



OFFICIAL REPORT  
AITHISG OIFIGEIL

# Social Justice and Social Security Committee

Thursday 5 October 2023

Session 6



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**Thursday 5 October 2023**

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**SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE**  
**24<sup>th</sup> Meeting 2023, Session 6**

**CONVENER**

\*Collette Stevenson (East Kilbride) (SNP)

**DEPUTY CONVENER**

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

**COMMITTEE MEMBERS**

\*Jeremy Balfour (Lothian) (Con)

\*Katy Clark (West Scotland) (Lab)

\*James Dornan (Glasgow Cathcart) (SNP)

\*Roz McCall (Mid Scotland and Fife) (Con)

\*Marie McNair (Clydebank and Milngavie) (SNP)

Paul O’Kane (West Scotland) (Lab)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Gordon MacRae (Shelter Scotland)

Graham O’Neill (Scottish Refugee Council)

Bill Scott (Inclusion Scotland)

**CLERK TO THE COMMITTEE**

Claire Menzies

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Social Justice and Social Security Committee

Thursday 5 October 2023

*[The Convener opened the meeting at 09:00]*

#### Decision on Taking Business in Private

**The Convener (Collette Stevenson):** Good morning, and a very warm welcome to the 24th meeting in 2023 of the Social Justice and Social Security Committee. We have received apologies from Paul O’Kane.

Our first item of business is a decision on whether to take agenda items 3, 4 and 5 in private. Do we agree to do so?

**Members indicated agreement.**

## Pre-budget Scrutiny 2024-25

09:00

**The Convener:** Our next item is our last evidence session on pre-budget scrutiny. We are going to focus on the specific budget priorities that are covered by our remit.

I welcome to the meeting our panel: Gordon MacRae, assistant director for communications and advocacy at Shelter Scotland; Graham O’Neill, policy manager at the Scottish Refugee Council; and Bill Scott, senior policy adviser at Inclusion Scotland. Thank you all very much for joining us.

I have a few points to make about the format of the meeting before we start. Witnesses should wait until I or a member asking a question says their name before speaking. You should not feel that you have to answer every question; if you have nothing new to add to what has been said by others, it is perfectly okay not to say anything. I ask everyone to keep questions and answers as concise as possible.

We have approximately an hour and 10 minutes, so I will kick off the questions. Can you describe how the cost of living crisis is affecting your organisation and the clients that you support? In what ways do you think that the impact of the cost of living crisis should influence the Scottish Government’s budget decisions?

I will bring Graham O’Neill in first, and then I will ask Gordon MacRae and Bill Scott whether either of you have any comments to make on that question.

**Graham O’Neill (Scottish Refugee Council):** Thank you very much, convener, and thanks to fellow colleagues and committee members. We are sorry that we did not give you written evidence; we will try to rectify that after the session.

The people that the Scottish Refugee Council works with—especially people who are in the United Kingdom asylum system—have, frankly, been in a cost of living crisis and searing insecurity for about 20 years, and the situation has worsened as inflation has increased during the past few years. Asylum support does not match that in any proper way.

To give an illustration of support levels for people in the asylum system, if they are in what is called dispersal or community-based accommodation, which applies to about 52,000 people across the UK currently, they get about £6.80 per day. They are not allowed to work unless they have been waiting for more than 12 months for an initial decision—which applies to

many people, because of the asylum decisions backlog—and they can access only a very small number of jobs that are on the UK Government's shortage occupation list. That means they are effectively denied the right to work. They are put into the severest form of UK state-sanctioned poverty and are left there, which is why the asylum decision backlog—which is currently at about 170,000 cases and still rising—is such a waste of people's talents and skills. People are desperate to contribute to their new home, which will hopefully be in the UK—including many parts of Scotland, at the moment. It is also a waste of financial resources.

Before I mention the effects that the cost of living crisis is having on the people we work with and serve, I note that there is a grossly dysfunctional distribution of public money in the UK asylum system currently. There has never been more money in the UK asylum system than there currently is. We are talking about £4 billion per year. Remember that asylum accommodation was contracted out in 2019 for a 10-year period at a total cost of £4 billion for the decade, but the system is eating up £4 billion per year.

The key point is that there is a grossly dysfunctional distribution of where that money is going. Basically, it is all going to private companies; it is going to Mears, Serco and Clearsprings Ready Homes, or to the people they contract with, which are, increasingly, hotel chains.

That is a gross waste of public money—none of it goes to local communities or local authorities, and it certainly does not go to refugees. If refugees are in institutional ex-hotel accommodation or barracks accommodation, they get £1.40 a day. We are talking about really grim, Victorian-style, deliberate destitution and suffering being inflicted by the UK Government on people in the asylum system, and that has worsened.

The effect of that is the same as with any other form of entrenched severe poverty. Health inequalities are driven down to the ground, and people's mental health plunges. We are seeing an increasing number of people losing their lives in the asylum system—we have been working with Liberty Investigates for a number of years to expose that loss of life. We saw some of that in Glasgow in the early stages of the Covid period, but those warnings were not heeded.

People have recourse to the institution—which we do not want—of food banks. People are going to food banks routinely in order to supplement what they have. Committee members such as Bob Doris, the deputy convener, will know about that from their constituency work.

People are not just choosing between eating and other things. Sometimes people, especially

from asylum-seeking families, will go for days without being able to eat. There are currently about 1,500 asylum-seeking children in Glasgow, and the parents—or parent, as it often is—will make those sacrifices.

There has been rampant social insecurity inflicted on people in the asylum process for about a generation. It has got worse, and it is happening in plain sight in our communities. The effect is utterly dreadful.

There are similar patterns emerging, although they are not as desperate, for people who have come over from Afghanistan. Those people have, in our view, effectively been abandoned by the UK Government. We also point to what has happened with Ukraine, as that shows what can be done if the political will and the infrastructure of Government, be it the UK Government or the Scottish Government, is actually put behind it. Sadly, we see the polar opposite happening in the asylum system.

At the Scottish Refugee Council, we find that that has—it is horrendous to say—become so normalised in the UK asylum system that we build our services around poverty mitigation, and we have done so for a number of years.

I could say a few other things, but I will stop at this point. My final point is on the Scottish Government. It has been a consistent backer of people in the asylum process. We want to see more from the Scottish Government, because there is so much that people in the asylum process can contribute.

We are at a very worrying point right now—I would like to go into this a bit later in the session—with the prospect of thousands of people in Scotland being made destitute between now and Christmas, particularly in Glasgow. The British Red Cross has flagged that up at a UK level, but Glasgow is the worst-affected city in the UK for the imminent refugee destitution crisis. We are talking about people who have been granted status.

We are at the stage where we need to have a serious Scottish Government-led response to that crisis, because it is coming anyway. I wanted to raise what is, sadly, an imminent reality.

**The Convener:** Thank you, Graham. I will bring in Gordon MacRae.

**Gordon MacRae (Shelter Scotland):** You asked what the impact of the cost of living crisis has been on our beneficiaries and on Shelter Scotland as an organisation. The simple answer is that it is devastating. The situation in Scotland just now is that the cost of living crisis has exacerbated the issues with a homelessness system that had so many holes in it that it was broken and not able to catch people.

We have had warnings from the leaders of local authorities—the Society of Local Authority Chief Executives and Senior Managers Scotland—the Scottish Housing Regulator and Audit Scotland. They are all reporting publicly on the systemic risk of failure in Scottish homelessness services. That failure is live—it is happening now, especially in our larger cities. People’s lives are being devastated, and they are being harmed quite significantly.

