



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Social Security Committee

**Thursday 17 January 2019**

**Session 5**



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**SOCIAL SECURITY COMMITTEE**

**2<sup>nd</sup> Meeting 2019, Session 5**

**CONVENER**

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

**DEPUTY CONVENER**

Pauline McNeill (Glasgow) (Lab)

**COMMITTEE MEMBERS**

- \*Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)
- \*Jeremy Balfour (Lothian) (Con)
- \*Michelle Ballantyne (South Scotland) (Con)
- \*Keith Brown (Clackmannanshire and Dunblane) (SNP)
- \*Mark Griffin (Central Scotland) (Lab)
- \*Alison Johnstone (Lothian) (Green)
- \*Shona Robison (Dundee City East) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Stephen O'Neill (Scottish Government)  
Shirley-Anne Somerville (Cabinet Secretary for Social Security and Older People)  
James Wallace (Scottish Government)

**CLERK TO THE COMMITTEE**

Anne Peat

**LOCATION**

The Mary Fairfax Somerville Room (CR2)



## Scottish Parliament

### Social Security Committee

Thursday 17 January 2019

*[The Convener opened the meeting at 09:02]*

### Decision on Taking Business in Private

**The Convener (Bob Doris):** Good morning and welcome to the second meeting in 2019 of the Social Security Committee. I remind everyone present to turn off their mobile phones or other devices or to switch them to silent mode to ensure that they do not disrupt the meeting.

We have had one apology this morning. Unfortunately, our deputy convener, Pauline McNeill MSP, cannot be with us.

Agenda item 1 is a decision on taking business in private. Does the committee agree to take in private item 5, which is consideration of the evidence that we will hear under item 3, on the European Union (Withdrawal) Act 2018?

**Members** *indicated agreement.*

## Budget Scrutiny 2019-20

09:03

**The Convener:** Agenda item 2 is an evidence-taking session on the Scottish Government draft budget 2019-20. I welcome to the meeting the Cabinet Secretary for Social Security and Older People, Shirley-Anne Somerville, and her Scottish Government officials: Ann McVie is deputy director in the social security policy division, and James Wallace is social security head of finance.

I ask the cabinet secretary to make an opening statement, after which we will move to questions.

**The Cabinet Secretary for Social Security and Older People (Shirley-Anne Somerville):** Thank you, convener, and good morning. I want to begin by thanking the committee for embracing the new budget scrutiny process this year. The letter that came ahead of the budget statement and which focused on the Scottish welfare fund was very helpful in laying out the committee's views.

Our ambitious spending plans clearly set out this Government's commitment to creating a social security system based on dignity and respect. Of course, this is the first year in which the social security budget has been set out separately from the Scotland Act implementation budget line and certainly provides more transparency to Parliament and the public.

With the publication of the draft budget last month, members will be aware that the social security and older people portfolio's focus is on our overarching aims of creating a fairer Scotland and tackling poverty and inequality. The budget recognises the cross-cutting nature of equalities and human rights and supports the delivery of equalities objectives right across Government. We support and celebrate the skills and talents of our older people and seek to reduce barriers for all to contribute to their communities.

This budget continues to prioritise funding to support the design and implementation of our devolved social security powers. In 2019-20, our investment in social security will be more than £560 million, to support the programme of delivery and the administration of Social Security Scotland, with the forecast that £435 million of assistance will go into the pockets of people across the country.

Key points for the portfolio in the budget this year include: delivering new services while continuing to deliver the currently devolved elements of social security; maintaining funding for the Scottish welfare fund and discretionary housing payments; and investing £77.8 million in the social security programme to ensure the safe

and secure transition of the remaining benefits to be devolved under the Scotland Act 2016.

Social Security Scotland was established in September 2018 as an executive agency of the Scottish Government and now employs more than 270 people, who are based in its headquarters in Dundee and in a second site in Glasgow. Once it is fully operational, Social Security Scotland will employ an estimated 1,900 people.

All those jobs are new to the Scottish Administration. Social Security Scotland's staff are working with organisations and people with experience of the current system to ensure that recruitment is based on the principles of dignity, fairness and respect and that Social Security Scotland represents, in spirit and in fact, an investment in the people of Scotland by the people of Scotland.

Our priority is the taking on of full responsibility for all the devolved benefits through a safe and secure transition, so that people can continue to receive the right support, at the right time and at the right amount. Our relationship with the Department for Work and Pensions plays an important part in our work throughout the devolution process to ensure that that happens.

The year 2019-20 will mark the third year of our social security programme, and work continues at pace. I talk often about the complexities of the implementation programme and how we are using Agile methodology to manage those complexities. Therefore, I take this opportunity to invite committee members to visit the programme staff in Victoria Quay to see Agile in action; it is the methodology that allows us successfully to deliver the carers allowance supplement and best start grant in the current financial year.

As I said in my letter to the Social Security Committee on Thursday 20 December 2018, I am pleased to report that carers allowance supplement payments are running smoothly. This Government has put an extra £442 into the pockets of more than 75,000 carers this year—an increase of 13 per cent and an investment of more than £33 million. We have met our commitment to pay carers the additional supplement in this financial year.

In addition, carers' benefits will retain their value, with inflation-level increases of 2.4 per cent to carers allowance and the carers allowance supplement in 2019-20. In 2019-20 we expect to spend £37 million on carers allowance supplement payments.

The best start grant represents a significant additional investment by the Scottish Government, compared with the United Kingdom Government's sure start maternity grant provision, which it replaces. The new benefit provides a payment of

£600 on the birth of a first child, which is £100 more than the sure start maternity grant. Second and subsequent children, who get nothing under the DWP system, will receive a payment of £300. Two further early learning and school-age payments of £250 will be introduced by summer 2019. The best start grant pregnancy and baby payments were launched on 10 December.

As you are aware, application numbers in the early days of operation were exceptional. The unprecedented response demonstrates the clear need for the new, more generous benefit and shows that people know that the Scottish social security system will be markedly different from the current UK model. Steady progress is being made in processing applications and making payments.

That is a fantastic response to the best start grant, and the budget reflects the Scottish Fiscal Commission's forecasts, which assume a start date of 1 June 2019 for the best start early learning and school-age payments. Allocations will be refined when actual start dates are confirmed. In the meantime, I reassure the committee that this is a demand-led budget and all eligible applicants will get a payment.

