positive relationship with the United Kingdom Government?

John Swinney: As Miss Goldie knows, the Scottish Government is nothing but co-operative with and helpful to the UK Government, and we look forward to that approach being reciprocated by our counterparts in the UK Government.

A lot of good intergovernmental work goes on but, as Miss Goldie will know from her participation in the Smith commission, there are elements of the intergovernmental working system that need to be improved. I hope that the Smith commission's recommendations in that respect are taken forward effectively, as the early signals on 16 and 17-year-olds give us confidence will be the case, to make sure that some of the problems that were identified by the Smith commission can be addressed appropriately through the joint working of the Scottish and UK Administrations. On behalf of the Scottish Government, I can say to Miss Goldie that we will do everything in our power to ensure that that is achieved.

Elaine Smith (Coatbridge and Chryston) (Lab): Further to Clare Adamson's first supplementary question, is the Scottish Government considering providing material that is aimed specifically at 16 and 17-year-olds in the event that the proposal that they get the vote comes through?

John Swinney: It is important in any election contest that we prepare material that can be used for voter education purposes extremely carefully and in a fashion that meets the highest possible standards for objectivity. That will be the Government's objective in that respect. From my experience of talking to 16 and 17-year-olds during the referendum process, I was struck by the extent to which it was valued that some of the process of voting was demystified for young people. The more we can do that and the more we can remove barriers to participation in our democratic process, the greater democratic participation will be.

It is pretty clear from the Electoral Commission's report that the work that was undertaken to prepare properly for the referendum, to inform people about the process and to enable them to participate in it was a significant factor in contributing to the referendum's success, so the Government will want to learn the lessons from that and apply them to future parliamentary contests.

Private Rented Sector (Average Monthly Rent)

2. Mary Fee (West Scotland) (Lab): To ask the Scottish Government what its response is to the recent HomeLet report, which indicated that the average monthly rent in Scotland has risen by nearly 12 per cent in the last year. (S4T-00878)

The Minister for Housing and Welfare (Margaret Burgess): I congratulate Mary Fee on her new position in the shadow cabinet.

HomeLet reported that the average monthly rent was 11.7 per cent higher in November 2014 than it was in November 2013. Previous HomeLet reports—which are published every month—show wide variations. For example, HomeLet reported an annual increase of 2.6 per cent in October 2014 compared with October 2013 and a decrease of 0.2 per cent in September 2014 compared with September 2013. Therefore, although HomeLet reports a rise of almost 12 per cent in Scotland for November 2014, I would be cautious about how much can be read into one month's findings.

The recently published Scottish Government statistics show that, since 2010, 16 of the 18 broad rental market areas in Scotland have seen below-inflation changes in average rents for two-bedroom properties, which is the most common size of property in the private rented sector. The Scottish Government is carefully monitoring rental levels, and we are already exploring issues relating to rent levels as part of our consultation on the new private tenancy.

Mary Fee: As the minister is well aware, statistics from the Joseph Rowntree Foundation show that a quarter of Scotland's poorest households are in the private rented sector compared with one in 10 a decade ago, and around 23 per cent of household income is spent on housing costs. Why did the minister not support Scottish Labour's cap on rent rises earlier this year? Will she look again at the issue and reconsider?

Margaret Burgess: As I have explained to the chamber several times, rent was not part of the Housing (Scotland) Bill when it was introduced. It did not come up in the consultation and, with the exception of Patrick Harvie and the Green Party, members did not raise it with me when I offered to

meet members of all parties, including Mary Fee as shadow housing spokesperson.

When the bill was introduced, I said that we would look at private sector tenancy and that we would consult stakeholders and other political parties. I know that the Labour Party has already submitted a response to the consultation. We believe that the right way to deal with something that will have such a significant impact as rents is to have as wide a consultation as possible. We are looking at that. The consultation runs until 28 December and it would not be appropriate for me to comment on it at this stage.

Mary Fee: There has been a huge increase in the private rented sector, partly due to the lack of social housing and partly due to the lack of affordable housing. There is a huge disparity in the cost of private sector renting across the country, but in Aberdeen and the centre of Edinburgh it is many hundreds of pounds.

Although I have a degree of sympathy with the idea of the market setting the rent and of there being a kind of equalised rent in an area, many thousands of people say that they cannot afford to pay their rent this month and they fear that they will not be able to pay their rent in six months' time. We need action on the matter now; we do not need to wait until the end of a consultation. We need the minister to step up and take action now.

Margaret Burgess: We are also addressing the issue in terms of supply. We are increasing the supply of affordable housing, because that is the best way to reduce private sector rents. We are well aware that there are hotspot areas such as Aberdeen, which Mary Fee mentioned. We are looking at ways of working with the local authority and housing associations to ensure that we can provide houses there for key workers who are struggling.

We believe that we are doing it the right way. It is about consultation, as we need to get that evidence. Before we take action, we need to look at the evidence in the report that Mary Fee referred to and other reports on rent levels to see exactly what the impact is of rent levels across Scotland. That is precisely why we are consulting. If action is required, we certainly will take it.

Patrick Harvie (Glasgow) (Green): Both Mary Fee and the minister have recognised that the situation with rent levels is not the same in all parts of the country. Does that variation not reinforce the argument that a different policy response on rent levels would be appropriate in different parts of the country? There may well be places where the market, without any kind of intervention, is ticking along nicely and satisfactorily and other areas where the market is deeply damaging to people's economic wellbeing,

which has a knock-on effect on their health. Surely we should be going in the direction of a rental policy that recognises regional variations.

Margaret Burgess: I say again that that is precisely why we are consulting. The evidence is now showing that increases are much greater in some parts of the country than in others. That is part of what we are consulting on. What Patrick Harvie is suggesting may well be the outcome, but until we have all the evidence and all the consultation responses, I would not want to take a firm position on it.

Alex Johnstone (North East Scotland) (Con): Does the minister agree that the private rented sector provides a vital contribution to the housing of many people across Scotland? Although members have acknowledged that significant differences exist, does the minister agree that it would be irresponsible for us to prejudge the consultation in such a way as to frighten the private rented sector and stimulate a contraction in that industry at a time when we need it most?

Margaret Burgess: I certainly agree that the private sector is a vital part of our housing system and the Scottish Government is keen to grow it. We have funded the private rented sector champion to do just that.

As I said in response to the previous question, I am not going to pre-empt the consultation responses. I will say only that the consultation is taking place and we will look very closely at its evidence, to see how we will take things forward.

Welfare Funds (Scotland) Bill: Stage 1

The Presiding Officer (Tricia Marwick): The next item of business is a debate on motion S4M-11877, in the name of Margaret Burgess, on the Welfare Funds (Scotland) Bill.

I call on Margaret Burgess to open the debate. Minister, you have 14 minutes.

14:20

The Minister for Housing and Welfare (Margaret Burgess): I am delighted to open this stage 1 debate on the general principles of the Welfare Funds (Scotland) Bill. I extend my gratitude to Michael McMahon and the members of the Welfare Reform Committee for both their scrutiny of the bill and their stage 1 report on it. Thanks are also due to the Finance Committee and the Delegated Powers and Law Reform Committee for their consideration of the bill and their contributions to the lead committee's scrutiny.

The Welfare Reform Committee should be commended for taking evidence from such a wide range of organisations and individuals. The evidence from users of the fund was especially compelling. I am grateful to those stakeholders for the considered views that they offered to the committee and also for their responses to the numerous Scottish Government consultations, which helped to shape both the policy objectives of the interim Scottish welfare fund and the proposals in the bill.

The committee's conclusion that the bill provides a suitable framework for establishing the interim Scottish welfare fund on a secure statutory footing is to be welcomed. It captures well what the Government wants to achieve through the bill—that is, to put in place for people on low incomes a permanent and reliable safety net in which they can have confidence.

The committee made a number of suggestions, detailed recommendations and comments, and it called on the Government to consider and respond to them during the later stages of the bill's parliamentary scrutiny. The Government is still reflecting on some of them, and I will set out our position on all of them in our response to the report prior to stage 2 proceedings. In this afternoon's debate, the focus should be on the principles of the bill and what we want to achieve through it, although I will try to address some of the more significant points that the committee raised.

It has to be said that the Welfare Funds (Scotland) Bill is a slightly unusual bill in that it seeks to put an existing scheme on to a statutory

footing. Members will be aware that the Scottish welfare fund has been operating on a voluntary, interim basis since April 2013, following agreement between the Scottish ministers and Convention of Scottish Local Authorities leaders. It is clear to me from the evidence that the committee heard, and from its report, that delivery of the current scheme is generally viewed in a positive fashion, albeit that there is scope to improve practice.

Most people have told us and the committee that local authorities are the right people to be delivering the fund and that the experience of applicants is generally more positive than under the previous Department for Work and Pensions scheme. Indeed, Scott Robertson from Quarriers observed at the evidence session on 7 October:

“The comparison between the new system and the previous system is like night and day.”—[*Official Report, Welfare Reform Committee, 7 October 2014; c 5.*]

It is also worth noting that there is no longer an equivalent local welfare scheme in operation across England, so this is a clear example of this Government taking a distinctive approach to protecting vulnerable people in Scotland. Feedback on the patchwork of provision in England gives me confidence that the Scottish Government is doing the right thing in the bill. However, that does not mean that we are complacent. Since the fund was launched, we have done a lot of work to ensure that lessons are learned and good practice is shared, and that work will continue as we move towards the permanent arrangements.

We have been working extensively with local authority practitioners and third sector stakeholders to ensure that learning from the interim scheme is captured and good practice is shared. Only last month, a series of decision-making workshops were held with local authority practitioners across the country to help them to hone their decision-making skills. The workshops included case studies from third sector partners such as Who Cares? Scotland, and Engender, which helped to enhance the quality-improvement measures that we are undertaking with COSLA to make the Scottish welfare fund as effective as possible.

Given its high-level nature, the bill has not been particularly affected by that, but the work will be of great value when we develop the associated regulations and detailed guidance that will really set out how welfare funds will operate under the permanent arrangements.

It would be appropriate at this point to reflect on the rationale for the bill. There were three reasons behind its introduction. First, the bill demonstrates a long-term commitment to the Scottish welfare fund; as I said earlier, the current scheme is

administered voluntarily under an agreement between the Scottish ministers and COSLA leaders. Secondly, the bill provides the option of the independent review of cases by the Scottish Public Services Ombudsman, which would not be possible without the bill. Finally, the bill allows for the funding for the welfare funds to be ring fenced if required.

The bill is designed to set a high-level framework that reflects the wording of the section 30 order that gave the powers to the Scottish Parliament to deliver the type of assistance that is provided by the current Scottish welfare fund. The regulations and the associated statutory guidance will set out the detail of how the funds should operate. We will consult on draft regulations and guidance, informed by the evidence that the Welfare Reform Committee has heard on the bill, before the permanent arrangements come into force.

We consulted on a draft bill between November last year and February this year. The most significant change to the draft bill that we consulted on was the proposal that the SPSO should have powers to carry out independent reviews of local authority decisions. Responses to the consultation on the best option for reviewing were divided, but I am convinced that the SPSO best meets the criteria for second-tier reviews that we set out in our consultation.

Most importantly, the SPSO's independence will ensure that the right decisions are made for applicants. That will give them and the people who work with them greater confidence in the Scottish welfare funds. The SPSO's national overview will also play an important role in continuing to improve the quality of decision making and helping to maintain the national character of the scheme.

I know that there is significant interest in how the SPSO will discharge its responsibilities with the independent review function that is proposed in the bill; indeed, the ombudsman raised that matter in his written evidence to the committee. We have been in discussion with the ombudsman on how best to enable him to have the powers that he regards as necessary to discharge the proposed review function as effectively as possible. We intend to lodge amendments at stage 2 that will give the SPSO powers in relation to reviews that match its existing powers in relation to complaints in areas such as evidence gathering, confidentiality and reporting.

I know that stakeholders have very different views on the powers to outsource the administration of welfare funds under section 3 of the bill. That was included in the bill because the service is new and we wanted to provide flexibility for the varying approaches to delivery among local authorities. However, others have expressed

concerns that the provision would introduce the possibility of outsourcing to private sector firms, and they have highlighted issues with the delivery of welfare-related services by the private sector.

I have given a lot of consideration to the Scottish welfare fund's unique position in providing a safety net to a local authority's most vulnerable people and the value added by the local knowledge, signposting and referral to other services as part of a Scottish welfare fund application. I have also considered the different positions that stakeholders hold in the debate, including the position that is taken in the committee's stage 1 report.

Although I can see a case for local authorities collaborating to provide services across boundaries, I have concluded that effective provision of the Scottish welfare fund is not consistent with outsourcing the service. I therefore intend to lodge an amendment at stage 2 to remove from the bill the ability of local authorities to outsource the provision of welfare funds. *[Applause.]*

It is clear from the response in the chamber that that is welcome. I welcome that welcome. It was never the intention that the service could be outsourced to the private sector. Although that was never the intention and that was never suggested, it is clear that there was a perception in the evidence that was put to the committee that that could happen and was going to happen. It is right to be very clear at this stage that that ability will be removed from the bill and that we will lodge an amendment to that effect at stage 2.

As the committee recognised, the bill is about putting the interim Scottish welfare fund on a more secure statutory footing. It will enable us to demonstrate a long-term commitment to the Scottish welfare fund, provide for independent review of welfare fund applications and give us the flexibility to ring fence the funding provided.

The bill is about helping the most vulnerable people in our communities the length and breadth of Scotland, and I want to work with all members and all parties across the chamber to secure those objectives. The fact that we have had the interim Scottish welfare fund on a voluntary basis has allowed us to learn a lot of lessons. We hope to progress matters through the bill, and the regulations will set out in detail how we proceed.

I move,

That the Parliament agrees to the general principles of the Welfare Funds (Scotland) Bill.

The Presiding Officer: Before I invite Michael McMahon to speak on behalf of the Welfare Reform Committee, I point out to members that there is a bit of time in hand, so we will be

extremely generous with the times for your speeches.

14:31

Michael McMahon (Uddingston and Bellshill) (Lab): I welcome the opportunity to speak on behalf of the Welfare Reform Committee following our stage 1 report on the Welfare Funds (Scotland) Bill. I thank the committee clerks and colleagues who served on the committee throughout the bill's consideration for the hard work that they put in. I also thank those who gave evidence to the committee for informing us of the issues and the concerns of civic Scotland and others about the delivery of the new Scottish welfare fund.

We are here to debate a bill that will place the interim Scottish welfare fund on a statutory basis. We know from the evidence that we took that the interim fund has been a benefit to many vulnerable people across Scotland. I repeat the minister's reference to the comparison of the scheme with the DWP fund by Scott Robertson from Quarriers, who observed:

"The comparison between the new system and the previous system is like night and day."—*[Official Report, Welfare Reform Committee, 7 October 2014; c 5.]*

Local authorities have also reported the benefits. Creating a statutory duty will provide greater assurance and the ability to retain staff members, expertise and knowledge. It will also help to secure local authority funding and resources and encourage better engagement with local partners.

Section 2 of the bill sets out the circumstances in which a local authority can provide assistance. In particular, we heard evidence about the need of families facing extreme financial pressure—not as a result of sudden crisis, but as an on-going part of their everyday life. When the scheme operated as the DWP social fund it had a category for families under "exceptional pressure". The guidance clearly intends the fund to support that group of people. However, that category is not present in the bill. We have argued that the Scottish Government should reconsider the eligibility criteria in light of the evidence received to ensure that all those in legitimate need of the fund are able to access it.

