



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Justice and Social Security Committee

Thursday 16 September 2021

Session 6



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Pàrlamaid na h-Alba

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SOCIAL JUSTICE AND SOCIAL SECURITY COMMITTEE

4th Meeting 2021, Session 6

CONVENER

*Neil Gray (Airdrie and Shotts) (SNP)

DEPUTY CONVENER

Natalie Don (Renfrewshire North and West) (SNP)

COMMITTEE MEMBERS

*Jeremy Balfour (Lothian) (Con)

*Miles Briggs (Lothian) (Con)

*Foyso Choudhury (Lothian) (Lab)

*Pam Duncan-Glancy (Glasgow) (Lab)

*Marie McNair (Clydebank and Milngavie) (SNP)

*Emma Roddick (Highlands and Islands) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Chris Birt (Joseph Rowntree Foundation)

John Dickie (Child Poverty Action Group in Scotland)

Matthew Duff (Scottish Government)

Ben Macpherson (Minister for Social Security and Local Government)

Bill Scott (Poverty and Inequality Commission)

Evelyn Tweed (Stirling) (SNP) (Committee Substitute)

CLERK TO THE COMMITTEE

Claire Menzies

LOCATION

The Mary Fairfax Somerville Room (CR2)

Scottish Parliament

Social Justice and Social Security Committee

Thursday 16 September 2021

[The Convener opened the meeting at 09:01]

Decisions on Taking Business in Private

The Convener (Neil Gray): Good morning, colleagues, and welcome to the fourth meeting in 2021 of the Social Justice and Social Security Committee. Apologies have been received from Natalie Don; Evelyn Tweed is attending in her place.

Our first item of business today is a decision to take items five and six in private. Are we agreed?

Members indicated agreement.

The Convener: Agenda item two is another decision to take business in private. Members are invited to agree that we consider a draft letter or a draft report on the 2022-23 budget in private at future meetings, are we agreed?

Members indicated agreement.

Pre-budget Scrutiny 2022-23

09:02

The Convener: Our next item of business is an evidence session on the committee's pre-budget work in preparation for the Scottish Government's publication of its 2022-23 budget. The focus of this morning's session is on the spending needed in 2022-23 to meet the 2023-24 interim targets for reducing child poverty.

I welcome to the meeting our panel, who are joining us remotely. Chris Birt is the associate director for Scotland of the Joseph Rowntree Foundation; John Dickie is the director of the Child Poverty Action Group in Scotland; and Bill Scott is the chair of the Poverty and Inequality Commission. Good morning, colleagues, thank you for joining us.

I will mention a few housekeeping points before we kick off. Please allow our broadcasting colleagues a few seconds to turn your microphones on before you start to speak; that includes colleagues joining remotely. If witnesses want to come in on a question, please indicate that with an R in the chat box. Please do not feel that you all have to answer every single question—if you have nothing new to add to what has already been said, that is okay. We have about one hour and 15 minutes for this session. I invite colleagues to ask questions in turn, starting with Marie McNair.

Marie must have lost her connection, so I call Pam Duncan-Glancy, who also wanted to speak on this subject.

Pam Duncan-Glancy (Glasgow) (Lab): Thank you for coming along. What is the panel's assessment of trends in child poverty in Scotland, the likelihood that we will meet the targets, and whether you think there is any way other than by using social security to meet the targets?

Bill Scott (Poverty and Inequality Commission): Thanks for the invitation to provide evidence to the committee.

The commission has done a lot of work on evaluating whether we are likely to meet the interim targets and, unfortunately, our assessment is that we are unlikely to do so. There has been an increase in child poverty: the trend is upwards rather than downwards. That means that a lot of work will need to be done in the next two years to achieve the targets. Social Security will have to do most of the heavy lifting, simply because the other levers that are available to the Scottish Government, such as tackling low pay or reducing housing costs, generally take longer to achieve results. It takes time to change the economy to

provide more and better paid jobs, and to build more social housing. Social security will, unfortunately, have to do most of the heavy lifting and that is why increases in social security will be necessary to meet the targets.

We will need a significantly higher level of investment in tackling poverty to meet the interim targets, and even more to meet the 2030 targets. That investment should be across the board and not just in social security. It should mean that every public pound that is spent should have some means of measuring whether it will assist us to achieve the targets. That means looking at the budget in the round, rather than just at social security. What can be achieved through other spends, such as on infrastructure? Can we reduce transport and childcare costs for low-income families? Those costs are also significant barriers to work.

A lot could be done but, in the shorter term, much of the heavy lifting will have to be done by social security.

Chris Birt (Joseph Rowntree Foundation): I agree with a lot of what Bill Scott said, so I will not repeat it.

The level of poverty in Scotland has been drifting up over the last couple of years and I do not think that anybody could credibly suggest that it will not have worsened during the pandemic. We did a lot of work on this just prior to the election and studied the different means by which we could reach the targets. My key message is that we can and should meet the targets, but that that will not happen by accident. The investment that we put into housing and into getting people better jobs is vital and we need to do more but, as Bill Scott set out, the interim target must be met by April 2024, so social security will have to do what he described as “heavy lifting”. I think that that is right.

We are about to update our modelling on poverty in Scotland, but even with the doubling of the child payment, which needs to happen very soon, we will still be four or five percentage points short of the target, so we have a long way to go.

Remember that the massive investment that we are putting into social housing is a protection against poverty; we must keep that funding going and go further. It is not that that spending is not having an impact, but housing costs are less likely to drive down overall poverty rates; however, let us not overlook the importance of investing in better homes for people.

John Dickie (Child Poverty Action Group in Scotland): I echo what Bill Scott and Chris Birt said. The clock is ticking to the 2023-24 interim child poverty target and there is no question but that the priority must be investing in social security

and using Scotland’s social security levers to make real progress to achieve those targets.

Looking at the longer-term picture helps to understand what has happened to child poverty trends. The rising levels of child poverty that we have seen since the early 2010s are very much a result of the extraordinary cuts to the value of social security at United Kingdom level that have happened at the same time as people have seen real insecurity and experienced low pay and lack of hours in the labour market. Social security will need to be among the top levers that we use to bring down the levels of child poverty in the short term. As Bill Scott and Chris Birt said, social security spending alone will not help us reach the child poverty targets—certainly not the 2030 child poverty targets. However, investment in social security in Scotland, in the Scottish child payment—at the very least doubling that in this coming budget—is essential to achieving those targets and can lay the foundation on which the wider action that we have already mentioned can be built to enable us to achieve the 2030 targets.

The Convener: Before I ask Pam Duncan-Glancy whether she has any supplementaries, I can see that Bill Scott has something to add about housing costs as a driver of poverty.

Bill Scott: As Chris Birt said, investment in social housing needs to continue, and at a higher level, if we are to progress towards the target. At the moment, poverty in Scotland is about two per cent lower than it would otherwise be, simply because Scotland has more social housing than other areas of the UK. Therefore, housing costs for some low-income families are lower and, because we measure relative poverty after housing costs, that reduces the proportion of low-income families that are in poverty in Scotland. I agree with Chris Birt and John Dickie.

Pam Duncan-Glancy: Thank you for allowing me to come back in, convener.

The answers were really helpful. I have two brief follow-up questions. First, would doubling the child payment as soon as possible—as in, now—and again next year have an impact on meeting the targets? Secondly, on the point about social housing, are we currently targeting such housing at the right families in Scotland?

John Dickie: We have said that the child payment needs to be at least doubled in the coming budget. The modelling suggests that that in itself will not allow us to meet the interim child poverty target, but it will give us a period in which to understand the impact that the measure is having and to look to the next budget to see what further investment is needed to meet the targets.