The cost of living crisis is not that new to most of the people with whom we work, but it has removed many of the options that we once had. An expectation that the private sector could pick up the pieces has been shown to be short-sighted and unsustainable.

The competition for the housing that we have is so great that there is no ability to increase the availability of lets to homeless households, so people are trapped in temporary accommodation. We can see the evidence for that, as we now have record numbers of households in the homelessness system and no real plan to address it. We have seen a 130 per cent increase in the number of children in temporary accommodation during the past 10 years with no immediate plan, no new money and no new interventions to deal with that.

Local authorities are asked to do more with less, and there are announcements about small pockets of money that do not adequately address the overarching cuts. There is also a lack of transparency about where the money is going. The Audit Scotland report that was published early last year showed the difficulty in trying to understand what is happening on the ground.

There are many factors that drive that. Undoubtedly, they include decisions at the UK level about benefit levels, local housing allowance and tax incentives that mean that buy-to-let landlords are competing with first-time buyers. First-time buyers miss out, which means that they stay in the private rented sector and are competing with low-income households for what available housing there is. There is a need for a whole-system approach that involves the UK Government.

With regard to the decisions that can be made about the 2024-25 Scottish budget, however, it is difficult to justify a year-on-year 16 per cent cut to the social housing budget. That was profiled in advance—we knew that it was coming—but there has been a failure to recognise what has changed since the budget plan was originally put in place. What has changed is that every six months, there is an announcement of a new record-high level of homelessness and a new record-high level of breaches of legal duties. Local authorities are acting unlawfully, and they are announcing that

they are acting unlawfully because they are unable to meet their statutory obligations.

We would like to see a reprioritisation of revenue and capital, and we want to see better investment in local services. We think that the temporary accommodation task and finish group report that was published last year, which Shelter Scotland co-chaired along with the Association of Local Chief Housing Officers, sets a template for what can be done in the immediate term, but that takes resource and additional resource is not currently on the table.

Ultimately, if the Scottish ministers know what the solutions are but choose not to resource those solutions, we have to reasonably conclude that they are knowingly allowing the situation to get worse. We appreciate that the Government has to balance decisions and that it has other priorities, but the current response to homelessness in Scotland is insufficient to reduce the harm that is experienced by the people who work with Shelter Scotland.

**The Convener:** Thanks very much. Bill Scott, do you want to come in?

**Bill Scott (Inclusion Scotland):** Yes, very much so. I will speak about how the cost of living crisis is having an impact on disabled people, particularly members of our organisation. We are finding it more difficult to meet the needs of our member organisations and our members because we are experiencing year-on-year cuts to our budget from the Scottish Government.

However, the situation that is faced by disabled people is far more serious than the one that we face. The Research Institute for Disabled Consumers has a research panel of 3,800 disabled people as members—all impairments are covered, and it is very representative of disabled people across the UK. When it asked the disabled people on its consumer panel about their financial wellbeing, 27 per cent of them said that they were in serious financial difficulties and 23 per cent said that they were struggling. That means that half of disabled people are either struggling or in serious financial difficulties.

09:15

That is echoed by the Joseph Rowntree Foundation’s findings that 23 per cent of families in which someone is disabled are behind on at least one bill or payment, and 4 per cent are behind on three bills or more. Of that 23 per cent, two fifths are behind on payments to a public service—to the Department of Work and Pensions and local authorities, for example. Three in 10 households with a disabled person have no savings whatsoever, so there is no resilience and

no ability to meet additional costs, which is leading to food and fuel insecurity.

Going back to the use of food banks, I took part in a Trussell Trust Scotland event yesterday. Trussell Trust reports that three out of four food bank users in Scotland are disabled people and their families. That is how the cost of living crisis is impacting disabled people. Remember those figures: we are talking about just over 20 per cent of the population and three out of four food bank users. That is the seriousness of the situation and that is what it means.

At the Criminal Justice Committee yesterday, we were talking about trauma-informed practice. Some of our staff are traumatised by the experiences that are being related to them, because disabled people are suicidal. They are literally saying, "I can't afford to put on the heating. I've got no money to put food on the table. What is the point of living?" We are not an individual service provider. People are not phoning us up for advice on benefits or anything like that, but when we ask them about their experiences, they are being honest with us. That has an impact on staff. Many front-line service staff are really beginning to feel the impact of the difficulty of dealing with people who have, in essence, given up because they cannot see a way out of their financial difficulties and feeding and clothing their children is really hard. That has a huge impact and when we say that disabled people are suffering disproportionately, all the evidence bears that out.

**Katy Clark (West Scotland) (Lab):** Gordon MacRae has already spoken about reprioritisation. You will be aware that the medium-term financial strategy analysis highlighted a funding gap for the Scottish Government. In the light of that, how should the Scottish Government respond, and how should it prioritise its budget?

**Bill Scott:** We would certainly urge the Government to reprioritise its spending plans. There is a need to continue to deal with the cost of living crisis, and I do not see where the spending is going to come from for that. Therefore, you have to look at current expenditure and ask, "How are we going to deal with that?"

Because of the crisis in social care, the health service is under even more pressure. That is causing extra expenditure in the health service. By prioritising social care spend, you keep people out of hospital and release national health service resources to deal with people who are ill and in serious need of treatment rather than treating people for things such as hypothermia because they are not eating properly and not using the heating. Social care and dealing with the essentials in life will relieve pressure on the NHS and release money that could be better spent elsewhere.

**Gordon MacRae:** I will build on the point about reprioritisation. We sometimes lose sight of the fact that affordable housing is unique as a capital investment because it actually makes money for the Government—the rent pays off the investment. There has been a view for a generation or more that social housing is there to pick up the pieces for the poorest and most vulnerable in society. We have lost sight of social housing's foundational role in the housing system. The lack of social housing pushes up the prices of other houses, and the interventions that Government has made in the market, including through help-to-buy schemes, have had an inflationary effect on house prices.

If you want to invest in housing to bring down prices, you should invest in social housing. That is not a controversial view among economists. The Scottish Government can look at the most recent affordable housing supply programme statistics. The real questions are why we still put so much into alternative forms of home ownership and why we still put subsidy into mid-market rent, which deals with a different problem; it does not deal with the problem in the lower-rent market and, again, it can have an inflationary effect in some circumstances.

It is about the purpose of capital investment. When Audit Scotland reported on the previous affordable housing supply programme, it could not measure it against anything, because there was no target and no policy goal expressed. It is about getting behind the business case, not just the social problems that we think justify a reprofiling of the budget.

**Graham O'Neill:** We very much associate ourselves with Shelter Scotland's written evidence. There is a housing emergency, and it is concerning that that emergency is not reflected in the Scottish Government's budget. One of the main reasons why we say that is that, every day, our advisers—who, like our colleagues at Shelter Scotland, are increasingly traumatised by what they experience and the scale of the human need that they deal with—are hitting a wall of inappropriate temporary accommodation that is actually not temporary; it is long-term accommodation.

That has become normalised, and we have got to the point where, as Gordon MacRae said, local authorities cannot meet their duties, and they are saying so. I am not a housing specialist, but housing comes up a lot in our work at the Scottish Refugee Council, which is why I am talking about it. There will surely be a moment when we say, "Okay, hang on a minute. Why did we get into this situation and what do we need to do?"