Section 3 allows for outsourcing or joint administration of the fund between local authorities. We took evidence that there are benefits that may be drawn from joint working, particularly for smaller authorities, such as economies of scale, increased purchasing power, sharing best practice and increased consistency. However, third sector organisations are firmly against the use of private third-party providers

being involved in the delivery of state benefits for profit. As a committee, we have heard the horror stories of Atos Healthcare's administration of the work capability assessments. We are clear that we do not want a repeat of that situation.

The committee took some comfort that the Scottish Government does not envisage the fund being outsourced to a private company. However, we noted that contracting out the services would likely be subject to European Union regulations on public procurement, which requires public bodies to comply with rules on equal treatment and non-discrimination.

In light of that, some members thought that the potential for outsourcing should be removed from the bill and that the provision should be restricted to joint working with other local authorities. However, a majority of the committee was content to recommend

“that the Scottish Government consider the issue of outsourcing in light of EU procurement laws and thresholds to ensure that private companies are not allowed to undertake the work.”

That was probably the most contentious area of the bill. I am personally delighted by what the minister, having heard the evidence, said today. I am not sure whether Alex Johnstone will maintain his position on the matter, but I am delighted that the minister's position has moved.

Section 4 concerns the review of decisions and provides for the Scottish Public Services Ombudsman to take on a new role as a second-tier review body. Witnesses' views on the new role were split. Local authorities thought that it would be more consistent with the principles of local self-governance if second-tier reviews remained under local authority control, whereas the third sector was in favour of the use of the SPSO, which is regarded as independent, consistent and impartial. The committee agrees that independence, consistency and impartiality are essential principles for any review body. We therefore support the Scottish Government's proposal that the SPSO conduct second-tier reviews, and we welcome the SPSO's commitment to carry out a full consultation and publish guidance. We support the call for an appropriate provision to that effect to be included in the bill.

Section 5 sets out the circumstances in which payments or assistance may be repaid or recovered. We understand and support the Scottish Government's clear intention for the fund to be a grant-making scheme, but in the interests of future proofing the fund we recommend clarification to ensure that recovery of awards is considered only in the context of dealing with fraud.

The increasing demand on the fund and the increasing impact of welfare reforms, much of which is still to be seen, were concerns for witnesses. Third sector organisations expressed concern about variation in spend across Scotland. The minister responded with an assurance that the Scottish Government will consider a needs-based approach to future budget allocations. The committee welcomes that. We also recommend that an additional category, on monitoring unmet need and the reasons why it has arisen, be included in COSLA's benchmarking indicators.

Another strong message from the evidence was that administrative funding is falling short and that local authorities are supplementing funding from their own budgets. We heard that Dundee City Council is short by 30 or 40 per cent, just on the cost of processing applications. COSLA said that failure to address such concerns will potentially jeopardise the wider outcomes that the bill is trying to achieve.

It is vital that administration of the fund is supported and that growth in demand is recognised. We welcome the assurance that the Scottish Government will reconsider the distribution of administrative funding if strong evidence emerges from the benchmarking exercise that is due to be completed by COSLA. We encourage COSLA to make its findings publicly available as soon as possible.

The funding that will be allocated to the setting up of the SPSO in the role of second-tier reviewer provoked a mixed response. Our discussions focused on the uncertainty around the number of cases that the SPSO will need to deal with. Jim Martin, the Scottish Public Services Ombudsman, said:

“For planning purposes, we have had to arrive at numbers in order to think through what the implications would be if we reach a certain level of appeals. What the actual numbers will turn out to be is anyone's guess at the moment.”—[*Official Report, Welfare Reform Committee*, 4 November 2014; c 23-4.]

The uncertainty will have a significant yet currently unquantifiable impact on the SPSO's funding, resource and space requirements. We welcome the SPSO's intention to be flexible so that it can adapt to changing demands. When the legislation is in place, reviews should be conducted to establish the true nature of demand for second-tier reviews.

The bill provides only a framework; much of the detail about the running of the fund will appear in regulations and guidance. We recommend that regulations be subject to the affirmative procedure.

Witnesses put forward a wide range of evidence on the operation of the fund to date. I will highlight one or two of the points that they made.

Strong arguments were made about whether it is better for an applicant to receive an award in the form of cash or in the form of vouchers or goods. The provision of goods allows councils to know that the award is being used as intended, and it can provide for local businesses opportunities in procurement and distribution. However, being allowed a choice is essential in order to maintain a level of dignity and self-determination and to reduce stigma. Treating applicants with respect, despite their circumstances, is vital. We welcome the Scottish Government's assurance that it will look again at the issues of stigmatisation and choice. Providing options and meeting individual needs should be central to the fund's process.

We spoke directly to some individuals affected. Connor, a welfare fund user, said:

"I felt quite a lot of the time as though the person did not recognise me as a person. They just saw me as a voice on the phone looking for money. If they were to meet face to face with people, they could see the reality that you are a human being who has nowhere else to turn".—[*Official Report, Welfare Reform Committee*, 28 October 2014; c 10.]

Fund users also had a view on processing times. In the interim Scottish welfare fund scheme, local authorities have 48 hours in which to process a crisis grant. However, in the previous DWP fund scheme, that deadline was 24 hours. We view crisis grants as an essential part of the safety net provided to vulnerable people, so it is essential that local authorities work as quickly as possible to deliver grants to applicants and keep them informed of the process. The committee notes the minister's assurance that local authorities are working to a same-day deadline and that the 48 hours is the maximum time allowed.

Overall, we welcome the Welfare Funds (Scotland) Bill and support its general principles. The committee recommends that the bill passes stage 1.

The Deputy Presiding Officer (John Scott): Thank you very much. I call Jackie Baillie, whom I can give an extraordinarily generous 10 minutes to, as we have a bit of time in hand this afternoon.

14:41

Jackie Baillie (Dumbarton) (Lab): Oh my goodness, Presiding Officer! I am not often made such an offer by you, so I shall take you at your word.

I start by saying what pleasure it gives me to speak on behalf of the Scottish Labour Party in the debate on the Welfare Funds (Scotland) Bill. As members might know, it will fall to Ken Macintosh to close the debate for Labour and to carry forward this portfolio in the future. I thank the Minister for Housing and Welfare, and I hope that she has

enjoyed our tussles in the chamber over the piece. Perhaps she has not—I am sure that she will be glad to see the back of me.

I thank Michael McMahon, the convener of the Welfare Reform Committee, for his consideration of the bill, together with his colleague MSPs, the clerks to the committee and everybody who gave evidence. I also thank the staff in local authorities across Scotland who process and make decisions on the claims, because they play a vital role. It has been a learning process for them. Not everything that we have all done has been right, but I think that we are now starting to get there.

In a spirit of good will and new-found consensus—it is Christmas, after all—I indicate that Labour will support the general principles of the bill.

I well remember when the Scottish welfare fund was first created following the devolution of crisis loans and community care grants from the United Kingdom Parliament to the Scottish Parliament. I look forward to more of that in the future when the Smith agreement is implemented—that, of course, is a debate for Thursday afternoon. Suffice it to say that the Smith agreement represents the biggest-ever transfer of powers to the Scottish Parliament. It is a promise delivered, and I am excited at the potential that it presents: the potential to shape some benefits differently; the potential to top up existing benefits; and—perhaps the most imaginative of all—the potential to create new benefits in devolved areas. This will not be the last piece of legislation that we see on welfare; on the contrary, there is much more to come.

Bob Doris (Glasgow) (SNP): I am delighted that Jackie Baillie is excited by some of the new powers over benefits that will be coming to Scotland. Does she agree that, for any benefits paid by Scotland, there should be no cash clawback from, say, means-tested UK benefits such as income support? Does she agree that any benefits paid in Scotland or topped up in Scotland should not be taken back by the UK Treasury at any point?

Jackie Baillie: I do not think that there has even been a debate on that. The power to top up is exactly that. I would not anticipate clawback. I genuinely think that to top up means to increase. I think that the member is probably getting excited before something happens.

The Scottish welfare fund was established without statutory underpinning. I agree that it was the right approach to test the operation of the fund before legislating, because there has been much to learn. There are a number of concerns and, as we know, guidance has been changed a number of times to reflect those concerns, including on the

ability to provide funds to people who have been sanctioned.

The operation of the fund was devolved to local authorities, and it is fair to say that the results have been mixed. Naturally, the 32 local authorities did things in different ways. In some instances, that was not always to the benefit of those in need, although I am sure that that was completely unintentional. Decision making was inconsistent. Some authorities were tougher than others on awarding grants, and others had trouble spending their budget. Some local authorities that cover our most disadvantaged areas could have done with more money, because the need in their areas was greater than they could meet.

While I am on the budget, I record how disappointed I was that the fund was underspent at the end of the year. Time after time, we came to the chamber asking about the underspends, from the very first quarter to the very last quarter, and we were assured that the money would be spent. It is not as if there is not a need out there, as we are experiencing our worst cost-of-living crisis in generations and the level of sanctions is rising at a staggering rate. Therefore, for me, to underspend the fund borders on the criminal. The total underspend at year end was £4 million, which was 12 per cent of the overall budget. That money could have helped to stave off hardship for families in the past year.

Kevin Stewart (Aberdeen Central) (SNP): Will Jackie Baillie give way?

Jackie Baillie: No. I have already given way and I need to make progress. I will be happy to take an intervention later.

Another question is whether it is appropriate to provide goods rather than treat people with the respect and give them the dignity that I think we all believe they deserve by allowing them some choice. I will come on to that later.

The issue of eligibility was raised in the Welfare Reform Committee report and in briefings from third sector organisations. I welcome the committee's recommendation that eligibility should be widened. We need to ensure that no vulnerable person is excluded from seeking support and we need to make information about the fund widely available. The language in the bill implies that the majority of the fund's clients are already in the system, but that excludes some groups of vulnerable people who might not be on benefits. Many of the most vulnerable people might be seen not to fit the criteria that are currently laid out. I hope that the minister agrees that more work is needed on that.

My fear is that the language in the bill might be restrictive. Third sector organisations have noted that the definition of "qualifying individuals"

excludes care leavers, families that are under exceptional pressure or people with disabilities. The language of "exceptional circumstances" may also discourage applicants. For example, it might discourage people whose benefits run out before they pay the bills that need to be paid, people who face intermittent costs such as that of replacing a broken cooker or people who face benefit delays or sanctions.

I believe that the language should be widened to include "families experiencing exceptional pressure", as recommended by the Child Poverty Action Group in Scotland and the Poverty Alliance. People are facing a cost-of-living crisis the likes of which we have not seen for generations. We already know that families that are under exceptional pressure are underrepresented in Scottish welfare fund awards. In 2013-14, 20 per cent of community care grants were awarded to such people versus a figure of 53.6 per cent for the UK social fund in 2012-13. Clearly, there is more to be done on that.

I strongly disagree that the Scottish welfare fund should be outsourced to the private sector. We have all been very strong in our condemnation of what Atos has done just with assessments—so much so that it has withdrawn from part of the delivery of UK assessments. I genuinely believe that decisions on benefits must be made by Government, so I am absolutely delighted that the minister has had a change of mind. I take great comfort from her view that she does not want provision on outsourcing to be in the bill, and I look forward to amendments on that at stage 2. I congratulate her on listening to the members of the committee—although the point certainly was not made by the members of her party, who differed on the issue. Other members of the committee argued that point particularly strongly.

The bill should allow local authorities to undertake joint work with other local authorities, but outsourcing to the third sector would have produced a conflict of interests. Many third sector groups help people to apply for grants, so it would be difficult for them to advocate for clients and make benefits decisions. The possibility will be removed, and I am grateful for that.

I turn to the appeals process. It is essential for the Scottish welfare fund's users that the review process be transparent, impartial and independent. In particular, given that the first-tier reviews are carried out by local authorities, it is crucial that an independent agency carry out second-tier reviews.

Almost a year ago—it was probably more than that—I raised the question of social security commissioners with Nicola Sturgeon when she held the relevant Cabinet post. She denied that such an appeals mechanism was necessary, so I

am again delighted that the Government is listening and changing its mind on that.

We need to understand why the number of appeals that there have been so far is so low. Are people content with the decisions, are they not being informed that they have the right to appeal, or is their crisis so bad that they cannot hang around and wait for an outcome?

I ask those questions because there is a significant overturn rate for appeals. There were 2,700 reviews for community care grants and crisis grants in 2013-14, and, in both cases, more than 50 per cent of the decisions were changed. I welcome that because we can learn from it but we need to understand exactly what is going on so that we truly learn the lessons from the process.

We need to ensure that there is a statement in every decision letter that informs people of their right to appeal. Local authorities must make applicants aware of their rights, regardless of whether they are given an award. Whatever agency carries out the second-tier reviews, its decisions must be binding. I am happy that—if I understand this correctly—the SPSO will be able to overturn decisions rather than simply consider the decision-making process. That is a change to how it operates but it is a welcome change indeed.

We need to consider timescales so that we have timely decisions. At the moment, the bill is vague on the review process. Perhaps that is for understandable reasons and the matter is one for guidance, but we must set out somewhere in statute our expectations on timelines and reporting requirements, because we need an approach that is consistent nationwide. Consistency matters, and it matters in relation to reviews and appeals as well.

It is interesting that those who gave evidence to the committee also perceived the SPSO to be the most fair and impartial body to carry out reviews, and that local authorities just did not cut the mustard. Bill Scott from Inclusion Scotland said:

“nobody—not one single disabled person whom we asked—said that the local authority should do it. People said that that would not be perceived as fair. Even if the decision was correct, the local authority would still be reviewing its own decision, and that was just felt to be unfair.”—[*Official Report, Welfare Reform Committee, 7 October 2014; c 29.*]

A key issue that people on low incomes experience is the stigma that comes with living in poverty. The most vulnerable of us should not be made to feel small simply because we are poor. You and I, Presiding Officer, expect to be treated with dignity and respect; the most vulnerable among us should be treated in the same way. Therefore, I welcome the committee's recommendation that trust of, and respect for,

applicants be among the fund's underlying principles.

However, with those principles of trust and respect comes choice. Vulnerable people should be given a choice in decisions that concern their lives. They should have a choice between receiving goods and receiving a cash payment instead, if the situation calls for that. Simply giving out goods reverses decades of agreed policy and practice in relation to benefits, and I am sure that the minister would not want to do that. Having that choice helps to reduce the stigma of poverty and enables people to live a dignified life.

I welcome again the general principles of the bill and look forward to the minister continuing to listen so that improvements are made at stage 2.

The Deputy Presiding Officer: I call Alex Johnstone, who has a very generous six minutes.

14:54

Alex Johnstone (North East Scotland) (Con): I would like to take an early opportunity in this debate to thank my former colleagues on the Welfare Reform Committee, which I left two weeks ago to go on to other activities. My three years on the committee were enjoyable, I must say. I thank my colleagues and members of the clerking team for how they took my, at times, extremely different attitudes—contradictory might be a fair description—in good spirit, realising that I was doing a particular job and that I might not agree with my colleagues on everything. As a result, I think that, on a number of occasions, I was treated as the pantomime villain of the piece—

Kevin Stewart: Oh, no you weren't!

Alex Johnstone: I was waiting for someone to shout, “Look out behind you!” I would have asked them what exactly Willie Rennie is doing.

However, the process of the bill has been informative. Not only did we consider the bill in the normal process, but we also had the responsibility of considering the interim scheme as it was introduced. Therefore we have, along with the Government, had the opportunity to consider the difficulties that were experienced and to work through them, as the Government had to. I think that the interim arrangements were a steep learning curve for the Government and the local authorities that had to administer them.