We are also on track to deliver our new funeral expense assistance by summer 2019, improving the support available to lower-income families struggling with funeral costs at a very difficult time. Arranging a funeral following the death of a loved one is hard and can be even harder if funeral costs are an issue. We will widen support by 40 per cent, compared to the current payment, and we will support that with £2 million of Scottish Government funding in addition to the transfer from Westminster, making a total of £6.2 million. We are also working with people with experience of the current payments system to improve the parts of the process that people find most difficult at present. We will be laying the funeral assistance regulations early in 2019.

As well as continuing to deliver the newly devolved elements of social security in 2019-20, we will continue to invest in actions to mitigate the UK Government's welfare reforms and support those on low incomes. In this financial year, we expect to spend a total of £125 million to mitigate the worst of the UK Government's welfare reforms and to protect those on low incomes. That is over £28 million more than in the previous year. That includes investment of nearly £100 million for discretionary housing payments and the Scottish welfare fund to continue mitigation of the bedroom tax.

We are also continuing to fund discretionary housing payments with assistance to the value of £63.2 million. That is on top of work being completed in other portfolios, which also assists those on low incomes, such as £50 million for the

ending homelessness together fund and £50 million in the tackling child poverty fund. That contrasts with the UK Government's welfare reform measures, which are expected to reduce annual benefit spending in Scotland by £3.7 billion in 2020-21.

Clearly, it is outwith the capability of the Scottish Parliament to mitigate those cuts in full. However, we are taking important action to support individuals and families where we can. We should not—and cannot—use our budget to paper over the cracks caused by the UK Government's mistakes.

The social security and older people portfolio budget for 2019-20 reaffirms the Government's commitment to creating a fairer Scotland and tackling poverty and inequality. The budget outlines the strong contribution that social security can make in that regard.

Thank you for the opportunity to address the committee this morning. I look forward to members' questions.

**The Convener:** There was a lot in that. I am sure that there are many positive things that the committee will explore as we go along. You referred to the concerns that the committee raised before I was convener—it was Clare Adamson at that time—about whether the Scottish welfare fund, delivered by local authorities, could meet the demand out there. How does the Scottish Government assure itself that the £33 million provided for the welfare fund is enough to meet all the aspirations and needs?

**Shirley-Anne Somerville:** As the committee will be aware from my response to its letter on the Scottish welfare fund, the fund has helped more than 300,000 individual households. It is an important lifeline to people on low incomes in times of crisis. We have ensured that we have continued the funding of the Scottish welfare fund, despite the cuts in the Scottish Government's budget from Westminster, as well as the general welfare cuts from the UK Government.

I want to assure the committee that we take the issue very seriously; we do not simply consider the situation on an annual basis, but constantly assess the Scottish welfare fund through the management information that we get from local authorities, such as on applications, awards and expenditure. That allows officials and me, through their briefings, to keep a close eye on the applications that are coming in from local authorities, for example.

I appreciate that the committee would prefer to see more money in that budget—it is your right to consider that and raise those issues—but I hope that members can take some comfort from the fact that we seriously consider the number of

applications, refusals and the amount given in grants so that we keep up to date with what local authorities are spending year on year.

09:15

**The Convener:** That is helpful, cabinet secretary. The previous convener suggested that more money might be required for the welfare fund, and, in November, I wrote on behalf of the committee saying something similar in relation to growing pressures in society. However, I note that the fund remains underspent in each financial year to the tune of £2 million to £3 million. There appears to be a disconnect between the numbers and what we intuitively think is happening in the communities that we represent.

Our briefing says that the success rate for applications for the community care grant, which comes under the Scottish welfare fund, was 66 per cent in quarter 1 of financial year 2016-17 and only 58 per cent in quarter 1 of financial year 2018-19. For the crisis grant, those figures are 72 per cent and 65 per cent. Those are not huge decreases but they are certainly reductions. The committee would like some reassurance that local authorities are not simply managing a tight budget by approving fewer applications to the welfare fund than they would like to.

**Shirley-Anne Somerville:** That is one of the aspects that we look closely at. For example, the number of applications for community care grants has increased, but the acceptance rate of applications has dropped slightly year on year. We also note the number of reviews that take place—that is, in some ways, a test to see whether the right decisions are being made by the local authorities—and we find that more than half of original decisions on community care grants are upheld.

The number of crisis grant applications has increased in past years, and the acceptance rate fell slightly last year. It is also important to consider the amount of money that is being given in the awards. For example, for crisis grants, the average award was £71 in 2013-14 and £77 in 2017-18. We are not seeing a decrease in the amount that is being awarded to people as we go on. The community care grant average awards went from £638 in 2013-14 to £600 in 2017-18, which is a slight decrease. One of the things that it would be obvious to look out for is whether the amount that people are being given is a cause for concern, but we are not seeing that coming through.

You are quite right to point out that local authorities will use the money in different ways. In the management statistics—which are not official statistics but are what we look at month on

month—we see that around 19 local authorities are roughly on budget or are below where we would expect, and that some others are within 3 per cent of what we would expect at this time of year. Some local authorities spend right up to their limit and some have an underspend that carries on into the next year. All of those different percentages and the ways in which money is spent through the year are closely analysed to see whether there are any areas of concern. If there are, our officials have close liaison with the local authorities during the year to see why decisions are being made, and they are reassured that there are no issues in the area that you raise.

**The Convener:** The committee would welcome more information on that specific process.

In reply to the letter that I wrote to you on behalf of the committee, you said that the Scottish Government is reviewing the statutory guidance on the Scottish welfare fund in the early part of 2019 and that there is a mechanism to ensure that there is sufficient funding in the welfare fund, should demand increase.

I think that we all feel and are concerned that demand is increasing in our communities but that demand for the welfare fund itself is not increasing. Is there a mechanism to deal with any increase in applications to the welfare fund, if that should manifest itself, and to ensure that local authorities are managing things properly? Given the tight budget situation, what flexibility is there in the Scottish budget to provide additional or reallocated moneys to the fund to ensure that it has enough cash?

**Shirley-Anne Somerville:** The Scottish welfare fund budget is set as part of this process, and its allocation to local authorities is set by a formula that has been agreed by the Convention of Scottish Local Authorities and which is based on Scottish index of multiple deprivation figures. In other words, the allocation of the fund between local authorities is not set by the Scottish Government alone but agreed with the local authorities. Last year was the first in which that new formula was in place in its totality.