There needs to be a laser focus on capital spending on social housing. As I said in my opening remarks, there is in asylum



accommodation a gross dysfunctional distribution, on an industrial scale, of public money that goes to the private sector never to be seen again—it never touches communities—and we are seeing the same in relation to so-called temporary accommodation for people who are born and bred in Scotland and other parts of the UK.

From a social justice perspective—that is part of the committee’s name—we need to pause and say, “Hang on a minute.” We need to understand the housing emergency in the context of the fundamental purpose of housing, which I think Gordon MacRae talked about. What are we trying to do with housing? We need to think of the benefits that it can give.

I raised the point in my opening remarks about what we face with the UK Government’s policy. We anticipate that the UK Government, acting in its own interests, will finally get around to issuing asylum decisions for around 2,500 people between now and Christmas this year, after leaving those people in limbo for years. It is good that those decisions are being made, especially in positive cases, but it is long overdue, and people have been desperate. However, what should be a moment of celebration and hope for people will turn into a moment of acute risk of destitution—to be honest, not just risk but the reality of destitution.

The British Red Cross says that around 50,000 refugees across 10 cities in the UK are at risk of homelessness. We need to be realistic about that. We are not far away from that in Scotland, particularly in Glasgow. Glasgow already struggles to meet its homelessness duties because of the pressures that are placed on it. We have a lot of sympathy with the homelessness staff and others who have to deal with those duties.

We appreciate that the Scottish Government cannot automatically deal with asylum policy issues. We think that there is a legal case in relation to the Home Office. In legal terms, it is acting wholly unreasonably by issuing so many decisions with no direct funding being given to the affected local authorities or the Scottish Government and expecting them to pick up the pieces, knowing fine well the pressures that local authorities are under, especially Glasgow City Council. There is a conscious and wilful denial of the truth by the Home Office on that.

The reality is that most of the money is going into private pockets. Could the Scottish Government do something, such as better regulation, to be a bit harder on the private companies that are making so much money from this? To be honest, if that is within competence, it should be seriously considered, because otherwise we will continue to have grossly dysfunctional distribution of public moneys going

to private interests, and all the while the families and kids—whether they are asylum-seeking or Scottish kids—are stuck in Glasgow and other areas in inappropriate and traumatising temporary accommodation, which is no such thing as temporary.

How on earth can somebody move on in their life if they are in that situation? It makes a mockery of any sense of their being able to get stability in their lives. We talk about refugee integration, but how on earth can somebody integrate as a new refugee if they are stuck in temporary accommodation? They can, but we need a reality check to say, “Let’s grip the housing emergency.” It is a profound, persistent and pivotal issue, and it needs to be treated as such.

**Jeremy Balfour (Lothian) (Con):** Good morning, panel. I will first aim my question at Bill Scott, as it relates to his submission, and then the other two witnesses can jump in if they want to.

Your submission highlighted areas for increased spend such as social care, an additional £32 million for the independent living fund, increases in the winter heating payment and increased social security spending for disabled people. Given the tight fiscal framework, how should the Scottish Government fund that proposed additional spend, and which of those areas would you put at the top of a priority list? Are there other programmes that you would cut so that money could be diverted?

**Bill Scott:** Luckily, I am not a Scottish Government minister. I do not want to get into the business of saying where cuts should fall, but there is a need to reprioritise.

I gave the example of social care. I hate the expression “bed blocker”, because hospital is the last place that people want to be. They want to be out in the community and back with their families, but, because there is no social care, they are stuck in hospital. It costs the NHS huge sums of money to keep them in beds that would be better used to treat people who are ill and need treatment, but people cannot get out because there is not enough social care available in the community to let them out.

We need you all to think about that in a strategic way and ask how we can solve that problem. The only way that I can see is to reprioritise spend so that social care gets its fair allocation and can relieve some of the pressure on the NHS, which will help the NHS in the longer term and in the short term, too. On the independent living fund, again, by helping people to live independently on their own, that would relieve pressure elsewhere in the system.

Most of our suggestions—other than the ones on social security—are about greater efficiency in how we spend our money. The suggestions about

benefits are there because the cost of living crisis is bearing heavily on disabled people. They already have additional costs, which is acknowledged by the Government, but those additional costs have been rising with inflation. The organisation Scope measured the additional costs and said that the average extra is £900 per month in Scotland for a disabled person. If it was £900 a year ago, it will be more like £1,100 now. Where is that extra money to come from, if not the social security budget?

I acknowledge that it will be extremely difficult, which is why I suggested some targeted spending. The increase in winter heating payment that I suggest would cost the Scottish Government only about £20 million, and it would be effectively targeted to some of the poorest households. More than half of the 400,000 households that receive that payment have a disabled adult or child in them. That is a good way of getting extra cash to people who are in desperate need.

You can think about targeting the extra spend to ensure that it gets to the people who desperately need it. The First Minister said that we will have to make these decisions and make them in favour of those who are in the greatest need. I am making the case that disabled people are among those in the greatest need.

09:30

**Jeremy Balfour:** That has been helpful. Would you extend the winter heating payment to anyone on any form of adult or child disability payment? Might that target people who may be at home more? Do you have a view on that?

**Bill Scott:** I would make the payment available to everybody on adult or child disability payment. You could do that. However, if you are making choices about those who are in greatest need, those who are on means-tested benefits are, by definition, already in greatest need. They are on the lowest incomes. Doing it through the winter heating scheme is therefore relatively well targeted, because you will be absolutely certain that the money will reach at least 200,000 households that have a disabled adult or child.

**Jeremy Balfour:** For the record, convener, I remind members that I receive personal independence payment.

**The Convener:** Thanks, Jeremy. I will bring in Bob Doris.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** I will be brief. My question is for Bill Scott. I know that it is hard to choose what to prioritise and what to deprioritise. You have suggested a £20 million increase for the winter heating payment. There is also a suggestion that

the Scottish child payment should increase from £25 per week. I note that 40 per cent of children who live in poverty have a disabled person in the household, which means that the Scottish child payment disproportionately supports disabled families. That is lost a little, sometimes.

If you had a choice, Mr Scott, would you increase the winter heating payment or the Scottish child payment? Those are the invidious choices that the Government has to make. What is your view on that?

**Bill Scott:** I would increase both of them.

**Bob Doris:** Taking the money from where?

**Bill Scott:** One of them is aimed at dealing with fuel poverty during the winter. We have to get our heads around the fact that, in Scotland, last winter, 800 people were hospitalised with hypothermia in the space of three weeks. If we want to prevent such winter pressure—

**Bob Doris:** Mr Scott, you have made your case for £20 million for the winter heating payment. Alternatively, £40 million would be fantastic, as would £60 million. That is not the point that I am making. You have absolutely made your case. However, I ask you to be laser-like in saying what your priorities are, because we, as a committee, also have to decide on those.

**Bill Scott:** When it comes to priorities, you have to decide who is in the greatest need. There is additional help for all families on low-income benefits through the Scottish child payment, which is absolutely right—all those families need that support. I am saying that disabled households face additional costs over and above those that are faced by every other family; therefore, you need to provide them with additional support. That is acknowledged in the social security system, in disability premiums, carers benefits and so on.

For me, it is not an either/or situation. Yes, we need to support all the families, but we also need to give targeted support to families that have additional costs.

**Bob Doris:** I will not come back in, convener, but Mr Scott will appreciate why I have to ask such a question, given that we are doing budget scrutiny.