This was, of course, our first step into the welfare arena, and one that will—as has been mentioned by other members—be repeated as time goes on and more powers are devolved. However, it is ironic that this attempt to implement one aspect of Scotland's welfare responsibility left us in the unusual position of having a Scottish Government that perhaps underestimated the

responsibility that it had taken on. The result was that, on more than one occasion in the early days of the scheme, back in 2013, we heard of people who felt that they should have been entitled to receive support but were not given any when they applied. There was a mistaken belief that the social fund had simply been abolished rather than devolved; as a result, many people did not realise that the new scheme existed. During its inquiry, the committee spoke to a number of people who were surprised when they found out by some route or other that the money was still available.

There is firm evidence that, as a result of those early difficulties, applicants in key local authority areas might have been turned away from the scheme when they should have received help, and that some applicants who were refused in the earlier part of the year might have been accepted if they had applied in the latter part of the year. I have spoken to people who were refused help in the early days and were referred to food banks. Ironically, the Scottish Government might blame welfare reform for some of the shortcomings in social policy, even although it, or at least a scheme that it administers, might have been one of the key drivers for that transfer. Consequently, we have learned a lot.

I am broadly supportive of the nature of the legislation that is being brought in, and the Conservatives will vote in favour of the bill at stage 1 tonight. However, as has been mentioned, there is in the report one area in which I felt it necessary to register my objection—the discussion around outsourcing. I understand that there are many people in this Parliament—a majority, I am sure—for whom the private sector is simply not an appropriate agent for providing a public service. I dispute that on a fundamental level, but that is not where I wish to go at this particular moment.

What concerns me about the failure to allow the private sector to become involved is the fact that we are taking that decision away from local authorities. If politicians in this chamber have faith in local authorities, they should have had faith that they would not choose that action. One of the things that we are doing today, as a result of the changes that the Government has promised to introduce, is that we are undermining the decision-making process of local authorities. Local authorities might not have used the power, but to deny them the option to use it is to undermine them and is an example of the centralisation of power.

On the same issue but from another angle, I have concerns that, by taking away the opportunity for the private sector to wield that power, we may be preventing third sector organisations from entering into partnerships using a private sector model as a vehicle. We could

have allowed people with a great deal of expertise to get involved. I believe that, in the future, the Government's decision to close off that avenue will be shown to have been a mistake.

The experience of the previous scheme, and particularly the involvement of local authorities, has taught us that local authorities have the potential to be the vehicle for the introduction of great many of the new welfare powers that are coming down the road, thanks to the Smith commission. Although there has been a steep learning curve, we have seen local authorities start with a difficult set of circumstances but reasonably successfully find their way through to the end of the process.

When the committee took evidence on the bill, we spoke to a number of people in local authorities who have demonstrated that they now have a high level of expertise and experience and a great deal to offer in this area. I commend those who gave evidence. They were open and honest with the committee and sometimes told the committee things that it did not want to hear.

I support some key aspects of the bill but I have concerns about others. It is an excellent and appropriate idea that the second-tier reviews should be conducted by the SPSO. As other members have said, however, we cannot at this stage predict what that will cost or how many people will go through that process. As a consequence, I have some concerns about how that will turn out.

An issue that was raised on some occasions was the administration costs of the scheme. Local authority representatives in particular objected to the fact that not enough money had been allocated for admin costs. That is a concern. We know that admin costs will be high, but I am worried that they may get out of hand. For that reason, we must be sure that the scheme is efficient and that, rather than its being worn away in administration, as much money as possible is being passed to the people who qualify for it and need it to carry on their lives.

I understand the idea of widening the qualification criteria. However, we must look at that from the point of view of the additional cost and how it will be financed. As we move forward, Parliament must be accountable for its actions and for how it raises money, as well as for how it spends it. The scheme must be taken forward with both those concerns at the front of our minds.

On the question of payment in cash or in kind, we took a great deal of evidence during the inquiry that indicated that people are very happy to receive assistance and support in kind. We spoke to witnesses who were very pleased to have had white goods or carpets delivered and fitted. Simply

to have been given the money was the second preference, especially for people who live in areas where it is difficult to acquire such things at reasonable cost.

The Deputy Presiding Officer: Will you draw to a close now, please?

Alex Johnstone: Indeed, I will.

The committee heard people say that they like face-to-face meetings, but the speed of the phone process is important to many other people. We should not ignore that.

Finally, there is some discussion and, perhaps, some confusion about what is meant by the 24-hour and 48-hour timescales. People gave evidence to the committee that suggested that their applications had been in the in-tray for an extra 24 hours, simply to reach the 48-hour limit. We need to emphasise that irrespective of whether 48 hours is the limit, if an application can be processed in 24 hours it should be done in 24, and that applications should not be backed up or stockpiled.

That said, I give my commitment that we will support the bill at decision time tonight.

The Deputy Presiding Officer: We move to the open debate and we have some time in hand. Clare Adamson has a generous six minutes.

15:05

Clare Adamson (Central Scotland) (SNP): I welcome the debate on the committee's stage 1 report and I welcome the minister's comments about the report and the bill. The report says that this is a suitable framework with which to move forward. The bill will give the welfare fund a secure statutory footing. It will demonstrate the fund's permanency and the commitment to providing such a safety net and security in Scotland.

I joined the Welfare Reform Committee very recently and I am relatively new to the report and to the bill. I thank the committee; its convener, Michael McMahon; and its previous members for their diligence during stage 1 deliberations and for producing a comprehensive and welcome stage 1 report. I am enthused about taking the bill through the committee stage in the coming months.

I was a bit surprised to hear that one of the committee's members enjoyed his time on the committee. Having read the evidence and seen some of the reports, I have to say that it would be difficult to describe the experience as enjoyable. I am sure that it has been harrowing and difficult for committee members on occasion and I pay tribute to those who have given evidence and come forward to discuss the very difficult situations that they find themselves in.

I have mixed feelings about the bill. It is regrettable that Scottish resources and efforts are to be spent on mitigating bad—indeed, in my opinion, appalling and inhumane—decisions that have been taken in another place. I regret that Scotland did not take on welfare powers in this place as an independent Scotland and that the welfare settlement proposed by the Smith commission does not bring significant powers to shape welfare. I sit with the Scottish Trades Union Congress and the third sector organisations that have said that that is a missed opportunity.

However, the Welfare Reform Committee has done an excellent job. As the minister said, the welfare fund has already helped more than 100,000 households and the bill will put the fund on a statutory footing to ensure that that vital help continues.

I thank the third sector organisations that provided briefings for the debate. I was struck by the description in a Citizens Advice Scotland briefing of what destitution in Scotland means. Since the welfare fund is for people in crisis, I wish to put that definition on record. The briefing states:

"Destitution, while an emotive word, is a useful term to use to describe a situation in which a client cannot afford to obtain essentials for life through their own means. This goes beyond poverty, where a person is unable to cut back anymore and needs some sort of external assistance. Bureau statistics do not record these situations specifically, although a number of indicators—such as issues recorded covering food parcels ... show"

that destitution is increasing.

CAS extrapolates from the figures that it has to show that, although one in 50 clients last year who were seeking advice had a recommendation of a food parcel, it expects that by the end of the year, that will go up to as many as one in 42 clients seeking advice. That level of poverty and—as CAS says—destitution in Scotland is simply unacceptable.

I am really glad that the welfare fund has been established and has helped 32,000 families in Scotland. I am more than happy that the stage 1 report, which seems to have been accepted across the chamber, will take forward the bill to ensure that there is a permanent commitment to welfare in Scotland.

It is important to commend the Scottish Government for what it has done so far. The fact that it has topped up the money that was provided by the UK Government by £9 million indicates how seriously it takes the situation. That has not happened across the UK, where the full amount of funding has not been given to welfare funds in some areas.

In the stage 1 report, the Welfare Reform Committee recognises

“the greater stability that a statutory duty for local authorities to maintain a welfare fund brings in securing staff and resources as well as an improved, more holistic service.”

That is important. The Quarriers quote that has been used twice this afternoon already—that the difference between the new system and the previous system is like the difference between night and day—is welcome news in Scotland.

I am glad that the Scottish Government is providing more than £100 million in 2015-16 to protect families from the impact of Westminster welfare cuts, although it is regrettable that such mitigation is necessary. It is unacceptable that anyone should be living in poverty in a country that is as wealthy as Scotland. We are taking action by setting aside £104 million in next year’s budget to tackle poverty and inequality and to help those who are affected by the welfare changes. That is welcome indeed.

I mentioned Citizens Advice Scotland. I note that it is addressing welfare reform and has announced that it has established a new Scottish leaders welfare and benefits group. Lord McFall, who chairs that group, said:

“The overall aim of this group is to work collaboratively to highlight and respond to the impact of recent changes to the welfare and benefits system on the people, services, and communities of Scotland, especially vulnerable people or groups.”

I could not agree with that more and I am glad that a group is looking at the issue.

The response to the stage 1 report shows that consensus can be achieved across the chamber on such an important issue for Scotland. However, I take issue with the title of CAS’s press release:

“New Group aims to investigate Scotland’s broken welfare system”.

If it was Scotland’s system, I do not think that it would be broken. Indeed, if it was Scotland’s system, it would be day to austerity’s night.

15:11

Alex Rowley (Cowdenbeath) (Lab): I, too, speak in support of the stage 1 report. It is interesting that the minister said that one of the bill’s key objectives is to put in place a reliable safety net. The Scottish Government’s figures for 2013-14 show that 82,200 crisis grants were paid to 56,000 households, while 36,000 community care grants were awarded to 33,000 applicants. Some people received both.

Although the bill will provide a safety net, those figures are staggering. I want us to be clear that, while we need to be tough on poverty, and the welfare fund exists to support people who are in poverty, we also need to be tough on the causes

of poverty. It is just over half a century since Beveridge set out the plan to tackle the five evils of want, squalor, ignorance, idleness and disease, yet here we are in 2014 with people falling through the safety net to the tune of 82,200 crisis grants in 56,000 homes and 36,000 community care grants. We need to be tough on poverty and tough on the causes of poverty, so it is crucial that the Government ensures that its anti-poverty strategy runs through every part of its work and every part of government, including local government and its work with communities.

I note that most of the briefings that we have had on the stage 1 report broadly welcome the bill. I congratulate Michael McMahon and the Welfare Reform Committee on the work that they carried out, because it has been a good contribution to the bill process.

I welcome the minister’s announcement that outsourcing will not continue under the bill. I know that Alex Johnstone stands by his previous argument, but I hope that some of his colleagues have changed their minds and now support the position that the committee convener put forward.

The briefing from the Poverty Alliance sets out some important points that I hope we can pick up as the bill progresses through Parliament. It makes a number of points on accessibility, highlights the need to publicise the fund and questions whether people are aware that the fund exists. There was a 12 per cent underspend in the fund in 2013-14, yet levels of deprivation and poverty are higher, which makes the underspend difficult to explain.

Increasing numbers of people are experiencing pressures, and families are facing a cost-of-living crisis. As the briefing notes, some have argued that the eligibility criteria for grants

“should be widened to include ‘families experiencing exceptional pressure’.”

At present, a lot of families are experiencing such pressure.

On the subject of eligibility criteria, I remember from my former job sitting on a social work committee that, every time the budget was put under more pressure, the eligibility criteria changed to allow the budget to be managed. We need to look at the eligibility criteria for the fund and take on board the views that we are hearing.

The minister mentioned that the fund has been in place since 2013, although the legislation is being introduced now. The advantage of that is that the committee has been able to hear and learn about some of the issues from people and from organisations that have supported people to access the fund.

On stigma, the Poverty Alliance quotes someone who says:

"I felt small, simply because I was poor did not mean I should have no choice".

That is an important point, as Jackie Baillie noted. The Poverty Alliance recommends that awards should

"be issued as cash unless it is not in the interest of the individual."

I hope that the minister will pick up that point. My ambition is to drive people out of poverty so that they do not need to access such funds, but in the meantime no stigma should be attached to accessing funds. We need to ensure that people are treated with proper respect when they apply for grants.

Likewise, members have highlighted issues with the appeals process, such as the number of appeals that did not take place, whether people are aware of the mechanism and whether support is in place. I hope that some of the points on that from the briefings to members will be picked up.

I welcome the minister's announcement that the Scottish Government will not outsource the scheme's administration. As a final point, I highlight the need to look at the variation between local authorities. The average care grant in Glasgow, for example, is approximately £900, whereas the Scottish average is approximately £640. We need clear advice and criteria in place so that the system does not end up as a postcode lottery. I certainly support having local authorities administer the fund, but we need clear guidelines. I hope that the minister will pick up some of the issues that have been raised on that as the bill progresses through Parliament.

15:19

Kevin Stewart (Aberdeen Central) (SNP): I welcome the fact that we have reached the first stage of putting the Scottish welfare fund on a statutory footing, and I agree with Councillor Norman MacDonald of Comhairle nan Eilean Siar, who said:

"legislation will give certainty not just to local authorities but to the clients about what is in place."—[*Official Report, Welfare Reform Committee*, 30 September 2014; c 18.]

However, it saddens me that we have to do such a thing and that we are seeing £6 billion-worth of cuts to families in Scotland as a result of the Tory-Liberal welfare reforms.

Mr Johnstone described himself as the pantomime villain of the Welfare Reform Committee, but there is nothing pantomimic about the policies that are emanating from the Government at Westminster, which are creating difficulties in our society. I welcome the fact that,

over 2015-16, the Scottish Government will put £100 million into mitigating the effect of welfare reform, but the reality is that that is a drop in the ocean in comparison with the £6 billion cut.

What are the realities? What is happening out there? What are people facing? The other week, I was in the Trussell Trust food bank in the Seaton area of my constituency. We know from the trust that, over the past year, use of its food banks in Scotland has risen by 400 per cent. Last year, more than 22,000 children had to rely on three-day emergency food parcels from the trust.

I know from the folks I spoke to that day not only that they have been relying on food banks but that they have needed to access the Scottish welfare fund. I spoke to one woman whose benefits have been sanctioned for more than two years. She relies entirely on friends and family, measures such as the Scottish welfare fund and support from the Trussell Trust. I spoke to two young families in both of which the husband is in work but who rely on food banks and things such as the Scottish welfare fund because they are not paid enough. It is a shame that this Parliament does not have control over the minimum wage, as I would like. That would help to eradicate poverty, which is what both Mr Rowley and I want to see.

The £6 billion of cuts are having a real effect on our society. I welcome the £100 million commitment from the Scottish Government, but we need to ensure that the Government at Westminster goes and that whatever replaces it changes tack. The only way that we will see that is with strong Scottish National Party representation at Westminster next year.

I will look at some of the issues in the bill. There has been debate about outsourcing, and all members of the committee were against privatisation of the Scottish welfare fund, apart from the pantomime villain, Mr Johnstone. I am glad that the minister has ruled that out completely today, unlike the Welsh Labour Administration, which has given all its welfare funds over to a private company—its social fund is now being dealt with by that company. There is a degree of hypocrisy among Labour members today.

We heard from Jackie Baillie about the underspend that there was at the beginning of the Scottish welfare fund. As Mr Johnstone rightly pointed out, when folks heard that the social fund was going, they were often not told about its replacement.

Jackie Baillie: Will the member take an intervention?

Kevin Stewart: No, I will not. Ms Baillie did not take an intervention from me. I am sorry to be so petty, but that is how she operates all the time in not taking interventions.

The reality is that 120 per cent of the funding that was provided to the Scottish Government was paid out in that year, which compares very favourably with the fact that the Labour-controlled Welsh Government managed to pay out only 70 per cent of the funding that it received.

To ensure that people trust the Scottish welfare fund, it is extremely important to have an appropriate appeals process. I am glad that the Scottish Public Services Ombudsman will take over the second tier of appeals. I share the view of Derek Young of Age Scotland, who said:

“Our firm view is that, if second-tier reviews cannot be done at a Scotland-wide level, no structural dynamic will ensure consistency.”