The Scottish Government and COSLA have ongoing discussions on the Scottish welfare fund, and they will continue to take place. With regard to the management of the fund, we have close working relationships with officials both at Government level and in the different local authorities, and good practice discussions take place throughout the year to ensure that local authorities, while using their local discretion, are following the statutory guidance. The guidance does not dictate how local authorities use their money in this respect, but they should be mindful of it, and during the year officials encourage good

practice in local authorities as we move through the process.

**The Convener:** I have no more questions, cabinet secretary, but just for clarification, I should point out that when I talked about reallocation, I meant not from one local authority to another but from one part of the portfolio to another. I am just conscious of the financial situation in Scotland right now, and we would welcome any information that you can provide in writing on the mechanism for making sure that the forecast budget as agreed by COSLA—I realise that it is not an exact science—is fit for purpose as we progress through the forthcoming financial year. That would allow the committee to grapple with the question whether £33 million is an appropriate sum for the Scottish welfare fund.

I will take a couple of supplementaries on this, starting with Alison Johnstone, to be followed by Shona Robison.

**Alison Johnstone (Lothian) (Green):** I thank the cabinet secretary for her evidence so far this morning. I want to ask some questions for the sake of clarity. I appreciate that not all local authorities overspent in 2017-18, but there was an overspend in eight areas, some of which—such as Edinburgh and North Lanarkshire—have large populations, and several of which, including Glasgow, were really close to their allocation.

When we took evidence on the issue last year, Morag Johnston from Glasgow City Council said:

“the statistics and the evidence for Glasgow show that the allocation that we receive through the distribution model is not sufficient to meet demand.”—[*Official Report, Social Security Committee*, 17 May 2018; c 34.]

I appreciate what you have said about closely monitoring demand where the funding is being exceeded and where it is not being required, but are you yet clear as to whether any underspend reflects a lower level of need or are you still looking at whether it is just a case of how that particular local authority is managing the fund?

**Shirley-Anne Somerville:** It is for the local authority to make a determination on each application to the Scottish welfare fund. The Government sits apart from any such decision, which is made on an individual basis. We encourage local authorities to promote the fund and ensure that those who are eligible for the fund are made aware of it and are assisted in applying for it, if that is what they require.

I appreciate that the committee wishes the budget to be higher, and I know that it has previously discussed the issue. The money that has gone into the Scottish welfare fund over a number of years will be subject to different pressures at different times, depending on what is happening.



The work that we are doing on applications to local authorities and on ensuring that the percentage of awards granted is not showing statistically significantly decreases satisfies me that the welfare fund is well used and well utilised by local authorities, in terms of what is required of them, and that the process works well year on year.

**The Convener:** There are two more supplementary questions on the welfare fund. I ask the members to make their questions brief. I know that I spoke for some time on that issue, but there are a number of themes to cover in this morning's scrutiny session.

**Shona Robison (Dundee City East) (SNP):** It is my understanding that the £2 million underspend is being carried forward for 2019-20. That will mean a budget of £35 million, which is positive. I presume that that budget will need to be used carefully, because it will not necessarily be recurring—or will it be recurring?

**Shirley-Anne Somerville:** Underspends are not taken away from the welfare fund. We do not want to get into a position, at the end of the financial year, whereby decisions are not being taken appropriately. Underspends are not taken away from the local authorities, although how much underspend they have will vary from year to year.

**Shona Robison:** Let us move on to the formula. I understand how formulas are negotiated—I presume that they are based on a number of existing approaches to allocating funds to local authorities—but a lot of local variation is emerging. Some local authorities overspend or spend to their limit, whereas some underspend and some supplement the welfare fund with their own resources. They have gone from applying the formula as it was set to seeing, over a period of time, what that actually results in in practice once there is a more accurate picture of local need.

Is there the opportunity to review the formula in the light of that evidence? It cannot be right that some local authorities are consistently underspending while others are unable to meet need. That suggests to me—and, I hope, to COSLA—that there might be a need to look at the formula again in the light of the actual spend in real time.

**Shirley-Anne Somerville:** As I said in a previous answer, this is the first financial year in which the formula has been based completely on SIMD statistics as agreed by COSLA. Once we get the information for the year in total, it is very important to look at that and see whether the formula is working from our point of view and COSLA's. It is not for the Government alone to review the formula. We are open, and we plan to analyse what comes in under the formula and to

ensure that people are content with that. If discussions with COSLA raise any concerns or points on which local authorities want to move forward, we are certainly open to considering those.

**Shona Robison:** That is helpful.

**Michelle Ballantyne (South Scotland) (Con):** According to our papers, funding for the Scottish welfare fund was transferred from the UK Government in 2013 and has not kept pace with inflation. Has it stayed exactly the same as it was when it was transferred? As the fund was a transferred benefit, in terms of the financial side, are there any restrictions on its use? Does it have to stay like that? Is it added to the block grant for ever now, or does it disappear if it disappears?

**Shirley-Anne Somerville:** The Scottish Government took the decision to move forward with the Scottish welfare fund, whereas the DWP provides no such fund in England. We felt that it was important to continue with such funding under a devolved settlement.

09:30

Aspects of the Scottish welfare fund are set out in legislation. There are also specific areas in which the fund is spent, of which crisis loans are one example. In Scotland, we have the opportunity to determine how that money is spent so that it meets what we believe to be the principal aim of the fund, which is to help people in times of crisis.

**Michelle Ballantyne:** So the money is not specifically attached to having to deliver that remit. I am trying to establish whether it is now part of the block grant.

**Shirley-Anne Somerville:** Yes—sorry, I misunderstood your question.

**The Convener:** We have spent quite a lot of time on the welfare fund, but I thought that it was important to do so, given our on-going dialogue with the Scottish Government on it. We hope to cover a significant number of other themes today.

**Keith Brown (Clackmannanshire and Dunblane) (SNP):** Thanks for your evidence, cabinet secretary. In your opening statement, you mentioned the best start grant and the payment of funeral expenses, which illustrate the idea of a welfare system that genuinely goes from cradle to grave. However, the Scottish Government is spending around £90 million on mitigation of Westminster measures. Have you given any thought to what you would prefer to spend that £90 million on? Is there a series of Scottish social security system measures on which you could go further? I imagine that you would like the money to stay in your portfolio. Are other measures being

frustrated by the fact that you are having to mitigate so much of what Westminster is doing?

**Shirley-Anne Somerville:** I am sure that Mr Mackay would also have a view on what he would like to spend that mitigation money on.