As I am sure you are well aware, the Fraser of Allander Institute modelling that was done for the

Poverty and Inequality Commission—no doubt Bill Scott will pick up on this—suggested that, to meet the interim target, a £40 per week Scottish child payment would be needed, if that was the only policy lever that was impacting on the interim target. Assuming that none of the other policy levers will have an impact between now and 2023-24, that is what would be needed. However, we still have time to ensure that investment in housing and childcare—particularly in building the infrastructure that is needed—starts to have the kind of impact that is needed to achieve the 2030 child poverty targets.

At the very least, we need the payment to be doubled in the coming budget, and we can then take stock and see whether further investment is needed. The interim child poverty targets were set knowing trends at UK level and that UK social security cuts were driving up levels of child poverty—there were no qualifications or caveats to those targets, and there was cross-party support in Parliament for them. We need to do everything that is needed to meet those statutory targets. To maintain momentum, we have to build the foundation on which the 2030 target can be achieved.

09:15

Chris Birt: Our modelling before the election showed that a £40 per child per week child payment would probably get us to the interim targets but, when we did that modelling, we did not have the latest survey, which showed child poverty getting worse. A £40 child payment would make a difference, but it might not necessarily get us all the way there. Our modelling also showed that with, for example, a £25 child payment, to meet the targets, all parents would need to be working on the real living wage, local housing allowance would have to cover private rents, social rents would have to be frozen and the benefit cap would have to be removed. There is a lot of road to travel with just that child payment to get us to the target. If we are not suggesting that social security will do all the work to get us to interim targets, what are we proposing? What are we going to do to get there and how will we know whether it will work? That is the challenge.

Pam Duncan-Glancy asked about housing, which is a really good example of that. There has been a significant amount of social house building over the past few years, and that looks set to continue, which is welcome. However, is it going in the right places and supporting the right families? We know that single parents face very high housing costs and are often pushed into poverty simply because of that. Are we providing enough houses in the right places that fit those kinds of families? We also know that we do not have

enough properties for single people, so that is driving people into poverty as well.

Is the affordable housing supply programme best targeted to lift people out of poverty? Frankly, at the moment, we do not know, so we need to get a good handle on that quickly.

Bill Scott: I will not add much, because John Dickie and Chris Birt have set out the commission's position. We would like an immediate rise in the Scottish child payment to £20 at the very least. We believe that a rise to £30 that is targeted at priority families—those containing disabled children, disabled parents and lone parents—could just about get us over the line, as could a rise to £30 if the universal credit cut was not made.

The universal credit cut will have a massive impact and will make it more difficult to reach the targets. If and when the universal credit £20 uplift ends, that will immediately plunge another 20,000 children into poverty. If the cut was not made and we achieved an uplift in the child payment to around £30—either by increasing it to that for everyone or by targeting—we could just about get over the line, but it will be very difficult.

I re-emphasise the need to think about how we are tackling poverty across the board. With every investment decision that the Scottish Government makes, we need to think about whether and how it is acting to reduce child poverty. We need to see the details and more than just a general response of, "We're creating jobs and therefore poverty will be reduced." The real problem is that employment used to be a route out of poverty but, now, two thirds of children living in poverty are in working households. We need to increase the income of households who are in work, and that means better jobs, better pay and more regular and predictable hours so that families can budget.

We need to look at infrastructure investment in childcare and in transport, particularly buses, because that is what most low-income families use to get to work or to involve themselves in the community. We need to see how the public pound is working to reduce poverty.

The Convener: I can see that John Dickie wants to come back in.

John Dickie: I want to pick up on Pam Duncan-Glancy's question about whether it is clear that investment in housing and housing policy are having the impact that they should be having. Without repeating what Bill Scott and Chris Birt said, we need to understand what we mean by affordability and affordable housing in Scotland, and make sure that it is looked at through a child poverty lens. There has been investment in social housing in Scotland over the years, and it has been an important protective factor, but it would be

helpful to have more analysis of and clarity on the extent to which the investment and the kind of housing that is being built contribute to meeting the child poverty targets.

The Convener: I want to return to the theme of the key drivers of poverty. Does any of you have an estimation for the total value of social security cuts that have been made over the past decade, and the impact that they have had on child poverty levels in Scotland?

Chris Birt: I think that Bill Scott's screen has frozen, so I will answer in part.

As John Dickie alluded to in his first answer, so-called welfare reform has driven the rise in poverty over the past few years. Hundreds of millions of pounds have been taken out of the system, but we are where we are, so let us look at the immediate issue. We are about to see the biggest overnight cut to the basic rate of social security since the welfare state started. Families across Scotland face a bleak picture. The UK Government must stop the cut to universal credit and working tax credits. We are past the point where messages need to be subtle—it just needs to stop. It is an awful decision that will cause poverty in Scotland and across the UK.

There have been damaging cuts to social security over the past few years. The chancellor spotted that at the start of the pandemic when he knew that people were going to have to rely on universal credit for the first time and so made it slightly more adequate. Nothing has changed over the course of the pandemic. The social security system was inadequate going into it, and it still is now. The cut really needs to be stopped, because it will cause misery this winter if it goes ahead.

The Convener: Does Bill Scott or John Dickie have anything to add on estimations of cuts and their impact on poverty?

John Dickie: Our modelling suggests that the cut to universal credit if the uplift is removed will push around 22,000 children into poverty in Scotland alone. That is the scale of the impact on child poverty of removing the measure. The flip side is that the uplift is an example of social security playing a really protective role during the pandemic, as it has prevented children from being pushed into poverty through a difficult period. The uplift needs to be sustained, and we need UK policy to work alongside Scottish policy to provide the levels of financial support that families need to protect themselves and to ensure that we meet the child poverty targets.

Bill Scott: I am sorry, but I did not hear some of what Chris Birt said, as I was off air for a small while there.

The most recent estimate that I saw was that the cumulative effect of the cuts from 2010 to 2019-20 was around £2.2 billion in Scotland alone, but the figure might have increased since then. As Chris Birt said, the £20 uplift restored some of the income that low-income households had lost over that period.

About half of those cuts fell on priority group families—in particular, households containing disabled people and lone parents. Social security is inadequate. During the pandemic, we have seen that sick pay, for example, is not enough to cover costs once a person becomes sick and is unable to attend work. Therefore, the £20 uplift was a relief to many low-income households, and its loss will be devastating. It will result in indebtedness, rent arrears and homelessness, which is the ultimate cause of the drug and alcohol deaths in Scotland. We will also see families being broken up. It will be a devastating cut.

The Convener: Certainly, the anecdotal evidence that I have seen from having visited food banks in my constituency suggests that the £20 uplift has made a real difference and has reduced the number of people coming through their doors from what they ordinarily would have expected. The uplift has been a very good thing, so we should give credit where it is due for the introduction of the measure. Have you any assessment of what impact not extending the uplift to legacy benefits has had on levels of poverty in Scotland?

Bill Scott: It is difficult to estimate what has been happening during the pandemic, but we can look at usage of food banks. The Trussell Trust has reported that there was a massive increase in food bank use at the start of the pandemic and that, in 2019, destitution had increased by 50 per cent. If there was a massive increase at the start of the pandemic, that was a massive increase on the 50 per cent increase in 2019.

Of the families who use food banks, more than half have a disabled person in the household, and lone parents are particularly likely to use food banks. Again, we come back to the priority group families. They are the groups in our society where poverty is deeper—the issue is not just that those households are in relative poverty; they are in deeper poverty. A Trussell Trust survey of food bank users found that the average household income after housing costs, for 95 per cent of the users, was £280 per month. That is per month, for a family to live on. That shows that food banks are not used by people who can afford to buy food elsewhere; it is people in absolute crisis who have been referred to food banks by agencies. The main driver of food bank use, as reported by those who use them, is the five-week delay in receiving

universal credit payments, which is almost impossible to deal with.

The Convener: That is a sobering statistic if ever there was one for us to hear. John Dickie and Chris Birt, do you have anything to add on the impact of not extending the uplift to legacy benefits?