**Bill Scott:** Yes, I do.

**The Convener:** I am conscious of time. I will quickly bring in Gordon MacRae and then Roz McCall.

**Gordon MacRae:** I will be quick. I totally understand the point that the deputy convener has made. However, from our perspective as a third sector organisation, there is not enough information in the budget that we are trying to scrutinise to enable us to give an answer. It is

impossible for people outside the civil service to understand the level of allocation of, say, £20 million or £40 million in the budget. Although the overarching point is well made, it is unreasonable for a third sector organisation to try to offer one alternative versus another, given that we do not have the appropriate level of scrutiny.

**Roz McCall (Mid Scotland and Fife) (Con):** I thank the panel for coming.

You have kind of answered my question already; it was for Gordon MacRae, but he has given his information, and I think that Graham O'Neill has already answered it, too. My question was: why should affordable housing supply be the Scottish Government's number 1 priority for capital spend in the budget? As I have said, you have pretty much answered it already, but it would be helpful if you could add a bit more. I suppose that I am asking whether there is an adequate focus on homelessness in the Parliament—or even in this committee, given the links to child poverty and, as Graham O'Neill eloquently put it, the refugee issue.

**Gordon MacRae:** It is important to reiterate that we are in a housing emergency—this is not normal. You have asked whether there is enough focus on the issue, but I have to say that I see no evidence of a huge amount of energy from the Parliament or the Government in developing an emergency intervention at a time when we have record levels of homelessness and record levels of stay. There is a real risk of this becoming a “boiling a frog” situation, in which this level of homelessness becomes the new normal.

I have already said why I think that supply should be reprioritised, but I would add that this is not just about money but about how that money is spent. Quite a lot of evidence from the Scottish Housing Regulator and social landlords themselves shows that we expect housing revenue accounts to do an awful lot when it comes to borrowing for net zero or decarbonisation, but this is an emergency. We need to say, in very much the same way that the deputy convener has said, that we cannot meet every priority at the same time.

As for the order of priority, we would say that new supply should be first. We should ensure that capital investment goes on new supply, and we might have to take a view that some social stock might well take a bit longer. We should also be buying stock on the open market more readily; indeed, there is good evidence in that respect from Edinburgh, which has recently been doing a bit more of that. If we are talking about targeting larger properties for larger families—the sort of properties that are often more in need for minoritised ethnic groups or for households with disabled people—one of the quickest ways of

doing that and of reducing pressure on the system is to buy on the open market. I think that that demonstrates the sort of leadership role and, indeed, capacity that will be required here.

**Roz McCall:** I am happy to hear what you have to say, Graham.

**Graham O'Neill:** As Gordon MacRae has said, the order of priority is quite important. We have reflected on that point internally, because we are seeing a lot of the issues that Shelter is seeing. People are not having their homelessness rights met or, if they are, they are being met with really inappropriate accommodation, as I have said. We have seen this sort of thing happening on that scale for many years now. Although the Scottish Government's Ukraine response has been positive, it has exposed a fragility with regard to wider homelessness issues that we have been seeing in asylum for a while. I have mentioned a few times now what we are about to encounter in asylum in the next three months, particularly in Glasgow but also in wider Scotland.

I come back to first principles. I am not a housing specialist, but I know that if people have a home or something that feels like a home, as opposed to a bed and breakfast, they can start to settle mentally, plan, get a job and, if they have a family, get their kids into school or nursery. They can actually start to do what many of us in this room take for granted at this point in our lives.

We at the Scottish Refugee Council have worked with people in homeless situations whose lives have been riven with chaos and disruption; they have to be resilient, but sometimes they cannot, because things become unbearable. When people tell us about having a home, they make it clear that it is something profound and important—I am trying to convey that as a representative from the Scottish Refugee Council but people are telling us from their lived experience that it is essential.

If we want to take people seriously, we must ask what we need to do as people in relative positions of power—as people in Government, in Parliament, in non-governmental organisations and so on. At the moment, we are not seeing that being translated into the Scottish Government's priorities. We appreciate what the deputy convener has said, and we get that choices need to be made, but if we frame the issue from a refugee integration perspective, we see that people have no prospect of being integrated—or to integrate themselves, if that is what they wish to do—if they do not have a home. They really need a home to get those things in line.

For the families in temporary accommodation with whom we are working in different parts of Scotland, particularly in Glasgow the now, having

a home is a very distant prospect. I will not get into the technicalities here beyond conveying that what we are talking about is a pivotal step, because it is essential to people's ability to move on, to settle and to get on with their life.

The Scottish child payment is such an important intervention, but the order of priority must be part of our approach. We need to think about how we factor in the housing emergency so that people who get the Scottish child payment are able to use that resource to move on with their lives.

For years, the refugee integration policy in Scotland has been positive and progressive, but the Scottish Government's new Scots strategy, which is currently out for consultation, has not had teeth. It has not permeated the Government's policy on, for example, child poverty, transport or housing—frankly, it is just not there. We are talking to the Scottish Government about that now, because we need it to be there and to be mainstreamed. If it were there, we could start talking about, say, having a refugee integration service for Scotland. That would be an investment, because we would then have a bridge for people who are desperate to work to get their status, move on to work and then be able to access housing rather than be homeless.

The point about investment and prevention is really important. The housing emergency needs to be acknowledged, otherwise we will not deal with it; we will just be sticking plasters over the fundamental problems.

**Roz McCall:** That leads me on to my next questions. Thank you for the information that you have given.

I will now go back to Gordon MacRae, if I may. First, I just wanted to note what it says in the Scottish Housing Regulator's "National Report on the Scottish Social Housing Charter 2022-23"—that is a fun thing to say. It has highlighted the tough financial decisions that social landlords need to make arising from the settling, or setting, of below-inflation rent rises, along with increased costs of maintenance—I am sorry, but you will need to bear with me; I have a bit of a cold and my brain is a bit fuzzy—and improving the energy efficiency of existing stock.

As a result, registered social landlords are reducing and delaying their plans to build new homes. I have had representations from social landlords that the rent freeze legislation has directly reduced, delayed and, in some cases, completely halted their plans for new social accommodation. Given the challenges that social landlords face, how much difference would an increased capital budget for new homes make? Could the Scottish Government take any other action to improve the supply of new social homes?

I put those questions to Gordon MacRae in the first instance. I know that Graham O'Neill wants to come in, too, but I want to hear what Gordon has to say.

**Gordon MacRae:** It is important that we disaggregate what social landlords are doing. I am surprised to hear that they have said that they are postponing building social housing because of the rent cap or rent freeze, but I am aware that they have postponed mid-market rent developments, the profits of which they believe can go back into the system. There is definitely an impact there as far as rent caps are concerned.

Shelter Scotland would never call for a rent cap. We welcome anything that reduces the housing costs of households, which are too high, but we are very conscious of the impact of such a cap on housing revenue accounts, especially if that policy is not planned and is not something that we are able to propose. Moreover, we have not really seen any benefit to our clients from the eviction ban, because the arrears threshold has been set so low.

Some housing providers' financial resilience is now being severely challenged, and we are concerned that some social landlords are—understandably—postponing development work. There is no duty on them to build and no requirement for them to grow their housing stock; they are required to maintain properties and meet the needs of their existing tenants. It is therefore only pragmatic for a board to look at its financial situation and say, "Well, let's not take on anything that's a new risk. Let's focus on what we have."