Keith Brown is quite right to point out that the money that we are spending on mitigation and on supporting low-income families because of welfare cuts that are being made down at Westminster is money that we are not spending elsewhere. I am very aware that, as we proceed with the different aspects of social security, stakeholders, the committee and other members of Parliament will express the wish for me to do more. We have already discussed the best start grant and funeral expense assistance, and we will have discussions on the young carer grant and the job grant. All the decisions about how much the Scottish Government is spending must be made on the basis that I have to keep one eye on the measures that we are undertaking to mitigate the worst excesses of the £3.7 billion cut to welfare expenditure that I have mentioned.

In an ideal world—which I cannot see happening under the continuing ideology down at Westminster—there is a myriad of different ways in which we could spend the money that we are currently spending on welfare mitigation on supporting people on low incomes and on social security.

As I have said, I am sure that my colleagues in the Cabinet would also have ideas about how they could spend that money. Mr Brown is right to point out that, if it is being used for mitigation, it is not being used for something else.

**Keith Brown:** Let me come back on that briefly. I think that what is being done by way of mitigation is absolutely right. If we look at the Trussell Trust's statement on the substantial rise in food bank use when universal credit moves into an area, we can see that there is genuine need.

From the answer that you have just given, I take it that, if you were to have that money—or such proportion of it as you were allowed to keep—it would be used to build on the different initiatives that you have already taken rather than to start new initiatives that might be waiting in the wings to be progressed if more resources became available.

**Shirley-Anne Somerville:** The opportunities that the Scottish Government has under its new powers would allow us to look seriously at what else could be done. Indeed, we are doing that with the income supplement. That is yet another example of a very ambitious policy that will have a significant cost attached to it, which we will have to fund through our Scottish block grant while

continuing to fund mitigation measures to support people on very low incomes.

Again, that money could be used in many different ways. For example, yesterday I launched the consultation on the job grant. Stakeholders seem to welcome the support with travel and clothing costs that the approach will give to young people to enable them to get into a new job. We could consider what more we could do on the young carer grant—I know that the committee has had great discussions about whether we are allocating a sufficient amount for young carers. In a number of areas in which we are already providing support, we are looking seriously at what else we could do within our new powers. However, what we do has to be done within our budget.

**Keith Brown:** Have you done work on the possibility of all those things being superseded by, for example, an initiative on a guaranteed basic income?

**Shirley-Anne Somerville:** The basic income is another ambitious policy that we have over the longer term. I share responsibility for that with the Cabinet Secretary for Communities and Local Government, Aileen Campbell, and she is currently looking to see what can be learned from the pilot areas. I hope that that points to how the Scottish Government is attempting to tackle poverty—particularly child poverty—in a more innovative way rather than simply by doing more of the same and putting out benefits in the manner that the DWP does.

**Mark Griffin (Central Scotland) (Lab):** Mitigation measures include the financial health check, on which £3.8 million will be spent over the next two years. Is the Government setting a target for the number of people that it hopes to reach and the amount of money that it hopes to support people to claim? I ask the question in light of statistics that show that a benefit uptake campaign in Northern Ireland resulted in £37 million of additional income for citizens over the past year.

**Shirley-Anne Somerville:** The policy does not sit in my portfolio; it is in Aileen Campbell's portfolio, so the weighty tome that I have in front of me does not contain details on targets for the financial health check. I can get details provided to the committee.

I can say, more generally, that you make an important point about the need to ensure that people take up benefits. That responsibility is in my social security portfolio, and the committee has discussed it. We are looking seriously at the issue, and we will do everything that we can to ensure that people who are eligible for benefits take them up. I will provide the committee with details of what is in Ms Campbell's portfolio in due course.

**Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP):** I want to ask about the payments that are made to the DWP. I understand that the Scottish Government's administrative payments to the DWP for 2019-20—particularly with regard to implementation costs—are under negotiation. What is being negotiated and where are the negotiations headed?

**Shirley-Anne Somerville:** We give serious consideration to the matter in our dealings with the DWP. There is a myriad of ways in which we must continue to interact with the DWP. For example, in relation to the best start grant initiative, we have to give money to the DWP because we want to verify people's identity using a DWP system, so that is a cost on the Scottish Government. The approach enables us to run the best start grant in the easiest way for applicants, because it means that they do not have to re-verify their identity when they have already verified their identity for the DWP.

Another example relates to the carers allowance supplement. We need the DWP to data scan who is entitled to the benefit; so, again, money is transferred to the DWP from the Scottish Government to allow that to happen. Those costs are met from a variety of budgets and will change year on year, depending on what the Scottish Government is doing.

James Wallace may want to add something about the current negotiations.

**James Wallace (Scottish Government):** There are, in essence, two categories of payment. First, there are the payments that we make to the DWP for things that it administers on our behalf. The costs of those may vary, year on year, depending on the volumes that the DWP administers for us. At an operational level, officials speak to the DWP weekly in order to monitor those costs and to agree them under the agency agreement that is in place.

Secondly, there are the implementation costs, which arise case by case depending on what the programme is doing and what we need the DWP to do. At an operational level, we interpret the fiscal framework agreement with the DWP to decide what is and is not rechargeable. All those costs are then validated and we discuss whether they are appropriate under the fiscal framework, after which recharges take place. It is an on-going and live negotiation that never ends.

**Shirley-Anne Somerville:** As James Wallace points out, the fiscal framework is an important aspect. If we ask the DWP to change something in its system to allow us to deliver something up here, we are charged for that. As James says, that charge depends on what happens year on year, but the fiscal framework aspects around charging require us to negotiate exceptionally carefully to

ensure value for money in what we are doing up here.

**Dr Allan:** James Wallace says that the work never ends. I am curious to know what kind of development work might lie ahead. What might be requested for the coming year? Can you give us an illustration of what the development work might mean in practice?

**Shirley-Anne Somerville:** In essence, it is any changes required because of what we are doing with the new devolved benefits that are on stream for the completion of wave 1 and wave 2. We will have to look at anything that we require the DWP to change. I cannot give specific examples of that, because we are still formulating the policies for what wave 2, for example, will look like, but changes have had to be made to allow us to run wave 1. Such changes will have to be made when we look at the wave 2 benefits.

**Dr Allan:** Getting information from the DWP has not always been straightforward in the past. Are you satisfied that, at the moment, the negotiations are being provided with adequate information from the DUP—sorry, I mean the DWP. That was a Freudian slip because of the current situation.

**The Convener:** Are you looking for £1 billion, cabinet secretary?

**Shirley-Anne Somerville:** I think that negotiations with the DWP are complicated enough without bringing in another party.