John Dickie: I do not have a figure to hand on the numbers of children left in poverty as a result of not extending. We can look into it and see whether there is a figure for that. I suppose that it has had an impact, just as the uplift has had a beneficial impact for those who have received it. As Bill Scott explained, for those who have not received it because they were not on universal credit when it was introduced, the consequences have been quite extraordinary. From our work and the surveys, we know that families who were already in poverty before the pandemic have been particularly hard hit and have faced even greater pressures, trying to ensure that their children have been able to maintain contact with learning during lockdown, providing food during school closures, dealing with additional heating costs and so on. Those have ratcheted up cost for our lowest-income families, where other families may have been able to save money over the last year or so.

09:30

Chris Birt: On legacy benefits in particular, the committee should keep this issue in mind in its future work. The explanation that the Department for Work and Pensions appeared to give for the uplift not being extended was that it was logistically very difficult with regard to information technology systems and so on. Many of the people who are receiving legacy benefits either have long-term ill health issues or are disabled, yet they still get hungry. We talk about food banks and poverty, but those are euphemisms for people not having enough to eat, and in a country as wealthy as ours, that is completely unacceptable. Over the pandemic, we saw the Scottish and UK Governments bring in remarkable things like furlough and Covid vaccinations, yet we were not able to extend payments to people on legacy benefits. That is not a position that we should accept. It has caused hunger among people who are already struggling, and you do not need a statistic to back that up.

The Convener: Sticking to the theme of key drivers of poverty, Pam Duncan-Glancy wanted one final supplementary before we moved on.

Pam Duncan-Glancy: Thank you, convener, for giving me another one, because I know that I have asked a number already.

I want to put on record that I think that the £20 uplift to universal credit was necessary, because

we had the lowest level of social security in decades. To take that away will leave families completely destitute: they will be unable to buy food and so on. Everyone has made the point about how serious that is and the decision must be reversed. I also think that not extending it to legacy benefits was discrimination. Chris Birt's point about disabled people still going hungry is absolutely key, and the uplift should have been applied to those benefits.

I am getting quite frustrated with both Governments giving the answer that to start doing work on certain things would be logistically difficult or impossible because of IT systems—we hear that quite a bit. There is an urgent need to act to put money in people's pockets now, given everything that we have heard. As a result of the universal credit cut, something like 4,000 children in Scotland might no longer qualify for the Scottish child payment. Can you think of any mechanism that we could use so that those 4,000 children retain their eligibility and can continue to access the Scottish child payment?

In the same vein, is there anything else that we can do with the social security powers in Scotland to improve the incomes of families across Scotland?

John Dickie: There is an issue around the fact that the Scottish child payment is a top-up to universal credit, which means that if the universal credit cut goes ahead, thousands of families will lose not just entitlement to universal credit, but their entitlement to the Scottish child payment. That flags up the importance of reviewing the legislative basis and the delivery model for the Scottish child payment. We need to look at other models and other legislative bases. For example, we could establish a stand-alone benefit, by which we could ensure that we did not have those kinds of direct consequences. That is something that needs to be looked at.

In a way, that has happened with the interim bridging payments and the additional Covid hardship payments. It took a while, but we now have systems in place for delivering additional financial support in the run-up to the full roll-out of the Scottish child payment, with the Scottish Government and local government working together to get that support to at least some of the families who will be entitled to the benefit. Where there is a will, ways are found to get financial support to low-income families, and we need to build on that.

In the medium to longer-term, we need to look at reviewing the delivery model and legislative basis of the Scottish child payment to ensure that it is not vulnerable to cuts to universal credit.

Bill Scott: We have to accept that when somebody loses entitlement to a benefit it is very difficult to keep them in the system. How will you distinguish between someone who has lost universal credit because their £20 uplift has ended and someone who has increased the hours that they work and therefore is getting more pay? It will be very difficult to keep track of which families are entitled and which families are not.

We need to think of routes to provide support to priority families other than just the Scottish child payment, as I think that we are relying too much on what that can contribute to the lowering of poverty. We could use the other devolved benefits to deliver more support to priority families. For example, we know that families with disabled children and families with disabled parents and lone parents are at a much greater risk of poverty. Raising child disability payment, adult disability payment for parents of school-age children and carers allowance for lone parents would be a targeted approach that could help to lift those families out of poverty. Those benefits, particularly carers allowance, would be retained if you allowed lone parents to work more hours and retain more pay.

You can adjust the entitlement criteria so that families in the priority groups have more income coming in, which would lift them out of poverty. If people in receipt of adult disability payment could retain work, that would be a permanent addition to their income as long as they retained their entitlement to that benefit. Such measures would be well targeted, as I say, because we know that 42 per cent of children living in poverty in Scotland are in families with a disabled adult or child, and of the 90,000 children living in lone-parent families, 30,000 of them are living in a household where either the parent or the child is disabled. Uplifting disability benefits could be a route to lifting priority groups out of poverty.

The Convener: You made a comment in the chat function around employment and support allowance and food bank use. Would you articulate that so that it is on the record, please?

Bill Scott: I referred to food bank use earlier. More than 50 per cent of food bank users are households with a disabled person—either a child or an adult—in them. That indicates that those on employment and support allowance, who are people with long-term health conditions and impairments—in other words, they are disabled people—are much more likely to use food banks. The huge rise in food bank use, accompanied by the knowledge that over half the users are from households with a disabled person, indicates that we are seeing a rise in destitution among those groups that is probably linked to the failure to raise the legacy benefits.

Chris Birt: Pam Duncan-Glancy hit upon the tension between speed and perfection that is always going to be there, but I would encourage us to bring the issue back to the individual. The complexity of the support systems that are available for people is mind boggling, as you can see if you try to use them yourself—never mind while trying to balance your family, your family budget, keeping your kids going and all that sort of stuff.

I caution against creating another layer of complexity for families in a system which is already—[*Inaudible.*] We have discretionary housing payments to help people with the bedroom tax, but we know that take-up is not as high as it should be because it is hard to get.

We have heard from people who have really benefited from the experience of how to get the Scottish child payment and the approach that Social Security Scotland has taken, which is a much more human and inclusive approach that signposts them to other support and so on. There is a benefit in doing these things properly, and sometimes that can take time.

There are definitely routes to take on immediate problems. Bill Scott's encouragement about prioritising those in the deepest poverty is really important, because otherwise we could play a political game where we attack the relative poverty targets. Obviously, people who are closest to the relative poverty targets are in the shallowest poverty. There are people who are facing immediate destitution, and as Bill Scott said, they are often focused in the priority groups, such as single parents, people who are disabled and ethnic minority families. In ethnic minority families, poverty rates are almost 50 per cent, which is outrageous.

Where there is a will there is always a way, but we should be thinking about who needs help most now, as a platform on which to build towards the 2030 targets, which would give us a much better Scotland than we have today.

The Convener: Thank you. We have covered quite a bit of ground on some of the themes that we are looking to explore later in the meeting. I will bring in Emma Roddick to discuss the Scottish child payment.

Emma Roddick (Highlands and Islands) (SNP): Modelling shows that the same amount of money will be more effective in bringing down child poverty if it is paid through the Scottish child payment rather than universal credit. Are you concerned that, if the Scottish child payment is doubled at around the same time as the uplift to universal credit is removed, it will be less effective, because it will be closing the gap that has been created rather than driving down poverty?

Chris Birt: Yes, I think that, ultimately, that is right. If universal credit is cut, the budgets in the families who will benefit from the uplift from the Scottish child payment will level out. Obviously it depends on how many children there are in the household. Understandably, you are focused on the child poverty targets today, but universal credit provides a level of support to single people that puts them in destitution, and the £20 cut to universal credit will put them even further in destitution. Single people become parents—that is how humankind works. We should not lose sight of the fact that the cut to universal credit will punish single people as well. The child payment is effective in lowering child poverty because it is well targeted at families. We absolutely welcome that, but let us not lose sight of the punishing impact that the cut to universal credit will have on single people.