That is why we say that it is for the Scottish Government to provide leadership in that direction. It should set the mission of ensuring that we build social homes and target them where they are most needed, that they take the form of larger properties to address the emergency in temporary accommodation and that we listen to voices in the housing sector—both the regulator and the landlords—who are saying, "What do you want us to do first? We cannot do everything at the same time."

I certainly share Graham O'Neill's observations on the Ukrainian resettlement strategy. A productive and positive approach was taken, but the homelessness system did not have capacity both to absorb that new response and deal with the existing crisis. We need to be cautious about layering more and more expectation on to a diminishing capacity within service providers across the country.

**The Convener:** James Dornan, who is attending remotely, has a quick supplementary question.

09:45

**James Dornan (Glasgow Cathcart) (SNP):** Is Gordon MacRae saying that landlords should be putting back what he considers to be unnecessary improvements or repairs and that everything should be going on new build? There is only a certain amount of money. I know that we need more housing, and I agree that social housing should be the priority, but sometimes it is cheaper for the Government to get private housing built than it is to build local authority housing or social housing. Is he really saying that no work should be done to improve, say, energy in housing? Should we be doing both with what is not an infinite pot of money?

**Gordon MacRae:** No—that is not what I said. I said that we should not rely on housing revenue accounts to finance more and more things; instead, they should be used to finance the improvement of existing stock as well as new stock. However, expectation has increased about their also being used to meet the decarbonisation agenda and other things. There has been an increase in expectation about what that source of income will address, but there has been no increase in that income for social landlords.

**The Convener:** I, too, have a quick supplementary question about what Gordon MacRae has touched on. The £60 million national acquisition plan was announced at the beginning of the summer. My local authority in South Lanarkshire has been purchasing, through finance, quite a lot of private houses in the area, particularly in East Kilbride. Do you know of any best practice in relation to other local authorities doing that sort of thing? Is a pattern starting to emerge in that respect with regard to dealing with homelessness?

**Gordon MacRae:** The plan was the Government's response to the task and finish group. The £60 million is not new money; it focuses existing allocation on acquisition, which is something that we very much welcome.

It is important to highlight the difference with the national acquisition plan. As you have rightly said, local authorities and RSLs have been acquiring property for a long time, and that has always been part of the mix. Generally, though, it has been about landlords buying the last property in a block, if it comes on to the market, because it makes the business case for insulating a series of tenements, or it might have something to do with a developer who has brought a development on in an area and has been looking to offload properties.

With the national acquisition plan, we are looking to target purchases where they are needed, especially for larger households trapped in temporary accommodation for years on end. It

is about using acquisition to reduce the number of people in temporary accommodation instead of using it as part of the normal mainstream supply of new affordable housing. It is a short-term thing and the guidance is not yet published, but work is on-going between the local authorities and the Scottish Government. We hope that it will not be just a checklist and that the work will be targeted; however, we are not party to those conversations, and we await with interest what comes forward.

There is some good practice that I can point to. For example, Edinburgh has in recent times started to look more proactively at this issue, especially with regard to larger properties, which is an aspect that keeps coming up, and some work is going on behind the scenes to bring local authorities and other social landlords together to co-produce the guidance that will come forward.

In short, we are concerned that there is no new money, and we want to see explicit reference made to properties for people in the temporary accommodation system, but we welcome the use of acquisition as part of the toolkit for meeting existing need.

**Bob Doris:** I have a question for Graham O'Neill. What elements of the budget are most important for supporting refugees and asylum seekers? You have very powerfully put on record your thoughts on housing issues, so could you restrain yourself and not go down that road, because we know and are clear about that bit? What other aspects of the budget make an impact? What areas would you like to see more money spent on, despite my asking where the money would come from? I get all that.

Because of time constraints, I might not get back in, convener. I am conscious that the Illegal Migration Act 2023 constrains spend in the area, because it ends Scottish Government powers to support survivors of trafficking in Scotland. For instance, when I look at the budget for the three years from 2022 to 2025, I see that the Trafficking Awareness Raising Alliance—TARA—and Migrant Help are scheduled to get £6.35 million between them. That might be ultra vires for the Scottish Government to fund because of the 2023 act. As deputy chair of the cross-party group on migration, it would be remiss of me not to mention that during budget scrutiny. What areas of spend have had an impact, where would you like to see more money spent and do you have any comments on the restrictions on the Scottish Government?

**Graham O'Neill:** I will keep out of the housing issue. As I said earlier, people in the asylum process, as well as people who have just been granted status, are coming out of severe poverty. Things such as the Scottish child payment are important for them, as they are for all children and

families. We welcome that; who would not welcome that from a social justice perspective?

The third sector budget line and the support that is given to organisations that work in that area is vital. We need to think more productively about what we mean by things such as integration standards and integration services. We have often felt that they have been mired in short-term interventions for people as they move from one system to another—from the UK system to the Scottish system, in our case.

We are not thinking enough about work and how we can get people through an integration service and into work. Social security and housing are important, but work needs more consideration. The Home Office is at long last issuing a lot of decisions at breakneck speed, and many of those decisions—around three quarters—will be grants of refugee status. We have huge labour market challenges across the UK, as do other western European countries.

We need to think more broadly about how we can invest in integration through Scottish Government funding, and work needs to be pivotal in that, because that is what people tell us is important. That would not automatically mean more money being spent, but there needs to be more joined-up working between local authorities, the refugee sector and employers to make that happen on a national scale, because there are refugees across Scotland now—they are not only in Glasgow—and they will not come only to Glasgow in the future.

We need national refugee integration services and standards. The Scottish Government is committed to that. Asylum migration integration funds were awarded—around £15 million over the past five years—which the Scottish Government used to fund various integration projects through the new Scots strategy, which is welcome. As a result of Brexit and European Union withdrawal, that funding is away now—it will not exist from January—so there is a big gap. However, the gap is not a drain; it can be filled by investing in a preventative way, which is why work should be the key thing in national refugee integration services and standards. That is the best way that people can get access to services, rebuild their lives and shed the refugee label, which is what refugees want to do more than anything else.

I am aware of time, so perhaps I will just go over the trafficking issue the now, if that is helpful. The Illegal Migration Act 2023 is one of the most obscene pieces of legislation that we have had, although it had a grim predecessor in the Nationality and Borders Act 2022. I say obscene because the 2023 act ends the right to have an asylum claim considered in the UK, so it severs the UK state from the Convention Relating to the

Status of Refugees, which came out of the horrors of the Holocaust and has saved millions of people's lives. What has happened is a big deal; the UK Government and the current Home Secretary have done a horrible thing. Equally egregiously, the 2023 act seeks to end access to support for trafficking survivors, including support that is enshrined in sections 9 and 10 of the Human Trafficking and Exploitation (Scotland) Act 2015.