The negotiations will always be difficult. I appreciate that the DWP will want to press my officials as hard as it can—and it does. Likewise, though, I am content that the Scottish Government is doing everything that it can to push back against the charges that come to us when, for example, we think that the DWP would be making changes anyway and is not doing so just because we have asked it to do something because of the devolved settlement.

I assure you that we take the matter very seriously and that, as you would expect of us, we put a lot of time and effort into ensuring that we are not being asked to pay money that we should not be paying.

**Dr Allan:** Do you agree that the DUP's non-involvement in the matter is probably helpful?

**The Convener:** I suspect that members might want to say "Department for Work and Pensions" if they are not sure of the acronym.

**Michelle Ballantyne:** I have a couple of quick supplementary questions, convener. Do you want me to go on to my substantive question after that?

**The Convener:** Yes.

**Michelle Ballantyne:** Is the health check money part of the announcement that was made by the DWP when it talked about the £30 million-odd that was going to Citizens Advice Scotland?

**Shirley-Anne Somerville:** If you are referring to what Mark Griffin was talking about, the financial health check money is a Scottish Government initiative. The money that the Department for Work and Pensions is giving to Citizens Advice for implementation is separate. That is a UK Government scheme that deals directly with Citizens Advice, including Citizens Advice Scotland.

09:45

**Michelle Ballantyne:** Are we getting a share of that?

**Shirley-Anne Somerville:** The funding is going directly to Citizens Advice Scotland.

**Michelle Ballantyne:** I want to talk about the costs of running Social Security Scotland and what is being delivered. I have asked a question—I see that it has appeared in the committee's papers—about a breakdown of the forecast £41.5 million running costs for 2019-20, of which £6.1 million is payment to the DWP for running the benefits that it currently delivers. I think I am correct in saying that the benefits that Social Security Scotland will deliver in that year come to £58 million. So, looking at the costs of the staff and the buildings and so on, and making a quick calculation, it appears that it is costing 60 per cent of what we deliver in running the service, or are the figures that I have in front of me not working?

You are shaking your head, cabinet secretary.

**Shirley-Anne Somerville:** Perhaps you could run through your question one more time. I apologise.

**Michelle Ballantyne:** You said £41.5 million is what it will cost us to deliver the service in the next financial year. Of that, £6.1 million goes to the DWP for the benefit that it currently delivers. The overall Scottish spend is forecast to be £421 million, of which £283 million is being delivered by the DWP. We pay the DWP £6.1 million and the remaining amounts are delivered by us. So far so good?

**Shirley-Anne Somerville:** Yes.

**Michelle Ballantyne:** When you take out that amount, the cost of delivering the service is equivalent to 60 per cent of the benefits we are delivering.

**Shirley-Anne Somerville:** I do not agree with your assessment. I will try to take you through some of this, but perhaps provide figures—

**Michelle Ballantyne:** I do not mean the money. I am asking about the 60 per cent.

**Shirley-Anne Somerville:** The £6.1 million that goes to the DWP is not simply for carers allowance; it is also for the carers allowance supplement data scan, identity verification and accounting.

The money that we are spending in terms of what we will deliver to people does not just include money that comes from a transfer from the DWP—we will get additional money on top of that. For example, we are putting more in for the best start grant and for funeral expense assistance, and so on. The figure for how much we are paying out in benefits is higher than—

**Michelle Ballantyne:** £58.1 million?

**Shirley-Anne Somerville:** Sorry?

**Michelle Ballantyne:** £58.1 million.

**Shirley-Anne Somerville:** I will pass the question over to James Wallace. I apologise, but you have lost me.

**James Wallace:** I see the calculation that Michelle Ballantyne has made, but it is an unfair calculation, if I am honest. It is a calculation that the DWP traditionally carries out under a steady state when it is not doing different things. Social Security Scotland is involved in the delivery of benefits and, in 2019-20, it will be involved in the delivery of the best start grant and funeral expense assistance. Those are some of the things that it does.

The agency is also training and preparing for the wave 2 benefits that will come on stream. Those are costs that we have now that are not necessarily attributable to the administration of benefits in the year.

**Michelle Ballantyne:** I do not have a problem with that.

**James Wallace:** Over time, as the agency moves to a steady state, the calculation will become more valid, but because the agency is not solely involved in the administration of benefits, that calculation is slightly devalued.

**Michelle Ballantyne:** My first question was to establish that I was, if you like, playing with the correct numbers and that you were not going to come back and say, "No, that's completely wrong." Now that we have established that the numbers are correct, I want to move on to my next question, which relates to devolution of benefits and the taking on of responsibilities.

This year, a number of staff have come into post and have been trained up to deliver the benefits that will be delivered in the year ahead, and you have just suggested that, in the year ahead, there

will be training to deliver the benefits in the next year. We do not have the numbers going forward, but what is your estimate of the relationship between the cost of running Social Security Scotland and the delivery of benefits?

**Shirley-Anne Somerville:** That will partly depend on the policy decisions with regard to wave 2. I cannot give you a long-term analysis of that, but I might be able to give you some examples of what is happening this year and the year after that, which I hope will assist.

We have staff in place for local delivery, which is an issue that I know you have asked about in the past, and we are already seeing this financial year what we will have to do to staff up for best start grant and funeral expense assistance payments. However, the large element that will, I suppose, have more impact on the overall cost is what we do with wave 2 and particularly disability benefits.

We are always looking to ensure that Social Security Scotland is being run efficiently and effectively, and I will continue to challenge the agency on that—as I know the agency challenges itself. However, the decisions that we take will ensure that the service treats people with dignity and respect, and that might mean that we do things differently from the DWP. As a result, if you look at the cost of doing something in a particular manner, you might think that it is not as good value for money as what happens under the DWP; however, I say that the service that we will provide will treat people with dignity and respect, and things will be done in a different way. As Social Security Scotland develops and grows, you will start to compare apples and pears, because we will do things differently from the DWP—and quite rightly so, given the impact of, for example, disability assessments on the people who have to go through them.

**The Convener:** I apologise for having to cut you off, Michelle, but because of time constraints I have to move on. Three members want to raise three different themes. Perhaps I can make a suggestion—

**Michelle Ballantyne:** I can meet them and ask my questions.

**The Convener:** Sorry?

**Michelle Ballantyne:** Go on, convener.

**The Convener:** It just means that the other members will not be able to ask their substantive questions. It might be helpful if the cabinet secretary could, as part of our rolling programme of budget scrutiny, provide the committee with further information on what she believes will be the steady state administration costs for Social Security Scotland once those set-up costs have been established. It is an absolutely valid—indeed,

key—subject for scrutiny, but if we do not move on, other colleagues will not get in.