I believe that the SPSO’s involvement will lead to improvements being made to the fund, and I share the view of Mark Ballard of Barnardo’s, who said:

“The great virtue of the overall review structure is that it enhances learning and the dissemination of best-practice models, which can be taken up across the board.”—[*Official Report, Welfare Reform Committee, 7 October 2014; c 13.*]

I welcome the fact that we are moving to put the Scottish welfare fund on to a statutory footing, and I welcome the fact that the Scottish Government is doing what it can to mitigate the effect of welfare reform. I will continue to oppose the £6 billion-plus cuts that the poorest in our society are having to face because of the harsh Tory-Liberal Government at Westminster.

15:26

Willie Rennie (Mid Scotland and Fife) (LD): I enjoyed listening to Alex Rowley, because he reminded us that when we think about why many people find themselves in such circumstances and what we can do in a holistic sense to tackle the five evils that Beveridge highlighted, we need to do so in the wider context. I am not sure whether Alex Rowley wanted to echo Tony Blair’s famous quote, but his reference was apposite for today’s debate, because we need to consider poverty itself as well as the causes of it.

We welcome the bill, which entrenches the fund that already exists and gives it a statutory underpinning so that clients and local authorities have the confidence of knowing that it will be a permanent feature. We support the bill’s general principles.

I thank the Welfare Reform Committee for the work that it has done, in the course of which it received harrowing evidence from people who have been affected by welfare reform. The committee also took evidence from local authorities and front-line organisations in the third sector.

This is a precursor of what is to come. Jackie Baillie—if she wants to make an intervention, I will be happy to let her in, unlike some other members, because I am a bit of a sook on such occasions—is right that we are creating a new Scottish welfare system, with disability living allowance, personal independence payments, attendance allowance, discretionary housing payments, the universal credit flexibilities and the ability to create new benefits. I can give Bob Doris the assurance that there will be no clawback—it is clear that it was the Smith commission’s intention that there should be no clawback. If a benefit, a top-up or a supplement is implemented here, there should be no effect down south.

Bob Doris: I thank Willie Rennie for giving way, as I know that he really wanted to hear from Jackie Baillie.

I welcome the fact that Willie Rennie has given that guarantee. Does it extend to any new benefits that we might want to give to vulnerable groups who might be in receipt of, say, income support, which is a means-tested benefit? Can he give a cast-iron guarantee that there will definitely be no clawback of any such benefits?

Willie Rennie: It is clear that the Smith commission’s intention was that there should be no clawback. I am sure that issues on the edge that we do not expect will come up over time, but the principle is clear. The UK Government and the UK parties have given a commitment that that is their intention, so every effort—

Bob Doris *rose*—

Willie Rennie: I will not take another intervention, as I have another few points to get through. I am sure that we can discuss the issue on a future occasion.

This is a precursor of what is to come. It is a steep learning curve, as Alex Johnstone rightly said. We are grappling with issues that Westminster and the DWP have been grappling with for some time, including stigma—Inclusion Scotland quite rightly raised that issue—and the balance of trust and respect. I think that everyone would want a system that has trust and respect, but in reality and practice that is extremely difficult to ensure. The fine words that are uttered in the chamber need to be reflected in local authorities. It is important that we send out that message, but we also need to work out what trigger mechanisms and training are required to ensure that it is enacted.

Another aspect is gatekeeping, which has some connection to what Bob Doris referred to. Do people fear that they should not apply or do local authorities deter people from applying for particular funds? Is the DWP perhaps seen as being at fault and the reason why a person is

without funds? Obviously we should discourage gatekeeping, but members can understand that a local authority would not want its funds to be affected by another authority's mistake. We need to ensure that the principles are well entrenched, so that local authorities understand that they should help if someone is in need, no matter who is to blame for the problem.

Inclusion Scotland raised the use of the phrase "normal residence" and how Gypsy Travellers would be affected. I would like some assurance from the minister that Gypsy Travellers' human rights would not be affected by the use of that phrase. A review of that phrase might be appropriate over time.

We should strive to have a standard and a practice that are as good as, if not better than, those of the DWP. That is why I urge the Government to look again at the issue of having a 24-hour waiting time target for crisis grants, rather than a 48-hour waiting time target. If someone applies for a crisis grant on a Friday and there is a 48-hour target, and the clock does not start ticking until the weekend is over, they could wait for quite a considerable period before they could access the fund. I am sure that local authorities will try to process applications as quickly as possible, but we should set a standard in law that means that they must act as quickly as possible.

CPAG quite rightly raised the issue of families under exceptional pressure. I urge the minister to look at whether the term "families under exceptional pressure" ought to be included in the bill, so that people can be given confidence. The figures here in comparison with those at Westminster are quite striking: 20 per cent of applications in Scotland are for families under exceptional pressure, compared with more than 50 per cent of Westminster applications. That is quite a stark comparison. I would like to understand why that is the case. Perhaps putting the term in the bill will encourage more families under exceptional pressure to apply for the funds.

On the SPSO appeal process, it makes eminent sense to have a body that is removed from the local authority make the judgment and deal not just with the process but, as Jackie Baillie said, with the substance of the application as well. Sometimes the process may be perfect but the judgment might be wrong, so it is appropriate to have that wider power, although that is not the normal way that the SPSO considers matters.

The Liberal Democrats support the bill. An awful lot more difficult issues are to come, and today's debate is an indication of the fact that the Parliament will have to come to terms with them and make judgments that are difficult but necessary, if we are to create a Scottish welfare system that we can all be proud of.

15:33

Richard Lyle (Central Scotland) (SNP): I welcome the opportunity to take part in this debate, which is on an issue that touches all communities in Scotland, not just my Central Scotland region.

When the DWP decided to abolish elements of the discretionary social fund, namely crisis loans for living expenses and community care grants, this Government rightly had to look at how to replace the DWP's one-size-fits-all approach with a service that was fairer for those who used it and which contributed to Scottish policy priorities such as tackling child poverty and reducing homelessness. As members know, the new service has been in place on an interim basis since April. The Scottish welfare fund aims to steer people towards a range of social services, as well as help people in a financial crisis or enable them to lead a more settled life by providing them with essential household goods.

The Scottish welfare fund is a discretionary budget-limited scheme that prioritises applications according to need and the grants provided do not need to be repaid at any time. Local authorities have the discretion to provide support in different ways, not always through grants and cash payments. Support may take the form of vouchers, a household fuel card or furniture, if local authorities think that that is the way to meet the applicant's need. I would support cash payments and not vouchers, which, as has been said—and I agree—can cause embarrassment to the applicant.

In essence, the Scottish welfare fund aims to provide a safety net in an emergency where there is an immediate threat to health and safety, to enable people to continue to live independently and to prevent the need for institutional care and, thus, to provide assistance to families that are facing exceptional pressures.

As members will be aware, the interim Scottish welfare fund was designed to take advantage of local delivery while maintaining a national character. Local authorities can supplement funding from Scottish ministers, but they are under no obligation to do so. The intention is for the funds to link to other local services, thereby providing a better overall service to vulnerable members of the community. The services that applicants are most commonly referred to are advocacy, welfare rights, housing and money or debt management.

Despite being in place on only an interim basis, the Scottish welfare fund has already helped, I am led to believe, more than 100,000 households. The bill will put the fund on a statutory basis to ensure that that vital help continues for the people

of Scotland. As has been stated, the Scottish Government has shown its commitment to the welfare fund by topping it up by a further £9 million, and I am sure that that will be maintained in 2015-16.

I welcome the announcement that the minister made earlier and the Scottish Government's commitment to the Scottish welfare fund, which contrasts with what is happening south of the border. In England, the discretionary social fund has been abolished and funding has been provided to local authorities for local welfare assistance schemes. However, the funding for that has not been ring fenced and no duty has been placed on local authorities to provide such schemes. Furthermore, the UK Government plans to withdraw dedicated funding to local authorities for such schemes from April 2015. That will result in many English local authorities having to scale back their local welfare fund provision or scrap it completely.

My view, which I know is shared by my colleagues in the chamber today, is that it is completely unacceptable that anyone should be living in poverty in a country as wealthy as Scotland. In light of that, I was pleased to see that this Government is doing something about it by providing £104 million in next year's budget to tackle poverty and inequality and help those who are affected by welfare changes. I was particularly pleased to note that, in 2015-16, the Scottish Government will provide £35 million to allow full mitigation of the—to my mind—hated bedroom tax for the 71,000 people in Scotland who are affected by it.

I am pleased to be able to say that I am a member of a party that stands up for those on welfare, as opposed to the Tories and Labour, who have signed up to further welfare cuts after the general election. As has been said, the cuts are extensive. My colleague Kevin Stewart mentioned more than £6 billion of cuts.

Save the Children has estimated that, over the next four years, the welfare spending cap will push an additional 345,000 children across the UK into poverty. That is completely unacceptable in this day and age and I am glad that this SNP Government is committed to doing what it can to protect the most vulnerable in Scotland.

I end by relaying a story from a number of years ago. As a councillor, I was called out on Christmas day to a house in my ward that had gone on fire. The lady was left without a home and without clothes and so on—everything was destroyed. Luckily, no one was injured in the fire. The lady was rehoused, but she was left to wait several weeks for a crisis loan. Mr Rennie ably made the point that there can be some time between a person applying and the loan being paid out.

I suggest that the bill will help people such as that lady. I am sure that this Government will use all the powers that it can use and provide all the help that it can provide for people who are in such situations. We must ensure that people who are in crisis are helped by their Government and their politicians. We all wish to help people in poverty. As I said, we have a country that is rich in oil but we still have people who are in poverty. That is not right and we should do something about it.

15:40

Joan McAlpine (South Scotland) (SNP): I am pleased to be able to speak in this stage 1 debate on the Welfare Funds (Scotland) Bill.

I am, of course, a new member of the Welfare Reform Committee and I was not present when it took evidence on the bill, but I endorse the report that the committee compiled at stage 1. It is a reflection of the diligence with which the committee goes about its work that the Government has already indicated that it intends to lodge amendments to make absolutely sure that the Scottish welfare fund cannot be outsourced to third party organisations, particularly the private sector. I know that that was never the minister's intention, but it is correct that she has responded to concerns and is making things absolutely watertight in that regard.

I may be a new member of the Welfare Reform Committee, but like every other MSP in the chamber, I am all too familiar with the dire consequences of UK Government welfare reform on some of our most vulnerable citizens. We should all be very proud that the Scottish Parliament, working with local government, has stepped in to provide a local welfare safety net in Scotland. It has been mentioned several times that the fund has already helped more than 100,000 households. Putting it on a statutory basis will ensure that that vital help will continue.

It is true that the discretionary elements of the former social fund were abolished, but the funding was devolved and, as other members have mentioned, the Scottish Government has topped it up by £9 million a year. I welcome the fact that that will be maintained in 2015-16.

It is worth noting that the Scottish Government was under no obligation to use the funds to set up a welfare fund for people in crisis. However, the fact that we worked together to meet that need reflects well across the Parliament. It beggars belief that, in England, unlike in Scotland, the funding for local welfare assistance schemes is not ring fenced and no duty has been placed on local authorities to provide such schemes. A survey of councils in England in October by the Local Government Association found that three

quarters of council areas planned to scale back or scrap their local welfare provision next year, and one in 10 or 15 per cent planned to scrap their local schemes entirely. That is a frightening prospect for the vulnerable people who live in those areas.

I am aware that other members have addressed the recommendations in the committee report in detail. The report welcomes the general principles of the bill and makes helpful suggestions about the operation of the fund to date. I hope that they will make the fund work even better in responding to the needs of vulnerable people in a sensitive and appropriate manner in particular.

In reading the report, I was struck that signposting of the fund has been a problem in the past. That came across quite strongly to members who recently attended a Child Poverty Action Group event about welfare reform in the Parliament. Signposting is improving—obviously, that is reflected in the take-up of funds—but more needs to be done.

When the committee took evidence from fund users, they stated that no one had heard about the fund through their local authority. Many were signposted by a third sector organisation that they were already working with, or by a friend or family member. Some users were unaware that crisis funds had not been abolished altogether, but had been reconstituted in the Scottish welfare fund.

When users were asked about the best way to inform potential applicants to the fund, they said that a key point was when they were starting a new tenancy. They suggested that the housing association or landlord could give them information about the fund at that key point. Therefore, I agree with paragraph 106 of the committee's report, which recommends that

"all social housing providers be provided with information on the Scottish Welfare Fund to be passed onto new tenants."

The committee acknowledged that private rented tenants are harder to reach, but very sensibly suggested that

"information could be provided to landlords when registering or through the various tenancy deposit schemes."

The committee welcomed the minister's assurances, as do I, that she will look at ways in which to improve the flow of information on the fund between local authority departments. As I said, we are making progress on that all the time.

The committee made other practical suggestions. For example, it suggested that the length of the application form should be reviewed. Research by the Scottish Government shows that one in five applicants to the Scottish welfare fund

have an identified vulnerability, that one in three have children, that mental health difficulties feature significantly for those who are applying for a crisis grant and that those who are applying for community care grants tend to be lone parents, those suffering from mental illness, homeless people and people with a physical disability. We should do everything in our power to make it easy and not distressing for those people to get the funds at a time when they are at the lowest point in their lives. Obviously, long and complicated application forms do not help.

I agree with those who have said that they support the bill with a heavy heart. We should not have to pass such legislation; in a fairer society, we would not need to pass such legislation.

Others have noted that £100 million will be used by this Government to mitigate welfare reform. However, it is clear that this is a bottomless pit. Kevin Stewart pointed out that families in Scotland have been hit by £6 billion of benefit cuts in the five years to 2014. The autumn statement suggests that worse is to come. Even if one just takes the £6 billion figure, that equals £1.2 billion a year in each of the five years to 2014. That is the equivalent of NHS Lothian's entire budget, for example. No amount of mitigation by this Parliament can address the devastating cuts that are coming from the UK Government and hitting society's most vulnerable people.

Although I welcome what others have said about the devolution of new benefits that was suggested by the Smith commission, we need to have the ability to pay for those benefits. Not enough has been done to give this Parliament all the powers that it needs to address what Alex Rowley identified as the causes of poverty rather than its effects.

15:47

Rhoda Grant (Highlands and Islands) (Lab): I refer members to my entry in the register of interests.

While I, too, welcome the bill, I cannot help but wish that we did not need it. It is absolutely wrong that, in a rich society, people are struggling for the very basics they need for survival, to keep a roof over their head and to live independently.

Food banks are becoming the norm rather than the exception. Despite that, last year's welfare fund was underspent. That is a bit of a disgrace for us all; we need to do something about the situation.

The Scottish Government commissioned a report into the welfare fund's operation from Heriot-Watt University. The bill—or secondary legislation—needs to deal with the issues raised. It

is startling that most applicants only knew of the fund through professionals or by word of mouth. There appears to be little or no local or national advertising. That point was echoed in the committee report. Witnesses acknowledged that work needs to be carried out to raise awareness of the fund and its availability. Witnesses also told the committee that they had been unaware of the fund despite needing to access money in an emergency.

We cannot be sure that everyone who might need to access the fund is in touch with the statutory services and the professionals who know about it. We know anecdotally that many people accessing food banks, for example, are the working poor, who are less likely to be dealing with the statutory services, less likely to be claiming benefits and may not know that crisis loans are available. The committee pointed out that that is also the case for those wishing to access the fund: because they are not in the system, they might be unaware of the fund in the first place. Although there was agreement that more could be done locally to raise awareness, I suggest that we have a national advertising campaign to make sure that everyone is aware that the fund is there.