However, we do not think that it is a done deal—we have furnished the Scottish Government with Kay Springham KC's legal opinion on this—because we know that three clear, positive anti-trafficking duties flow out of article 4 of the European Convention on Human Rights. I remind everybody that article 4 is an absolute—not a qualified—prohibition against slavery. The first duty is to have a legal administrative framework in place, which we had until the Illegal Migration Act 2023 tried to eviscerate it through its attempt to end access to trafficking support rights and non-expulsion protections. The second duty is to protect people who are identified as trafficking survivors. If a charity or Police Scotland or somebody identifies a person as a presumed trafficking survivor, they would, at the moment, put them into the extended notification system, which is a problematic, delay-ridden Home Office national referral mechanism. However, it is not well understood—I know that you guys understand it, but it is not well understood generally—that, as soon as the duty to remove arrangements in the 2023 act are commenced, which we expect to happen after the Rwanda judgment is announced in January, that person will be greeted by a Home Office official who has no discretion to do anything other than say, “You, trafficking survivor that Police Scotland has just referred to us, you're a removable person, you're punted into our detention regime, and we'll look to remove you, including to Rwanda.” That is just the reality—I am not exaggerating. That is what the Illegal Migration Act 2023's duty to remove arrangements require Home Office staff to do. Obviously, we are asking the Scottish Government—we have been asking this for a long time, especially around the 2023 act—to cut off its contact with the Home Office national referral mechanism and to establish its own identification system for the crime of human rights violation that is human trafficking. We continue to think that that is essential.

The third positive duty is access to support rights. We ask the Scottish Government to keep that support in place, because we are not convinced that it is ultra vires. The reason for our not being convinced is around the question of how the Scottish Government would defend itself in court—perversely, this could happen, because of the invidious position that it has been put in by the

Illegal Migration Act 2023—against a trafficking survivor who says, “Look, I’m a trafficking survivor; I can see section 9 of the human trafficking act and I want access to that”. Section 9 of the 2015 act includes a lot of really good rights, such as counselling, accommodation, legal support and so on. If the Scottish Government were to say, “No, we can’t do that, because the UK’s 2023 act requires us not to,”—that would be the only defence available—then article 4 of the European Convention on Human Rights would come in to play. That is a fundamental law, which is equivalent to the sovereignty of the UK Parliament.

The convention is just sitting there, watching this ding-dong between the Illegal Migration Act 2023 at UK level and the Scottish Government saying that it wants to maintain access to trafficking support rights but cannot do so. We think and hope that, at UK level, a legal challenge will happen to the attempted ending, through the 2023 act, of trafficking support rights for all trafficking survivors, including those in Scotland. However, were that legal challenge to happen, we would want the Scottish Government to intervene in it; otherwise, it would be in an invidious position and might end up having to be a respondent, which would be really perverse.

Why that all matters—aside from trying to help people—is that, in our view, the Illegal Migration Act 2023 is a boon to organised crime. Basically, it says, “See aw these people that have come in through irregular means”—necessarily so, because there is no asylum visa for trafficking survivors to get in or to be brought in—“we’re not interested in them.” It is pushing people to be exploited by organised crime and, as I have said to committees for such a long time, having organised crime exploitation means that communities are less safe. Therefore, we in Scotland need to be really clear and brave about what we can do legally on that issue. Part of what we want is the Scottish Government to continue to support trafficking support rights, perhaps through other mechanisms. It could be that we need to think about our vulnerable persons legislation in relation to local authorities so that we can provide those rights.

**Bob Doris:** I am only cutting you off because I know that the convener needs to move on. I am trying to elicit from you whether we should maintain the current budget lines and use that money to continue to help that group, irrespective of the terms of the Illegal Migration Act 2023.

10:00

**Graham O’Neill:** We want the Scottish Government to do so because there are clear ECHR legal reasons to support that, and it has an

arguable case. However, it would also be a prevention mechanism, because it is a support system that tries to protect people who have been trafficked from the system of exploitation that would await them if it were not there. That helps communities.

Finally, I add that the Scottish guardianship service, which is the independent advocacy service for unaccompanied refugee children, is under huge pressure. There has been a massive increase in its work in the past few years, particularly since it became a statutory service on 1 April. Huge child protection issues have been raised by that. The service does not currently have the resources that we want to meet that need. Again, we see the service as an investment and a protection measure to prevent the most vulnerable people—in this case, unaccompanied refugee and trafficked children—from falling into exploitation at the hands of organised criminals.

I am trying to give two clear examples. We want to maintain support for people who have been trafficked and to maintain the Scottish guardianship service such that it can meet the need. Those are investments and protection factors so that people do not fall into the clutches of organised crime. Otherwise, that is what the UK legislation will do.

**The Convener:** Thanks, Graham. That is really interesting stuff, but I am conscious of the time and we need to move on. I will now bring in James Dornan.

**James Dornan:** My question is for Bill Scott. Your submission states that

“more needs to be done to ensure that the funded childcare that is available is both accessible to and inclusive of disabled children and parents.”

Will you give us a clearer indication of what needs to be done and how the Scottish Government can address that in its budget?

**Bill Scott:** When local authorities commission local childcare arrangements, it is essential that they ensure that such facilities are also available to disabled children and parents. The problem is not physical accessibility; it is often about having the resources that are needed to deal with children who are autistic or who have behavioural issues, learning difficulties and so on, to ensure that they are in a safe environment. If that is not the case, the parents cannot place their children there and so they are denied the childcare that should be available to them in the same way as it is to every other parent with children in that age group. There are definitely issues there.

There are even more acute problems in remoter areas of Scotland, where the availability of paid-for childcare is already difficult. Ensuring that it is accessible to all children in the area is a big issue.

It is essential that all children and parents can benefit from the public spend and that disabled children and parents are not excluded from the free provision that is otherwise available.

**James Dornan:** How do you see the Scottish Government's budget being able to facilitate what you are asking for?

**Bill Scott:** It is more that, when spending decisions are made at Scottish Government and local authority levels, the needs of disabled children and parents should be taken into account. They must ensure that, before they commission a contract, the provider can take all the children who might need to come through its doors and can also accommodate the needs of the parents who bring their children. The need is not for additional spending as such but to ensure that there is appropriate childcare for all the children who need it.

**James Dornan:** So it is more about the arrangements that are made between providers and local authorities.

**Bill Scott:** Yes. The Scottish Government could be asking local authorities what they do to ensure that childcare accommodation is suitable for all the children who might need it.

**The Convener:** I believe that Jeremy Balfour wants to come in with a supplementary question.

**Jeremy Balfour:** It is a quick supplementary, convener.

Here in Edinburgh, we have had issues with breakfast care and after-school care not having the appropriate support for disabled people. Presumably, therefore, the provision that you are talking about is not just for the under-fives—we have to look at provision where parents require appropriate support for disabled children who go to mainstream schools. That will need to be financed properly as well.

**Bill Scott:** Yes. I do not think that we are talking about huge amounts of additional spend, but it really is an issue. The Scottish Government is right to try to improve after-school provision, given the difficulties that all parents, and lone parents in particular, face in juggling childcare and working. They have to get the kid to school and then pick them up from the childcare facility. If that facility is not accessible to the parent or to the child, the parent will have to ensure that they reduce their hours to fit in with the childcare that is available to them. We need that provision to be available. I know that it is not exactly always a budget issue, but the Scottish Government could certainly say to local authorities, "When you're planning to expand after-school childcare, it has to be accessible to disabled parents and disabled children."

**The Convener:** I invite Marie McNair to come in.

**Marie McNair (Clydebank and Milngavie) (SNP):** Good morning, panel. I will direct my questions to Bill Scott.

What are your views on how the social security budget is funded? There is obviously an increased take-up of the benefits that have transferred over to the Scottish Government. How welcome is that? Do you feel that there will be pressure on the Scottish Government in the future?