The Convener: That is very interesting.

Bill Scott: I can only agree with Chris Birt. I have pointed out before that single people will be punished the harshest by this cut, simply because they will not have the Scottish child payment coming into their household. That results in people having to choose between putting food on the table and paying their rent. Do they pay their electricity bill or do they put food on the table? The higher the level of indebtedness they get into, the more they are driven towards desperate measures, and many of them end up homeless. As I said earlier, once they are homeless, they are very likely to develop dependence on drugs and/or alcohol. We know what that means in Scotland: that dependence then leads to death.

If you want to solve the drug death crisis in Scotland, stop people becoming homeless—that is the quickest route to it. Once someone is homeless, their life expectancy will drop dramatically into the late 30s. We have problems in Scotland and we need to prevent homelessness, and that is why the cut to universal credit is so devastating.

09:45

John Dickie: There is no question but that the cut to universal credit is hugely concerning from the broader point of view, as Chris Birt and Bill Scott have flagged up, but from a child poverty point of view we reckon that it will push around 22,000 children into poverty in Scotland alone. Clearly, if it goes ahead, that undermines or cuts across the positive measures that have been taken in Scotland toward doubling the Scottish child payment. It means that that investment in the Scottish child payment becomes even more important and even more urgent. Ideally, we maintain the uplift, we have the additional investment in Scottish child payment and see that

doubled, and we start to make real progress towards the interim target and see those targets within sight, but if the cut goes ahead, it makes the urgency of the investment in the Scottish child payment even more critical.

Emma Roddick: I am hearing from you that even doubling the Scottish child payment will not be enough, so my question is, what would be enough? What would you see as an adequate amount to be paid through the Scottish child payment as an end goal?

John Dickie: What is needed is a level of Scottish child payment that, alongside the impact of other policy interventions on employment, childcare and housing, ensures that we meet the interim child poverty target in the short term and the child poverty target in the long term. No one is saying that that should be done through social security alone, but in the short to medium term, social security will, as Bill Scott said, need to do more of the heavy lifting if we are to meet the targets, sustain progress and build the foundation for change in our labour market by tackling the gender and disability inequalities that are driving levels of child poverty in that area. That will be the case until the impact of the improvements in child care that we need to be sustained and built on and the impact that housing policy has on housing costs contribute to reducing child poverty.

We need to see a level of Scottish child payment that will deliver against the targets. The targets were set by the Parliament. We have a Government that is committed to ending child poverty as a national mission. We need to design our social security and design a budget and subsequent budgets between now and 2030 that will deliver on that outcome of ending child poverty.

Chris Birt: Your question highlights how important the Scottish Government's work on a minimum income guarantee is. I would not want to put a figure on what the child payment should be; as the child payment rises, the cliff edge that is created by it at the moment becomes much more of a problem, and that will need to be addressed. Ultimately, we need to look at what the level of income is that we as a society expect people to have. We all have our expectations of the national health service and the brilliant work that it does, but we need to have a collective agreement on what the floor is below which nobody should fall, and we then need to look at the mixture of how work, social security and help with housing costs help everyone to get to that level. I would not put a figure on the child payment exactly, but it certainly has to be higher than it is now.

Emma Roddick: Thank you.

The Convener: I am keen to move on to talk about other policy drivers that can help address poverty.

Evelyn Tweed (Stirling) (SNP): The contributions that you have made this morning have been very powerful, and I find myself sighing quite loudly—I think that the convener has glanced at me a couple of times to see that I am okay. What makes me interested in this debate and how we are moving forward is the fact that I am getting a lot of letters from anxious constituents asking how they are going to deal with the cuts to universal credit and how the Scottish Government will mitigate what they are frightened is coming. Which of the policies in the programme for government do you think will have the greatest impacts?

Chris Birt: I think that some of the interim payments in advance of the child payment being rolled out will be helpful. Efforts to stop people falling into homelessness over the past 18 months or so, when we have seen local government working closely with the third sector and the Scottish Government to ensure that people are not on the streets, have shown us the art of the possible during the pandemic. Ultimately, the UK Government needs to stop the cut. There will be citizens advice bureau staff, staff in homeless support in councils, and staff in the Trussell Trust and other food banks worrying about how much more work they are going to do if the cut goes ahead. First, that cut needs to stop. Unfortunately, I do not think that the programme for government will reverse the impacts of that cut; there are welcome things in it, but I do not think that we should kid ourselves that the programme for government will fix all that. That is not the Scottish Government's fault per se, but there is definitely more that we can do.

Bill Scott: I think that there are some helpful things in the programme for government. I am not going to repeat those that Chris Birt has mentioned, but in the longer term the increased investment in childcare and childcare infrastructure is essential for tackling poverty, because poverty is gendered. Women are more likely to be living in poverty than men. That means that those who face childcare responsibilities, particularly where they are the sole carer, lone-parent households, households in which there is a disabled child or a disabled adult—usually the carer will be an adult woman—all face barriers to accessing employment. Increasing childcare provision at low or no cost to those households enables them to enter the workforce and, even more importantly, if they are in the workforce, to increase their hours without the worry of paying for additional childcare. In the longer term, that is one of the most important investments.

The jobs that are going to be created in the green economy will be very important. In terms of solving poverty, we need to think how those who are furthest from the labour market—women, disabled people and so on—will get those jobs? How will we ensure that those who are in the greatest poverty have not just equal access but in some ways preferred access to those jobs? That means that training, skills programmes and so on have to be directed towards those people, and they have to be not just targeted at them but adapted to them. We have a very low success rate of getting disabled people into work; the disability gap is higher in Scotland than in any other nation in the UK. We need to think very hard about how the programme for government can target the priority groups and help lift them into the jobs that we hope to create in a wellbeing economy and a just transition. Those phrases are meaningless unless social justice accompanies employment justice.

John Dickie: At the risk of repeating myself, the single most important policy that will have the biggest impact is the commitment to doubling the Scottish child payment, certainly in the short to medium term. It is now vital that we see that. The commitment is for that to happen as soon as possible, which is why it is so important that in the coming budget bill we see the resources allocated to doubling the payment from April next year so that it starts to have an impact and starts to protect families across Scotland.

Chris Birt has flagged the bridging payments, which are another very welcome investment that will help to support children who are in families in receipt of free school meals until full roll-out to under-16s. Other policies that will make a difference purport to reduce costs and barriers to participation at school. Therefore, removing curriculum charges, ensuring that all children have a device and connectivity and are able to use that to participate fully at school, and the extension of universal free school meals entitlement are all important policies that will both reduce the costs that families face and provide additional financial support to them.

The single most important commitment in there is to double the Scottish child payment as soon as possible. That needs to happen now, essentially, and it certainly has to be part of the budget if we are to start to protect children and families as soon as possible.

Evelyn Tweed: Are you concerned that anything in the programme for government might have unintended consequences for child poverty?

John Dickie: I have not identified anything specifically. It is more about ensuring that we inject urgency into the positive commitments and policies in the programme for government. It is

about urgency and ensuring that the budget adequately resources policies and the policy intents that are set out in the programme.

Bill Scott: I am afraid that I do not know.

The Convener: That is fine.

Bill Scott: The reason for that is that we need to poverty proof policies before the programme for government is compiled. We need to look at the policies and make sure that the public pound is acting to deliver a reduction in poverty, as I said before. If that is a national mission, it should be informing the policy content in every area of Government, not just in social justice. If we silo that in social justice, we will lose the fight. We need it to inform policy in education, housing and local government.

It is most usually the lowest-income households that use the services that local government provides. In particular, there should be investment in infrastructure. We would like childcare and social care to be seen as infrastructure investments. They are as essential as schools, railways and energy production in a modern economy. During the pandemic, we have seen the impact of school closures on a functioning economy, particularly on women's ability to work. People cannot work and look after their children at the same time. We need a more modern approach to infrastructure that recognises what is really needed to make a modern economy function. As I have said, childcare and social care are essential for that.