There are concerns about the amount of discretion that decision makers have with regard to loans. There is evidence that people have been discouraged from even applying, which is unforgivable, especially given that the fund was underspent last year.

I was interested in the committee's suggestion that the eligibility criteria should be widened to include disabled people who cannot live independently without a grant, all young people who have been looked after by the state, including people who have experienced kinship care, people who are delivering kinship care to the children of family or friends, and families, many of whom suffer the greatest impact of welfare reform. Surely anyone who is likely to become homeless or unable to live independently needs to be eligible to apply to the fund. It also seems to me that if we are serious about tackling child poverty, families should be eligible.

The committee noted in its report the concerns that were expressed about the use of gatekeepers who put people off applying or turn down applications without giving them adequate consideration. Such cases go unrecorded and there is no right of appeal. It is sad that we presided over an underspent budget last year and that we have no idea who applied and why people were turned down. All applications need to be considered fully. Every applicant who is denied an award should be given the reasons for the decision in writing and should be told of their right to request a review.

Given people's reluctance to apply for these loans, because of the stigma, applications tend to come only from people who have nowhere else to turn. That should mean that there are more positive outcomes. The results of decisions that have been subject to review tend to bear that out.

The committee looked at how the grant could be paid, for example through the provision of goods, vouchers or cash, all of which seemed to have good and bad points. Like many other members, I think that cash should be the default position. However, it is often the case that people cannot access the best deals when they source goods, especially in rural areas where people might not have access to the internet. In such cases, the provision of goods is a good idea, as long as the recipient is involved in the choice and has a say about the goods and their functions, to ensure that they suit their family circumstances.

I can see that vouchers might be useful for people who are vulnerable as a result of addiction and who might be tempted to use cash for alcohol or drugs, particularly if their circumstances are such that they need to apply to the fund. However the use of vouchers needs to be discussed with the applicant and should happen only in a way that respects their dignity and supports them, while acknowledging the problems that they face. We must help people to succeed and not set them up to fail.

Alex Rowley, Willie Rennie and other members talked about the causes of poverty, and as we consider a bill that will tackle some of the extreme circumstances of poverty, it is important that we consider those causes. We know that every child who grows up in poverty has their life chances damaged, so we must deal with poverty, and there are many things that this Parliament can do to deal with it: we can tackle low wages, unemployment and the lack of affordable childcare. We could take practical steps on such issues now, without waiting for decisions to be taken elsewhere.

I welcome the minister's change of heart on contracting out. I hope that she listens to members' concerns and considers amending the bill to take account of them. The bill is welcome, but we need to ensure that it will cover everyone who finds themselves in extreme circumstances and in need of help from the fund.

15:53

Bob Doris (Glasgow) (SNP): I commend the Welfare Reform Committee for its constructive scrutiny of the Welfare Funds (Scotland) Bill. The steady leadership of Michael McMahon and his former deputy convener Jamie Hepburn—now of course elevated to ministerial office—was an

example of constructive cross-party working to provide scrutiny and to challenge where that was needed. Such cross-party working does the Parliament great credit.

I am pleased to report my most direct experience of the interim Scottish welfare fund. The referral was efficiently and effectively taken from me over the telephone, after a vulnerable woman walked into my campaign rooms in Maryhill Road a few months ago. She had been sanctioned by the DWP and was unsure when she would have recourse to public funds again. She was three months pregnant. Thank goodness the Scottish welfare fund was there at that time of crisis. It worked well in that situation, but of course it has to work well in every situation. The report looks at ways of ensuring that it works well consistently—I understand that. However, at least the woman who had that traumatic experience had the Scottish welfare fund to pick up the pieces to an extent.

Let us be clear that when the UK abolished the discretionary social fund in April 2013, a political choice was made to reinstate it in Scotland; that did not have to be done. I am proud that this Parliament and this Scottish Government decided to do that. I was disgusted that the UK Government made the political choice to cut the social fund money available when it passed responsibility for that area to Scotland. Thankfully, the Scottish Government, with cross-party support, topped up that cash by £9 million, so that our most vulnerable would not lose out any more than they already had.

Mention was made of whether there would be a widening of the criteria to support those who do not, or may not, qualify for the fund at present. The Welfare Reform Committee considered that issue but, crucially, did not overtly support the suggestion; indeed, it took no set view. I believe that that was a prudent decision.

The Scottish Government is already spending £100 million a year to try to mitigate the devastating effects of UK welfare reform on Scotland's most vulnerable. As Scotland feels the full strain of UK austerity, that is cash that could be spent on a series of other priorities, across government, such as local authorities or colleges—the wish list of things to spend more money on from politicians across the chamber is limitless. However, that is £100 million being spent on our most vulnerable—which I believe is the right choice—because of UK cuts to Scotland, which could, in theory, be spent elsewhere if different political decisions were being taken at Westminster.

I will give two examples of how that austerity is biting. First, 100,000 households in Scotland are around £700 a year worse off because of UK

reforms to child and working tax credits. Those are people who are in in-work poverty, on the breadline, who must often have recourse to food banks and the like. Secondly, 100,000 working-age adults are set to lose at least £1,120 as a result of changes to disability benefits.

Kevin Stewart gave the overall figure for welfare reforms—a £6 billion cash cut to Scotland in five years. Let us put the Scottish welfare fund in context: it is £38 million a year. When we talk about extending the criteria for the Scottish welfare fund, we should not pretend that doing so will tackle that £6 billion cut. That would be a great lie—a great deception of the poor and vulnerable in Scotland. It is like putting a finger in a dam to stem a tsunami—it just cannot be done.

I have concerns, which I raised earlier, not necessarily in relation to the Smith commission itself but in relation to topping up or creating new benefits under complex UK welfare rules and the potential for clawback. To top up or create new benefits, the money has to be there in the first place.

The Child Poverty Action Group was quoted as saying that families “under exceptional pressure” could perhaps apply to the Scottish welfare fund. Perhaps they could, but would the 100,000 households that are £700 worse off be families “under exceptional pressure”? Would the 100,000 disabled people or their families who are £1,120 worse off be termed as being “under exceptional pressure”? Let us be careful and let us be clear. If we can identify resources and additional criteria to help the most vulnerable, please let us do it, across parties, but let us not sell the big lie that the £38 million—the finger in the dam to stem a tsunami that is sweeping across Scotland—will plug that £6 billion gap, because it simply will not.

People know what solution my party and the Scottish Government propose. I say again, in the context of the debate on the Scottish welfare fund and stage 1 of the bill, that Smith does not even scratch the surface when it comes to defending the most vulnerable people in Scotland and getting them off benefits and into work, or out of in-work poverty and into prospering in work. Short of getting the powers that I think are needed, we must do all that we can across the parties, and irrespective of our various views, to help the most vulnerable. I believe that the new Scottish welfare fund, put in statute, rather than on an interim basis, will do that. I commend it to members.

16:00

Rob Gibson (Caithness, Sutherland and Ross) (SNP): A lot has been said, mostly in support of putting the Scottish welfare fund on a statutory basis. I welcome the Welfare Reform

Committee's stage 1 report, which lays out the details, and I commend the committee for getting the evidence that shows why the bill is needed.

I will concentrate on examples from my constituency and the north of Scotland. It has been said that average pay-outs in places including Glasgow have been higher than those in other parts, yet in the north of Scotland we have dearer transport with further to go to services such as hospitals, dearer parcel delivery, dearer electricity with a 2p surcharge, colder and wetter weather, broadband difficulties and, often, lower wages than the cities. Indeed, my constituency has eight of the 17 most deprived areas in Scotland, four of which are in Wick. That means that we face in spades the kinds of problems that other areas face, but because we have a much smaller population, it is less noticed.

I have spoken with citizens advice bureaux in Wick, Golspie and Alness in my constituency about those matters, and I have dealt with issues such as food banks. When we look at how much advice Citizens Advice Scotland had to give on the Scottish welfare fund in 2013-14—about 7,400 pieces of advice, compared to the 8,300 issues related to the social fund community care grants and crisis loans in their final year of operation—we can see that that will mean that far more people will be lining up for advice. However, we hope that the way in which the Scottish welfare fund will be structured will make it easier for people to access the help that we can give, however tight that is, given their real needs.

Talking of those real needs, the Citizens Advice Scotland briefing gives an example, which I will give to members. The briefing states:

“A North of Scotland CAB reports of a client who received a Community Care Grant, which was awarded in the form of goods.”

Members have talked about provision of goods, cash or assistance in kind. The briefing continues:

“The client felt that they had no say in the decisions regarding their furniture and were ending up with unsuitable items. The client had requested a table, but as his flat is extremely small would prefer a coffee table to a table and four chairs. The CAB called the Welfare Fund and with some difficulty organised the changes. However, it will have to be a new order so the table and chairs may be delivered and then uplifted and the coffee table will come later.”

Such communication difficulties about basic furnishings for people who are in dire need are a function of the way in which the system works.

I mentioned that we have dearer transport: I will give another example from the north of Scotland. The briefing states:

“A North of Scotland CAB reports of a client who called her local authority to apply for a Crisis Grant for travelling expenses to visit the father of her children who is very seriously ill in hospital in another part of the country. She

was told she could not receive a Grant to pay for travel expenses. The CAB adviser then spoke to the Welfare Fund person, who explained that if the client could get the funds to pay for travelling expenses and this caused her to be in a bad financial position, on her return she could apply for a crisis grant. The client decided to use the money she was going to spend on paying her bills to cover the travel costs, and reapply for a Crisis Grant at a later stage.”

Forcing such options on people who are utterly vulnerable is one of the most detrimental ways to treat families in our country. It is detrimental to their potential to become normal tax-paying working persons in our communities.

The example that I gave is of a family that is under exceptional pressure, but how far can we go to do Westminster's work? Westminster has decided to retain control of much of the benefits system and, indeed, to cut benefits by £12 billion in the next Government's period of office. That is much worse than what people have experienced in the past four years.

We need to discuss the issue that Jackie Baillie raised—the ability to create new benefits. If we had our way, we would be thinking about a very different approach. There would be a basic social wage for each individual over the age of 16. A progressive tax system would enable everybody to have a basic social wage, which would allow them to make decisions not between eating and heating—they would be able to afford the basics—but about going to look for work or training knowing that their benefit was secure. Our being in a position to do that would be far better than creating new benefits and using only one side of the equation. A living wage and the ability to create work are the policy areas that the Smith recommendations do not allow us to deal with.

The argument about support would never have happened had ours been a fairer society but it is not, so I would like people to take account of the folk in my constituency. We have four out of the 17 most deprived areas in Scotland just in the small town of Wick. They need all the help that they can get and I hope that the Welfare Funds (Scotland) Bill will give them that, at least in part.

16:07

Anne McTaggart (Glasgow) (Lab): I am pleased to have the opportunity to contribute to the stage 1 debate on the Welfare Funds (Scotland) Bill, which is vital to many of my constituents in Glasgow. I am broadly in support of the general principles of the bill. However, there are a number of reservations that I and a number of support organisations are of the opinion will have to be addressed.

A principal aim of the interim Scottish welfare fund—the SWF—is to provide a safety net in an emergency when there is an immediate threat to

health and safety, by providing a non-repayable grant known as a crisis grant, and to enable people to live independently, or to continue to live independently, and thereby to prevent the need for institutional care by providing a non-repayable grant known as a community care grant. That includes providing assistance to families that face exceptional pressures—for example, when there has been a breakdown in family relationships, perhaps involving domestic violence, that results in a move.

Although it is a vital issue, the Government has not explained clearly or discussed why the interim Scottish welfare fund was so underspent. Others have already said this, but it merits repeating that in 2013 the SWF was underspent by 12 per cent; it handed out grants totalling £29 million in 2013-14, which amounted to only 88 per cent of the £33 million that was available. Scottish Government figures show that more than 82,000 crisis grants were paid out to 56,000 households, while 36,000 community care grants were awarded to 33,000 applicants.

I am aware that Heriot-Watt University has published a review highlighting a number of concerns regarding the interim scheme, and has made recommendations in relation to those concerns. Although most people who applied to the community care grant found out about the SWF from their existing networks—their social workers or third sector organisations with which they were involved—awareness of the SWF among staff across those organisations was extremely varied. The report found that the applicants did not commonly find out about the SWF through local advertisements or online information. A number of third sector respondents felt there is scope to improve marketing greatly in order to make people less dependent on the third sector or public sector providers for access to and awareness of the scheme.

I strongly believe that, as is recommended in the report, local authorities should pro-actively signpost and advertise existing training and advice and support and should consider developing online training resources. Local authorities should also raise awareness of the SWF through information materials that are provided to their own departments, third sector agencies, Jobcentre Plus and others.

Another concern that was raised concerned the fact that third sector staff commonly felt that not all SWF staff fully appreciated the nature of the poverty and vulnerability of applicants, and that there was an emphasis on strict adherence to rules and criteria, rather than on discretion, in the decision-making process. There were also some worries that some applicants were discouraged from applying. That is a vital issue that should be

addressed by the Scottish Government. That could be achieved through anonymised case studies of people who have accessed the scheme and how it has helped them. That would provide third sector staff and applicants with useful insights into how discretion could or should be used.

I also strongly believe that guidance on awarding discretionary grants is needed to ensure that people are treated equally throughout Scotland. I am aware that guidance is an on-going problem with the SWF; I note that it has been changed numerous times, and that it will change again in the passage of the legislation. It is therefore vital that the bill incorporate permanent guidance arrangements, which would benefit from more clarity on the roles and responsibilities of the SWF.

In conclusion, although I am broadly in agreement with the aims of the bill, in order to ensure that the SWF operates properly in the coming years, the Scottish Government must clarify why there has been a repeated underspend, and it should also address the concerns that I have just expressed, in order that the bill fulfil its principal aim, which is to provide through crisis grants a safety net for people on low incomes during a disaster or emergency.

16:13

Nigel Don (Angus North and Mearns) (SNP): I am enormously grateful to Bob Doris, who eloquently put everything in context. As he said, tens of millions of pounds in a fund will do no more than scratch the surface of a problem that is measured in billions. He is right to put the issue in that context and say, “Look—we are doing a little bit. It is important, and we need to get it right, but let’s not pretend that this is any more than marginal.”

What it is, perhaps, is the start of things to come. We are talking about crisis grants because crisis is the right word for the folk who need them. The situation is going to get worse. Public funding is going to drop, whether we like it or not, and we are going to have to get better at distributing it appropriately, in ways that are efficient and effective.

Section 4 of the bill refers to the second-tier review by the Scottish Public Services Ombudsman. Several members have referred to that; I would like to do so at slightly greater length. First, I suggest that when we have a good review mechanism—of anything, but certainly of anything lawful—it improves decisions. Anybody making an administrative decision will be looking over their shoulder and asking, “Who’s checking this?” If they know that the checking system is good, they

are much more likely to think carefully and come to the right answer in the first place. Review mechanisms are therefore extremely important. It is also very important that the review itself works well, and I am sure that the SPSO will ensure that it does.

I also note that Jackie Baillie is right—it is no surprise to say that—because the bill describes a different role for the SPSO. It is not just about reviewing a decision; the SPSO has the opportunity to overturn a decision—section 4(4) tells us that. That is very useful and is what one would have expected, but it does beg the question whether the other SPSO powers remain.

That is probably put in context by looking at the wording in section 4(4), which is that

“the Ombudsman may quash the decision ... and direct a local authority to reconsider”

or direct it in another way. I put it to the Government that it might reflect on whether “may quash” is the right wording. If the ombudsman, on reviewing the decision, concludes that a different decision should have been made, the ombudsman probably should quash the decision, rather than just be able to do so. The other options—to direct the local authority to reconsider or to decide what the original decision should have been—are normal ones that one would expect from a court. I wonder whether the minister might reconsider the issue.