**Bill Scott:** I know that there will be pressure on the Scottish budget. The increased spending to which the Scottish Government is already committed is welcome. I have said it before and I will say it again: the Scottish child payment has been a lifeline to many families. It has allowed them to continue to feed, clothe and provide heating for their children, so that they have been able to have a reasonable time. It has saved them from entering the deepest poverty that they might have experienced otherwise. That is additional spending. There will, I hope, be increased take-up of other benefits in the longer term, including disability benefits. If we have a fairer system, more people will access it and receive those benefits. Essentially, therefore, we have to plan for that.

At the end of Inclusion Scotland's written submission to the committee, I pointed out that the Scottish Government will probably have to raise additional revenue to meet those spending commitments in the future. It is currently facing a deficit, and that deficit will grow as social security spend grows. However, to go back to the point about seeing social housing as an investment, I see spending on social security as such. A disproportionate number of disabled people live in social housing because, in many cases, they cannot afford their own home.

I go back to the point that housing for disabled people needs to be affordable and accessible. The less housing there is in the supply chain, the more it means that disabled people will often be stuck in inappropriate housing. The same applies to social security. If we want to have a modern, decent society in which everybody can take part equally, we need to recognise that some people are unfairly excluded from the labour market because of discrimination and because of the barriers that they face. We need to ensure that they are properly looked after if they are ill or disabled to the extent that they cannot participate in the labour market as fully as they might want to. Social security spending is therefore absolutely necessary, and we will have to look at the adequacy of disability benefits in the future.

**Marie McNair:** As you said, the Scottish Government has expanded eligibility for some



benefits such as adult disability payment and Scottish carers assistance without the requisite funding from the UK Government. Does funding that additional expenditure put continued pressure on the Scottish Government? You have touched on the subject—can you expand on that a wee bit?

**Bill Scott:** That is exactly the case. If you slacken the eligibility criteria, even by a small amount, you will incur additional spending that will not be covered by the UK Government, which is essentially giving us a per capita allocation of the UK spend.

For some time, we have had more disabled people in Scotland than there are in most other areas of the UK, although the numbers in the north-east of England and south Wales are on a par with or slightly higher than those in Scotland. That is partly a legacy of our heavy industries, as well as factors such as multiple sclerosis being more prevalent in Scotland, because it is partly related to lack of sunlight. Because of that, we have always had a larger spend on disability payments. We need to acknowledge that we have a community in which more people are likely to be disabled, so there will be slightly more spending on disability benefits.

However, in recent years, the adequacy of our spending on benefits has also been impacted by inflation and other factors. Yes, our allocations tend to rise in line with the UK allocations, but, if fewer people down south are eligible or if there are changes to the disability benefits system down south, that impacts on Scotland. Changes are currently being made to the existing work capability assessment regime that will indirectly impact on adult disability payment in Scotland, because the Government is proposing to change some of the scores or get rid of some of the descriptors from the work capability assessment, and it says that it will probably replicate that in the PIP assessment. If it is replicated in the PIP assessment, far fewer people will be eligible for PIP overall. That means that, if we still retain the same eligibility criteria in Scotland, the disparity between here and the rest of the UK will grow.

I am flagging that up because the devolution settlement said that those benefits were coming to Scotland and we could more or less do with them as we pleased. However, if changes to PIP down south impact us indirectly, we will have a devolution settlement that is not real, because the budget that comes to Scotland will not allow us to support disabled people to the extent that the Scottish Parliament has decided that they should be supported.

**Roz McCall:** Gordon MacRae, you have alluded to the need for more resources, but why are you concerned that the Scottish Government's response to the temporary accommodation task

and finish group will not drive the structural change that is needed to tackle the housing emergency? How can the forthcoming budget decisions help to drive that structural change?

**Gordon MacRae:** We talk about there being a housing emergency, but it is not just one crisis. It is an affordability crisis, an accessibility crisis, a crisis for children and a crisis of cost, and all those crises have come together as an emergency.

We agree with the Scottish Government's written vision and policies. "Housing to 2040" sets a clear vision. With regard to the house-building target of 110,000 in 10 years, we are disappointed that there was no target for the current parliamentary session. It was in the "Housing to 2040" document, but it was not in the Bute house agreement. In the chamber, ministers have been clear that there is no numerical target for the current parliamentary session. That is where our concern arises. On paper, we have a positive vision about rights, supply, inclusion and accessibility. However, when that is turned into action, such as in budget and policy decisions, we are not seeing it through. We are concerned that the response to the task and finish group will not drive structural change, because we do not know how many homes will be built this year. We do not know whether that is linked to an assessment of need, and we do not know whether the purpose is to reduce the amount of temporary accommodation or to meet the housing needs of the country. Depending on what destination you set, you have different policy choices.

10:15

There are important mitigations that the Scottish Government should continue to use in the budget, such as those for the so-called bedroom tax, the work on the social welfare fund and other things that are important in meeting the problem right now. That is a harm reduction model, if you like, but the structural change that will reduce poverty and tackle child poverty in this country is building more social homes. However, we simply do not know what the Scottish Government expects to get for the £3.5 billion that it has put in the budget. If we knew that, and if there was a clearly expressed vision, we would have more confidence in being able to say that it will address the structural problems.

**Roz McCall:** That makes sense. Thank you.

**The Convener:** I am conscious that we are running over time, so I remind everyone to be as concise as possible.

Graham O'Neill, are you concerned about any unequal impact of Scottish Government policies and budget decisions on protected groups,

particularly those from ethnic minorities? If so, how can the situation be improved?

**Graham O'Neill:** One reason why we associated ourselves with Shelter Scotland's written evidence is that some ethnic minority groups have particular housing needs in terms of numbers and suchlike that need to translate into the capital spend on social housing, so that we can provide homes for those people. Going back to what I said a wee while ago, a home is a basis for people to build a new life, which is the second part of being a refugee. The first part is getting out of the situation and the second part, which is often not remembered, is rebuilding your life somewhere else because it is not safe to return to where you have come from.

We consistently talk about asylum and poverty to the Scottish Government. We are grateful to the committee for articulating to the Scottish Government in its report last year the recommendations that we shared on Scottish social inclusion of refugees. We emphasised the recommendation on poverty, and recently, at a child poverty summit, we spoke again with the Cabinet Secretary for Social Justice about that, but we have not seen that translate at all into Scottish Government policy making.

Some of the severest forms of poverty affect children in the asylum system in Scotland. We are not talking about big numbers of children, but the impact is the most severe that you can imagine. That stems from the UK Government's brutal legislation. As I said in my opening remarks, rampant social insecurity is meted out to people in the asylum system, including kids. However, we still have not seen a directive, circular or anything from the Scottish Government that says to local authorities, "Please put asylum and refugee child poverty into your annual requirement for your local child poverty action plans," which they and health boards have. That needs to change; we need to get that in.

One thing I have not said is that asylum is now a national issue. We estimate that, by Christmas, around 25 local authorities in Scotland will have people in the asylum process. Most of the children in the asylum process are in Glasgow, and most of them will be in ex-hotels or institutional accommodation on £1.40 a day and so on. Most of them will ultimately get refugee status, and those who do not yet have family with them will rightly exercise their family reunion rights. All of that is foreseeable.

This year and next year, we are moving into a world in which, thankfully, more asylum decisions will be made, but that does not need to be a drain. It can be an investment. We want to get across to the committee that we need to think about refugee integration as an investment that is centred on

work and people genuinely rebuilding their lives in Scotland, not the new Scots strategy that we have had for the past five or 10 years, because that is not cutting through into Scottish Government policy making. That needs to change. The policy also needs to be more ambitious in what it wants to achieve, and it needs to be centred on work. We have not really seen that level of ambition in the Scottish Government's thinking.