**Mark Griffin:** I have a number of specific questions about uprating, but I want to start with a broader question. The Government has chosen the consumer prices index as the measure for uprating benefits, but civic society, charities and organisations that represent people have long called for the retail prices index to be used, as it is seen as more useful. Why has the Government chosen CPI over RPI?

**Shirley-Anne Somerville:** I looked at that in great detail as we moved forward on annual uprating. The submissions covered many aspects, including what the DWP did and ensuring that we never fell behind what was going on in the rest of the UK—unlikely though that may be. Another example of something that we considered is variations for inflation that are more commonly used now, compared to 10 years ago, when it was more common to use RPI. I looked at many different areas—we might not have time to go into those today—when analysing what to do about uprating.

In essence, we wanted to ensure that we chose the most meaningful measure of inflation possible and one that was easily understood. We wanted to use something that related to other ways of measuring inflation in the Scottish Government.

I hope that that gives a flavour of the types of things that we looked at—there were a great deal more. The analysis was intended to ensure that we used a useful measure of inflation that was commonly used in Government.

**Mark Griffin:** Our time constraints mean that we cannot go into that in as much detail as you might like, cabinet secretary, but it would be helpful if you could supply that information later.

The paper supplied by the Scottish Parliament information centre for today's meeting says that the uprating of the carers allowance supplement will be 2.3 per cent, but in your opening remarks you said that it would be 2.4 per cent. Can you confirm that it will be 2.4 per cent?

**Shirley-Anne Somerville:** That is certainly the figure in all my briefings.

**Mark Griffin:** Thank you, that is helpful.

Finally, on specific entitlements, can you say whether the best start and the pregnancy and baby payments will be uprated in the future?

**Shirley-Anne Somerville:** There are no plans to uprate for 2019-20, because the payments were introduced only half way through December. As the committee is well aware, we are required—and committed—to annually uprate several benefits and payments because of provisions in the Social

Security (Scotland) Act 2018. There is no statutory requirement for us to uplift aspects of the best start grant, so we will consider that as part of the budget process.

The important thing, which is also a requirement under the Social Security (Scotland) Act 2018, is that we are transparent and report to Parliament on our thinking on that and the reasoning behind any decisions that we take. That will be part of the budget process and open to scrutiny.

**Jeremy Balfour (Lothian) (Con):** I have two brief questions, cabinet secretary. First, you helpfully said that it is a demand-led service and that those who come forward and who are entitled to benefits will get them. We have heard on several occasions over the past few weeks from your colleague, the Cabinet Secretary for Finance, Economy and Fair Work, and from the First Minister, that every penny has been worked out carefully, so what leeway is there in your budget? For example, if, during the financial year, something happened in relation to a particular benefit that meant that more of it would require to be paid, could that be met, or would you have to go back to the finance secretary?

**Shirley-Anne Somerville:** I can assure the member that that weighs heavily on me and on the Cabinet Secretary for Finance, Economy and Fair Work. The level of demand-led expenditure that we now have and that will continue to grow within Social Security Scotland is a key change for the Scottish Government. We have had small pockets of demand-led budget, such as education maintenance allowance, but the level of that type of budget is greatly increasing and will continue to do so.

10:00

The important aspect is that, if people are eligible for payments, they will be paid. The Scottish Government will deal with that by ensuring that we keep an exceptionally close eye on it as we move forward. We have a team from the finance directorate embedded, for want of a better word, in the social security directorate, so we continuously look at the demand-led aspects and for any red flags. The first port of call—for any cabinet secretary, including me—is to deal with it as an in-year budgetary pressure in the directorate. It becomes a wider pressure for Government if it cannot be contained in the social security directorate.

The Cabinet Secretary for Finance, Economy and Fair Work is quite right to point out that we do not sit with a spare pot of money for any portfolio, including mine. That is why the forecasting that we and the Scottish Fiscal Commission are doing is so important and is how we continue to learn

along the way. The committee will receive information from the Fiscal Commission on how the forecasting is being done. We work closely with the Fiscal Commission on that, so that we understand its modelling, which goes into the budget, and it understands ours. First, we ensure that we get the forecasting and modelling correct and set out the budget as best we can, with knowledge from the Fiscal Commission. Then we move forward, as I described, if there are any changes in-year for a demand-led budget.

**Jeremy Balfour:** I have a brief supplementary question on that. I presume that, as a cabinet secretary in the Scottish Government, you are still committed to having all the benefits up and running by 2021, which will mean greater and greater pressure. What work has been done with the DWP, which has some experience at a technical level of benefits such as personal independence payments and disability living allowance, which are much more demand led and can have much more variation, so that, when we come to pass that budget, we can be confident that the right amount of money will be there?

**Shirley-Anne Somerville:** You are absolutely right to point to PIP as an example. Another example is cold weather payments, which can vary dramatically year on year, depending on the type of weather that we have. That is an interesting area that the Scottish Government and the Scottish Parliament will have to look at as we continue our budgetary analysis. We will have to think differently about the budgets compared to how we have thought about them before because, in future years, we will have to take great cognisance of the fact that substantial amounts of money are demand led and, in effect, not under the Scottish Government's control.

I reassure Jeremy Balfour that we are doing a lot of work with the DWP. The political differences between the DWP and the Scottish Government are great, but the relationships at the official and operational levels are exceptionally strong. I have no concerns about the sharing of information so that we can do the best that we possibly can to ensure that we have a smooth transition. That is in the DWP's interests as well as ours. I am content that those relationships are working well.

**Jeremy Balfour:** That is encouraging.

My second question is quite technical. I am happy if you can take it, but you might not know the answer.

I want to go back to Michelle Ballantyne's question about the costs of Social Security Scotland for the coming year. According to our papers, there is £4.2 million for facilities and property. I am no commercial lawyer, but my understanding—if I am wrong, please correct

me—is that there is property in Dundee, which the committee visited, and in Glasgow. How much of the £4.2 million is for rent? That seems to be quite a high figure. What due diligence was done to decide whether that was the best-value property for the taxpayer to spend money on? The Scottish Government has committed to having local services for people in the 32 local authority areas, so the agency might have to buy or rent more properties. What will the increase in that budget be as that is rolled out?