The Convener: Poverty proofing policy and having a cross-Government approach are key themes that return to the evidence that we hear. That is very useful. Does Chris Birt have anything to add to that?

10:00

Chris Birt: Bill Scott's point about not knowing is well made. The Scottish Government has a really welcome commitment to driving down poverty. We have the tackling poverty action plans and all those things, which is great, but one of the unintended consequences of that good intention is that we have thousands of individual policy lines that appear to be targeted at reducing poverty but very few are on the scale that is needed. Really focusing on the big things that we need to do, particularly for the priority groups, would perhaps be more impactful than focusing on hundreds of little things that are not having the impact that we all want to see.

Jeremy Balfour (Lothian) (Con): We rightly spend a lot of time talking about universal credit, but a different Parliament and different politicians make decisions about that. We can have our own

views here, but we cannot change that. As a committee, we are trying to focus on the Scottish Government's budget and what MSPs can do.

I want to go back to a point about the role of benefits and the social security system in the short term and the medium term that Bill Scott made in his opening statement and which John Dickie picked up, and I want to reflect on two issues.

First, in the previous parliamentary session, the Social Security Committee looked at the Scottish welfare fund. Is that working? Is it being funded in the right way? Should it be more centralised or devolved down to local authorities? Is the money getting to the right people?

Secondly, we now have control of a number of benefits in Scotland and, if there was the political will, we could see increases in personal independence payments, the attendance allowance and all the other benefits. Of all the benefits that are now under the Scottish Government's control, which would you put more money into to affect child poverty? That may be more of a wish list than what will happen in reality. Would you put more money into PIP or child payments? Would that make a difference to the figures and to people on the ground?

Bill Scott: As you know, the Poverty and Inequality Commission produced a report on how well the welfare fund was functioning during the pandemic. That report mentioned a number of areas in which we would like to see improvement and in which there could be improvement. For example, digital access and digital-only approaches obviously exclude the lowest-income households, so there should be other routes to claim.

We have to recognise that the welfare fund is largely a crisis fund. There are crisis grants and community care grants. Personally, I would prefer—I am sure that the commission would prefer this, as well—to see families not being in crisis and having to use the welfare fund. That would mean having adequate benefit levels to start with. The Scottish child payment will help towards adequacy, but we have to keep on returning to the reduction in the support that people get from elsewhere. I agree that that is not a decision for the Scottish Parliament. The commission wrote to the chancellor to ask for the universal credit cut not to take place. Unfortunately, we got the same answer that everyone else has got up until now, which was no, the cut will go ahead.

The comment by the Secretary of State for Work and Pensions that low-income households would have to work only an additional two hours to make up the £20 shows a real ignorance of universal credit, because the clawback in universal credit is

62p in the pound. Therefore, for every pound extra that a person earns, 62p is clawed back from their universal credit. If a person was on the minimum wage and they increased their hours, they would have to work an additional nine hours rather than an additional two hours, if those nine hours were available.

We agree that the Scottish welfare fund could and should be improved. I understand that a review of how it operates is going to take place. The commission will feed into that.

Would Jeremy Balfour remind me of the second part of the question? I am sorry.

Jeremy Balfour: Yes. As you know, we now have power over a number of benefits. Which one would it be best to increase to meet the targets?

Bill Scott: I think that I said earlier that one of the ways in which the matter could be approached would be by looking at increasing the support that is available to households with a disabled child or a parent who is disabled. The greatest risk of poverty comes through having a disabled parent in the household. Having a disabled person of any sort in the household accounts for over half of the children in poverty. Increasing adult disability payments for parents could be considered. In other words, if a person completed the application form and indicated that they are a parent with children of school age, you could increase the money—in other words, pay a premium or a supplement—to that household. That would be a well-targeted approach that would increase the income to households that are among those at the highest risk of being in poverty. The money that goes to households with a disabled child could be increased in a similar way.

As I said earlier, another approach could be looking at the carers allowance and increasing payments to households in which there is only one adult who is looking after a child or another adult. There could be an impact on poverty through increasing the payments to lone parents in particular.

Various powers are available. We need to look at the adequacy of support for the lowest-income families. Things could be done through adult disability payments or child disability payments.

John Dickie: As Bill Scott has said, the Scottish welfare fund, and particularly crisis grants, are primarily to support families in crisis, so we need to look upstream from that fund and tackle the issues that we have been talking about, such as adequate social security, and security and reward in the labour market, to prevent families from being in crisis in the first place. That said, the Scottish welfare fund has played a really important role. From speaking to colleagues and people with experience elsewhere in the UK where there is no

statutory welfare fund, there is some envy about what has been available in Scotland. The fund has provided welcome support for families that have faced crisis and exceptional pressures, not least during the pandemic.

It is absolutely critical that the levels of investment that have been made in the Scottish welfare fund are sustained and that the review of the fund that has been committed to looks at the issues, because there have been real issues. We know from our work and from working with other organisations that work directly with children and families that too many families did not even know about the Scottish welfare fund and have ended up relying on charity handouts, charity hardship funds and food banks, although they may well have been eligible for a crisis grant through the fund. We need to look at awareness, the accessibility of the Scottish welfare fund and the consistency of decision making across the country, and make sure that we resource the fund and the administrative capacity of local authorities to deliver it in order to ensure that the resources are there and that the fund plays its fullest possible role in protecting families from crisis and destitution and ending the need for food banks in Scotland. However, that will not be the expenditure that works to end child poverty. It prevents some of the worst consequences of child poverty.

On the second question, notwithstanding what Bill Scott said about our needing to look at the adequacy of Scottish social security across the board, there is no question but that, for us, the Scottish child payment is our primary vehicle of investing in low-income families and the vehicle that will have the biggest impact on levels of child poverty, and that it is likely to have the biggest impact on the Parliament's ability to meet the targets that it has set and the Government's ability to fulfil its mission to end child poverty. Investment in the Scottish child payment has to be the absolute priority.

The Convener: Does Chris Birt have anything to add on those two areas?

Chris Birt: I will not add much about the welfare fund. I think that others have already made the point that it is an emergency fund. Let us not pretend that it is for tackling the root causes of poverty.

I wrote a lengthy rant on universal credit the other week. The Scottish Government has social security powers, but the UK Government's powers are bigger, and only the UK Government has the power to cut universal credit, which it is doing.

On the question what we would put more money into, we need to ask ourselves fundamental questions about what the payments are for. The

Scottish child payment is a targeted payment to reduce child poverty, so it is the most obvious way to take on the targets. I want the Scottish Government to do its review of the eligibility for, and the purpose of, things such as the new disability assistance payments quickly, because PIP and the disability living allowance are supposed to reduce the additional costs for disabled people to help them to live independent lives, but they are not doing that. We need to think about how we use tools to do that and the role that they can play in reducing poverty.

I totally agree with Bill Scott about the potential in those areas, but we need to fundamentally think about what the payments are for.

The Convener: Your point about the UK Government having more social security powers is interesting. If we had the time, I would have loved to have had a discussion about Governments' ability to deliver demand-led social security without sufficient borrowing powers, but time is against us.

Marie McNair (Clydebank and Milngavie) (SNP): Thank you, convener—apologies for my connection issues.

I appreciate the time that the groups that are here have given us in their submissions. I welcome your comments on the need for affordable housing and the longer-term impact that that will have in reducing housing cost poverty and on looking at ways to support people to mitigate housing costs. We are obviously aware that the policy for both housing benefit and universal credit housing and support costs are reserved to Westminster. The cap on local housing allowance means that many are not getting the full—*[Inaudible.]* Do you believe that, for us to move forward on this, the UK Government needs to reverse this cut, or is it something that needs to be fully mitigated by discretionary housing payments?