We do not think that the Scottish Government is against that; we are simply asking it to be more ambitious, and we invite the committee to do so, too. It needs to be ambitious in addressing the impacts on refugees with newly granted status in areas such as homelessness. Unless it starts to think of them as people, which is what they actually are, those impacts will be unequal. They are people who want to shed the refugee label—they want to work, they have skills and they will work and contribute.

We looked at the Scottish Government's recent publication "A Warm Scots Future: Policy Position Paper", which said that people who came to Scotland from Ukraine would contribute about £3 million in tax revenues if they got the real living wage. It is the same with people seeking asylum. They are all desperate to work, like anybody else. As they know better than anyone, it is a way for them to rebuild their lives. Unless that level of ambition is applied and an investment-based approach is taken to refugee integration as a policy objective in Scotland, those unequal impacts will persist, because refugees will not be thought about in the policy-making process, including in structural aspects such as the budget process.

We want to see that level of ambition—it is a win-win situation. A lot more people will be here to contribute and genuinely be part of whatever it is in Scotland. Their numbers are increasing in Scotland, and the decision making is also increasing. The Home Office has responded in a manner that fits its own image and interests, but we do not need to respond in that way. We can respond in a much more substantive way that centres on genuine refugee integration based around work and access to services, with people continuing to be the self-reliant people that they have been and have had to be.

**The Convener:** The committee is going to do a small inquiry into asylum seekers and refugees as part of our work programme, so we will be keen to invite you back once that is under way.

I will move on and bring in Katy Clark.

**Katy Clark:** Would anyone like to comment on whether there have been any improvements in the transparency of the budget? Do you have any

specific suggestions as to how the process could be improved?

**Bill Scott:** There have been limited improvements—and they are limited. The processes are still almost opaque, even to policy professionals, so what an ordinary member of the public can make of them, I do not know.

It is sometimes very difficult to identify, with very large sums, what exactly the money is being spent on and what we are getting out of it, and therefore how to prioritise. If you want genuine involvement for service recipients—the ordinary community members of Scotland—in the process, it must be made much less opaque than it currently is.

Even identifying that something is definitely new spend rather than reannounced spend, or where a cut has definitely been made, would be a big step forward, so that we can at least see the moving parts. That would enable us to say, “Okay—health spending is largely staying the same, but there has been a cut to this part of health spend and it has been reprioritised to over there. We get that now.” At the moment, we look at it and say, “Well, £X billion was spent last year and £X billion is being spent this year, but we do not know what is happening.” The budget needs to be made less opaque.

As I said, we run the people-led policy panel on social care policy making, along with Scottish Government officials, local authorities and so on. We need to have that sort of involvement in the budget, but in order to do that, you need to make it intelligible to ordinary people.

**The Convener:** Jeremy Balfour wants to come back in.

**Jeremy Balfour:** I will start with Gordon MacRae, because he has already had a go at this issue, although it is probably an impossible question. How should the Scottish Government involve the public more in setting the overall spending priorities? What scope is there for genuine and meaningful public engagement on that, given that, as you said, it is difficult for people to know the different lines in the budget?

**Gordon MacRae:** There is a big opportunity on the horizon. If we grab it, we could change the level of engagement on not just budget setting but understanding how Government priorities translate into action and activity in communities. The Scottish Government plans to legislate to incorporate United Nations human rights treaties into Scots law. We will realise that vision only if human rights-based budgeting is part of that. We are in the foothills of that just now.

With regard to the Scottish Government’s perspective, if we have consistency of budget headlines and more detail below those broad

areas, we can start a process in which, as Bill Scott said, people can say, “That’s where that jigsaw piece goes—I can start to understand that.” That must be baked into the processes; it cannot just be the case that we get a few people in when the budget is published, because that reeks of tokenism and there is no meaningful engagement.

We need to engage with people over a period of time, whether that is through participatory panels or sector-based engagement. We need a commitment to say that we will use the resources that we have as a nation to uphold people’s human rights in the broadest sense across all protected characteristics and beyond. That will start to give a framework for how we can involve people in the decisions about where money goes in their communities.

**Jeremy Balfour:** I am conscious of the time, but perhaps I can have one line from either Bill Scott or Graham O’Neill. It will have to be just one line.

**Bill Scott:** Everything will be assessed for its human rights impact after the incorporation of UN human rights legislation into Scots law. Things are already assessed for their equality impact, but the problem is that many equality impact assessments are carried out by people who have no insight into the needs of the various characteristic groups. Therefore, those people often say that something will not have an impact.

You need to begin to involve the people it will have an impact on in the equality impact and human rights impact assessments. As Gordon MacRae said, that is a long-term policy process, rather than a one-off process of bringing people in to look at the budget, for example. We need to get much better at involving people—disabled people, single parents, black and minority ethnic people, asylum seekers and so on—in the policies that will have an impact on their lives.

**Graham O’Neill:** I echo what Gordon MacRae and Bill Scott said. A promise needs to be made. First, that promise needs to be worked through, but a promise needs to be made to people with lived experience—the term that is currently used—that we are going to give more weight to their evidence. We have grappled with the lived experience agenda. I am not sure about the term, to be perfectly honest, because it inserts another layer of complexity when we just want to understand what life is like for people. We want to privilege that evidence—not in a charitable way but in a way that recognises what it is that they are sharing, which is insights that, often, the people who are asking the questions do not have.

A clear promise should be given. That should not be done cheaply but should be made after a thought-through process so that it is sincere. The promise should say, “This is the weight that we will

give to this evidence.” That clarity is needed so that you can start to work through this process. That will make things uncomfortable for people in middle-class professions and people who have been accustomed to things being done in a particular way. Frankly, those people should be comfortable in dealing with that discomfort. Without such a promise, although the process will be well intentioned, it could fall into tokenism. People in positions of power need to think the process through much more sincerely, be honest about what they can promise and then make that promise.

**The Convener:** The last question comes from James Dornan.

**James Dornan:** I will start with Bill, but anyone else can come in on it. What does the Scottish Government need to do to take a human rights-based approach to the 2024-25 budget?

**Bill Scott:** I think that I have probably already outlined that, James. I genuinely think that you need to involve people who are at the sharp end of those budget decisions in the process. However, that needs to be done way before even pre-budget scrutiny. Those people need to be involved throughout policy development as well as in the final decisions.

That will take investment. I agree with Graham O'Neill that it is sometimes uncomfortable for us to hear truths such as, “You say that more money should be put into that, but that’s more money for your organisation rather than more money that directly benefits us.” We need to hear that and to realise that, sometimes, the money needs to go directly to people rather than through conduits such as us, in the third sector.

**James Dornan:** Would Graham O'Neill or Gordon MacRae like to comment briefly on that?

**Gordon MacRae:** I could not say it any better than Bill Scott has done.

**The Convener:** That was very quick.

**Graham O'Neill:** No, I have nothing to add.

**The Convener:** Thank you. That concludes our pre-budget scrutiny evidence session. I thank all the witnesses for their contributions. It has been a really interesting evidence session. The committee will consider our draft pre-budget report at our next meeting on 26 October. That concludes our public business.

10:31

*Meeting continued in private until 11:21.*

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