**Shirley-Anne Somerville:** I do not have the breakdown for the £4.2 million in the figures that I have here, but we can provide the committee with further information on that. Due diligence is done in relation to our property strategy, and I am sure that the committee will be aware of the analysis that was completed as we undertook to decide where to have our headquarters in Scotland—Dundee was chosen, of course. The properties that we have at the moment in Dundee and Glasgow are temporary. We have committed to bringing forward a longer-term property strategy later this year.

With regard to local delivery, that does not necessarily involve local offices. You are not going to have a Social Security Scotland office in Edinburgh and in every local authority area. Instead of that, we want to use our staff to take advantage of what is already out there. The reason for that is that we want to be where people already are, rather than assuming that they will come to an independent office. We think that that is what people want. The arrangements will vary from local authority to local authority, but none of the arrangements will involve a building that we have to rent or buy in different areas. Instead, there could be sharing of premises with local authorities, third sector organisations or health boards, for example.

**Alison Johnstone:** Last week, the Fraser of Allander institute and the Joseph Rowntree Foundation published a blog post that raised doubts about how much the draft budget does to tackle child poverty. The post said:

“Overall, it appears that this draft budget has not been geared towards tackling child poverty as a priority despite the existence of statutory targets for 2030.”

I am sure that you will have your own views on that, cabinet secretary. I would like to understand what work your team has been involved in to establish what spending would be needed to start making progress towards achieving those targets.

**Shirley-Anne Somerville:** As the committee would expect, I have a number of meetings with Aileen Campbell, who is the lead for the tackling child poverty delivery plan, to see how social security can assist with the delivery of that, whether that is through best start grant payments,

the Scottish welfare fund or aspects of the income supplement, which Ms Campbell and I have joint responsibility for taking forward.

I noted with interest the blog post that you mentioned. It is quite right for us to be challenged to see whether we are doing enough on that issue. When you look at what we are spending our money on in the social security budget, you see that, in essence, it is on ensuring that we have money to continue to develop what we need to do and implement the new benefits, and also to deliver the benefits that we have on stream at the moment, which are being specifically designed to see what more we can do to tackle child poverty and meet Government targets.

I also point to the fact that it is not simply through social security that we will meet the tackling child poverty targets. There are myriad aspects in various portfolios. For example, it is important to ensure that we are delivering on our fair work programme and the living wage so that we can lift people out of poverty in that manner and ensure that there is less of a reliance on social security. A lot of work is also going on in different portfolios, such as education and health, to provide support for people on low incomes, as well as within the more obvious budget headings in my portfolio and Ms Campbell’s portfolio. It is important that we are addressing the issue across Government, not just within the social security and communities portfolios, so that we can ensure that we are delivering on those targets.

**Alison Johnstone:** You mentioned the income supplement in your response. You will be aware that, in December, a wide range of civic organisations wrote to the Cabinet Secretary for Finance, Economy and Fair Work to express concerns that the proposed supplement might not be available until 2022. I appreciate that the Government is not in favour of topping up child benefit, but is there a place for that to be topped up in the interim?

I would also like to understand what action the Government is taking to make sure that the income supplement will reach those who need it, because the supplement will be means tested. Therefore, there is a range of barriers there to be overcome.

**Shirley-Anne Somerville:** The delivery plan gives us two key tests for the income supplement. The first is to ensure that it is targeted at families who need it most,

“to lift the maximum number of children out of poverty”.

That is an important target. One of my main concerns in relation to the give me five campaign is that £7 out of £10 would go to families who are not in poverty. When we have such exceptionally tight budgets, I do not feel that that is a useful way

for us to spend our money. We need to ensure, as the delivery plan says, that we target our support “to lift the maximum number of children out of poverty”.

I could not in all conscience agree with a policy that does not do that.

The other challenge that is quite rightly issued in the delivery plan is that we look at

“a robust and viable delivery route”

for that additional income, which ties into the idea of an interim solution.

It is simply not the case that a top-up to child benefit, which would require intricate working with Her Majesty’s Revenue and Customs, could be done simply and quickly. With all the work and analysis that we are doing with the DWP on social security and the work that we are undertaking with HMRC on other aspects where we have to link in with it, it does not make sense to have an interim solution that would also take a long time to deliver.

One aspect that we are therefore looking at in relation to delivery options is the timeframes and the cost of the different delivery mechanisms. That information will, of course, be shared with Parliament and the committee so that we can look in detail at how long it will take to deliver the income supplement and what difference the delivery option would make, whether for a top-up of child benefit or a new benefit.

As we move through the feasibility studies of the delivery options, which I will report on in the spring this year, it is important that people gain a lot of understanding of the options. I am very concerned that a lot of the debate seems to suggest that this is easy to set up and that the top-up for child benefit could be done quickly. I am afraid that that is simply not the case.

**Alison Johnstone:** My concern—I am sure that other committee members share this concern—is that we are just at the beginning of 2019 and, for people who are really struggling, 2022 is a long way away. Therefore, I ask that the matter be pursued with great urgency.

**Shirley-Anne Somerville:** I completely understand that point and hope that the committee can take some assurance from the feasibility study and option appraisal work that will be undertaken early this year. That work will ensure that, when the Cabinet Secretary for Communities and Local Government reports in June 2019, we are much further along in analysing all the different options and that we have done so in a way that enables us to consult not just Parliament but stakeholders on the delivery options.

**The Convener:** I have a technical question. When the income supplement eventually materialises, will it appear in your social security

budget line? Obviously, child poverty is in the remit of the Cabinet Secretary for Communities and Local Government, Aileen Campbell. This is a budget scrutiny session, and Alison Johnstone has asked a really pertinent question but, just for future reference, whose budget line would the supplement appear in?

**Shirley-Anne Somerville:** In essence, it depends on the delivery mechanism. I apologise; I am not going to give you an answer to your question, because we have not decided on a delivery mechanism. It will depend on the appraisal that we are doing.

**The Convener:** That is helpful. We have had a worthwhile session, and I thank you and your officials.

The cabinet secretary is sticking around for the next item, but there will be a change of officials.