Chris Birt: I agree that LHA rates are inadequate and, frankly, I do not really mind who fixes that. From the perspective of the Scottish Government and the Scottish Parliament, let us keep building social housing and let us make sure that it is in the right places for the right people. That could be a fantastic part of the green revolution in our economy. Let us build energy-efficient and accessible—in every respect of the term—houses that keep people's energy bills down and give them a safe, warm and comfortable place to live. The most powerful thing that we can do is build social housing in the right places for the right people.

10:15

John Dickie: You are absolutely right to identify the gap between actual rents and the level of support that is available through housing benefit

and universal credit, which leaves families spending money from benefits that are meant to be for other basic living costs in order to meet their housing cost, and which pushes families into even greater pressure.

We need to look at local housing allowance, and there is scope for the Government in Scotland to look at the powers that it has around that. We need to look at discretionary housing payments and ensure that the budget includes a funding settlement for local authorities that ensures that resources are there to continue to mitigate the bedroom tax until that is tackled at source but also to better mitigate the impact of the benefit cap. Our evidence is that there is inconsistency across the country in the extent to which local authorities are using discretionary housing payments to mitigate the benefit cap. That is an area where, through adequate funding, clear guidance and agreement between local and national government, more could be done to come close to fully mitigating the benefit cap, at the very least.

Bill Scott: I am not going to add very much more; I will be repeating most of what—*[Inaudible.]* The commission would like to see LHA at a level at which it pays people's rent, rather than a level that punishes them for being in higher-rent accommodation, which they have no choice over because the vast majority of properties on the market are advertised at levels that are above the lowest 30 per cent bracket. A survey in Edinburgh and the Lothians showed that over 90 per cent of properties that were advertised were at levels above the LHA limit for universal credit. Families have no choice; they either take what is available and get punished for it or—I do not know—they live on the streets again or get into rent arrears. That definitely needs to be tackled. As Chris Birt emphasised at the start, the way to do that in the longer term is to invest more in social housing, which is much more affordable and for which there is no cap on rent.

The Convener: I can see that Chris Birt is looking to come in on DHPs.

Chris Birt: It is just a quick point; I said that I did not mind where the money came from, but that was a bit flippant. We need to think about this from the position of the individual. As with the welfare fund, we are trying to get DHPs to do things that they are not designed for, and that lowers uptake and makes it more difficult on the individual. If we are to fix it, we need to do it in a way that makes it easy for those who are eligible for the support to get it.

The Convener: Marie, do you have any further questions?

Marie McNair: Yes. Sorry—I missed the first part of Chris Birt's answer.

It is obvious that decent wages—a real living wage, with fair terms and conditions—are important if we are to meet the poverty targets. Do you have any suggestion about when it will be possible to achieve that? What can be done under existing Scottish Government responsibilities? Responsibility for setting the statutory minimum wage and control of working benefits remain at Westminster; is it not essential that employment law and social security are devolved to the Scottish Parliament to allow maximum progress to be made?

Bill Scott: I gave evidence in another capacity to the Smith commission to the effect that employment law should be devolved to Scotland, but at the moment the Poverty and Inequality Commission does not have a position on that, so I cannot comment. We have to do everything possible with the powers that we have. We are very glad to see that the Scottish Government is going to insist that the living wage is paid by the recipients of any grants that it gives; that is a step forward. We need to see more done in the procurement area.

The London living wage was largely where the campaign for a living wage started, and it spread out from there across the UK. In the London living wage area, it is a contract compliance requirement of those who are receiving contracts from local government that the recipients of the contract pay the living wage to their workers. The commission and I would like to see that in every Scottish Government procurement contract. We have had pushback on this; we have been told that it is against competition law, and I think that we need further clarification on that, because if London local authorities can put it in as a contract compliance requirement, I do not see why the Scottish Government cannot. We need further clarity on that, but we need to use every lever that is available.

Are we getting value for money from the small business rates scheme that reduces business rates for smaller businesses? A lot of those employers are not paying the living wage. Again, could we see more compulsion wherever we are spending public money to try to get a result that provides the workers of the recipients of that public money—their employers—with the living wage, so that we drive the idea that paying the living wage is something that is the standard in the Scottish economy?

We have seen the difficulties that the hospitality industry is facing because it cannot attract workers, and we have seen the same in agriculture, which cannot attract workers because wages are so low. What can the Scottish Government do? I think, and the commission believes this, that the Government needs to do

much more with the powers that it has got to drive towards a living wage economy.

John Dickie: I very much echo Bill Scott's points on the role of the Scottish Government and other public bodies in Scotland in using procurement to lever improvements in the quality of work. That is not just in terms of wages—ensuring that wages are, at the very least, at real living wage level—but in terms of security of employment and the progression that is available, particularly to women, to enable them to develop and increase their earnings in their jobs. There is also a need to lever improvements in family-friendly working policies to ensure that parents can balance and juggle the realities of working with the realities of bringing up their children.

Another point to add to what Bill Scott said is that, in terms of the budget, when the Scottish Government and public bodies are setting wages and reaching public sector wage settlements, that needs to be looked at through a child poverty lens. Are we paying the people who are delivering our childcare services and our social care services adequately to ensure that their children are protected from poverty? We need to see a very clear analysis of that, looking at those sectors where women dominate, because we know that child poverty is inextricably linked with women's poverty. There is scope to ensure that a child poverty lens is applied to the work that is done on wage setting in various bits of the public sector, to drive up improvements in the quality of work and the rewards from work.

Chris Birt: In the interests of time, I will just say that most of the decisions about people's working conditions, wages and hours are made in boardrooms not in Parliaments, so I do not think that we should overstate the impact that both the Scottish Government and the UK Government can have on practices. A lot of this comes back to employers. Many employers pay good wages, give reasonable hours and give good flexibility, but not all do. It is also important to drive home the point that, yes, people's wages are obviously important, but the number of hours that you work and your ability to access a decent number of hours will have a far greater impact on your overall income. The Scottish Government should not deny its agency in this space; we need to work with employers to help drive up people's income from work. As Bill Scott said much earlier in the session, in-work poverty is now endemic in the UK and in Scotland, and that needs to change.

The Convener: Thank you. We will move to the next theme, which is human rights and poverty proofing .

Foysoil Choudhury (Lothian) (Lab): Where are the gaps in monitoring the effectiveness of policy

intervention in tackling poverty and inequality? What monitoring action could be taken?

Chris Birt: I think that I would reverse the question and ask where we are monitoring that well, because it is not widespread. We need to be able to far more readily assess the impact that our policies are having on broader inequalities and on poverty, because there are not many spaces where we do. In some of the newer policy areas, such as the new social security payments, the Scottish Government is doing quite a good job of trying to assess that as we go along and to get a handle on eligibility and so on. However, it is an area in which we have a lot more work to do.

John Dickie: I echo what Chris Birt said, as we have a long way to go before we can be seen to be systematically monitoring and proofing policies for their impact on child poverty. There are real improvements and developments in the Government, but we still have a way to go. I would also add that we should not just be looking at proofing policies once they are developed to see what impact they will have on child poverty; we need to think back. We have a target to effectively end child poverty by 2030—a national mission committing to ending child poverty by then. We need to work back from that and look at what policies we need to design that will achieve those outcomes, and then as part of the design process we need to look at what impact our policies on childcare, housing, employment and social security will have on our ability to achieve those important targets? We have talked a lot about targets today, but behind those targets are individual children who are being left in families who just do not have enough money to give them a decent start in life, with terribly damaging consequences for their education, their health and wellbeing, and their chances as they grow up and become adults. We need to fundamentally put tackling child poverty at the heart of the budget process to ensure that policies and spending decisions are all contributing to that goal.