In that context, I note that paragraph 63 of the stage 1 report—which is a model of report writing, for which I thank the clerks—says:

“The SPSO said in its written submission that it intends to ask the Scottish Government to include a provision in the legislation allowing the SPSO to produce rules, after appropriate consultation, showing how it will consider reviews.”

I am sorry, but I am struggling. The SPSO knows perfectly well how to do reviews—that is what it does. Any student of administrative law would be able to tell us that we need an independent investigator, who will assemble and review the information from both parties, reach an objective and explicable decision, and communicate that decision and its explanation to the parties. They do all of that as fast as is reasonably practicable. Maybe I have missed something but I am not quite sure why the SPSO needs to consult on a set of rules—never mind have them provided for it—to do what is actually mainline stuff in its job.

Section 5(2)(f) may not mean very much to the casual observer, but it is the subsection that talks about the

“circumstances in which amounts may require to be repaid or recovered”.

Several members have talked about the issue of fraud. I think that is generally recognised that, when something has been obtained by fraud, it should be repayable. Members have also commented that it would be good if it were clarified that that is the case. I endorse that. It seems to me that if section 5(2)(f) refers to fraud, or is meant to refer to fraud, it would be a very good idea if it actually said so. If that is the reason why we might want to recover amounts, why do we not say so and take the ambiguity out of the bill? I may be being very simple this afternoon, but I believe that there is some merit in saying what we mean.

Correspondence reached us about the cost effectiveness of the process. Looking at the data that have been assembled, I hope that I am correct in saying that the average crisis grant is of the order of £80 and the average community care grant is of the order of £650, although I note comments from other members that the amounts seem to vary quite considerably between local authorities.

If those sums are anything like right—I am sure that they are—it really would pay local authorities to ensure that they have a pretty slick process for coming to those decisions. If it is costing a lot to get those kinds of sums out, it is better simply to pay the money and not to have another person checking; otherwise, there is a real risk that we spend our time paying officials rather than those who are in crisis. I think that I echo other members' comments on that.

The same thing therefore applies to the idea of involuntary gatekeeping that members have referred to. It is probably not terribly helpful to have advisers in one capacity or another saying to a possible claimant that it is just not worth trying to claim. It might be very much better if advisers said, “Maybe you should apply,” because if people are in crisis, that is where the money should be going. If we have a sensible system for paying money out, we should be taking the opportunity to do so.

I have also taken a look at the statistics in the documents, which are online. Statisticians might say that the statistics are very variable. They seem to cover all four corners of the graph—I think that the technical term is “a plum pudding”. The speed with which funds are paid out and the amount that is paid out vary quite significantly across councils, and the correlation does not seem to apply in the same way to different councils. Some consistency is required, and I am sure that the Government will be aware of that. I am not sure how the Government will get the information—if management of the fund is delegated to councils, it is the responsibility of councils—but some consistency and some understanding of why the inconsistency is there would be helpful to all concerned.

Finally, there is the issue of the funding of signposters. There are various agencies, citizens advice bureaux perhaps in particular, that are often the first port of call—apart perhaps from MSPs—for those who need help. It costs money to provide that advice; it is important that the advice is good and that facilities are available. Again, it is a matter of cost effectiveness. I am not inviting the Government to spend the money more than once, but we need to have a serious look at where the advice is coming from and we need to make sure that that is properly and effectively funded.

At the end of the day, I am sure that every member in this chamber shares my view that, although in the grand context of austerity the sums involved are not huge, they are enormously important. The fund is dealing with people and families who are in crisis, and the system really needs to be good at the point of delivery.

The Deputy Presiding Officer (Elaine Smith): We now turn to the closing speeches.

16:22

Alex Johnstone: This has been—as we often say at such events—an interesting debate. It is a debate that has existed in two halves. There are those of us who have been talking about the legislation and the stage 1 report that is in front of us, and there are those who have been pursuing a rather different agenda. Nonetheless, those two halves are significant and important, and I welcome and will take the opportunity to comment on both.

I will point out something that was pointed out by many during the debate but ignored by some. The predecessor scheme to the interim scheme, which was administered by the DWP, was of course not abolished but devolved—yes, it was devolved—and the funding for the scheme came too, having been top-sliced. The £24 million that initiated the fund came from that predecessor scheme. The further £9 million that has been added by the Scottish Government is welcome and has made a significant difference to the ability of the scheme to cope with demand.

We have heard a number of speakers express concern about the fact that the scheme, at the end of 2013-14, was £4 million underspent. Of course it is a disappointment that that £4 million was not spent, but I do not share the concerns that have been expressed by some. If we look at the record of the interim scheme, we see that there was great difficulty in getting the funds in place and to people in the earlier part of 2013-14. That was driven by the fact that many people did not know what the scheme was and many people did not know what the eventual funding level of the scheme was.

Consequently, some local authorities found it difficult to make awards in that early period.

In the second half of 2013-14, the scheme performed much more efficiently than it had done previously. It is important to recognise that the scheme is now spending at the level that it was supposed to be spending at and that the £4 million that was unfortunately not spent was underspent at a time when the scheme was being built up.

Alex Rowley: Does Alex Johnstone not agree that it is absolutely disgraceful in 2014 that more than 100,000 people in Scotland are having to access such crisis grants? Should we not be tackling poverty at source rather than creating more poverty?

Alex Johnstone: I have tremendous respect for the view that Alex Rowley expressed, but perhaps our common view is that welfare payments should not be necessary because everybody should have a level of income above that requiring payment of welfare. That is a basic point on which we will always agree.

As we look at individual schemes, we have to recognise that some are there for one purpose and some for another. The Scottish welfare fund provides two methods of support. The first method is the crisis grant, which is designed to provide a safety net when someone experiences a disaster or a health emergency or, as we heard from Anne McTaggart during her speech, a relationship breakdown because of domestic violence.

Those incidents will happen to individuals unexpectedly and regardless of the level of their income. I therefore suggest that that is a measure of support that will remain necessary, even if we achieve our objective of significantly cutting the level of welfare through reduced demand. The crisis grant is therefore a scheme that is and will continue to be important.

The second method—the community care grant—is designed to enable continued independent living and prevent the need for people to go into care. That is also an example of worthy expenditure that will continue to be a responsibility that we need to take seriously, even if we can increase standards of living and reduce overall demand for welfare. Those who have criticised the scheme because of a broader view on welfare that I share are wrong to criticise this particular provision. It is important that we continue to provide resources for those purposes into the future.

Let us look at more of the debate. Alex Rowley mentioned the variation in performance between local authorities. That takes us to another version of a discussion I was having with members in the chamber earlier in the debate about devolving decision making to a local level.

One purpose behind the Westminster Government's decision to pass down the funding was to allow local decision making because local decision making can be good. There can be good understanding of local needs and things can be done in a way that is appropriate and fits with local needs. Of course, Alex Rowley also used the phrase "postcode lottery". We cannot have both; the situation will be one thing to one person and another to another person.

We also heard the same issue raised in a slightly different way by Rob Gibson, who told us some horror stories that he had come across in the Highlands. My criticism of those who are responsible for administration is that the decision-making criteria are, to a significant extent, in their own hands. If bad decisions are being made in a particular area, perhaps it is time that we worked to ensure that best practice in the best areas of Scotland is understood and can be copied by those who are struggling to put best practice in place and who appear to be making poor decisions.

Some of the broader criteria that Rob Gibson set out for paying benefits more generally began to remind me of the terms that are the basis of universal credit, which will be introduced progressively in the years to come. They have been the source of many a complaint in the chamber, but they could deliver a great deal of what Rob Gibson has asked for.

Rob Gibson: With all due respect, the idea is not to save money by cutting benefits but to give people a basic social wage that is paid out of the progressive taxation of those who can afford to pay it and who do not pay enough at the moment.

Alex Johnstone: Indeed.

Let us move on to cover briefly some of the other areas that were discussed today. There was, of course, the myth put about by Kevin Stewart and other members that there have been £6 billion of cuts. During the debate, other members clarified that that £6 billion has accrued over a total of five years so, in annual terms, the figure is rather lower than £6 billion.

In order to get that figure, one would have to count up all the cuts that are being made and not count any of the ways in which money is being passed back. For example, we heard at some length that the reduction in child tax credits and working tax credits has resulted in a £700 fall in income per household. However, that calculation does not take into account the fact that raising the tax threshold will mean that those same households will, by April next year, each have an additional £820.

Bob Doris: I have direct experience of dealing with constituents in that situation. Some families in

my constituency who are employed and receive tax credits are now, because of Tory changes to tax credits, worse off than they would be if they were unemployed. Is that not appalling?

Alex Johnstone: The balance between the reduction in tax credits and the increase in tax thresholds should have delivered for the majority of householders. If there are individuals who have suffered as a result, we need to know about them, but on balance the figures that are quoted regularly are simply inaccurate.

It is important that we realise, as we move forward, that the Scottish Parliament and the Scottish Government are about to gain a great deal more power to enable them to use their resource to pay benefits and welfare. However, in the system that we are about to enter, if we want to pay more we will have to tax more. Many of the speeches from back-bench members in the debate have failed to address that prickly subject. If we choose to do something differently, we will have to explain how it will be paid for. There is a great deal that we can do differently, but we will have to find ways to pay for it.

Once again, I commit to supporting the bill at 5 o'clock.

16:31

Ken Macintosh (Eastwood) (Lab): I thank the minister for her foresight in instigating a debate on welfare reform within one hour of my promotion to the social justice brief, thereby elevating me to the job of closing the debate. I say to Jackie Baillie, my immediate predecessor in the role, that she should read absolutely nothing into the fact that the tone of today's debate, on a subject that is normally very fractious and disputatious, has been very consensual. There is no link between my appointment and the consensual tone of the debate.

Nigel Don: I find Ken Macintosh's claim about the normal tone of the debate on this subject very disappointing, because my experience would indicate that he probably will be very consensual. I hope that he will carry on being so, because it is much better that way.

Ken Macintosh: Thank you, Mr Don—I was in fact being ironic. On that consensual note, it is worth noting that not only Labour, but every party in the chamber, supports the general principles of the bill and will vote for it at decision time.

Although there have been relatively heated discussions between SNP and Labour members on such matters in the Welfare Reform Committee, we are broadly aligned in opposing the Tory welfare reforms and on taking action to

mitigate their effect in Scotland. Our position on this bill is no exception.

The bill is relatively straightforward. The UK Government has decided to abolish the old social fund and to devolve responsibility for emergency welfare payments, along with most—if not all—of the funding, to Scotland and to local authorities in England. The Labour Party supports the Scottish Government in passing on the administration of emergency welfare payments to our local authorities; in replacing the system of loans with a system of grants; and—crucially—in trying to make good at least some of the shortfall in funding.

In taking evidence, the committee found a broad consensus on that general approach from most stakeholders, including welfare recipients, local authorities and the voluntary sector. It is fair to say that a few misgivings were expressed about the bill's other notable feature: namely, the appointment of the SPSO as the body responsible for adjudicating on second-tier appeals. However, as several members have highlighted, we also broadly agreed that, on balance, the SPSO is probably best placed to take on the task in the circumstances.

That said, a few issues have emerged in evidence in relation to which the Scottish Government could undoubtedly make improvements to the bill. The committee's convener, Michael McMahon, listed a few, including the importance of reviewing eligibility criteria, notwithstanding Bob Doris's comments in defence of not doing so. The convener also highlighted the need to reconsider the redistribution of funding among local authorities and the need for regulations to be subject to affirmative procedure. My colleague Jackie Baillie also made the important point that the current fund has been underspent. Although the Government has made funds available, if we do not advertise their availability to recipients, they will not help to satisfy the need that exists in Scotland.

I will focus on three issues in particular. The first and most notable is the minister's odd insistence, initially, that she should take powers in the bill that would allow her to privatise the service at some future date. Witnesses from the third sector were unanimous in opposing that measure and were universally hostile to the prospect of allowing private companies to deliver state benefits for profit. Given the vocal comments of SNP back benchers on the issue both this afternoon and previously, I do not think that I was alone in being surprised when the SNP committee members at Westminster voted to keep the proposal in the bill at stage 1.

Kevin Stewart: Will the member give way?

Ken Macintosh: The very person—Mr Stewart. I will give way to him.

Kevin Stewart: Mr Macintosh is well aware that although SNP members looked at the possibility of outsourcing to the third sector, which is a proposal that some of the third sector supported, they were clear all the way through the process that they would be against handing any of the contracts to private companies.

Ken Macintosh: That must be why Labour suggested removing the proposal from the bill but the SNP voted instead for this trenchant line:

"However, in light of the evidence received the Committee recommends that the Scottish Government consider the issue of outsourcing in light of EU procurement laws".

That was a bold statement from Mr Stewart, who is not jumping to his feet this time.

Kevin Stewart *rose*—

Ken Macintosh: Oh, he is!

Kevin Stewart: The end of that sentence reads:

"to ensure that private companies are not allowed to undertake the work."

Ken Macintosh: The point is the caveated statement versus the minister's actions. The minister has now removed the measure from the bill. [*Interruption.*] I was just trying to tease Mr Stewart.

The Deputy Presiding Officer: Order, please.

Bob Doris: Will the member take an intervention?

Ken Macintosh: Mr Doris, please calm down. I was just trying to tease former members of the committee and Mr Stewart, who is still a committee member. We were in agreement on the proposal, but Mr Stewart's principles were clearly compromised by the minister's instructions. The minister has now changed her mind, and the chamber should welcome that.

The second issue that I want to highlight, which came up a number of times, is that of making cash payments as opposed to providing support in kind. For community grants, which help to furnish a new flat in an emergency, for example, I have no doubt that good arguments were put for providing white goods, furniture packages and so on. However, the evidence in favour of that approach was much weaker when it came to crisis grants. Many witnesses talked openly about being judged and stigmatised by the welfare system, and many voluntary organisations such as Oxfam said that, if we are serious about wanting to maintain the dignity of and respect for individuals and families in the system, we could consider allowing clients to exercise choice. That theme was expanded on

by Alex Rowley, Jackie Baillie and other members. In a particularly thoughtful speech, Willie Rennie talked about the difficulty of grappling with such issues and said that our fine words need to be reflected in our actions if we want to end stigma and build a system that is based on trust and respect.

The argument was put most succinctly by the Scottish campaign on welfare reform. In its evidence to the Scottish Government, it stated:

“There is a risk that by systematically ... allocating goods rather than cash payments local authorities will remove choice and undermine the dignity of the individual.”

For instance, handing out vouchers can not only limit the choice available to applicants but create stigma, undermine dignity and lead people to feel that they are receiving handouts rather than exercising a legitimate right to assistance during a crisis. I leave the minister with the thought that the Scottish Government’s own statistics show that, in the first year of the interim scheme, more than 80 per cent of the spend was in kind rather than by way of cash, cheque or bank transfer.

The final issue that I want to highlight is the decision by the Scottish Government to set a two-day deadline for turning round crisis payments, rather than the 24-hour target that the DWP laid down. I do not doubt the minister’s good intentions in wanting the process to be as speedy as possible, but when I asked her about the issue in committee, she said:

“The DWP’s 24-hour deadline for decisions applied only once all the information was there. Sometimes such a decision could take three weeks because the DWP said that it did not have all the information. I am simply saying that that is not happening now.”—[*Official Report, Welfare Reform Committee*, 4 November 2014; c 40.]

According to the Child Poverty Action Group,

“This is not entirely accurate.”