10:15

*Meeting suspended.*



10:17

*On resuming—*

## **European Union (Withdrawal) Act 2018**

### **Social Security Coordination (Council Regulation (EEC) No 1408/71 and Council Regulation (EC) No 859/2003) (Amendment etc) (EU Exit) Regulations 2018**

### **Social Security Coordination (Council Regulation (EEC) No 574/72) (Amendment etc) (EU Exit) Regulations 2018**

### **Social Security Coordination (Regulation (EC) No 883/2004) (Amendment etc) (EU Exit) Regulations 2018**

### **Social Security Coordination (Regulation (EC) No 987/2009) (Amendment etc) (EU Exit) Regulations 2018**

**The Convener:** We move on to item 3. I refer members to paper 2, which is a note from the committee clerk.

On 21 December 2018, the committee received notification from the Scottish Government of its intention to consent to UK ministers making regulations on its behalf in relation to four statutory instruments. The cabinet secretary has stayed with us to provide further explanation and answer our questions, and she is joined by Stephen O'Neill, social security policy leader—thank you both. I invite the cabinet secretary to make brief opening remarks before we move to questions.

**Shirley-Anne Somerville:** I will keep my remarks relatively brief. The statutory instruments that are described in the notification to the Parliament make a series of technical corrections to the European Union social security co-ordination regulations that are retained by the European Union (Withdrawal) Act 2018.

The corrections will allow the UK Government to continue to observe the existing co-ordination rules in the event of a no-deal Brexit. The effect is that European Economic Area nationals who are living and working in Scotland will have the legal right to continue to access social security on broadly the same basis as they do at present. Also, UK nationals who are living and working in the EEA will be allowed to maintain their right to export certain benefits from the UK system to their country of residence, and contributions in other EEA countries will continue to be counted towards

a UK state pension and towards eligibility for contributory benefits.

As the notification makes clear, this would be a unilateral action of the UK Government. In a no-deal scenario, there would be no legal obligation on EEA member states to reciprocate.

The approach would likely be a temporary solution until a longer-term arrangement could be found. As with all aspects of the UK's future relationship with the EU, what such an arrangement would look like is distinctly unclear. However, if the UK's white paper on immigration is anything to go by, it seems likely that, in future, the rights of EEA nationals to live and work in the UK and to access benefits will be significantly restricted.

The Scottish Government has continually made it clear to the UK Government that on-going participation in social security co-ordination is essential for the protection of citizens' rights. It is the firm view of Scottish ministers that a no-deal Brexit would inflict especially severe social and economic harm on Scotland. It is therefore essential that contingency plans are in place to protect the people of Scotland, whatever their nationality, from the worst impacts of that outcome, which, unfortunately, is still too real a prospect.

In that respect, the commitment of the UK Government to continue to observe those rules in the immediate aftermath of a no-deal scenario is welcome, even if it may do little to alleviate the longer-term concerns of people who have built their lives around the advantages afforded by freedom of movement.

The devolved aspect to these statutory instruments is relatively nuanced. They require devolved assistance to be provided in a manner consistent with the present co-ordination rules. In essence, that means treating EEA nationals residing in Scotland in broadly the same way as UK nationals. The effect is, therefore, one of continuing a constraint on the exercise of devolved powers that presently exists through the EU rules.

The SIs mean that Scottish ministers could still not, for example, propose eligibility rules that restrict access to social security for EEA nationals. Since the Scottish Government would have no intention of doing that and regards access to social security as a fundamental human right, we have no difficulty in consenting to that, especially given the severity of the alternative, which would be to dismantle the legal right of EEA and UK nationals to social security protection across the EEA.

While that no-deal approach is far from a perfect solution—that is an understatement—it is at least welcome that the UK's default position on social

security is to continue to observe the rules, come what may from the Brexit process. It is for that reason that I invite the committee to agree with the view of ministers that consent should be granted to these statutory instruments.

**The Convener:** Thank you, cabinet secretary. That was very helpful in giving a context to what we are discussing this morning. Do members have any questions?

**Keith Brown:** I have a couple. I understand the cabinet secretary's point about how the instruments will restrict our freedom of choice, but only in respect of a choice that we would perhaps not choose to make. Nevertheless, it will restrict our freedom of choice and it seems appalling to me that we are being faced with that with only 70 days to go.

I have no substantive objection to the instruments, cabinet secretary, but can you confirm that the Scottish Government has seen them? Has this committee seen them? The briefing that we have uses the future tense, and says that they will be submitted

“to the Westminster Parliament Sifting Committees on 13 December”.

I am aware from my recent time in the Health and Sport Committee that not only was the Scottish Government's designation of SIs as category A challenged by SPICe—correctly, in that case, I think, although I am not sure that it is true in this case—but the length of notice that we got was not sufficient, and that committee had to agree to SIs that neither it nor the Scottish Government had even seen. They had just been given an understanding of what would be in them. It would be useful to get some background as to what status the instruments have just now.

**Shirley-Anne Somerville:** The Scottish Government has certainly seen the instruments. They are publicly available and we can ensure that the link is given to the committee, if that has not already been done. That is a UK Government aspect.

The instruments are exceptionally technical and run to more than 100 pages of technical amendments. For example, they take out any reference to member state, because that will no longer be the case. The amendments make that type of technical change around terminology that does not fit with a circumstance in which the UK is outside the EU.

**Keith Brown:** It would be useful to hear from Mr O'Neill on this: presumably, the UK Government could have done that months ago. The time that we have been in recess over Christmas has counted towards the 28-day period, which I think is wrong, albeit it has been agreed between this

Parliament, Westminster and the Government. It could have been done months ago, as far as I can tell. People are saying that there is not much time left to do it, but there is a reason for that. It is because the UK Government has not moved on it. Or am I wrong? Has something prevented it from being done before now?

**Stephen O'Neill (Scottish Government):** It is hard to dispute what Mr Brown says about that. As I understand it, there is nothing that would have stopped the UK Government taking action on it sooner than it has.

**The Convener:** I see that members have no more questions, but I think that it is worth putting a few things on record. Our clerking team is very good at identifying any challenges that have been made to proposed instruments and any issues that should be drawn to our attention. I can confirm that that is not the case in this respect, although I absolutely take Mr Brown's point about the 28 days. I should also say that the link to the statutory instruments is available.

With that, I thank the cabinet secretary and Mr O'Neill for coming along.

## Subordinate Legislation

10:26

*Meeting continued in private until 11:32.*

### **Scotland Act 1998 (Agency Arrangements) (Specification) (No 2) Order 2018 (SI 2018/1344)**

10:25

**The Convener:** Agenda item 4 is consideration of subordinate legislation. I refer members to paper 3, which is a note by the clerk. As the instrument is subject to the negative procedure, is the committee content simply to note it?

**Members** *indicated agreement.*

**The Convener:** The committee notes it enthusiastically, I see.

We now move to agenda item 5, which, as agreed at agenda item 1, we will take in private.



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