Bill Scott: As Chris Birt said, it is too late asking after the policy has been set whether it is effective. We need to involve those living in poverty, who are the experts on it, in policy development, because only then will we identify what works for them. There are policies that are very well intentioned that are not doing what they are supposed to be doing. In some cases, we cannot even tell whether they are doing anything to achieve the intent, and that goes back to Chris Birt's point that we are not measuring some of the impacts at all.

The key issue here is to involve those living in poverty; a human rights approach would state that that needs to be done because, if you want to reduce the poverty of disabled people, the United

Nations Convention on the Rights of the Disabled People says that they have to be involved in the policy-making process. The United Nations Convention on the Rights of the Child says that you have to take into account the child's needs and views. We need to involve children and young people in policy development to effect that. Women have to be involved, particularly lone parents, in the development of childcare policies so that the childcare is not just available but is wraparound care that meets their needs.

The most important point is to involve those people from the outset; they can tell you what will work for them. In that way, the policy is then tailored to their needs and has a much greater chance of achieving its intent and the outcomes that you want to see.

10:30

The Convener: The final set of questions comes from the personification of patience that is Miles Briggs.

Miles Briggs (Lothian) (Con): Thank you, convener. I thank the panel for joining us today.

To save time, I will put two questions together. First, we know that undertaking a caring role is a key contributing factor that has been linked to poverty, and we know that during the pandemic, more than 390,000 more Scots have become carers. It is now estimated that 45,000 young people are unpaid carers. What are the panel's views on priorities for the 2022-23 budget with regard to potential reforms to the young carer grant and young carers qualifying for carers allowance supplement? Secondly, what do you think should be done to improve benefit uptake?

John Dickie: There is no question but that carers and their families are facing particular pressures that impact on their income, so we very much support investment in the carers allowance and the young carer grant, which has to be sustained and developed as part of the overall package of support that is required to eradicate child poverty. That needs to be a clear part of it.

That was a really good question about benefit take-up, which we have not touched on yet. Whether it is the young carer grant or the Scottish child payment, these benefits need to reach the people who are eligible for and entitled to them and who will benefit from them. That is absolutely vital not only to ensuring that they are protected and have additional financial support, but to achieving the child poverty targets that Parliament and the Government have set for themselves. Take-up is critical.

Budget settlements partly need to be about gaining investment in advice and information

services. We need to ensure that people are able to access the support and advice that they need so that they fully realise their right to the social security support that is available. Good work is needed to integrate advice on welfare rights and income maximisation in education and health settings, so that people are able to access advice in the places where they are, rather than having to go to visit specialist welfare rights advisors at different offices. Making that information, advice and support available where families are will enable them to take up the financial support that they are entitled to, which is absolutely critical to achieving the aims that we all want to achieve on child poverty.

Chris Birt: Some of the thresholds for eligibility for carers allowance are particularly high. I am sure that Miles Briggs will forgive me for mentioning that lots of carers will be impacted by the cut to universal credit, and they will not be able to work to make up additional income.

On benefit uptake, let us imagine how someone has to access the things that they are eligible for. They have to go to different places and hand over different information to different folk. If you were dealing with a bank like that, you would find a new bank—it is far too difficult. We need to have a no-wrong-door, one-stop-shop approach—whatever you want to call it. It needs to be far easier for people to access what they are eligible to. The maximisation services that John Dickie mentioned are really impactful, but the need for those excellent advice services is, frankly, part of the problem. The system is so complex for people to navigate on their own. Making it easy—[*Inaudible.*—the friendlier service provided by the social security agency on the child payment, and that is really important too.

The Convener: Thank you. We lost you just at the end there, but I think that you were saying that it is easier to access the Scottish child payment. Bill Scott will have the final word.

Bill Scott: I lost you there for a minute, convener.

To add to what Chris Birt and John Dickie have said, research has demonstrated that providing welfare rights advice in health settings, especially general practitioner practices, is a particularly successful approach, and the commission welcomes the additional investment that will go into that. It will mean there will be 200 welfare rights workers placed in GP surgeries, which will result in much-increased take-up.

There are hundreds of millions of pounds going unclaimed in Scotland. If that money could be released, not only would it help to reduce poverty directly in those households that receive it, but it would then be spent in low-income communities,

generating jobs and sustaining jobs, because low-income households tend to spend the money where they live—they do not go on expensive holidays abroad and so on. There is a real need for that approach.

The commission also favours approaches in which we go to the other places where those living in poverty are likely to be going. If we are concentrating on families with children, we need to see investment in welfare rights advice in schools and nurseries. Again, work done in Edinburgh and other areas has shown that if there is welfare rights advice in a trusted location such as a school, with no stigma attached to approaching the welfare rights worker there for support, we can significantly increase take-up in those areas. We really need to see those sorts of approaches in the longer term.

One really important issue is that the Scottish Government has stated that because of the fiscal framework it cannot run take-up campaigns on reserved benefits. It believes that there will be clawback from the Scottish block grant if there is a move to promote take-up of reserved benefits, which include universal credit, pension credit and all the means-tested benefits.

That needs to be clarified. I understand that there are going to be discussions between the Scottish and UK Governments, and I would like it to be written into the framework that there should be no clawback if there is promotion of take-up of benefits to which people are entitled by the nature of their circumstances. The Scottish Government may be mistaken in its belief that that is how the fiscal framework would be applied, but we need to have that clarified, because otherwise we cannot have proper benefit take-up campaigns. Any take-up campaign of a devolved benefit could have knock-on consequences for the reserved benefits, because premiums could accrue from the take-up of some of the devolved benefits—again, that really needs to be clarified. I hope that the discussions between the Scottish and UK Governments will clarify the situation so that we can get on with promoting benefit take-up to all those in need.

The Convener: Thank you very much. As the three of you have done for the past hour and 40 minutes, you have given us much to chew over with that last point. I thank John Dickie from the Child Poverty Action Group, Chris Birt from the Joseph Rowntree Foundation and Bill Scott from the Poverty and Inequality Commission for your time. It is greatly appreciated and we will no doubt speak to you again soon.

I will briefly suspend the meeting to allow for a changeover of witnesses.

10:40

Meeting suspended.

10:44

On resuming—

Social Security (Up-rating of Benefits) Bill

The Convener: Welcome back, everyone. We move to agenda item 4, which is consideration of a legislative consent memorandum on the Social Security (Up-rating of Benefits) Bill. It is a UK Government bill that was introduced in the House of Commons on 8 September. It is following an expedited timetable and is currently awaiting its second reading in the House of Commons. The bill will change the law on devolved matters, so legislative consent is being sought from the Scottish Parliament.

I welcome Ben Macpherson, the Minister for Social Security and Local Government, and Matthew Duff, who is a social security policy adviser with the Scottish Government. I invite the minister to make a brief statement on the LCM, then we will turn to questions from members.

The Minister for Social Security and Local Government (Ben Macpherson): Thank you. I am grateful for the opportunity to join you to discuss the legislative consent memorandum and the associated legislative consent motion, which was lodged in the Scottish Parliament on 10 September. I am grateful for your swift consideration of the issue at short notice.

As you know, the UK Government has introduced legislation to suspend the triple-lock formula for calculating the amount by which state pensions and benefits that are linked to earnings should be uprated for the year 2022-23. The Social Security (Up-rating of Benefits) Bill was introduced on 8 September. It gives UK ministers powers to uprate pensions and benefits that are linked to earnings by 2.5 per cent, or in line with the increase in prices, instead of in line with annual earnings.

It also proposes to give equivalent powers to the Scottish ministers to uprate industrial death benefit in Scotland. The provision will affect about 300 recipients of industrial death benefit in Scotland. IDB is devolved, but is currently administered by the Department for Work and Pensions under an agency agreement. Industrial death benefit is paid to the spouse or dependent of someone who died as the result of an industrial accident or disease. It was abolished in 1988 for deaths occurring after 1988, and new claims were abolished in 2012.