I should stress that that is a quote from written information that CPAG provided after we had taken evidence from it. It pointed out that the current SWF guidance and the draft regulations state that the deadline kicks in only after all the information has been gathered. In other words, there is no difference between what they say and what the DWP says in that respect.

CPAG went on to point out that any lengthy delays in the processing of crisis loans under the old DWP system were more likely to have related to the need to make a decision about whether the applicant was likely to be able to repay the loan rather than their eligibility for an award. It said that, as ability to repay was clearly not a concern in relation to the Scottish welfare fund, it should not slow down the process of decision making.

Crucially, CPAG highlighted the Scottish Government-produced crisis loan statistics that

show that, in the last year of the DWP scheme’s operation, a decision was made within two days in 98.6 per cent of cases whereas, in the quarter to June 2014, the SWF achieved only 94 per cent against the same measure. CPAG concluded:

“There is no implicit reason that processing times should be longer in relation to crisis grants than they were for crisis loans.”

It also made the point that Alex Johnstone made earlier. It was concerned that the inclusion of a reference to a 48-hour time limit once all relevant information is received might lead some decision makers to request evidence when it is not needed.

That is not a minor or unimportant matter. Just in the last week, the “Feeding Britain” report on the use of food banks across the UK highlighted the impact of benefit delays and the number of people who are left with no income at all, forcing them to turn to food banks. The Scottish Government’s own review of the interim scheme, which was carried out by Heriot-Watt University, made a number of recommendations on that very point, including the recommendation that

“The maximum target processing time for Crisis Grants should be ‘by the end of the working day’.”

The Parliament will have the opportunity to return to the subject of welfare later this week. I hope that we will have a broader discussion on our approach to the powers that will be delivered under the Smith agreement. I recognise that there are differences to explore in that debate but, today at least, we have before us a relatively uncontroversial bill, on the need for which we all agree. We all agree on the broad approach, and I hope that we can focus in a practical and collaborative manner to get the proposed legislation right.

The Deputy Presiding Officer: I call Margaret Burgess to wind up the debate. Minister, you have until 4.54 pm.

16:43

Margaret Burgess: Thank you, Presiding Officer.

I congratulate Ken Macintosh, who is to shadow my portfolio, and Jackie Baillie on her new post; I will miss our exchanges.

Ken Macintosh said that it is a consensual bill, but he went on to be controversial in criticising me and SNP members of the Welfare Reform Committee for actions that they have taken. I do not regard that as being consensual.

I am grateful to members for contributing to the debate; it is encouraging that the benefits of having a statutory Scottish welfare fund have been recognised across the chamber. The fund is

designed to help the most vulnerable people in our society by allowing them to meet short-term financial needs and by putting them in touch with other services that might help. A number of members, including Clare Adamson and Kevin Stewart, spoke about destitution and what it means for individuals. The bill will give permanence to the fund at a time when other forms of support are being eroded, as Bob Doris and others said.

I will try to address some of the points that members have made. It is a high-level bill, so the bulk of the discussion has been about what will be included in the regulations and guidance, but I will touch on what the bill sets out to do. The bill reproduces the wording of the section 30 order that provided the Scottish Parliament with powers to legislate for welfare provision. That means that it will give the funds the broadest possible scope to operate within the reservation. This Parliament can legislate on welfare funds only because of the exception to the social security reservation that is set out in the section 30 order; it is not possible to go wider.

A lot of speeches have dealt with families under exceptional pressure. The bill does not exclude families under exceptional pressure from making applications. Under the social fund, “families under exceptional pressure” was a criterion and there was guidance that gave examples of exceptional pressure. The regulations that we will publish alongside the bill when it is passed, and on which we will consult, clearly and explicitly mention families under exceptional pressure. We are looking at how local authorities currently record things. At the moment, 44 per cent of the money that is paid out for community care grants goes to households with children, but not all those households are recorded as families under exceptional pressure. We are working very hard with local authority partners to get the definition correct so that we can deal with the issue. It is not the case that the issue is not being addressed, and families under exceptional pressure can apply to the Scottish welfare fund.

I will say a bit more about outsourcing. I think that Ken Macintosh mentioned my “insistence” on outsourcing to the private sector. When I appeared at committee I made it clear that it was never my intention—I had never even had the thought—that there would be outsourcing to the private sector. Like my colleague Kevin Stewart, I had considered the idea that local authorities might have the option of having the third sector administer the fund. After getting back information from the Welfare Reform Committee and looking at what third sector administration might mean under EU legislation, the best thing to do was to remove that option. There was never any intention to outsource to the private sector; neither I nor committee

members would ever have considered that. However, local authorities will still have the power to work together to administer the funds, if they feel that that is best.

Joan McAlpine and a number of other members talked about access to the fund. We want to make the fund as accessible as possible to everybody. There is no intention that people should be turned away or that there should be any gatekeeping. We will make that very clear in the guidance. There will be no gatekeeping; anybody who makes an application should be recorded as having made an application and should have the right to have their application reviewed if it is turned down.

There has been some criticism of how local authorities are administering the fund, although Jackie Baillie thanked local authorities and their workers for delivering the fund. As I said to the committee, I spent a good part of my time in the recess speaking to local authority teams on the front line. I can tell you that nobody in all those teams had envisaged doing the job; they had not foreseen that they would be so close to the people in the community whom they represent. They are busting a gut to get the money out to people and they completely recognise the difficulties that families in their area face. They are doing all they can to get the money out.

Ken Macintosh mentioned the 48-hour target. The 48-hour target does not mean that people have 48 hours to deal with an application. Clearly an application should be dealt with as quickly as possible—certainly, within 24 hours where possible. If there is a suggestion that I misled the committee, I must say that there was no intention ever to do that. I am well aware that Scottish welfare fund decisions are made only once all the information is gathered. The point that I made goes back what to Quarriers said: there is a “night and day” difference between how we are dealing with things and how the DWP dealt with things.

Alex Johnstone: Will the minister take an intervention?

Margaret Burgess: I will take an intervention in a moment, if Alex Johnstone lets me finish this point.

The Scottish welfare fund officers in our local authorities are proactively getting the information; they are not waiting on its being collected. That is the point that I made at the committee.

Alex Johnstone: I would not suggest for a moment that the minister misled the committee, but it has to be said that we took evidence from users of the fund and were left with the clear impression that some of them believed that their applications had been held until the end of the 48 hours rather than being dealt with in a much quicker time.

Margaret Burgess: Again, that is something that we will be looking at and dealing with in the regulations and guidance. It is clearly not a matter for the bill. I do not want there to be a deadline that people work to, which could mean that they do not get all the information or that they make quick decisions that are perhaps not right because they are pushed for time. I have not said that I will not look at the matter again; what I have said is that it is something to include in regulations, and not in the bill.

A number of members including Jackie Baillie, Ken Macintosh and Alex Rowley talked about the underspend in the first year of the Scottish welfare fund. In the first year, it was a new fund. It was new to local authorities and to the Scottish Government, so I make no apology for changing the guidance. We should not have guidance that is permanent and that will never be altered. We learn, so we should change guidance when we see what is happening in practice, as we are doing.

All that said, our local authorities still paid out more money in the first year of the Scottish welfare fund than was paid out in the last year of the social fund for grants and loans. We have to look at that. Although we did not spend the £32 million, the money is not underspent; it is now being spent and will be spent by local authorities in the current year in the Scottish welfare fund. It is ring fenced for that purpose, and for that purpose only.

As members have said, the best way to address the problem is, of course, to address the root causes of poverty, which we are doing through our child poverty strategy and the appointment of a poverty adviser to the Government to ensure that poverty is considered across every single portfolio.

There will be areas where the operation of the scheme can and should improve, so we will work with local authorities to ensure that people who need help do not come up against unintended barriers. There should also be no stigma attached to anyone who applies to the scheme. Again, we will address that in guidance.

Points have been made about grants being made in the form of cash or goods. Again, we will cover that in the guidance. There are arguments on both sides, but it is clear that the vast majority of crisis grants are paid out in cash. However, there are sound reasons for some goods being provided. Evidence from Heriot-Watt University and users of the fund has made it clear that people have found that to be helpful, but of course they should be involved. People should not be provided with stuff that they do not need or that is not suited to their needs. We can look again at addressing that to ensure that what happens is appropriate.

On variation in the levels of funding that have been paid out in different areas, I do not think that it would be appropriate for us to put a figure on every item and say, "This is how much should be paid out." Local authorities need that flexibility. What is paid out is what the person who has made the application needs; it is not about saying that because a person makes an application for a certain amount for goods, that is all they will get. We need to be careful about that. It is about what is required.

I am being told to wind up, so I will do that. If Parliament is content to approve the general principles of the bill, I will work with the committee to amend it where necessary in order to ensure that it does what we want it to do, and I will listen carefully to the further evidence that we will get during the consultation on regulations and guidance.

Welfare Funds (Scotland) Bill: Financial Resolution

16:54

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-11311, in the name of John Swinney, on the financial resolution for the Welfare Funds (Scotland) Bill.

Motion moved,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Welfare Funds (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.—[*Margaret Burgess.*]

The Presiding Officer: The question on the motion will be put at decision time.

Infrastructure Bill

The Presiding Officer (Tricia Marwick): The next item of business is consideration of motion S4M-11878, in the name of Fergus Ewing, on the Infrastructure Bill, which is United Kingdom legislation.

I would appreciate it if Mr Ewing could speak until 5 o'clock.

16:55

The Minister for Business, Energy and Tourism (Fergus Ewing): Thank you, Presiding Officer. I always seek to oblige.

The legislative consent motion relates to provisions in the Infrastructure Bill that relate to the renewable heat incentive. The motion states:

“That the Parliament agrees that the relevant provisions of the Infrastructure Bill, introduced in the House of Lords on 5 June 2014, relating to the administration of the Renewable Heat Incentive, so far as these matters fall within the legislative competence of the Scottish Parliament or alter the functions of the Scottish Ministers, should be considered by the UK Parliament.”

The provisions relate solely to the administration and scheme delivery of the renewable heat incentive. Members will be interested to know that they allow for the appointment of an alternative administrator of the renewable heat incentive, along with the introduction of a new appeal mechanism, for the assignation of payments that are made under the RHI to a third party that is nominated by the owner of the renewable heat plant, and for some elements of existing secondary legislation to be changed using negative procedure.

The administration of the RHI scheme is currently limited to either the Office of Gas and Electricity Markets or the secretary of state at the Department of Energy and Climate Change. Currently, there is no scope to put delivery of the scheme out to competitive tender and to appoint a body other than Ofgem as administrator. Amendment is essential for ensuring the long-term cost effectiveness of the delivery of the RHI scheme, and it will allow the appointment of an alternative administrator.

Amendment is also required to enable a new appeals mechanism to be established so that decisions by the scheme administrator can be appealed. The new appeals process will strengthen the appeals rights for consumers and businesses. Details on the arbitration of appeals will be set out in secondary legislation, and the Scottish Government will work with DECC to ensure that any new appeals processes are robust and do not diminish the protections that are currently afforded to RHI participants.

The amendment that allows for all or part of the payments that are made under RHI to be made to a third party that is nominated by the heat-plant owner is of particular note. That will make it easier to raise finance to assist with up-front capital costs, it will help to drive the uptake of renewable heat technologies through RHI, it will assist in meeting the Scottish Government's target to deliver 11 per cent of Scottish non-electrical heat demand from renewable sources, and it will significantly reduce carbon emissions from heating.

We have already had the opportunity to discuss those matters at the Economy, Energy and Tourism Committee. I was very pleased to canvass those arguments in some detail before members of that committee.

Alex Johnstone (North East Scotland) (Con):

Can the minister clarify for my benefit whether the regulations will apply only to renewable heat or whether they could apply to the renewable heat element of a combined heat and power unit?

Fergus Ewing: I believe that I can clarify that. The regulations would apply only to the renewable heat incentive.

I make it clear that we are giving consent only to the measures that relate to the renewable heat incentive, and not to other matters that are contained in the legislation. We lodged the motion because we wish to co-operate and to be constructive where it is appropriate to do so. We cannot accept other parts of the bill that relate to underground drilling access rights for oil and gas and to geothermal electricity companies, which would allow such companies to drill under people's homes without their permission. It is unacceptable that Scottish people have not been afforded the right in the Scottish Parliament to scrutinise and debate that important principle, which affects fundamental property rights. We have made our opposition to the UK Government's plans clear on numerous occasions already, and we will continue to oppose the measures as the bill makes its way through the House of Commons.

We support devolution of onshore oil and gas licensing powers to Scotland and are looking to work jointly with the UK Government to take forward the Smith recommendations in full and as quickly as possible. We will work to ensure that any such developments can happen only under the strictest environmental and planning rules in order to ensure that communities are protected and that local voices can be heard.

I move,

That the Parliament agrees that the relevant provisions of the Infrastructure Bill, introduced in the House of Lords on 5 June 2014, relating to the administration of the Renewable Heat Incentive, so far as these matters fall within the

legislative competence of the Scottish Parliament or alter the functions of the Scottish Ministers, should be considered by the UK Parliament.

Decision Time

17:00

The Presiding Officer (Tricia Marwick): There are three questions to be put as a result of today's business. The first question is, that motion S4M-11877, in the name of Margaret Burgess, on the Welfare Funds (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament agrees to the general principles of the Welfare Funds (Scotland) Bill.

The Presiding Officer: The next question is, that motion S4M-11311, in the name of John Swinney, on the financial resolution to the Welfare Funds (Scotland) Bill, be agreed to.

Motion agreed to,

That the Parliament, for the purposes of any Act of the Scottish Parliament resulting from the Welfare Funds (Scotland) Bill, agrees to any expenditure of a kind referred to in Rule 9.12.3(b) of the Parliament's Standing Orders arising in consequence of the Act.

The Presiding Officer: The next question is, that motion S4M-11878, in the name of Fergus Ewing, on the Infrastructure Bill, United Kingdom legislation, be agreed to.

Motion agreed to,

That the Parliament agrees that the relevant provisions of the Infrastructure Bill, introduced in the House of Lords on 5 June 2014, relating to the administration of the Renewable Heat Incentive, so far as these matters fall within the legislative competence of the Scottish Parliament or alter the functions of the Scottish Ministers, should be considered by the UK Parliament.

Bellgrove Hotel

The Deputy Presiding Officer (John Scott):

The final item of business is a members' business debate on motion S4M-11271, in the name of John Mason, on the Bellgrove hotel. The debate will be concluded without any question being put.

Motion debated,

That the Parliament notes what it considers has been the protracted coverage over many years regarding the Bellgrove Hotel, which is a hostel in Glasgow's east end; understands that the hostel can accommodate up to 160 men, often from vulnerable backgrounds, and usually houses around 140; believes that it is subject only to a licence for a house in multiple occupancy (HMO) and does not require any further regulation; expresses disappointment that the Care Inspectorate, despite what it believes was a lengthy investigation, concluded that it had no remit over the hostel; notes with interest Glasgow City Council's Licensing and Regulatory Committee's decision on 22 October 2014 to award an HMO licence for only one year rather than the three years applied for by the owner, Careside Hotels Limited, and notes the view that, to ensure the wellbeing of vulnerable residents, both the legislation and guidance needs to be reviewed as a matter of urgency in order to ensure that establishments such as the Bellgrove Hotel are more thoroughly regulated.

17:01

John Mason (Glasgow Shettleston) (SNP): I thank the members who signed the motion, which has enabled the debate to take place. I realise that the subject is very much a local issue in one sense; indeed, the Bellgrove hotel is located in my constituency. However, I lodged the motion because the issue has wider significance for Glasgow and beyond.

As far as I am aware, the Bellgrove hotel is the largest remaining homeless hostel in Scotland. It also has conditions that, generously, could be considered unsuitable, and less generously, grim, Dickensian, like a Soviet gulag or similar such descriptions.

Key facts about the establishment include that it is, in a legal sense, a private hotel on Glasgow's Gallowgate; it is an art deco building that was built between 1935 and 1937; and it was originally used by long-distance drivers and suchlike. As a result of that history, it has a house in multiple occupation licence. That might be suitable for a student flat, but it is not suitable for a hostel for 140 vulnerable men.

Some years ago, Glasgow City Council correctly came to the conclusion that such large hostels are not the right place for homeless men who may be continuing to use alcohol and other stimulants. As a result, traditional hostels such as the Great Eastern hotel have closed down and alternative uses have been found for the buildings. The council and others have found alternative

accommodation, often in partnership with organisations such as Loretto Housing Association, which, for example, runs the Fordneuk centre in Bridgeton, which, somewhat strangely, is only 500m away from the Bellgrove hotel. That caters for up to 42 men and women who have indicated that they wish to continue to drink. It has a similar number of staff to care for and support the people in what is reasonably modern and—I think—suitable accommodation. Other people, instead of sharing joint accommodation, live in individual flats or supported accommodation.

Despite all the progress, the Bellgrove hotel continues. That is largely because it is in private hands and not subject to the same regulation as other organisations by, for example, the Care Inspectorate, the Scottish Housing Regulator or other regulators. The owners and Glasgow City Council seem to have expected that the Bellgrove would gradually decline and fade away when referrals stopped, but that has proven not to be the case. The Bellgrove continues to be registered for 160 residents, and it normally houses around 140 people.

I visited the Bellgrove some time ago. The conditions there are not acceptable in this day and age. When I visited Shotts prison and Low Moss prison recently, I found conditions in both prisons to be much better, with en suite facilities. That is something to which residents of the Bellgrove can only aspire; they must make do with a communal shower room, which I suspect that many members would refuse even to think of using.

Who is responsible and how can things be improved? In a sense, everyone is responsible and no one is responsible. The owners are clearly responsible but they have failed either to improve the physical conditions or to increase the support for residents to any great extent. The Department for Work and Pensions is responsible, because it pays the housing benefit without attaching any real conditions to that. The DWP points to Glasgow City Council, which pays out the housing benefit, issues the HMO licence and can provide some support if residents ask for it. The council might point to the Scottish Government, which could strengthen the regulatory framework.

I am grateful to the many people who have engaged on the issue. The HMO staff have been helpful and arranged for me to visit the Bellgrove. The council licensing committee listened to me and probably went about as far as it could do. The Care Inspectorate sought to engage but was warned off by the owners. The minister met me and provided a helpful explanatory letter.

Despite all that, we do not seem to be moving forward. In 2000, the BBC made a documentary on the Bellgrove, but when the *Daily Record*

recently put in an undercover journalist, very little seemed to have changed.

The Smith commission suggested that some control over housing benefit could come to this Parliament. Maybe then we could impose more conditions on accommodation standards. However, waiting until 2020 for that to happen is not an acceptable timescale.

What should happen? It seems to me that there are two clear needs. There is a need for alternative accommodation—obviously there is a cost to that. There is also a need for further regulation, to prevent such a scenario from recurring.

There would be little point in the council, the Government or both providing accommodation that might or might not be used, depending on the incentives that were on offer to residents to stay on at the Bellgrove. However, I would not want sanctions that would close the Bellgrove overnight, given that we must find alternative places for people to stay.

We need the council and the Government to work together. I do not know whether it is possible for both to engage with the owners. The quickest solution would be for the owners and management to agree to a voluntary upgrade and a reduction in numbers, but I fear that I should not be overly optimistic about that.

Charities such as Salt and Light and the nearby Gallowgate church engage with individual residents and seek to help them. In addition, staff from social work, the wider medical services, Cordia and elsewhere go in to help individual residents, in quite difficult circumstances. Mental health services staff often have to pick up the pieces when life at the Bellgrove becomes too much for an individual, but they can then only watch as the person drifts back to living in the same place, in the same conditions.

I know that the minister does not have a magic wand with which to sort the problem immediately. Glasgow City Council does not have a magic wand either. However, this is 2014 and something has to happen. I have a lot of constituents who are vulnerable in different ways, but surely the 140 constituents at the Bellgrove deserve help from someone.

17:08

Anne McTaggart (Glasgow) (Lab): I thank John Mason for securing this important members' business debate. The on-going issues to do with the Bellgrove hotel have been of great concern to many of my constituents in Glasgow.

A fundamental responsibility of society is to protect the wellbeing of all its citizens, and

particularly its most vulnerable members. John Mason's motion seeks to do exactly that. It seeks to protect the wellbeing of the vulnerable individuals who reside in the Bellgrove hotel in Shettleston.

We have all become familiar with the wretched conditions that residents experience at the Bellgrove. It is a place that epitomises deprivation and squalor. In every sense, it is a modern-day poorhouse. Given the simple reality that the Bellgrove represents a great risk to many of the most vulnerable people in Glasgow, it is time for the Scottish Government to take action. It is absolutely necessary to create new regulations for establishments such as the Bellgrove hotel so that they cannot continue to sneak by and pose a risk to the residents who stay there.

As the motion notes, even after a lengthy investigation, the Care Inspectorate concluded that it had no ability to order changes for the hotel on the basis of poor health conditions. That should immediately signal to all members of the Parliament the need for change and reform to a system that is obviously broken.

What is worse is that while these horrid conditions are left unchanged, those who are responsible for them are swindling the taxpayer out of £1.5 million every year through the housing benefits that are given to people in need to find lodgings. Anyone who is even remotely aware of the issue knows that that is a complete falsehood. That is yet another reason why I ask the Scottish Government to produce legislation that controls and changes places such as the Bellgrove, so that people cannot profit from the misfortune of others while providing utterly substandard accommodation.

Given that we as a country pride ourselves on looking out for all our citizens and that we seek to provide a good standard of living for everyone, it is a shame that action has not yet been taken. It is time for us all to do the right thing and do everything in our power to put an end to this cycle of abhorrent behaviour on the part of the proprietors of the Bellgrove hotel and stop pushing the problem aside. We all know that what is happening is wrong. Now let us do something about it.

I fully support the motion lodged by John Mason and I look forward to helping create real change in this respect.

17:12

Sandra White (Glasgow Kelvin) (SNP): I thank John Mason for securing this debate and for his continued interest and involvement in this issue. Other members and I know that he has pursued it vigorously. As John Mason said, the Bellgrove

hotel is in his constituency, but it receives clients from throughout the city, including from my constituency of Glasgow Kelvin, which borders the east end, just off the Gallowgate.

I want to concentrate on the basics of HMO licences. I cannot for the life of me understand how a hotel can be classed as an HMO and how it can get housing benefit. Obviously, we do not have power over that, because it is reserved, but I would like questions asked of the welfare system in that regard. How come people are spending £200 a week in benefits in this so-called hotel? It is advertised as a hotel. That is £800 a month of benefits going to private individuals. As my colleague Anne McTaggart said, these owners and landlords make £1.5 million a year in what can only be described as a Dickensian type of place for people to stay.

There is absolutely no back-up when these men are placed there. I have read various reports in the newspapers, to which John Mason referred, about men lying in their own vomit, drunk or on drugs and there is absolutely nobody there to look after them. There are only the two people who run this so-called hotel, hostel or model—whatever we want to call it in the 21st century.

We are debating private housing rent levels in the Parliament. It costs £800 a month to stay somewhere that nobody else would stay in. In my area of Glasgow Kelvin, £800 a month would get someone a very good flat or other accommodation. I would like questions asked of the Westminster Government. I would also like to know how such a place can get an HMO licence. The purpose of an HMO licence is supposed to be to ensure that the accommodation is safe, well managed and of good quality. Since 2010, Glasgow City Council has not sent people there and it has given the place only a year's HMO licence, but something has to be done to ensure that these men are looked after properly and have support—they are human beings, after all.

John Mason named a number of agencies that try to support these men, such as Cordia and mental health charities, but the men are thrown into a place where nobody cares at all and people just want the money off them, so what chance have they got? I would like letters to be exchanged and meetings with the Westminster authority, possibly involving Margaret Burgess, the Minister for Housing and Welfare, to ask whether conditions can be put on housing benefit so that it is not paid out for this type of model—as I remember, in Glasgow, we used to call it a model; it is certainly not a hotel. I want to know whether conditions can be applied so that the owners do not receive money.

I also want to know why the Care Inspectorate does not look into the issue. The Care

Inspectorate is there to protect people, so it should be going into the Bellgrove. There is legislation and there are guidelines, so the Care Inspectorate should go in and enforce those guidelines. In this day and age, it is not good enough that people are put into such a place and that other people are making a profit from their misery. I fully support the motion in John Mason's name.

17:16

Alex Johnstone (North East Scotland) (Con):

I am the only member who will speak in the debate who does not come from the area where the Bellgrove hotel exists. However, I am keen to speak for two reasons: one is that I want to take a slightly different approach to one aspect of the issue; the other is to take the opportunity to back almost everything that John Mason said.

There are two key things that we must remember. The first is that the private sector works very effectively in the provision of accommodation for a great many people. It provides private rented flats and homes and it operates effectively in the area of houses in multiple occupation, particularly in cities and towns where universities and colleges are a strong part of the local economy. The system works effectively in certain circumstances, so we have to be careful not to regulate it out of existence.

My second point relates to the people who live in the Bellgrove hotel. If they are in need of care, that is what they should have. However, they are obviously people who are outside the care system. From a legal point of view, they are private individuals and they must have the right to continue to make decisions about their lives and the way in which they conduct themselves. The circumstances in which they find themselves in the Bellgrove hotel are obviously distasteful and unsatisfactory. In the opinion of many, the conditions are inappropriate and, from the descriptions that I have heard, I agree. However, the individuals have rights and they are free to live as they see fit. It is important always to remember the rights of those individuals.

Sandra White: The member says that the individuals have rights, but they are very vulnerable individuals. Is it not incumbent on the people who take their money to offer more? They do not even offer a bed.

Alex Johnstone: Absolutely.

Moving on, I think that through a system that has a great deal to commend it, we are doing well on ending the use of hostels to deal with homeless people and we are finding ways to give good-quality accommodation to those who require it. However, there are still loopholes and holes in the safety net that people fall through. That is why it is

important that John Mason has brought the issue, which has already been aired in the press and on television, to the Scottish Parliament. If nothing else, there is an obvious requirement to get much better value for taxpayers' money. There is also a significant requirement to improve standards. Standards have been improved across much of Scotland and Glasgow—we have heard how there are much better examples even within a few hundred yards of the Bellgrove hotel—so surely something can be done.

It is very difficult to pick our way through the regulations in this policy area. However, it is surely not beyond the wit of senior, well-paid civil servants to find a way to do something. I hope that we will find a way to protect the rights of individuals and to encourage reasonable levels of investment even from the private sector that will deliver for people who are in need of housing.

I will close by saying the same thing that John Mason said. Notwithstanding everything that I have said, surely those 140 people deserve somebody's help. That is our job.

17:20

The Minister for Housing and Welfare (Margaret Burgess): I thank John Mason for bringing his concerns about the wellbeing of the occupants of the Bellgrove hotel to the chamber. It is an important subject to bring to the Parliament.

As members have heard, the Bellgrove hotel provides accommodation to around 140 vulnerable men who are at risk of homelessness. As John Mason's motion notes, the hotel has been an issue for Glasgow City Council for many years. The council has not referred homeless applicants to the Bellgrove hotel since 2010. However, for various reasons, a number of men are willing to stay at the hotel and have their rent paid directly to the owners through housing benefit.

I have a great deal of sympathy with members' concerns about the amount of public money that is being paid to the owners of the Bellgrove in that way. However, housing benefit is reserved, so there is currently nothing that the Scottish Government can do about the issue. That applies throughout the private sector. We all know of landlords who get housing benefit money and do not keep their properties at the standard that we would expect. If housing benefit were devolved fully, we could take action on the matter.

The issue is complex. The Bellgrove hotel is private accommodation, but it is a house in multiple occupation because it has three or more unrelated people sharing facilities. An HMO can be a flat, student hall, hotel or hostel. Although the Bellgrove calls itself a hotel, it is treated as a

hostel and the rents are served by the local rent services.

I have previously said to John Mason that we are working with Glasgow City Council to ensure the safety of the people in the Bellgrove and to examine alternative solutions for them. The conditions that have been reported in the press and that Sandra White pointed out are clearly not acceptable. However, the people at the Bellgrove have not engaged with services or have engaged and then removed themselves from any engagement, and we have to think about how we treat them. We cannot force them out of those premises into something that we think would be more suitable. The answer is to get round the table, consider the issue together and scale down the premises. Certainly, no new people should be sent there.

I met the leader of Glasgow City Council on the issue earlier in the year. That meeting made clear the commitment of the Scottish Government and Glasgow City Council to address the matter. We agreed that any long-term solution could be arrived at only by partnership working between us. That has led to continuing contact to identify potential models and, indeed, any financial implications for providing alternative accommodation and services for the residents of the Bellgrove hotel.

Let me be clear: any lack of solution is not due to a lack of commitment to address the situation. If it were easy, a solution would already have been achieved. The Scottish Government will not ignore the matter just because finding a solution is challenging. That is why we agreed to work with Glasgow City Council to consider how best to address the needs of vulnerable homeless people as part of the council's current strategic review of homelessness services. I will come back to that.

It is my understanding that the council has explored a number of avenues in relation to addressing the concerns that have been expressed about conditions in the Bellgrove. That included an approach to the Care Inspectorate which, after investigation, indicated that it did not have a role in relation to the accommodation. The Care Inspectorate concluded that the services that are provided at the Bellgrove do not fall within the definitions of housing support or care home. As such, the hotel does not require to register with the Care Inspectorate and the inspectorate has no power or duty to intervene.

In arriving at that decision, the Care Inspectorate involved its health and legal colleagues and spoke to the police, social work services and the manager of the hotel. It also consulted supporting staff from other organisations that engage with residents of the hotel. The Care

Inspectorate will review its decision if the hotel's functions change.

Further inquiries have been made in relation to issues such as HMO licensing—Sandra White alluded to that. The purpose of HMO licensing is to ensure that accommodation is safe, well managed and of good quality. The local authority must be satisfied that the landlord is a fit and proper person; that the property is being managed properly; and that acceptable standards of physical accommodation are achieved.

Officials from Glasgow City Council's licensing team inspected the premises prior to granting the new licence. That is why the licence was granted for only 12 months. The owners of the hotel have been given a number of issues to address in that 12-month period, including issues around the standards and ratios of water closets, bath and shower provision and electrical sockets. All of that is being looked at just now.

The Scottish ministers have issued statutory guidance to local authorities on the licensing of HMOs, but it is the local authority that sets the standards that are required and also sets the fees that are charged for a licence application.

As John Mason noted, Glasgow City Council has granted a new HMO licence for the Bellgrove hotel for a period of one year—I am now repeating myself. I am assured that the city council is actively engaging with the managers of the Bellgrove hotel to ensure that it meets its licensing conditions.

As I have already mentioned, I believe that the best approach for addressing the long-term welfare of the Bellgrove's residents involves the wider task of considering the needs of the most vulnerable homeless people in Glasgow as part of the council's current strategic review of homelessness services.

I know that, in recent years, John Mason has tirelessly campaigned to raise the issue of the conditions in the Bellgrove hotel. I hope that, today, I have been able to give him some reassurance that the Scottish Government remains committed to working in partnership with Glasgow City Council to find a satisfactory solution to this complex matter.

Meeting closed at 17:27.

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