We were informed of the decision by the UK Government only on 6 September. In light of the tight timescales that have been afforded to us, the need to protect the payments of the 300 IDB clients, and our overriding commitment to safe and secure delivery of Scottish disability benefits, we have considered carefully how to proceed.

I consider an LCM to be the right course of action to enable uprating of IDB, which is required under the terms of our agency agreement with the UK Government. If the agency agreement with DWP were to be terminated, we would have, in a short space of time, to make arrangements to administer IDB, which would be very challenging.

Because industrial death benefit can be paid only when it relates to a death that occurred before 1988, many of the 300 cases are more than 30 years old and are all held on paper files. If the Scottish Government were to decide to administer IDB according to the timescale, it would need to identify relevant Scottish cases and transfer them from clerical files to a new system, which would be time consuming and would require significant resource. To build, in effect, a new benefit, and to progress primary legislation on an expedited basis within the timescale, when the benefit delivery programme is already operating close to capacity, with child disability payment, adult disability payment and Scottish child payment roll-out all happening this year and next, would not be achievable.

Designing, building, procuring, securing the necessary agreements and collecting the required data for a new system would require significant time and resource. For context—this is important—the legislation to introduce the Scottish child payment took 17 months, and the carers allowance supplement took two years from announcement to delivery. Therefore, for practical and delivery reasons, on balance I consider an LCM to be the right course of action.

Moreover, the only alternative legal mechanism to a legislative consent motion would be to introduce equivalent Scottish primary legislation. We would need to have primary legislation in place before the Secretary of State for Work and Pensions concludes her review of benefit rates by mid-November, in order to ensure that the 300 recipients of the benefit would not fall out of payment. That would mean that scrutiny would have to take place under an emergency timetable with all stages of the bill happening in one day after the October recess. The agreement of the UK law officers, the Lord Advocate and the Secretary of State for Scotland to expedited royal procedures would be required so that the Bill could be similarly enacted by 26 November. Even if that were feasible, I would not consider it to be good use of parliamentary time.

Overall, co-operation in this instance is therefore necessary to maintain the agency agreement for IDB, and to protect the delivery of our existing programme. I emphasise that we continue to support maintaining of the triple lock, and that we oppose the decision to suspend it by the UK Government. It is a decision that we have no control over, and of which we had very little notice.

I should also say for clarification that the committee will have noted the letter from the Delegated Powers and Law Reform Committee, which has considered the LCM and deems it to be acceptable in the circumstances. The DPLR Committee has also identified a minor error in the memorandum, at paragraphs 4 and 8, which refer to the current bill creating a discretionary power to uprate, whereas the bill places a duty to uprate on the secretary of state and—in devolved areas—on the Scottish ministers. Letters to this and the DPLR Committee will be forthcoming to clarify the point.

Thank you, convener. I look forward to questions.

The Convener: Thank you very much. I am looking around the room to get an indication of whether members have questions.

Your statement throws open areas of concern that we have about the interaction and relationship between UK Government and Scottish Government, and underlines why we are so keen to have the Secretary of State for Work and Pensions come before us, at a time of her choosing, to discuss those areas and to ensure that the two Governments are working and communicating well together in order to ensure the best delivery of social security.

Pam Duncan-Glancy: Thank you, minister, for drawing the matter to our attention. I see no reason why we should not support the LCM. In fact, I think that if we do not, we will deny payments to some individuals. I agree that a legislative consent motion is the right thing at this time.

We are constantly hearing about additional changes to benefits; this morning we heard from a number of poverty organisations strong evidence that we need to be doing things around eligibility for disability benefits and carers benefits sooner rather than later. We hear consistently that the system is almost at capacity in terms of safe and secure delivery of the benefits that we are already delivering. Is now the time to look at capacity in the system, and to consider what additional resources might be needed?

Ben Macpherson: I thank Pam Duncan-Glancy for her support for the course of action, and for that important question.

You will be aware of the significant resource that has been invested in capacity building, structures, IT equipment and systems, and—of course—in the agency itself. There has been significant investment in staff, which is ongoing; the recruitment process continues at pace. Significant resources are going into Social Security Scotland.

I am not fully sighted on all the evidence that the committee heard this morning, due to having been on my way to the committee. I am, of course, aware of stakeholders' various considerations in terms of what the wider social security programme looks like, and of what we are doing in the round.

The social security system is at a crucial point of delivery. Roll-out this year in the months ahead of the child disability payment will be a significant milestone, and the adult disability payment will come next year. We will undertake safe and secure transfer of existing cases as quickly, safely and securely as possible. We have to do that in a way that builds strong foundations for the system and—this is most important—delivers payments to people who are expecting them. We will need that capacity and strong foundation in the years ahead to ensure that we do not have a two-tier system in which some people in Scotland benefit more than others as a result of case transfer. There are all those considerations.

I feel that now is not the time to talk about disability benefits in the round, although I am sure that it is something that we will talk about collectively in the weeks ahead. The Cabinet Secretary for Social Justice, Housing and Local Government is coming to committee next week; I wonder whether the wider programme will be something that you wish to discuss with her.

The Convener: I appreciate that response. Are there any other questions?

Miles Briggs: I reiterate your point about intergovernmental links, which must be improved. You mentioned records that are on paper. What percentage of records that are now within Social Security Scotland are in paper form?

Ben Macpherson: In Social Security Scotland we are building an agile electronic system through which people can make paper-based applications if they wish. That is because we are committed to that through the Social Security (Scotland) Act 2018, in which there is the principle of inclusivity in order to ensure that people can apply in the way that is most suited to them. Such applications are appropriately processed into our wider IT infrastructure.

The 11 benefits that we are delivering, 7 of which are new, are electronically managed and organised. The paper-based cases are historical cases for which responsibility has been devolved under the Scotland Act 2016. We are

administering them under an agency agreement for a number of reasons, among which are the practicalities that have been highlighted.

I will bring in officials in a minute. As I said in my opening remarks, the industrial death benefit was closed some time ago, which is why cases are in paper format.

Matthew Duff might want to say more.

Matthew Duff (Scottish Government): I re-emphasise the point that industrial death benefit cases are almost entirely clerical. It is worth saying that there is a major challenge for us going forward in moving those clerical files on to a modern and updated system. It is important to say in this context that that will be a big challenge for the particular suite of benefits.

Miles Briggs: That is very helpful. Given that we have seen the cost double for the establishment of Social Security Scotland, has that work on case transfers been significantly underresourced?

Ben Macpherson: No, because we are currently delivering that with the DWP under an agency agreement. The costs are to ensure that we have the appropriate staffing for a strong foundation, and so that we can deliver social security in Scotland proficiently through the period ahead, as we have done since 2018. We are on a trajectory to have similar costs to the DWP for administering social security. We are doing the work in an appropriately efficient and professional manner, as you would expect.

Miles Briggs: From looking at the original estimates, the Social Security Scotland staff requirement has doubled from the original estimate of 1,900 to more than 3,500, so what you have just said does not stack up against what has actually happened.

Ben Macpherson: I do not think that the questions are fully relevant to the LCM, but I will be happy to follow up on that with Mr Briggs and the committee afterwards. I am aware that there has been correspondence or parliamentary questions on the matter from Mr Briggs.

The estimates have increased, but the delivery of social security in Scotland on the trajectory that we are on at the moment means that spend on the delivery of social security will be similar to that of the DWP.

Remember that we are recruiting staff to deliver benefits, as the people of Scotland asked for in elections, and which we committed to as parties through the 2018 act. We are creating good employment opportunities and wider macroeconomic benefits. There is significant benefit—from a client's perspective and from the wider perspective of the communities of

Scotland—from what we are doing in social security .

The Convener: I have let the conversation go off at a slight tangent from the matter that is before us. I am sure we will have more opportunities to explore issues that have been raised beyond the LCM.

I thank the minister and Mr Duff for their time; it is very much appreciated.

10:59

Meeting continued in private until 11:19.

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Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

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